FABIAN REVIEW

The quarterly magazine of the Fabian Society
Winter 2022 / fabians.org.uk / £4.95



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FABIAN REVIEW

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Editor, Kate Murray Cover illustration, Katie Thomas Printed by Paragon Leycol, Dagenham, RM9 6BF Design designbysoapbox.com

ISSN 1356 1812 info@fabians.org.uk

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The final countdown

As we move closer to the next election, Labour is in a strong position. Now is the time to be ambitious, writes *Andrew Harrop*

T IS JUST three years since Labour lost the 2019 election in that devastating landslide. Few back then thought Keir Starmer could bounce back from defeat in a single parliamentary term. Expectations ranged from modernising but losing, in the style of Neil Kinnock, to another messy hung parliament. But here we are, entering 2023 under a fifth Tory prime minister, with Labour firm favourites.

As we tick off the days to a 2024 election, the party's big polling lead will no doubt narrow. The Tories' popularity plunge is driven partly by loyal Conservative voters refusing to tell pollsters they will back the party. But the Tories have also lost one in 10 of their 2019 voters straight to Labour, which bodes well, and in his early days Rishi Sunak has failed to revive Conservative fortunes. He will postpone election day as long as possible but Labour's lead won't evaporate simply through the passage of time. It will take a significant political event for the Tories to close the gap.

Being in the lead creates new challenges for Labour. Organisationally and financially, the party faces the test of fighting more than 150 marginal seat campaigns. Just considering that prospect should burst any bubbles of complacency. But there is a fine line to walk between presumption and paranoia. Timidity and defensiveness get sniffed out by electorates too.

Roy Jenkins said before the 1997 election that converting a Labour polling lead into electoral victory was like carrying a Ming vase across a highly polished floor. But Labour before 1997 had a policy-heavy programme and a clear political vision that earned it permission to go much further than its manifesto in the years that followed – especially on poverty, education and the NHS. We mis-remember the past if we think Labour can only win with minimal 'small target' politics.

The party's job is to show it has the direction and ideas to turn the country around. Our economic model isn't working, people are sick of the Tory status quo and

they have shifted to the left on economics. In fact, the constraints Labour needs to fear are economic as much as political – since an incoming Labour government will have to tackle a triple crisis of living standards, public services and economic growth.

After the Liz Truss implosion, Keir Starmer and Rachel Reeves will need a plan that is ambitious but tethered to fiscal reality. They can start with a long-term programme to grow and transform the economy. The party's two largest policy announcements to date – on green investment and employment rights – both lie in this territory, as do Gordon Brown's plans to decentralise economic policy.

Money for public services and fighting poverty will be needed too. The party must make plans to increase revenues without hitting low and middle-income Britain, by redesigning taxes on wealth and high incomes. But the reality is that the need for spending will far outstrip what can be raised until the economy is in a better place.

So in the short term Labour also needs a plan for low-cost socialism that offers maximum change for minimum public spending. There is a long list for a government happy to ditch Conservative libertarianism and regulate for the public good: public health, green energy, congestion, housebuilding and pensions could all be transformed within five years. And while most public service reforms demand more money, even without it Labour can still change many corners of the public realm – be that stronger political institutions, more effective sentencing and rehabilitation, or school curriculums and assessment that are built for the future.

Labour's prospects have not been better for years. If the party stays connected to the instincts of mainstream Britain it can win in 2024 with a big promise to rebuild and reform. There is no room for complacency but confidence, purpose and ambition are the watchwords now.

Shortcuts



HOME TRUTHS

Ending mortgage misery is core business for Labour — *Rushanara Ali MP*

A few years ago, Anthony King and Ivor Crewe published The Blunders of our Governments, a book cataloguing costly policy misjudgements ranging from the Suez Crisis to the poll tax. If ever a new edition of their book is written, then surely Liz Truss and Kwasi Kwarteng's fiscal experiment on 23 September, which crashed the UK economy overnight, will deserve more than a whole chapter to itself.

Their attempt to cut taxes for the richest, reverse corporation tax and national insurance increases, and throw extra cash at bankers – all of it uncosted – sent the pound into freefall, leaving it, at one point, at the lowest level against the dollar in history. The Bank of England says £1tn could have been erased from UK pension funds' investments if it had not stepped in. As the world looked on, the government's economic programme unravelled faster than an old woolly cardigan.

Billed as a plan for growth, it was instead a plan for chaos on the foreign exchanges, uncertainty in the housing market, and political turmoil which ultimately cost the prime minister and chancellor their jobs. The Daily Mail claimed the mini-budget would "jolt Tories into life"; instead it administered a lethal dose of reality, destroying whatever vestige of a claim to economic competence the Conservative party had. From now on, the Conservatives cannot be seen as anything but the party of economic illiteracy and instability; it is Labour who will have to clear up the mess they've left behind.

Truss's resignation will be cold comfort for those who have or are trying to get a mortgage. Figures from the Resolution Foundation, and Labour's own research, show that five million people will face a £5000 annual increase in their mortgage payments. Many lenders have redrawn products, making it harder to even get onto the ladder. Labour's analysis shows customers refinancing a two-year fixed mortgage will be paying £580 more per month on average, and up to £900 a month more in London. Make no mistake: homeowners are paying a Tory premium on mortgages, made in Downing Street by the Truss-Kwarteng mini-budget.

It is vital to remember that the people stuck in this mortgage misery are ordinary families up and down the country. Nearly two-thirds of households in the UK own their own flats or houses, with the majority paying a mortgage. Rising interest rates, flatlining wages, and increased gas bills were hammering hard-pressed homeowners even before the mini-budget. For millions the monthly mortgage payment is now a looming cloud on the horizon.

The legacy of Britain's shortest-lived premier is misery for millions, with indebtedness, poverty, and the real prospect of home repossessions. The party which once claimed to be the party of homeownership is today the party of eviction, debt, and shattered dreams.

There is a solution to this mess, but vou won't hear it from the Conservatives. no matter how often they swap the people at the top. The next Labour government will fix the imbalance between supply and demand by building more homes for sale and rent. Labour will also make it easier for first-time buyers to overcome the hurdle of colossal deposit demands through a mortgage guarantee scheme, and give them first dibs on new-build properties. We will raise stamp duty on overseas investors, who frequently buy whole blocks of new flats in constituencies like mine only to leave them empty. And, as Lisa Nandy has announced, Labour will invest in council properties to rent, drive out rogue landlords, and tackle the backlog of repairs in the rental sector. Labour's target is for 70 per cent of the population to be homeowners by the end of our

This will be possible against the backdrop of a stable economy, investment in jobs, skills and infrastructure projects, and a more reasonable balance between wages and house prices through increased supply, so that home ownership becomes

an entirely achievable ambition for the vast majority of people in the UK.

The Tories have shown what happens when ideology trumps common sense. When markets fail, the proper response is not to doubledown and wait for the invisible hand to fix things. It is to construct a public policy which works, is reasonable, makes sense, and has public support. Saving Britain's mortgage-payers from misery will be core business for the next Labour government.

Rushanara Ali is the Labour MP for Bethnal Green and Bow, and a member of the Treasury select committee



COSTLY NEGLECT

Tackling spiralling levels of fraud must be a priority—*Thom Brooks*

Fraud is the new crime pandemic in Britain. Forty per cent of all recorded crime is fraud, and around 40 million people were targeted in the first half of this year alone, with hundreds of millions of pounds lost each month. We have the highest levels of credit and debit card fraud in Europe by far. Yet less than 2 per cent of police resources are spent tackling it; unsurprisingly, only one in 1,000 reports results in a charge.

From phone and email scams to tax fraud and consumer fraud, the problem impacts virtually everyone. Yet all the Conservatives seem interested in is benefit fraud, which amounts to just 1.2 per cent of the the Department for Work and Pensions' welfare spending, a drop in the ocean compared to the other forms of fraud they neglect. And it is not only individuals who are affected – it is the public purse, too. In its annual report earlier this year, HM Revenue and Customs said funds lost to fraud included more than £1bn delivered through the coronavirus support written off by then chancellor (and now prime minister) Rishi Sunak. If there was even a partial recovery



of funds lost to fraud, it could make a significant contribution to supporting public services.

Yet the Tories continue to deny the problem. Last February, then Business Secretary Kwasi Kwarteng claimed that fraud was not a 'crime that people experience in their day-to-day lives'. Nobody need take my word for how wrong he is about this. Earlier this year, Treasury minister Lord Agnew resigned from the despatch box in the House of Lords accusing Sunak's Treasury of having 'little interest in the consequences of fraud to our society' and making 'schoolboy errors' that cost taxpayers dearly. If the government's own minister can acknowledge that this crime pandemic has been made worse by the Tories, so should all of us.

Labour must make tackling fraud and economic crime a priority in its plans for government. I recommend four policy proposals to achieve this goal.

First, Labour should adopt a 'zero tolerance' approach to fraud. Any government taking its responsibility to make good use of taxpayers' money seriously should commit itself to ensuring no fraud is written off. Such a policy could be enacted on day one of a Labour government to put an end to the plague-like growth of fraud under the Conservatives.

Second, Labour should create an anti-fraud commissioner. There are many different organisations involved in tackling fraud, including the Serious Fraud Office, the National Crime Agency's Economic Crime Command, the City of London Police, UK police forces, HM Revenue and Customs, the Financial Conduct Authority and the National Economic Crime Centre.

They cover a wide range of sometimes overlapping remits; an anti-fraud tsar could provide a much needed focal point, sharing expertise and experience across the enforcement network. To improve accountability, an anti-fraud tsar could be required to present an annual report to parliament about anti-fraud efforts across all agencies, providing improved monitoring of anti-fraud efforts.

Third, Labour should establish 'failure to prevent' as a criminal offence to ensure companies are held to account for criminal activity that their business facilitates or complicity, as recommended in October by the House of Commons' Justice Committee. This would be an important preventative measure: we should be tough on fraud, but also tough on its causes – and a large volume of fraud is perpetrated from abroad or through third parties, such as email and social media platforms. Punishing complicity would help prevent more cases of fraud in the first place.

Finally, Labour should improve support for fraud victims. Fraud can be devastating emotionally as well as financially and it is still far too difficult for those affected by fraud to obtain specialist support. Labour should introduce a minimum standard of care that fraud victims can expect to receive and ensure all police forces in England and Wales work with appropriately trained victim care units within a year, as also recommended by the Justice Committee. Labour should also help to alleviate the stress of falling victim to fraud by making it easier for victims to follow progress on their case.

Britain is facing a plague of fraud that is rapidly getting worse. Its impact is

widespread and costly. After over a decade of complacency – epitomised by Sunak's actions as chancellor – Labour has the chance to show the public that we are ready to make the UK a hostile environment for fraud and deliver better security for the British public. **F**

Thom Brooks is professor of law and government at Durham University and a member of the Fabian Society's executive committee



A FAIRER PATH

Labour should leave the tuition fee debate to one side and reform the student maintenance system instead — *Eloise Sacares*

The average full-time university student in England today will graduate with £45,900 of debt. This huge burden is the end result of two decades of debate about how to fund higher education, dating back to 1998 when the New Labour government introduced tuition fees.

Labour hoped to use tuition fees to fund more university places, and, in doing so, to relegate the idea of higher education as a preserve of the elites to the past. In 2010, the Lib Dems under Nick Clegg pledged to abolish fees, but upon entering coalition with the Tories, ended up trebling them to £9,000 a year instead. This decision caused mass protest, recast the previously popular Clegg as the personification of an untrustworthy politician, and contributed to the Lib Dems' subsequent electoral near wipeout. Seven years of Tory rule later, many thought that the conversation was over, until Labour's 2017 manifesto boldly pledged to abolish fees entirely at a cost

But all this debate masked the fact that tuition fees now account for only a part of student debt. Around 40 per cent of the debt comes instead from maintenance loans, which are paid out directly to students and used to cover accommodation, food, and other living expenses. Labour's 2019 manifesto did propose re-introducing means-tested maintenance grants, but there was scant detail about eligibility and

the level of support, and, crucially, the plan failed to create headlines to the extent that tuition fee abolition did. Three years on from the 2019 election defeat, Labour must adopt a different approach to reforming the student finance system: with difficult spending choices to make, maintenance grants, rather than tuition fees, should be the party's focus.

The maintenance loan system as it currently stands creates huge disparities in the level of debt a student will accumulate based on their household income. While those from families with the highest parental income are only eligible to borrow around £4,400 per year (with parents expected to make up the difference), the poorest students are eligible for £9,488. This may seem progressive on the surface – however, in a system that is almost unique by international standards in containing no grant support, this actually means lower income students are simply saddled with more debt at the end of their degree, whilst still living on an income lower than the minimum wage during their studies. Furthermore, those whose parents may be technically able to support them but do not do so face abject poverty. The system is simply inadequate, particularly given the current cost of living crisis – a recent NUS study found that one third of students have less than £50 a month to live on after paying rent and bills and 11 per cent are using food banks. An Office for National Statistics survey last month found more than nine in 10 students were worried by the cost of living, with 45 per cent saying their mental health had suffered as a result.

By introducing maintenance grants that cover the vast proportion of the living costs of the poorest students, Labour could eradicate a significant proportion of their graduate debt, while simultaneously dramatically improving their standard of living. Every university student living away from home should be eligible for £13,300 of student finance (the annual salary based on a 35-hour work week, on the National Living Wage, for the 40-week academic year), with more available to those studying in London. Similar to the current system in Wales, everyone would receive part of this as a grant, but the proportion of grant to loan would be based on your household income, with lower income students receiving significantly more grant support. The proportion provided as a grant could be steadily increased in future years to slowly reduce the quantity of debt that students graduate with.

This policy would also ensure that under a Labour government, no university student would have to work alongside full-time study (which is already actively prohibited by top-tier universities such as Oxford and Cambridge). It would lower the opportunity cost of education compared to full-time work and significantly reduce debt for the poorest graduates. This is particularly important given that debt has been shown to deter entry into higher education for those from lower income households. And at the next election, scrapping the promise to abolish tuition fees would reduce the risk of Labour being viewed as fiscally irresponsible.

No student should have to live on an income less than the living wage simply because they chose to go to university. If Labour truly believes in a right to higher education for all that wish to pursue it, it must make a fairer maintenance system a priority. We need a policy on student finance that is progressive but sensible, and which raises standards of living while tackling graduate debt.

Eloise Sacares is a researcher at the Fabian Society



RADICAL REALISM

Labour and the unions need a shared understanding about how pay will grow — *David Arnold*

In The Contentious Alliance, historian Lewis Minkin talks about the central role of shared historical projects in binding unions to the Labour party. Although there are well understood transactional aspects to the alliance, it is the shared commitment over time to trade union rights, employment protections and progressive economic and social policy that has kept party and unions broadly united as a coherent movement.

Improving pay for working people has, of course, always been an instrumental component of this project, to be achieved by both the unions themselves through voluntary collective bargaining and through policies enacted by enlightened Labour governments. As the party and affiliated unions contemplate the challenges that

an incoming Labour government will face in 2024 or sooner, it is important to reflect afresh on this historical goal and develop a shared understanding about what needs to happen for pay to increase meaningfully in the years ahead.

The context is one of flatlining wages that have seen the incomes of people in the UK fall significantly behind those of workers in comparable countries. Analysis for the Resolution Foundation Economy 2030 inquiry shows that wages grew by an average 33 per cent a decade from 1970 until 2007, but then fell to below zero in the 2010s. The result is that by 2018, typical household incomes were 16 per cent lower in the UK than in Germany and 9 per cent lower than in France – having been higher in 2007. With current levels of inflation far outstripping pay settlements, this situation is likely to have deteriorated further by the time of the next election.

Many of the potential solutions advocated by the opposition frontbench will be popular with trade unionists. Rachel Reeves has announced that on day one as Labour chancellor she will write to the Low Pay Commission with the instruction that the minimum wage should be set at a level that reflects the cost of living, and Angela Rayner's New Deal for Working People has set out a comprehensive package of commitments on trade union and employment rights that have collective bargaining and sector-level fair pay agreements at their core.

But, in some respects, these measures can only provide part of the solution. The more difficult part is to construct effective policies that deliver higher sustainable growth and improved productivity – and to re-connect economic success with higher pay. It should come as no surprise that just as UK household income is falling behind that of France and Germany, so the economy as a whole faces a worsening productivity gap with these countries.

Again, a good start is being made with Labour's industrial strategy and its commitment to create better jobs and forge a more grown-up relationship with our largest trade partner, the EU. Other non-party initiatives such as the Resolution Foundation's Economy 2030 Inquiry also promise new analysis that should help frame better policy options for the period ahead.

But addressing wider structural economic challenges will be complex and take time. The question, therefore, is how to stay the distance, especially in such challenging economic times. Nobody should need to be reminded about how contentious the alliance between Labour and the unions

became under similar circumstances in the 1970s

To this end, the labour movement as a whole will need to combine radicalism with realism. The unions themselves need to acknowledge that collective bargaining and industrial action have their limitations when it comes to increasing pay and forging a more pro-worker economy. Collective bargaining remains meaningful in legacy heartlands, and it can expand in the future. But, even without anti-union legislation (which Labour will scrap), current low membership, poor organisation and the absence of initiatives to unionise growth sectors of the labour market will mean the movement has to be patient. Outside of public services, four of the five sub sectors projected to grow most jobs over the next five years (hospitality, support services, professional services and IT) are in the bottom five in terms of trade union density.

Labour, for its part, should make pay growth an explicit goal of industrial and economic policy and institutionalise this objective, including making it a central mission of the Industrial Strategy Council. It will also need to continually demonstrate progress on public sector pay, even if initial increases are merely a 'down payment' accompanied by a genuine plan to repair the damage done to people's incomes since 2010.

Keir Starmer said at this year's TUC Congress that collective bargaining and trade union rights are not barriers to higher growth and productivity, but that they go hand in hand. It's now important that the movement as a whole rises to the challenge and demonstrates this to be true.

David Arnold is a policy officer at UNISON. He writes here in a personal capacity



HIGH TIME

We need to put communities in the driving seat of high street renewal — Nick Plumb

The Labour party kept its head down as the Conservative party psychodrama played out over the summer and autumn. The party is now consistently ahead in the polls. For many, this is rationale for a 'small target' electoral strategy – the minimalist approach adopted by the Australian Labor party in the run up to Anthony Albanese's victory in May. But as the next general election looms into view, and a new, less obviously chaotic prime minister takes office, there

is an increasing need for Labour to put forward a vision for the country. It needs this vision to tie together the policies it has announced, and it needs new policies which demonstrate this vision.

One area where Labour has begun setting out its stall is on high streets policy. The salience of the high street for Labour-Conservative switchers in the 'red wall' was identified by Deborah Mattinson. Keir Starmer's strategy director, in her book Beyond the Red Wall. Data from the Local Data Company collated for Power to Change shows that many of these battleground constituencies have persistent high street vacancy rates well above the national average.

As a result, Labour's offer on high streets will almost certainly play a role in determining the outcome of the next general election. The party understands this. On the hottest day since records began, Lisa Nandy announced Labour's intention to introduce a community right to buy, something Power to Change has long advocated for. This new power would give communities first refusal on assets of community value, including long-term vacant high street property. Rachel Reeves has said that Labour will overhaul the business rates regime and replace it with something new. Lord Jim O'Neill is leading the party's 'start-up review', which "will explore how to ensure start-ups can thrive and grow in Britain".

Taken together, there are the makings of a tangible approach to high street renewal here. However, there is more to be done. Take, for instance, Nandy's community right to buy policy. In her speech in Darlington, the Shadow Levelling Up Secretary made the case for community ownership: "We're providing places with an asset base which will in turn help them establish strong, sustainable community businesses." Nandy recognises the importance of investing in people and places, and in ensuring that this investment provides communities with revenue they can reinvest for the common good. Providing places with this asset base will be vital in helping Labour deliver its vision of 100,000 new start-ups over the course of the next parliament. Importantly, though, Labour needs to integrate this policy into a larger vision, providing a clear story to tell the electorate. This story should be one of community empowerment; one that drives power out of Whitehall and into our neighbourhoods.

It is a vision which can answer the call to 'take back control' which has underpinned so much of our politics in recent years. Indeed, polling for the We're Right



Mohammed Omar Rashid/Unsplas!

Here campaign shows that almost three quarters of 2019 Conservative voters believe that the government needs to give people more say over decisions that shape their communities to deliver on the spirit of the Brexit vote.

How can Labour build this vision into its approach to high streets policy? The community right to buy is a good start; a high street buyout fund is a vital next step.

This fund would push back against unmoored, distant, irresponsible owners on the high street with little stake in the future of a place. The fund would compete with private investors, moving quickly to purchase important high street buildings – from old department stores to vacant music venues – and transfering them into community management and ownership over time. £100m of government grants could leverage a further £250m of private and social investment, demonstrating that Labour backs business and that it is serious about getting bang for its Treasury buck.

The relatively small sum of £100m could be raised through an online giants levy or a tax on long vacant, overseas-owned high street property. Both big online retailers, like Amazon, and those involved in landbanking undermine the social fabric of our towns. A high street buyout fund paid for by a levy on these players would show voters whose side Labour is on: that of the ordinary voter, who cares about their town centre and wants to play a role in making it better. **F**

Nick Plumb is head of policy and public affairs at Power to Change



ROOT CAUSES

The cost of living crisis is about the cost of housing — *Osama Bhutta*

The country is in the grip of a cost of living crisis. In response, the government has thrown money at the energy sector – all while firms producing a vital product which people cannot afford declare record profits. Predictably, this energy bailout is now being used to justify the usual toolbox of spending cuts, this time with added tax rises.



The government's response misses the root of the problem, but those critical of the government's policies often do too. The focus has rightly been on the terrible choices people are making between necessities, but only some necessities, mainly food and heating, seem to count. Strangely, the largest outgoing in many people's monthly budget is barely talked about: rent.

Rents have been rising along with inflation and interest rates. Median rents listed by estate agents across the UK are up 12 per cent in the last year, and up 28 per cent from the average asking price in 2019. Young people, those on lower incomes, and many more to the tune of 11 million people have been scrambling for ever fewer, often poor-quality rentals. Paying up to half your income on rent has been typical for years, with some paying even more. This sizeable bite into incomes is what means people can't afford food and heating: it is the high cost of housing which is making a tin of beans unaffordable.

The rental market status quo was always going to leave people vulnerable to global shocks. Housing is a vital part of our national infrastructure: when it is solid, it gives us resilience to whatever wars and viruses the world outside might throw at us. But even before the war in Ukraine, people in the UK were working full-time jobs and still couldn't warm their homes, feed themselves, and keep a roof over their heads. In the years to come, climate change may mean more unpleasantness coming our way. Whatever the acute problem happens to be at any given time, its impact on people's living standards will always be intrinsically tied to their living situation.

The terrible irony is that housing is one of the few things we have control over. We can't do anything about which countries Vladmir Putin invades; we can't force the Saudis to cut oil prices; we can't fix Chinese supply chains. But we can take control of our housing. That's why it is crucial to get everyone into a decent, safe and affordable

home as a matter of urgency. For decades now, we've conducted a dangerous experiment in this country through our overreliance on the private rental sector. We must state the results clearly: it has failed.

What we need now is a new generation of social housing to replace what we sold off. That was the promise when Right to Buy was brought in, and it was not kept. The government urgently needs to make funding available and fix land and planning regulations which make building new social housing prohibitively expensive.

Fixing our broken housing market won't only help renters. While we are often too quick to treat economic growth as an end in itself, forgetting that the purpose of growth should be to make people's lives better, it is still important. Insofar as we do aim for growth, this goal is dependent on us fixing housing policy. When we talk about engines of growth like education and research, we go some way to recognising that it is the ingenuity of the British people that will take the ashes of our post-colonial, post-financialisation, post-covid country, and come up with a new way of doing things. Our people will not have the headspace to do this while they are worrying about whether they will be able to keep themselves and their families in a home next month. By wiping away these anxieties we can unleash our country's potential. Our delivery of these homes will not just make us resilient in the face of future events; it will get the nation on the front foot and ready to shape that future.

Doing this will not be expensive. Around 0.5 per cent of GDP would be enough to hit the consensus estimate of 90,000 new social homes per year for the next decade or two. When justifying austerity, the government has often lurched towards a disputed comparison of the state's budget to that of a household. Yet, through their short-term cost-cutting, they have ensured that many households can't afford a house.

We have commodified housing in the last few decades. We know about house prices, but not their true value. People talk about their property portfolios as their pension. The stock of social and council housing in this country is our collective future. The best of this housing which we once had was sold off and created the housing emergency we are now living through. If we are to withstand future crises, it is time to rebuild our assets.

Osama Bhutta is director of campaigns, policy and communications at Shelter

Starmer's choice

Seismic political shifts can reshape the nation. It's up to the Labour leader to seize the moment, writes *Francis Beckett*



Francis Beckett is an author, journalist, playwright and contemporary historian, and a lifelong Labour party member. His new play, Vodka with Stalin, will be at Upstairs at the Gatehouse in Highgate, London from 15 to 19 February. Tickets from upstairsatthegatehouse.com

URING THE 1979 election, James Callaghan told an aide: "There are times, perhaps once every 30 years, when there is a sea change in politics. It then does not matter what you say or what you do. There is a shift in what the public wants and what it approves of."

He thought he was in the middle of one of them, and he was right. I reckon there were five such moments in the 20th century, and Keir Starmer could well be swept to power in the first of the new millennium.

If that's right, what should he do with it? He could learn something from the use to which the five previous beneficiaries put their landslide victories.

The 20th century's five were the Liberal landslide of 1905 and the Conservative one of 1931; Attlee's Labour landslide in 1945, Thatcher's Conservative one in 1979, and Blair's for Labour in 1997. These are moments, not just of a change in government, but of a change in what is politically possible. They have enormous potential, if the party that benefits is ready to grasp it.

The Liberals in 1905 were led by Sir Henry Campbell-Bannerman, one of the greatest radical reformers ever to occupy 10 Downing Street, second only, in my view, to Attlee. He thought the poverty to be found in Britain's cities made the nation's wealth valueless.

He introduced the first free school meals, strengthened the power of the trade unions, established supervision within the community for young offenders as an alternative to prison, and extended compensation for industrial injury. The first old age pension was put in train by Campbell-Bannerman just before his death in 1908, and his successor Herbert Asquith and Chancellor David Lloyd George then produced the famous 1909 People's Budget, imposing unprecedented taxes on the lands and incomes of Britain's wealthy to fund social welfare programmes. Campbell-Bannerman and Asquith made the most of the new mood that had given them office.

The 1931 National Government (essentially a Conservative government) decisively ended the tentative moves towards greater equality, and the poor became even poorer than they were in the previous decade. It restored the status quo, which was then dramatically shattered by the century's third political sea-change, Labour's 1945 victory.

The Attlee government took over where Campbell-Bannerman had left off. The NHS, council housing, the welfare state, nationalisation of key industries, and the implementation of the 1944 Education Act were responsible for the most dramatic improvement in the quality of life of ordinary people under any government, before or since.

We lose sight of that, because we can no longer talk to people who were adults in the 1930s. But I remember my grandmother, who wrote like a five-year-old because she had never been taught properly; and who, in the 1930s, widowed by the first world war, kept a jar full of pennies on a shelf, against the day when one of her daughters might need to see a doctor.

The Attlee government turned us into a civilised society. Thirty-four years later, in 1979, the Thatcher government set about turning us back again, and at least partially succeeded. And in 1997, another sea change put Labour and Tony Blair in charge with an even bigger majority than Attlee's.

The Blair government did do a few useful things, such as the minimum wage, and it was a lot better than having another Conservative government. But it did not seize the opportunity, as Campbell-Bannerman, Attlee and Thatcher had all done, to turn the super tanker round. It seemed to believe in the essentials of Thatcherism, such as that there is nothing the public sector can do that the private sector cannot do better, and that trade unions should be kept firmly in their place.

Keir Starmer's expected 2024 victory could be the first sea change of the new century. So whether Starmer is an Attlee or a Blair matters terribly.

Attlee's politics were rooted in the poverty he had seen in East London. He believed capitalism had made a brutally unfair society, and the job of a Labour government was to unmake it, and make a fair society.

I'm told Starmer talks much more to Gordon Brown than he does to Tony Blair, which is encouraging. Interviewing him for the New European in 2020, I came away with the impression of a man who is instinctively radical. Despite his brutal treatment of the left, he has quietly kept on some of Corbyn's staff, and Corbyn adviser Andrew Fisher wrote in LabourList that Starmer's conference speech "owed more to former shadow chancellor John McDonnell or former leader John Smith than Tony Blair."

Blair could never have said, as Starmer did in Liverpool: "If they want to fight us on redistribution, if they want to fight us on workers' rights... we will take them on – and we will win".

Starmer's team announced a National Wealth Fund putting public investment into new industry and taking a public stake – creating new publicly owned industries. Shadow Levelling Up Secretary Lisa Nandy said the next Labour government's mantra would be "council housing, council housing, council housing," "No more buy-to-let landlords or second homeowners getting in first," said Starmer.

"Don't forget, don't forgive" the Tories for cutting taxes for the rich, he said, a change from the days when Peter Mandelson was "intensely relaxed about people getting filthy rich." Starmer says he will tax the rich, repeal anti-union laws, regulate landlords and water companies, and partly bring the railways and energy into public ownership.

But there will be siren voices to tell him that, desirable as these things might be, we are in an economic crisis, and radical measures will have to wait. Those same voices were there in 1945, and no economic crisis today

can match the war-wrecked economy Attlee inherited. And he had not been in office two months when President Truman abruptly ended lend-lease, the system by which America could supply its allies on the never-never. To stave off complete collapse, Attlee sent Maynard Keynes to Washington to negotiate a loan, a task made harder by the horror with which many in Congress regarded Attlee's programme.

Now the job Attlee did will have to be done all over again. Does Starmer have the fire that burned discreetly beneath Attlee's three-piece suit?

His politics, like Attlee's, are rooted in hardship – that of his own family. As a young lawyer he went to the picket lines during the print unions' dispute with Rupert Murdoch's News International. When I interviewed him, I asked him about education – not his specialist subject, but he knew where he stood: "I'm a supporter of comprehensive schools and our boy has just gone to a comprehensive school and it is where our daughter will go."

To be an Attlee, he needs Attlee's discreet but rock-hard self-belief. Attlee's decision-making was like a steel trap. He never revisited his decisions, and he claimed never to have lost a night's sleep over a decision. He was "the best butcher since the war" wrote Harold Wilson. A famous Attlee story has a minister answering a summons to see the prime minister to find that he had been called in to be fired. What was wrong, he asked? "Not up to it" said Attlee, and that was that.

Starmer looks as though he may have that, though so far his ruthlessness has only been evident in his relentless and merciless war on what remains of the Corbyn faction.

He will need another Attlee quality: a genuine belief that he is nothing without the Labour Party. Attlee once wrote to Harold Laski that he had "neither the personality nor the distinction to tempt me to think that I should have any value apart from to the party which I serve." Tony Blair, on the other hand, claimed in his memoirs to have built a link with the people over the head of his party.

And Starmer? Ask me again when he's been prime minister for a while. But he sounds grounded. I'm hopeful.



Now the job Attlee did will have to be done all over again. Does Starmer have the fire that burned discreetly beneath Attlee's three-piece suit?

Showing ambition

Keir Starmer has some big choices to make about the government he wants to lead. *Karl Pike* argues for a plan for 'good Labour things'



Karl Pike is a lecturer in public policy and British politics at Queen Mary University of London

EIR STARMER'S POLITICAL stances have been significantly shaped by the context of his political career so far. As the Labour spokesperson during Brexit, Starmer adapted to a rapidly changing - and polarising – context, ultimately emerging as a voice for Remain. During the leadership contest following Jeremy Corbyn's exit, Starmer embraced the Labour politics of the moment: keeping it 'radical' but adopting a different political style. Since then, the context for the leader of the opposition has shifted continuously. A global pandemic meant a different leadership model for Starmer. A '1945 moment' was posited, briefly, by Starmer, but 'rebuilding' after Covid has since faded. Boris Johnson's populism saw the Labour leader stress his reputation for being more statesperson-like. 'Seriousness' became the new 'radical'. Where are we now? In the face of the Tory tumult of recent months, Starmer has been clearer. His Labour party conference speech showed a broadly social democratic reaction to Liz Truss's short-lived political programme, and the Conservative tax cut for the highest earners, since abandoned, reintroduced more radical rhetoric: these were "tax cuts for the richest 1 per cent in our society. Don't forget. Don't forgive".

Yet the other line Starmer introduced, and has repeated since, is that economic chaos 'means not being able to do things – good Labour things – as quickly as we might like'. This incrementalism has some negatives. While decrying the Truss plan, Labour backed one of the larger tax cuts (to national insurance contributions) and the smaller cut to the basic rate (which was abandoned). Was Labour unable to do 'good Labour things' because, while it didn't approve of tax cuts for the richest, it did approve of cutting tax more generally?

Now Truss is no longer prime minister, and Rishi Sunak is – at least for the time being. Starmer will react to Sunak too, calibrating a Labour message at a time of 'difficult decisions', and public services, across the board, feeling squeezed and underfunded. Alongside 'seriousness' – which both leaders will seek to own – there are big political choices and arguments to be made: choices about tax, about public spending, and about Britain's economic and social future. Politics is always ideological, and in this period profoundly so. What should Labour's offer be?

I am not fond of the rhetorical device that Labour won't be able to do 'good Labour things' within a timescale it thought previously reasonable. I understand the politics, of course – it is a signal to counter perceptions that Labour spends too much money, and suggests that it is therefore willing to sacrifice some of its ambition. Yet, to reflect on the relationship between socialism and priorities – inspired by Nye Bevan's famous rhetoric – prioritisation shouldn't mean ditching your priorities, nor doing middling or average Labour things. It means making political decisions on the basis of your priorities. That requires comprehension of the wider political and ideological context.

The Conservative party is on the back foot, down in the polls and seeking the benefit of the doubt from the public. Ideologically, they are deeply divided. Not since the early 2000s – when Labour consistently attacked them for wanting to cut services - has the Conservative party been so uncertain about what it is for. This is an opportunity for Labour to really affect the political agenda again; to push for a more social democratic direction at a time of Conservative defensiveness and uncertainty. To do this means being very clear what the big ideological choices are, and to offer policy positions which embody the right choices. To pick some of the most important ones: if we want better public services, they need to be better funded through fairer taxation; to curb emissions and switch to renewable energy means big public investment; to grow the economy means an economic environment conducive to what the British economy does well, while planning for the longer term. Laying the ground for 'good Labour things' has the short-term benefit of affecting the agenda before the general election. It also has a longer-term benefit, where a Labour party - sure of what it wants, and why - can boost its chances of delivering change and seeing more than one term in office.

Tax and public services

From around 2008 to 2016, 'austerity' appeared to be the most powerful idea in British politics – not universally popular, of course, but a powerful political argument. As the academic Liam Stanley has pointed out, the

Conservative party argued for austerity with a 'moral' element: that debt was wrong, and the political priority of the moment was to pay it back. In Sunak's first speech as prime minister, in Downing Street, similar language was employed. "The government I lead will not leave the next generation, your children and grandchildren," Sunak said, "with a debt to settle that we were too weak to pay ourselves." Since the implosion of the Truss government, 'austerity' has returned as a topic of discussion. A gloomy economic outlook will mean everyone 'tightening their belts'; other similar stock phrases will no doubt reappear. Labour's response to this will, understandably, be informed by experience as well as

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(hopefully) current evidence, such as public attitudes to government spending – which, according to the British Social Attitudes survey, show majority support for higher taxes and more spending. The Conservatives attempting a return to a 'proven' script before the next election (after which spending reductions are planned), which seemed to be so effective in the last decade, will naturally lead to some concerns for Labour – but more importantly, there is a danger the Labour party places ideological constraints on itself, without pushing back on the different political choices that can be made.

Foremost among those choices is taxation. Mervyn King, former governor of the Bank of England, is one figure among many arguing that it is not sustainable to want European levels of spending and services with US levels of taxation. And the current state of public services – including the impact of the pandemic – adds a short-term, urgent dimension to that longer term argument. At the time of writing, the British Medical Association's analysis of the NHS backlog is sobering. There are more than 7 million people on the waiting list. The number of people with A&E waits of over 12 hours is at a high. The targets for treating cancer, including GP referrals and treatment, are being missed. Prior to this year's autumn statement, headteachers were talking about nightmarish squeezed budgets at a time when they want to do much more for children suffering both from the cost of living crisis and the after-effects of the pandemic on their education. As well as the 'reform' politicians – rightly – want to discuss, public services need sustainable funding to improve and strengthen what they offer to people.

So where is that money to come from? It feels, politically, like a long time ago now, but as recently as April 2021 the International Monetary Fund was calling for increased taxation on wealth to help fund the recovery from the pandemic. The rhetoric of 'building back better'

has gone, in part because of Russia's horrific invasion of Ukraine and the disruption caused to global energy markets, necessarily switching immediate political attention to other problems. Inequality – so starkly revealed during the pandemic – remains. As do the challenges of returning to the levels of public service people should be receiving, and working on ambitions for a healthier, more equal society. Reform of the tax system is essential policy for Labour, and I think there is an argument for a two-step process. The first is a one-off wealth tax to provide an immediate funding boost to the NHS and schools. Labour successfully made the case for a windfall tax on oil and gas producers to help fund a short-term energy support package. A similar case can be made for a one-off wealth tax, the design of which could take a number of forms.

This short-term, immediate measure should be followed by permanent reform of the tax system on the basis of consultation and evidence-gathering in office that would help fund the government's day-to-day spending and reduce economic inequality. The shadow chancellor, Rachel Reeves, argued in her 2021 Labour conference speech that, when it comes to public services, "how we pay for them is a test of our values". She talked about the tax paid on a public sector salary compared to the lower tax rate paid by 'someone making many times more from buying and selling stocks and shares' - in other words, the significance of taxing wealth. Reeves made a commitment to a fairer tax system, and an examination of every 'tax break'. This was an important declaration in 2021, but it is even more important now. Labour has joined, once again, a debate about levels of public spending and how to pay for the things we all value.

The Conservatives, it seems, may seek to frame the choice as one of 'strength' and 'weakness', with the politics of refusing to cut public spending (alongside some tax increases) linked with the latter. There is no need for Labour to accept this framing. If the choice is between cutting public spending and bolder tax reform – with more tax coming from those who can afford it - then Labour's choice should be the latter. The party is already moving in this direction, with changes to 'non-dom' rules and private school charitable status being used to bring more funding into the NHS and state schools respectively. After what people have experienced over recent years, and the challenges that are ahead, the choice is about right and wrong, both ethically, and for the economic and social strength of the country. It is not only about changing policy, but shifting the argument, potentially for a long period of time.

The climate emergency and Britain's economic future

On green investment and Britain's response to the climate emergency, Labour has made the bold and right choice. Its green new deal of £28bn a year in investment is the source of a number of innovative policies and ambitious targets, including 100 per cent clean energy by 2030. The plan is also connected to increasing private investment, creating jobs, and providing increased energy security. The climate emergency is so pressing that no political movement can really be too ambitious – Labour's plan could, still, be bigger and better. But it shows the right



Now is the moment to make the argument for responsibly funding public services and challenging the inequalities of our society

priorities, has an effective spokesperson in Ed Miliband, and emphasises a significant policy difference with the Conservatives (at the time of writing, the prime minister had just u-turned over attending Cop27, the climate conference taking place in Egypt).

In addition to this essential change to Britain's economy and infrastructure, Labour needs to be ready to create conditions that help, rather than hinder, the prospects for Britain's economy. In its report for the 2022 Autumn Statement, the Office for Budget Responsibility reaffirmed its assessment of Brexit, with an assumption of 'trade intensity being 15 per cent lower in the long run' than if the UK had remained a member state, and adding that the evidence up to this point indicates that leaving the EU 'has had a significant adverse impact on UK trade'. Brexit is, obviously, not the source of all of Britain's economic problems. Yet nor, so far, is it in any sense a solution to them - indeed, it is a negative. Rachel Reeves has suggested that Labour can "fix the holes in the government's patchwork Brexit deal", offering examples like easier travel for those working in creative industries.

Starmer, reacting to Truss's apparent abandonment of 'levelling up' rhetoric, suggested that 'the Tories are changing the meaning of Brexit before your eyes'. It's certainly true that alongside big tax cuts, Liz Truss and her supporters viewed changes to some EU-derived regulations as a thoroughly positive Brexit bonus, even though such changes seemed some distance from people's everyday lives. Yet, it is increasingly clear that the 'meaning' of Brexit is broadly one that makes Britain's economic reality tougher to manage, and not easier. That was predicted, and so it has come about. Labour cannot embrace its own version of the belief – a potent one within the Conservative Party - that Brexit cannot be flawed because of its symbolic role within contemporary party politics. A start would be to move further on 'fixing the holes', working from the day-to-day issues the British economy and British businesses are facing. But the illustrative examples that Labour can offer for changing the Brexit deal - eg the visa mentioned above - will only go so far as an election nears, particularly as the two parties compete on the terrain of growth. Bigger change requires manifesto detail and the mandate of a general election victory – and much bigger change is required.

An ambitious offer

There is a tempting political argument, in the current context, that says Labour needs to be very cautious. That Liz Truss tried bold, and her administration collapsed, with much former Tory support heading Labour's way. The strategy, according to this approach, is clear: say you will be ambitious, but also say you won't be able to do everything you want, keep the detail vague and focus on tactical victories. This is a recipe for 18 months of being critical of the Conservatives, while talking of 'tough decisions' and caution. This idea might be attractive, but I think it's wrong for two reasons.

The first is that the Conservatives have not been in a weaker ideological position since the early 2000s. Since 2008, the Conservative party has set much of the agenda, even if – at times – it has been a chaotic one. That is not the case now. So now is the moment to make the argument for responsibly funding public services, challenging the inequalities of our society and focusing on the medium and long-term challenges for Britain's economy and security. As economist Thomas Piketty argued, inequality always needs to be explained, because it is a political choice. Over a decade ago, the Conservatives justified austerity (and continued inequality) in part through blaming Labour's record in office. This time, they can't do that. What is their argument for – broadly – maintaining the UK's current economic and social trajectory?

The second reason is the importance of using office to deliver quickly and maintain control of the agenda. If Labour wins the next general election, the only clear part of its economic programme is the green new deal investment. To have a mandate to transform the country and consolidate the party's agenda requires more ambition in opposition, and a little less ambiguity on the big ideological decisions. Such a stance would set a path not just for the first couple of years, but for more than one term of a Labour government: one that knows what it wants to do and why it wants to do it. Clarity of thinking now will help a future Labour government maintain its focus during the inevitable trials of office by providing an overall project: fairer taxes to fund stronger public services and achieve a more equal society; green investment to create jobs and tackle the climate emergency; Brexit honesty to begin fixing the obvious flaws. All 'good Labour things'. F

Why Starmer can't be Blair

Times have changed and with it the economic consensus, writes *Ciaran Driver*



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TRITING LAST YEAR in the Spanish newspaper El Pais, historian Paul Preston worried that the Labour party was at risk of emulating the mistakes of the Spanish left in the 1930s. He compared the politician and trade unionist Largo Caballero, who resisted participation in the Popular Front government before the Franco coup of 1936, to those in Labour who are dismissive of the Starmer leadership. Confronted with such warnings, the divisions of the British left are indeed worrying.

They are also needless. Whatever the left may fear, the economic consensus has shifted so dramatically since 2008 that Starmer cannot be another Blair. Like New Labour, Starmer is careful to position himself firmly within the boundaries of mainstream economic thought; but in the post-financial crisis world, this will almost inevitably place him to the left of the Blair and Brown governments.

Of the many victories that supporters attribute to the Blair years, most of the enduring ones are political, including Northern Ireland. Economic policy gains were mainly to do with attempts at redistribution and welfare reform, an impetus that carried on and was strengthened in the Brown years. Many of the distributional gains – or allocation of resources with distributional consequences – were genuine, humane and important. However, they proved relatively easy to reverse and only some, such as the minimum wage, have survived in any recognisable form.

Distributional gains were easily reversible because they were not embedded in a transformed economy. To a large extent this is because the Blair and Brown administrations were not open to challenging the dominance of market solutions and were wary of industrial planning, with the result that private investment lacked the coordination it needed to grow. It is not even clear that social expenditure was, as some have argued, contemporaneously funded by higher GDP growth. That claim is only be true to the extent that the pre-2008 boom was based on genuine output rather than fictional profits declared by early booking of unsustainable income streams: the finance industry but also some business services are prime examples of the latter.

While it is important to recognize both the successes and the limitations of the Blair-Brown period, the charge that Starmer is planning plough the same field represents a misunderstanding of the context he will find himself in. Events since the global crisis of 2007–8 have clarified for all with eyes to see the problems which accompany overreliance on markets and excessive reverence for shareholder capitalism. Even institutions like the IMF – and certain wings of the Conservative party – have felt the need to moderate their laissez-faire rhetoric. The recent debacle of the Truss mini-budget is proof that even financial markets do not believe that trickle-down economics is the right remedy.

So while the economic policy framework that prevailed during the Blair-Brown years was, in essence, rooted in the same monetarist paradigm first realised by Thatcher and Reagan, constraining the kinds of changes Blair and Brown could make whilst remaining on the right side of mainstream economic opinion, Starmer will enter government in a very different context. In at least four crucial areas, policymakers, economists, and institutions have now moved on from the neoclassical paradigm.

1. The macroeconomy

It is hard to exaggerate the rethinking that has taken place in respect of economic orthodoxy. The scale of state intervention via monetary policy after 2008, and via fiscal policy during the pandemic, represents momentous concessions, even though much of this activity could have been far better directed.

Furthermore, there are now genuinely competing perspectives on state regulation of the economy. Martin Wolf of the Financial Times identifies the 2008 crisis as marking "the end of the dominant consensus in favour of economic and financial liberalisation". Economists now accept that there are many more state instruments at their disposal, and that an exclusive concern with inflation targeting proved a misreading of what constituted the fundamental issues. While there remain serious disagreements over redistributive taxation, the size and funding of public sector debt and the metrics by which to measure it, there is no longer a single orthodoxy.

2. Markets vs planning

There has been much movement away from the idea that markets can be counted on to deliver supply under "responsible" demand management. That was a central tenet of the Blair administration, only briefly challenged by Vicky Pryce and Frances Cairncross, resulting in the UK being labelled in 2004 "one of the most market friendly economies in the world". As recounted by John Denham, who was given ministerial roles by both Blair and Brown, a precept of government thought throughout this period was that globalization was "a benign and challenging opportunity" that required "a pro-business stance, lax regulation, flexible labour markets". Now, there is renewed interest in industrial strategy amongst policymakers and officials of all stripes. More importantly, business itself is open to the suggestion that markets need institutional support. Consider this from the Lex column of the Financial Times: "Private capital allocates itself efficiently in markets that are well-defined. It cannot bear the heavy lifting required of it when the task ahead is so vague." In reality, markets have always been made and policed by states, but by acknowledging this fact, the economic policy establishment has moved the default option away from free-market absolutism towards greater state intervention.

3. Capital and broad investment

From the 1980s, British macroeconomics became dominated by the theory that economic performance began and ended with the labour market. The basic idea has a left pedigree: capitalism keeps going because the state creates enough unemployment to keep wages in check. British economists in the 1980s therefore suggested increasing the supply of available labour by, among other things, drastically curtailing the power of trade unions. Highly influential, this emphasis on labour market flexibility displaced any serious focus on investment and productivity growth. But who really believes in it now? Why are politicians of both left and right now trumpeting the need for capital investment and productivity improvements rather than emphasizing the need for flexible labour markets? Surely the answer is that a single-minded emphasis on labour flexibility led to the low-skill low-wage economy that all shades of political opinion now complain about. As the Conservative party met in conference on 5th October 2021, Tony Danker, CBI director-general, told BBC Radio 4's Today programme that "if wages go up that's a good thing, and it forces businesses to think about capital and investment." The economics of the Blair years were on the wrong track, and they will not be coming back in a hurry.

4. Stakeholder voice

Blair distanced himself from the unions and failed to champion a reform of labour-capital relations or corporate governance that would have addressed the questions of underinvestment and short-termism in British business. His early use of the term 'stakeholder capitalism' in 1996 was far removed from the concept that had been developed by the writer Will Hutton, which forcefully challenged the control of company boards by shareholder interests alone. In a speech just before his first term, Blair spoke of industrial relations but only promised a minimum wage and "a right for any individual to join a trade union". Beyond that, his vision was for everyone in industry being "on same



A left-wing government is not there simply to execute the demands of the current political context. There are still choices to be made

side ... in the same team." Discussions of stakeholder capitalism today are far more advanced. Various bodies, including the CBI, the Bank of England, and even the Institute of Directors have indicated that they are open to stakeholder initiatives. Interesting pro-stakeholding reforms, including changing hard and soft corporate law, reform of the takeover code, stakeholder representation, works councils, for-purpose companies and increased information sharing have all been explored in greater detail. In the context of that public discourse, it is interesting to contrast Blair's timidity to the tough but reasoned appeal for a new kind of partnership between business, government and labour by shadow minister Stephen Kinnock: "Companies do not operate in a vacuum...in too many cases they have become organisations that exist only to generate short-term profits for their shareholders and exorbitant pay packages for their CEOs. It is time for transformational thinking around the role of business in society, so that business, government and trade unions can become partners for a new kind of growth."

We can see, then, that the economic policy environment has changed dramatically since the Blair years. But a left-wing government is not there simply to execute the demands of the current political context. There are still choices to be made and Starmer must choose to seize the opportunity he has been given.

Despite the accompanying risks, Starmer should be preparing to press forward with policies to achieve the "irreversible transfer of wealth and power" that has been echoed by Labour leaders for half a century. By laying claim to the spirit of the times, he can win the support of both left-wing political allies and many on the centre who now embrace the new mainstream realism.

People first

Reform of social care is long overdue. *Anna Dixon* gives an insight into a new attempt to chart a way forward



Anna Dixon is the chair of the Archbishops' Commission on Reimagining Care which will publish its final report in January. She is also Labour's prospective parliamentary candidate for Shipley

MAGINE A FUTURE where everyone has the care and support they need to live life to the full. This might sound a fantastical exercise given the current state of social care, but it is what the Archbishops of Canterbury and York asked us to do.

Over the past 12 months, I have had the privilege of chairing the Archbishops' Commission on the future of care and support in England. We have listened to the experiences of people who draw on care and support, their families and those who work in care, not only to understand the challenges they face today but to help shape a vision of care and support for the future.

There have been countless reports and White Papers setting out the problems of social care and the solutions needed over the past 20 years. Governments of all political parties have committed to and then failed to 'fix' social care. The problem has often been defined as people having to sell the family home to pay for care in old age and the proposed solutions have focused on technical and financial matters.

As a church-sponsored commission we were asked to draw on Christian theology and values to inform our work. This has at times been challenging but has brought fresh insights and pushed us to think more deeply about what care and support means as humans who are created equally and in the image of God.

It turns out it is hard to fire the imagination when the current reality is so tough. It is against the backdrop of cuts to local government funding, providers on the edge of bankruptcy, and significant staff vacancies that we have sought to imagine something better, something different, more universal, fairer, and rooted in love. To achieve our vision we propose three major changes.

First, we must rethink attitudes to care and support. There are negative perceptions of social care as services provided to older people – who are themselves perceived as 'needy' and 'vulnerable' - when in fact almost half of social care expenditure is on working age adults. Most people are supported to live at home or in the community. Care and support should not be limited to the practical

tasks of washing, dressing and eating but includes a wide range of personal, social and emotional support that enables us to live, work, and play regardless of disability or age. We must make more visible and value the full range of care and support from the informal support provided by communities, the care provided by personal assistants in people's homes, and the huge contribution made by unpaid carers.

Second, we must rebalance roles and responsibilities. Our fundamental belief is that access to care and support should never depend on how wealthy you are. That will require a stronger role for the state in securing a more universal entitlement to care and support. Unpaid family carers who take on significant caring responsibilities need more financial and practical support to do so. Communities, including faith communities, need more investment and support from local authorities to ensure there is a robust network of community support in every area. Reimagining care and support is not simply the responsibility of the state; we all have a role to play in our communities to ensure that people have access to the care and support they need.

Thirdly and finally, we must radically redesign the system, putting people in the driving seat in directing the care and support they need. We must reduce the bureaucracy and complexity so that people are confident about what they are entitled to, how to get the care and support they need, and those who work with them are free to do their job and rewarded fairly for doing so.

All too often, the debate around social care feels weighed down by short-term thinking in response to immediate and urgent problems. As part of a new settlement that balances roles and responsibilities fairly between individuals, families, communities and the state, we believe it is now time for politicians to commit to a long-term vision and plan for care and support. Change is long overdue. It is vital our dreams do not remain a fantasy for years to come but are made a reality. It will require bold action from our leaders and collective action from all of us.

Back to the future

It is time to get tough on crime and tough on the causes of crime once more.

Steve Reed MP sets out Labour's approach to justice



Steve Reed is the Labour MP for Croydon North and the Shadow Secretary of State for Justice

GROWING NUMBER OF young people in my constituency are being robbed at knifepoint and forced to hand over their mobile phones. The attacks take place as students travel to or from school, with the robbers taking photographs of their victims and threatening more serious violence if they report the crime.

Parents told me they tracked the stolen phones on location apps until they were switched off, so they knew where they had been taken. The attackers used the stolen

phones to order cabs, food and in one case, alarmingly, a 10-inch hunting knife. With police numbers still down after the Conservatives' cuts, response times were too slow to track the stolen phones and arrest the criminals. Parents' WhatsApp groups at their children's schools report multiple similar attacks across the area, but a repeated failure to pursue or prosecute the offenders.

It should come as no surprise, then, that according to the official police inspectorate just 6.6 per cent of robberies and 4 per cent of burglaries ever result in a prosecution.

Earlier this year, the father of a teenage rape victim contacted me for help. His daughter had waited two years for her attacker to be brought to justice, only to be told the trial was postponed for a further nine months just four days before it was due to begin. A delay of nearly three years for a girl who was raped at the age of just 13 is an eternity, and the trauma these delays have caused her is incalculable.

What is shocking is that delays of this length are now the norm not the exception for rape trials. Most rape survivors never see their attacker bought to justice at all since barely one in every 100 reported rapes ever leads to a prosecution.

This is the troubling story of criminal justice under the Conservatives: criminals let off and victims let down.

It is clear that the public feel that crime is out of control under the Conservatives, who have cut 22,000 police, closed courts, reduced the number of judges, and stood by as one in four criminal barristers quit in despair at our crumbling justice system. There is currently a record-breaking backlog of nearly 60,000 criminal court cases, and the Conservatives have lost control of our prisons so completely that a prisoner is more likely to leave jail addicted to drugs than when they went in.

The government simply cannot get a grip on unacceptable reoffending rates when these failures are stoking rather than stopping crime.

It will fall to Labour to make our streets safe and secure once again. Victims will be at the heart of our approach. I know how it feels to want offenders brought to justice because I was once robbed in a dark street with a knife pressed against my throat. I wanted my attackers caught and punished. But, like every victim,

I would rather not have been attacked at all.

When I was first elected as a council leader in south London, the area was in the grip of an increase in violent youth crime. Three young people were murdered within six months as gangs fought on the streets to control the drug trade. But our newly elected Labour council in Lambeth didn't stand by.

We worked with the most affected communities and the police to draw up a new strategy that successfully cut violent crime by a third in just 18 months, setting a template that was adopted by many other councils.

We invested in better support for families struggling to prevent their children getting involved in crime; launched a helpline for parents worried that their child was being groomed by a violent gang; involved local voluntary sector and faith groups to channel support to young people



who would not engage with the authorities; and set up projects that diverted them away from crime and helped them back into education or employment. This was the first 'public health' approach to violent crime in England, but we also got tough on enforcement – supporting the police to arrest and prosecute those whose criminal behaviour was making the law-abiding majority fearful for their safety.

I learned that while beating crime needs communities to come together to fight it, those communities need the police, the courts, and councils on their side – with the whole system focused on the needs of victims.

We know that these local successes can be reproduced at the national level. Nearly 30 years ago, Tony Blair declared that Labour would be tough on crime and tough on the causes of crime. The result? A Labour government that reduced crime by a third. It is time to update that approach for today's world.

As Shadow Justice Secretary I have a simple mantra: punish, prevent, and protect. Labour will make the criminal justice system work from end-to-end to punish criminals and prevent crime, while protecting victims.

Labour will introduce neighbourhood crime prevention hubs to crack down on crime and anti-social behaviour. This will include 13,000 additional police officers visible on the streets, and places where victims can report crime directly or find support. Labour will also make prison work. Instead of the drug-fuelled colleges of crime they have become under the Tories, Labour will support prison officers to rehabilitate offenders and reduce reoffending as we create the world's first 'trauma-informed' criminal justice system.

There is much we can learn from the developing science around the impact of childhood trauma on criminalisation. In so many cases, from low-level anti-social behaviour to the most serious forms of crime, you can trace an offender's criminal behaviour back to childhood trauma that damaged their cognitive and emotional development and distorted their sense of right and wrong. Whether it

is a child growing up with a drug-addicted parent, or one who witnesses violent abuse in their home, deep-rooted trauma can express itself in damaging criminal behaviour later in life. If we focus our courts and prisons on tackling that, we can break the cycle of crime for good.

Labour will bring in the victims' law long denied by the Conservatives so that we can put victims at the heart of the criminal justice system. We will set up new victims' panels that give communities in every neighbourhood a bigger say over how offenders pay back for the harm they have done and to make sure that community sentences handed down by the courts are carried out.

We will crack down on violent sexual assaults by introducing specialist rape courts across the country to tackle the Tory backlog of cases, and we will bring in a national domestic violence register to stop serious convicted abusers seeking out new victims to attack.

The damage the Tories have caused is immense, but they want to go even further by ripping up the fundamental rights and freedoms that protect British people from criminals or failure by the state. Dominic Raab has now spun back through the Tories' revolving door of chaos to resume his former role as Justice Secretary. He wants to rip up the Human Rights Act that was used by rape survivors to force the police to prosecute the black cab rapist John Worboys, and by grieving relatives to expose the fatal errors that led to so many deaths at Hillsborough football stadium. Labour will oppose any renewed Tory attempt to shred these legal protections that prevent victims' voices from being silenced.

The Conservatives have broken our criminal justice system and left people feeling unsafe. Labour is led by a former Director of Public Prosecutions who has devoted his life to delivering justice. Under Keir Starmer's leadership, our party has a plan to take back control of our streets for the law-abiding majority and put victims at the heart of a revitalised criminal justice system. Our old slogan 'tough on crime, tough on the causes of crime' is about to meet the future. **F**

Public peril

Our NHS, schools and other public services are bearing the brunt of the cost of living squeeze, writes *Kelly Grehan*



Kelly Grehan is a Labour councillor and leader of the Labour group in Dartford. She is also co-vice chair of the Fabian Women's Network

UCH HAS BEEN written about the devastation inflicted on this country by the Tories and their musical chairs approach to the job of prime minister. But what has done most damage is the way they have normalised chaos in our public services. Now, with Austerity 2.0 on the horizon, what is left of the state is in real danger.

The Tories began their latest era in power with their first austerity programme, enabled by the Liberal Democrats. Spending was cut for the police, road maintenance, libraries, courts, prisons, housing assistance and local government services.

Of course, the issues that those services addressed did not just go away when they were cut. Take youth services, cut by 70 per cent. With fewer services available, the number of young people in mental health crisis has ballooned, and schools, the police and the NHS have all had to do their best to plug the gaps, with little success.

There are many other examples: it is hard to think of any public service that is not now understaffed, characterised by poor service and failing. The safety net built by the post-war generation has been dismantled.

At the same time, the types of poverty we thought were consigned to history are now back with a vengeance. In 2010 foodbanks were a rarity, with only an estimated 35 in existence at the time. Today the Trussell Trust alone runs 1,172 foodbanks nationally, providing food to 2.17 million people in 2021/22. That figure does not take into account small, independent food banks. In my own county council ward in Dartford, there are three running from churches and one in a school on top of the main one in the town centre. Shockingly, many of those attending are not people facing a temporary disaster, such as being inbetween jobs or having a one-off bill that has messed up their budgeting. They are people in work, or people who are full-time carers, pensioners, or children. Food insecurity is now completely normalised.

In 2018 Philip Alston, the UN special rapporteur for extreme poverty and human rights, concluded that efforts by the Conservative government to pare state spending were "entrenching high levels of poverty and inflicting unnecessary misery in one of the richest countries in the world". It was a damning yet accurate summary.

How then are people to improve their lives? Historically, work may have been a route out of poverty, but today, too often, it simply is not. And the UK has found itself in a situation where the jobs the state relies upon are often the ones that leave people in in-work poverty.

In October, the then Tory party chairman Jake Berry caused outrage when he said: "People know that when their bills arrive they can either cut their consumption, or they can go out there and get higher salary or higher wages, they can go out there and get that new job." But the effect of people leaving essential jobs to find higher paid work can be catastrophic for the country.

Take social care, a vital sector where people are expected to provide personal care for the most vulnerable in our society including the elderly, disabled and those with learning difficulties. Last year care workers had a mean hourly pay rate of £9.66 in the independent sector and £11.03 in the local authority sector. Senior care workers were paid a mean hourly rate of £10.41 in the independent sector and £13.74 in the local authority sector.

It seems that many people in the sector took Jake Berry's advice. Earlier this year, a preliminary Skills for Care report found that staff vacancies had risen by 52 per cent to 165,000 unfilled posts in 2021-22 – the largest annual increase since records began in 2012-13. The number of filled posts fell – by about 50,000 – for the first time on record. It projected that if the workforce was to grow proportionally in line with projections of an ageing population, the number of posts would need to increase by about 480,000 to 2.27 million by 2035.

Similarly, schools are now finding that recruiting teaching assistants is becoming incredibly difficult. Teaching assistants are usually only paid during term time, and so often earn just £12,000 per year. It is hardly surprising that 45 per cent of schools are reporting difficulty in recruiting TAs. It is children who are missing out.

Our public services are suffering from the cost of living squeeze. With so many services in such chaos there is real concern about the scale of the task that awaits Labour in government. We must not let that deter us. Good public services, lead to happier, healthier, fitter people, saving money for the state in the long term. Labour built many public services from the ground up. We can and must reverse the Tories' legacy of destruction and misery. •



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The unforgivable scandal

Millions of children are living in poverty. Labour must win the next election for their sake, argues *Anna Turley*



Anna Turley is the chair of the North East Child Poverty Commission and the former Labour MP for Redcar

In the winter of 1947, my grandmother, with twin babies in her arms, was turned away from a London council welfare office empty handed after her request for some baby bottles that she desperately needed was refused. Although my grandad had just got back from fighting for his country, his job as a dustman was not enough for his young family to live on in one of the harshest winters on record. My nan was told that if she could not afford to look after her children, she should not have had them. One twin did not survive the winter, dying of malnutrition, so I never knew my Uncle Roy.

The development of a post-war social security net, just being put in place back then by the Attlee government, was supposed to mean that no child should suffer the ravages of poverty in a cold winter. Yet just recently, I heard testimonies from young mums visiting Hartlepool Baby Bank – a place to get vital baby supplies that many

FIGURE 1: Child poverty rate in the UK and North East (relative, after house costs), 1996/97 to 2020/21



parents simply cannot afford – that brought home to me how thin and worn our social security safety net now is, and how perilously close we are to returning to those terrible times. I heard from families who are turning on their freezer for just an hour a day to try and save money, putting their health at risk, and of a mother who was delighted at the offer of a free dressing gown because it meant she would be warmer in a house where she dare not turn the heating on.

Through my work as chair of the North East Child Poverty Commission, I have heard hundreds of such stories: parents in Gateshead using watered-down evaporated milk in their babies' bottles because of the soaring price of formula and putting off weaning because of the cost of solid food; parents in Newcastle turning down the offer of a free replacement boiler because they can't afford to turn it on; children in Northumberland arriving at school exhausted because they don't have a bed to sleep in; community groups in Redcar handing out slow cookers because people can't afford to turn their ovens on. Families across the region are even 'self-disconnecting' from energy, despite still having to pay high standing charges.

Then there are stories like the child turning up to school in East Durham without any shoes, and a school in Middlesbrough which routinely buys shoes for its pupils out of its budget.

Stories of people in Gateshead unable to attend medical appointments because of travel costs, and, shockingly, parents in Sunderland terminating wanted pregnancies because they can't afford the costs of a new baby. How hollow those words echo again today: "You shouldn't have a child if you can't afford it." How can it be that in the sixth largest economy in the world we still have poverty of such magnitude that parents cannot afford to support their own child?

These cases may be shocking, but they are no longer extraordinary. There are now 3.9 million children living in poverty around the country and three quarters of those children are in working families. In the North East, child poverty has increased the fastest of any area in the UK, overtaking London to have the highest child poverty rates in the country, with 38 per cent of children now living in poverty. In some parts of the region it is even higher: 51 per cent across the Middlesbrough constituency, and nearly 70 per cent in the town's Newport ward.

Child poverty is an acute tragedy, but the longterm effects are just as stark. Children who have lived in persistent poverty during their first seven years have cognitive development scores on average 20 per cent below those of children who have never experienced poverty. In 2015, 33 per cent of children receiving free school meals obtained five or more good GCSEs, compared with 61 per cent of other children.

In the most deprived areas, boys can expect to live 19 fewer years of their lives in 'good' health, and girls 20 fewer years, than children in the least deprived areas. Children living in overcrowded inadequate housing are more likely to contract meningitis and experience respiratory difficulties, and poor children are four times more likely to develop a mental health problem by the age of 11.

The crisis in child poverty we face is storing up a crisis in the health and wellbeing, educational attainment, employability and all-round life chances of Britain's children. It is a scandal – for them, their families and for society.

We know that child poverty is not inevitable. The last Labour government set out a twenty-year plan not just to reduce but to entirely end child poverty by 2020. By 2010, it was well on its way. This progress was driven by clearly defined policy action and political will right at the top of government. Chart one shows the impact policy decisions such as increased spending on benefits and tax credits had on child poverty across the country, and in particular in the North East, where child poverty was eventually brought below the national average.

An additional £18bn was spent on benefits for families with children under New Labour. But crucially, this was part of a wider package of ambitious policies, such as the national minimum wage, Sure Start, increased support for childcare, maternity and paternity pay and leave, and dramatic increases in spending on education.

A report by the IFS showed the overall distributional impact of tax and benefit changes under the last Labour government: the poorest 10 per cent of households saw an increase of 13 per cent in their incomes , while the richest 10 per cent lost almost 9 per cent. A million children were lifted out of poverty.

Yet how quickly this progress can be undone. Chart two shows a shocking rise in poverty for those families with a child under five in the North East - those who are most vulnerable and at the most crucial stage of their development. You can see poverty for these under-fives halved between 1999 and 2015 - from nearly 50 per cent to 25 per cent. Yet this progress has been reversed in half the time it took to achieve the reduction. This steep increase means there is now a 25-year high, and the gap between the North East and the rest of the country is as high as it has ever been for those children. But it also shows there is nothing inevitable about those families having to go to baby banks now. It does not have to be this way. As can be seen from the graphs, things have been getting worse for years, and the crisis these families now face is not simply because of the war in Ukraine or Covid-19, but because their financial resilience has been eroded over the years.

There are some immediate steps which could be taken to stop the crushing pressure on families. The government should look to raise social security entitlements with inflation, pause deductions from universal credit which are pushing families into destitution, lift the two-child

FIGURE 2: Share of children in households with a child aged under 5 in poverty (relative, after house costs) in the UK and the North East, 1996/97 to 2019/20



limit and pause universal credit sanctions for families with children.

Over the longer term, the key challenge is to rebuild the social security system for families with children so that it provides a genuine, timely and dignified safety net. It is also vital that in-work poverty is addressed. We have seen a shocking 91 per cent increase in in-work poverty in the North East, far higher than the still significant increase of 27 cent nationwide.

We need improved access to affordable childcare and early years education, and better support for those who are 'economically inactive'. The North East has seen a larger rise in the number of families whose members are much less likely to be in a position to work, or who find it much harder to work without the right support in place, such as families where someone has a disability or families with a child under five.

We also need to take action to address high costs and poor quality housing for renters: 49 per cent of children in the North East are living in rented accommodation, with half in the private rental sector – the same private rented sector in which almost a third of the homes are below decent standard.

Millions of children across our country are suffering the devastating effects of poverty. We may have a new prime minister, but the last 12 years of Tory rule have left an indelible stain which no new leader can erase; a failing that is clear and undeniable and shaming and that has returned many to the post-war misery faced by my nan and so many like her. The re-emergence of child poverty is an unforgivable scandal – we must hold those responsible to account at the next election. •

Second time around

The Conservatives will have a tougher time selling cuts than they did back in 2010, writes *Kate Harrison*



Kate Harrison is a lead researcher at the think tank Demos. Her research interests include austerity, political participation and levelling up. She holds a PhD in Politics from the University of Southampton, where she conducted mixed methods research into the effect of austerity on political participation.

F YOU'VE GOT a feeling of déjà vu, it might be because history appears to be repeating itself. We stand on the precipice of a new era of austerity, just as we did when the coalition was formed 12 years ago. In the autumn statement, the government announced £30bn in spending cuts, albeit with a slight reprieve until 2025 when most of the reductions will be implemented. The circumstances we find ourselves in are very different to those that accompanied round one of austerity, however, and the government will have to work much harder to persuade the public that cuts are the answer.

How austerity was sold to the public in 2010

When introducing austerity, the coalition government used four arguments to sell the idea of cuts to the public.

First, they framed the cuts in terms of 'Labour's debt', claiming that the deficit had been caused by profligate public spending by Labour. This deflected attention from the bank bailouts following the financial crisis, which had contributed to raising the budget deficit from £38bn before the financial crisis to £155bn by 2009/10.

Second, they argued that cuts were fair. They argued that we were 'all in this together', while justifying extensive welfare cuts with language such as 'benefits scroungers' and 'sick note Britain'. They argued that money-saving reforms would reduce benefit fraud and motivate people to work who were seen as 'lazy' or 'work shy', placing responsibility for poverty on the actions of the poor.

The coalition often framed austerity in terms of household budgeting. In 2010, Nick Clegg compared the government with a family in debt, spending beyond their means. He said: "You'd set yourself a budget. And you'd try to spend less. That is what this government is doing." Such comparisons contributed to their third argument, that cutting spending was unavoidable, just as it might be for a household. More explicitly, Cameron argued: "We are not doing this because we want to, driven by theory or ideology. We are doing this because we have to."

Fourth, the government argued that austerity was the moral choice. They routinely spoke of the need to "balance the books" and "show the world that we can live within our means". They also appealed to the needs of future

generations, saying we should not be "asking our children to pay back" the country's debts.

So, could the coalition government's 'pitch' for austerity work a second time around? There is already evidence of Sunak's administration turning to similar arguments, but they may be received differently.

Whose fault will Austerity 2.0 be?

Where the Conservatives previously claimed to be 'cleaning up Labour's mess', the current economic challenges began under Conservative leadership. In the autumn statement, Hunt emphasised the role of 'unprecedented global headwinds' in the economic downturn. However, these external factors – a global pandemic and war in Ukraine – are mixed up with nearly continuous political turmoil in Westminster. While Sunak may try to distinguish himself as fiscally responsible, his challenge will be separating himself from his tenure as Chancellor, when he instigated the highest ever peacetime government borrowing.

That being said, the public is still likely to be receptive to the argument that austerity is needed. Across the coalition's tenure, polls showed that the public consistently believed that spending cuts were necessary. My own research has shown that, even by 2019, many people still accepted the need for austerity and spoke of it using the coalition government's language of 'necessity'. Hunt has already used similar language, saying: "This government will take the difficult decisions necessary to ensure there is trust and confidence in our national finances."

Labour has challenged the idea that austerity is necessary, saying another round of deep spending cuts will not help to stabilise or grow the economy. Its argument has garnered some support, but the party will need to consistently and forcefully challenge the idea that austerity is necessary to avoid this idea being deployed as effectively as it was in 2010.

Is Austerity 2.0 fair and morally right?

In Hunt's recent announcements there have been echoes of the coalition's claim that austerity was morally right. Hunt has argued that: "We are a country that funds our promises and pays our debts." Appealing to the notion of 'doing the right thing' has the potential to be as effective

now as it was a decade ago. In my research about austerity in 2018–19, many people still spoke of it in these terms, saying there was a duty for the government to be fiscally responsible. It is likely the government can once again leverage this point to sell the idea of austerity.

However, recent discussions of fairness have had a very different emphasis. Before the autumn statement, there was a debate in the Conservative party about whether benefits should be uprated in line with pay or inflation. The decision to do the latter, so avoiding real-terms cuts, marks a change from Austerity 1.0, where the focus was on how far to cut benefits.

Hunt has said the government's priority "will always be the most vulnerable", which, if it proves to be more than a mere slogan, may help soften the blow of austerity. This approach is likely to be more acceptable to the public as polls showed that, under the coalition, while cuts were seen as necessary, they were not seen as fair. For the government to argue that cuts are fair, it will need to make the case that the vulnerable are being protected, not that they've 'got it coming'.

Are spending cuts unavoidable?

Despite Truss' best efforts during her short tenure as PM, tax rises are now on the way thanks to the autumn statement, with changes and freezes to thresholds as well as some new taxes, amounting to some £25bn in extra tax revenue. This marks another departure from the coalition government's approach. The possibility of raising tax revenues was little discussed by the coalition, while the Labour party advocated for smaller spending cuts, rather than no cuts at all. Recently, Shadow Chancellor Rachel Reeves ruled out

spending cuts, saying: "The truth is our public services, our schools, our hospitals are already on their knees."

A Tory government proposing tax rises and a Labour party opposing cuts offers a very different landscape to Austerity 1.0 and undermines the argument that cuts are unavoidable. Most significantly, recent polling has shown strong support for tax rises, while only one in five Conservative voters believe that spending cuts are inevitable. This leaves Hunt fighting an uphill battle to persuade the public that there is no alternative to cuts.

Previously, the apparent lack of alternatives to austerity was key to public support for the policy. Yet this is where the current administration is likely to struggle most to sell the idea of new cuts. It is not enough to say that austerity is right and necessary to find a solution to the economic crisis we face if the public can see that there are alternatives.

A new approach

While some of the coalition government's arguments may work a second time, the Sunak administration will not be able to simply repeat its approach. Persuading the public that austerity is necessary will be crucial for the Conservatives, but potentially more challenging than a decade ago. And for austerity to be seen as fair, a very different approach to spending cuts would be needed, protecting the departmental budgets that most affect the poorest. Finally, current public support for raising taxes will mean that selling spending cuts as the solution is likely to be harder. It is certainly possible for Hunt to sell austerity again, but it is looking more challenging in 2022 than it did in 2010.



Claudia Gabriela Marques Vieira/flickr

Thinking global

Globalisation is undermining the institutions that social democracy depends on. Labour must look outwards to build a better future here and abroad. *Josephine Harmon* explains



Josephine Harmon is a researcher in political science at University College London

SINCE 2015, BRITISH politics has become bogged down in the fight between nationalism and internationalism. In the struggle between these competing ideologies, we have seen them take their most unflattering forms: crass, reactionary chauvinism on the one hand, and indifferent, winner-takes-all globalism on the other. What both sides miss is that their talking points are increasingly moot; it is no longer an option for Britain to close itself off from the outside world, nor to ignore intense domestic

dissatisfaction with the worst ravages of international capitalism. While the old debates rage on in the background, the unrestrained nature of the global market and the technological advancements of the fourth industrial revolution are exerting political pressures on the national body politic that require both domestic and global solutions.

The grim reality is that the consumption patterns, material waste, labour exploitation and ruthless competition of the global marketplace are brutalising the citizens of social democracies, particularly those who are young and lacking in formal qualifica-

tions. Through no fault of their own, workers in advanced economies are finding themselves outcompeted and outpaced. In the modern world, it is much easier for capital to find new homes, make strategic choices about where it locates itself, play the market and price-compare which countries offer more competitive rates and discounts.

Ironically enough, precisely because the tools of national government are increasingly incapable of dealing with

global problems, our politics has become inward-looking and reactionary. Take Blue Labour, which espouses a combination of conservative cultural politics and socialist economics – the same combination that supposedly attracted 'Red Wall' voters to vote for the Tories in 2019. However electorally astute this strategy might prove to be – notwithstanding its tacit, rather disappointing neglect of progressivism – it ignores the fundamental problem of our time: the growing gulf between global

capital and localised labour.

So too, despite what 'Lexiteers' might have you believe, did Brexit. As a nation, we are at the receiving end of global production and consumption norms, and so it was foolish to imagine that pulling up the drawbridge could achieve better economic, social or environmental outcomes. The global economy is a ride we cannot get off. Crucially, nor can anyone else: no single country can enact change. As a result, the shocking economic inequality that globalisation and new technology has made possible can only be resolved through international collaboration.

through international collaboration.

That requires Labour to look closely at global institutions.

Social democracy believes that the incentives and disincentives we provide the market through government institutions can be the means through which we create societies that include everyone – societies shaped by citizens, for citizens. At a national level, this project, at various times in history, has proved remarkably successful. Yet our global institutions do not currently

The shocking economic inequality that globalisation and new technology has made possible can only be resolved through international collaboration



lend themselves to this vision. They are responsible for the lack of rigorous taxation of the most successful companies globally, rising Gini coefficients across the world, and inferior legal frameworks regulating the value of labour, preventing monopolies, holding corrupt corporations to account and protecting human rights and environmental integrity.

To tackle these issues will be a much harder job than marshalling the democratic tools we have used to manage our national economies. It will require socialists to organise with our like-minded partners across Europe and the world. This must go beyond informal, soft connections, rich though these are. Creating official forums for serious debate and engagement, and extending the existing ones, will be an important precursor to platform the voice of ordinary citizens and achieve greater equality. A good blueprint would be Thomas Piketty's model for thinking about tax, accountability and law beyond the nation state, which he puts forward in Capital in the Twenty-First Century, as well as his proposals for reforming the EU and increasing cross-European debt-management.

Listening to experts like Piketty will be crucial. There will be a scramble for global institutional influence in coming years, with China and India perhaps cultivating new global institutions in competition with the IMF, World Bank and UN. A clear vision will be important. This will, of course, include doing as much as we can at home – a starting point would be closing tax loopholes, as Andrew Percy, director of the Social Prosperity Network at the UCL Institute for Global Prosperity, explained in my recent conversation with him about universal basic services, and as he outlines in his National Contributions report with Anna Coote. In addition, we need to re-engage with Europe, at the very least engaging with the S&D coalition (Progressive Alliance of Socialists and Democrats, Party of European Socialists (PES)) in the European Parliament, and ideally consider a database of the type Thomas Piketty recommends to give teeth to global regulatory bodies and avoid a race to the bottom through falling corporate taxes. For too long, countries have been played off one another, and relied on cutting tax to attract business; a sensible floor for corporation tax would allow both workers and consumers to find a stable footing in the market.

It is unfortunate that the European Union – which is the closest to an ideal political and economic setup to address this issue globally – has slipped from our grasp in the short term; it is likely that we will have to re-embrace it in some form to tackle these pressing issues. What is clear is that the world is changing too fast for us to sit on our hands. A cultural shift in Labour, in which we re-embrace the importance of engaging beyond the state's now-modest levers of power, will be important. We should do as much as we can at home, while recognising that truly addressing this problem will mean organising internationally.

Globalisation has brought opportunities and will only bring more. But it is undermining the institutions that social democracy depends on. To protect liberal social democratic principles we need to think about institutional mechanisms for democracy, accountability and negotiations between capital and labour beyond the nation state. The end goal, as ambitious as it is, must be to democratise global capital. That means reincorporating it under the institutional arrangements and mandates of our democracies, making global capital responsive to the needs and will of the people, and giving citizens across the world the right to shape the system in which they live. For any of that to happen, Labour and its counterparts must think about how to organise globally. Voicing these ambitions together with a wider social democratic vision for Britain might not only win support electorally, as a more salient alternative to the Conservatives' argument against international engagement, but lay the foundations for a more harmonious, fairer world.

Books

Left turn

A book by a key figure from the Corbyn years provides some useful challenges for today's Labour party, finds *Victoria Honeyman*



Victoria Honeyman is an associate professor of British politics at the University of Leeds

Jeremy Corbyn's time as leader of the Labour party often elicits a strong reaction. To some, he was the best thing ever to happen to Labour: a refreshing, authentic idealist, sabotaged by a party which did not really deserve him. For others, he was the worst thing ever to happen to the party, exacerbating factionalism and heightening the divisions between camps that many had hoped would learn to live alongside each other – eventually. Andrew Murray was seconded to Corbyn's political office, and this book is partly a review and reflection on his time with Corbyn and partly a polemic on the shortcomings of the British Labour party and parts of the Labour movement.

This account makes no attempt at either evenhandedness or balance – and nor does it need to. It is an account of Murray's work with Corbyn, his own views on socialism and Britain and he needs make no apologies for those. But for those who disagree with his views, and perhaps his actions, this book might come across as a work of fiction.

Murray is critical of everyone who stood in the way of Corbyn, and indeed his predecessors as leader, with condemnation heaped on historic figures as well as current members of the Labour party. Clement Attlee, the much-loved and widely respected post-war leader

Throughout most of the book the electorate are treated as a secondary consideration, a group who should be made to understand what is in their best interest

led'a normal capitalist government' and nationalisation of industry wasn't socialist enough. Harold Wilson and James Callaghan are both criticised for their demotion of Tony Benn while Tony Blair's leadership of the party is described



Is Socialism Possible in Britain? Reflections on the Corbyn Years Andrew Murray (Verso, £14.99)

as 'akin to a coup within the party by a remarkably small number of politicians'. Throughout most of the book the electorate are treated as a secondary consideration, a group who should be made to understand what is in their best interest rather than political parties having to be influenced by the people they ultimately serve.

There is a tendency within the book to blame those who support socialism or social democracy in all its wide forms as 'not doing it properly', 'not pushing hard enough', 'not fighting hard enough'. These criticisms are often made when beloved ideologies or revered leaders fail to achieve their ends.

All that being said, this book is extremely readable, and thought-provoking for anyone who is interested in the period . It will draw a wry smile and even provoke exasperation in some readers – including this one – but without being challenged, how can we begin to understand different points of views? To ignore Murray's book would be to learn nothing from the Corbyn years, which cannot be good for either the Labour party or the people who supported Corbyn. While I disagree with Murray's political views, this book provides an insight into those who think as he does, those people who supported Corbyn and who were surprised he was not more popular with the wider electorate. It paints Corbyn as a good man, a man keen to make change – and he probably is.

The assumption of the author is that socialism will automatically, almost inevitably, improve the lives of working people in Britain, and therefore it should, it must, be achieved. Leaders such as Corbyn should be supported, their missteps and mistakes forgiven for the sake of the greater fight. Ultimately, they are the knowers of truth and have the answers we all desperately seek. That belief is not necessarily correct, and for those who question its truth, and the usefulness of politicians such as Corbyn, this book will provide an interesting if ultimately frustrating window into the opposition camp. **F**

Gone not forgotten

A new collection bears witness to the contribution the UK made to the EU, argues *Rory Palmer*



Rory Palmer was a Labour MEP from 2017 to 2020. He is also a former member of the Fabian Society executive committee

A book exploring the impact of the UK's members of the European Parliament is unquestionably a rarity. From a personal standpoint – and it should be noted I have authored one of this collection's 40 chapters – it is a welcome one.

As one of the UK's last MEPs when we left the European Union, I admittedly have a vested interest in the telling of this story. For although it ended in disappointment, there were plenty of successes along the way.

The editors, Baroness Dianne Hayter and David Harley, have assembled a varied cast of contributors. Neatly straddling two genres – biography and historical account – the collection brings to life the role and impact of our MEPs.

For anyone interested in the UK's relationship with the EU, with all its twists and turns, or in the inner workings of the EU itself, this read offers behind-the-scenes insight from those who were there, alongside a generous peppering of anecdotes from the corridors of Brussels and Strasbourg's committee rooms.

The biographical chapters, reaching across all parties, are insightful reads. The Conservatives' European story, from Margaret Thatcher's Bruges speech onwards, is well covered in the chapter on Henry Plumb – the only UK MEP ever to be elected president of the European Parliament. Harley's chapter on John Hume, one of the first directly elected MEPs in 1979, explores how Hume's formidable political skill and vision combined with the institutional platform afforded by the European Parliament to advance the cause of peace, for which he will always be rightly revered.

Chapters written by those who knew MEPs the best are particularly enjoyable, introducing some poignant personal reflections. A chapter about Glenys Kinnock by her husband Neil chronicles a fascinating journey from her selection campaign whilst Neil was Labour leader to her election, and then, via many years



The Forgotten Tribe: British MEPs 1979-2020 (John Harper Publishing, £18)

hard work, to Glenys becoming known as a global authority and champion for international development. Here we can recognise the institutional potential of the European Parliament to be a platform for advancing good in the world. The words of this chapter jump off the page owing to Neil's evident pride in his wife's accomplishments, as do the other chapters penned by MEPs' sons and daughters including Rachel Johnson, Duncan Enright and Tom Newton Dunn.

Understanding the European Union's story through the words and stories of those elected to the European Parliament – the only pillar of the EU's institutional architecture with a direct link to citizens – gives not only an insight into the personalities involved, but also into the way the EU changed over the years. Labour's European story is chronicled in a number of chapters; a first-hand account by former No 10 advisor Roger Liddle, a very readable history by Richard Johnson and biographical accounts of Barbara Castle, long-serving MEP David Martin and the last leader of the European parliamentary Labour party, Richard Corbett.

It is a sad fact that those MEPs who agitated for the UK to leave the EU won more headlines at home than those who supported its work. However, as this book clearly shows, the UK did elect dozens of MEPs over the years who were serious about securing positive change and reform in Europe, and who through hard work, political skill and leadership left a powerful legacy not only in legislative and policy terms but also in the institutional evolution of the European Parliament itself.

My own chapter picks up the final weeks, days and hours of our EU membership. I know from countless conversations in Brussels across those final weeks and days just how appreciated the positive contribution of UK MEPs had been. Our work played a positive role in the story both of the European Parliament and to Europe more widely over the past four decades. This book will help ensure it is a story that is not forgotten.

RESEARCH ROUND-UP

Fresh thinking

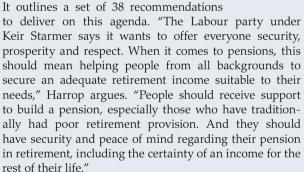
New Fabian research explores levelling up and pensions reform

HILE THE UK's regional divides have been worsening, Germany has been tackling its own regional inequality problem with some success. In Levelling Up? Lessons from Germany, Fabian Society research director Luke Raikes examines what we can learn from the German story. The report, published in partnership with the Friedrich Ebert Stiftung, offers three broad lessons. First, the UK should combine devolution with formalised collaboration between tiers of governance, in a similar way to which power is shared in Germany between central government and the regional Länder. Second, it is important to set out long-term plans and invest at scale. And third, policymakers should develop the economies of a diverse range of places, not just cities. "The UK can

learn a great deal from the various different approaches to regional development in Germany," writes Raikes. "Our thinking and our policies are currently held back by an intellectual framing that doesn't allow many places to thrive – and even holds politicians back from doing things that it is in their political interest to do."

Despite two decades of debate and reform, private pensions still do not offer the prospect of an adequate retirement income for most people. Good Pensions for All, written by Fabian Society general

secretary Andrew Harrop, looks at how a future Labour government could meet this challenge. Focusing on low to middle-high earners who only engage with pension choices when they have to, the report, supported by ABI, argues that Labour should prioritise people in this group by building strong defaults that will secure them good outcomes and that it should bring a greater focus on equality and collectivism to private pensions policy. It outlines a set of 38 recommendations



Levelling Up? Lessons from Germany and Good Pensions for All: The Left's Agenda for Private Pensions are both available to download for free from the Fabian Society website www.fabians.org.uk





THE FABIAN QUIZ

THE BLACK JACOBINS

C.L.R. James





Haiti is currently facing yet another political and economic crisis. This makes it all the more important to understand the history of the nation – and why many Haitians are resisting calls for outside intervention.

Haiti has its roots in the most successful slave rebellion in history, led by Toussaint Louverture. Himself borne enslaved, 'The Father of Haiti' was a complex figure: a devout Catholic who identified as a Frenchman for most of his life despite fighting wars against both the Kingdom of France and the First Republic.

CLR James's history, first published in 1938, situates the Haitian and French revolutions in a shared context, exploring the ways in which they interacted and arguing that the enslaved black Haitians not only won their own freedom but also took part in the destruction of European feudalism. James's

explicitly anti-colonial account remains an essential text for understanding not only Haiti and the Caribbean but the power of emancipatory ideology when deployed by oppressed peoples.

Penguin has kindly given us five copies to give away. To win one, answer the following question:

Toussaint Louverture was the most famous leader of the Haitian revolution. The post-credits scene of which 2022 film introduced a prince named Toussaint, raised in Haiti following his father T'Challa's death?

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

ANSWERS MUST BE RECEIVED NO LATER THAN 5 FEBRUARY 2023.



Listings

ANNOUNCEMENT

Fabian Society events

Some Fabian Society events are still being held online. Keep an eye on our website for news of up-to-date activities and contact your local society for ways to stay involved.

BIRMINGHAM & WEST MIDLANDS

Contact Luke John Davies at bhamfabians@gmail.com

BOURNEMOUTH & DISTRICT

Meetings at the Friends Meeting House, Wharncliffe Road, Bournemouth Contact Ian Taylor, 01202 396634 or taylorbournemouth@ gmail.com

BRIGHTON & HOVE

Contact Stephen Ottaway stephenottaway1@gmail.com for details

CENTRAL LONDON

Contact Michael Weatherburn at londonfabians@gmail.com and website www.https://londonfabians.org.uk

CHISWICK & WEST LONDON

Contact Alison Baker at a.m.baker@blueyonder.co.uk

COLCHESTER

Contact Maurice Austin – Maurice.austin@phonecoop.coop

COUNTY DURHAM

Saturday meetings take place at our new venue, St. Paul's Hall, Meadowfield, Durham City, DH7 8RP. No membership required on your first visit.

Contact Professor Alan Townsend at alan. townsend1939@gmail.com

ENFIELD FABIANS

Contact Andrew Gilbert at enfieldfabians@gmail.com

FINCHLEY

Contact Sam Jacobs at Sam. Jacobs@netapp.com

GRIMSBY

Contatct Pat Holland at hollandpat@hotmail.com

HAVERING

Contact Davis Marshall at haveringfabians@outlook.com

HORNSEY & WOOD GREEN

Contact Mark Cooke at hwgfabians@gmail.com

ISLINGTON

Contact Adeline Adu at siewyin.au@gmail.com

MERSEYSIDE

Contact Hetty Wood at hettywood@gmail.com

NEWHAM

Contact Mike Reader at mike.reader99@gmail.com

NORTHUMBRIA AREA

Contact Pat Hobson at pathobson@hotmail.com

PETERBOROUGH

Contact Brian Keegan at brian@keeganpeterborough.

READING & DISTRICT

Contact Tony Skuse at tony@ skuse.net

RUGBY

Contact John Goodman rugbyfabians@myphone.coop

SOUTH TYNESIDE

Contact Paul Freeman at southtynesidefabians@gmail.com

SUFFOLK

Would you like to get involved in re-launching the Suffolk Fabian Society? If so, please contact John Cook at contact@ ipswich-labour.org.uk

TONBRIDGE & TUNBRIDGE

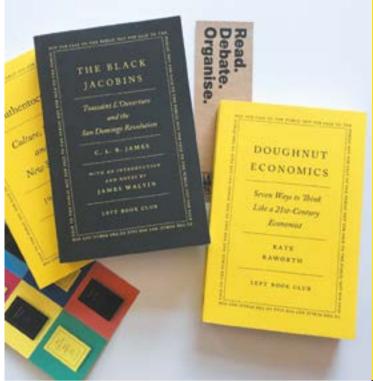
Contact Martin Clay at Martin. clay@btinternet.com

WALSALL

Contact Ian Robertson at robertsonic@hotmail.co.uk for details

YORK

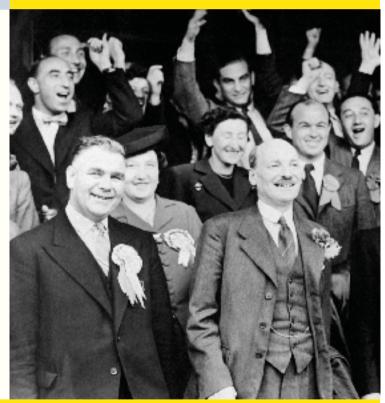
Contact Mary Cannon at yorkfabiansociety@gmail.com



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