

**YOUNG
FABIANS**

Anticipations

Autumn 2024



**LESSONS
FROM
AROUND
THE GLOBE**

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To find out more about the Fabian Society, the Young Fabians, the Fabian Women's Network and our local societies, please visit our website at www.fabians.org.uk

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Editor's Welcome



Yusuf Amin

I want to welcome you all to another exciting edition of Anticipations. This is now my second publication as editor and it become more and more of a pleasure to read and edit the amazing articles that we received from our Young Fabians.

Now that Keir Starmer finally resides at Number 10, the government has a significant job ahead of itself to fix the mess left by the Tories. Think tanks in Britain are scrambling to provide policy solutions to the various issues facing us, but here at the Fabian Society, we value our historic commitment to internationalism. That is why in this edition of Anticipations, we are looking beyond our borders and seeing what the rest of the world can teach us. From Peru to Singapore, and from issues ranging from Transport to AI,

this magazine will analyse how policies and ideas from other nations can teach us in Britain on how to tackle our own domestic issues.

Seeing that this is an internationally-focused edition of Anticipations, I made sure to include international voices in our discourse. So I'd like to give a massive thank you to the Secretary General of the Young European Socialists, Sofie Amalie Stage, for her incredible contribution in our 'In Conversation'. A huge thank you is also warranted to our partners at the Croatian SDP Youth Forum and the Australian Fabians for their contribution to this edition. Finally, I also want to thank Emily Thornberry MP for her brilliant foreword as she takes on her new role as Chair of the Foreign Affairs Select Committee. I now invite you all to read twelve fantastic articles by our Young Fabians that delve into the lessons that we can learn from around the globe.

Co-Chairs’ Foreword



**Francesca
Reynolds**



**Patrick
Cook**

The monumental challenges facing this Labour government are clear to see. The NHS is on its knees, prisoners are being released early due to overcrowding, house prices continue to soar with no sign of abating, and the list goes on... When facing such difficult problems, it can be tempting to think that completely new ideas are needed. There is, however, much we can learn from what other governments around the world are already doing.

Could we apply the same technology that other countries have adopted to radically improve the efficiency of our public services? Do we need to fundamentally rethink our housing model with greater emphasis on subsidised and state-provided accommodation to ensure sufficient provision? Or, would radical expansion of non-London city transit systems be a better approach to growth outside of the capital? These are just some of the questions asked in articles in this edition of *Anticipations*.

Many of the reforms outlined in this edition are bold. But if there was ever a time for this Government to act decisively, it is now. We hope these articles start conversations about the options that this Government has, and serves as a reminder to our Young Fabian members to look beyond our own borders for inspiration. As always, thank you for reading our work and for being a member. Next year, we will release four editions of *Anticipations*, relaunch our popular policy networks, and provide more exciting opportunities for our members. We look forward to seeing you soon.

MP's Foreword



Emily Thornberry MP

By the time this edition of *Antics* is published, you will know the results of the US Election. It is difficult to conceive of how far-reaching the global consequences of America's decision will be.

More than 40,000 people have been killed in Gaza in the last year, and more than 100 Israeli hostages are still not home. Every day that that war continues, the humanitarian crisis in Gaza

grows worse, the situation in the West Bank becomes more febrile, and Lebanon is dragged further into conflict. Meanwhile, the people of Ukraine are facing another long winter of Russian invasion, with victory hinging on the support of the international community.

I hope that America will choose a President who takes seriously their obligation to resolve those two great crises, as well as the many others from Sudan to Afghanistan causing misery around the world.

But we must not overlook our own power and obligation. This month, Britain takes up the Presidency of the UN Security Council. We need to make a clear-eyed assessment of where we can make the greatest impact; we are UN pen-holder on Sudan, for example.

And we are in a unique position. We are a Western European power with a pro-

gressive government, a large majority, and at least five years of government ahead of us.

Under Labour, we have the kind of political stability that makes us the envy of our neighbours and gives us enormous authority on the world stage. I don't think we should be afraid to use that. To bring warring parties together. To put pressure on our allies. To work with everyone – even those we don't agree with – to cut through the stalemate and finally begin to build peace.

As Chair of the Foreign Affairs Select Committee, it's my job to support the Foreign Office in doing that. To get out there and show that – after fourteen years of navel-gazing – Britain is back on the global stage.



**YOUNG
FABIANs**

Young Fabians, Autumn 2024



In Conversation with: Sofie Amalie Stage

Sofie is the Secretary General of the Young European Socialists (YES), the youth wing of the Party of European Socialists and the Socialists & Democrats grouping in the European Parliament. Through this conversation, I wanted to understand what our partners in Europe think of how we're coping

in Britain. It seems like ever since Brexit, the rest of Europe has looked at us with a sense of contempt. But ever since Labour's return to power, the continent seems to be brimming with excitement over the new opportunities arising from Keir Starmer's commitment to build a better relationship with Europe. I wanted to get Sofie's thought on the matter:

Are you optimistic for Britain with our change in government?

I am certainly optimistic now Britain is finally led by a Labour government. The Tories seemed to have one interest alone: their own agenda, with no regards of the wants, dreams or needs of especially young people in Britain.

Do you think we are now better places to cooperate with our European partners?

I believe the European countries are aware that leaving the EU was never a Labour project. Labour has always stood for international cooperation and solidarity, and now is a time to remember where we are alike, rather than what divides us. With the recent election of Donald Trump in the US, we are in need for the progressive and democratic voices of Europe to stand together, while maintaining as good a relationship as we can with the US. In this I believe the UK has a very particular and important role in being a diplomatic link between the EU, UK and the US itself. The relationship between EU and neighbouring nations, including Britain, has never been more important. With Trump's tariff plans against European companies, we must unite in securing a Europe with a strong common economy, both within the EU and Britain – our cooperation in this regard will be key for securing the EU economy as well as safeguarding Britain's own economy. I am now calmer knowing that these agreements between EU and Britain will now be negotiated with Labour. A Tory government would have most likely run a solo show with the US and not further cared for general European safety and economic sustainability.

If there is any policy or idea from Europe that you desperately want Britain to adopt, which one would it be?

I wouldn't say there is a specific European policy measure that I want Britain to adopt, more than I would place on the top of my wish list that Britain fully rejoins EU at some point! However, in the meantime there are many studying and job opportunities where I would wish to strengthen the agreement between Britain and the EU. One of the biggest losses for young people in Britain and for the European Union itself, is the opportunities that were ripped away when it came to education and job opportunities, like the Erasmus Scheme. I hope at some point it will be possible to establish a strong agreement raising the opportunities for both British and EU citizens again.

A Generation of Career-Changers:

Why the UK should look to the German adult education sector to prepare for future challenges



By Georgia Hatton

If the government is to meet its zero-carbon targets by 2030, up to 10% of the UK's workforce may have to re-train, according to a recent Skills England report. Simultaneously, AI threatens many graduate level professions, such as finance, on which the UK economy relies. Despite this, Skills England devotes less than one out of 64 pages explicitly to retraining, focusing instead on school-leavers.

However, a myopic focus on youth attainment at the expense of adult-education promotes an unstable environment for businesses and the de-skilling of our workforce. A cultural aversion to vocational training and lack of investment, coupled with rapid technological progress leaves employees behind their international peers and ill-equipped to train the next generation.

By contrast, Germany's culture of life-long learning prioritises industry involvement in training and de-risks specialisation for young trainees. The resulting dual-apprenticeship system supports the lowest youth unemployment in the EU.

The greatest obstacle to Britain's apprenticeship system is lack of private investment. UK employers contribute roughly half as much as their EU counterparts to training per employee and

the figure is falling (down 19% since 2011). British businesses lack capacity to train apprentices, preferring to hire in skilled labour or employ graduates (despite skills mismatches). In Germany, SMEs are involved in 98% of apprenticeship schemes. In the UK the figure is just 41%. It's easy to see why. For 30 years FE policy has been subject to top-down frenetic changes. We've cycled through over 5 official bodies – variously centrally run, devolved and partially privatised – with each new quango rebranding departments, funding pots, and qualifications. In a 2019 survey by Universities UK, over 80% of sampled businesses found the funding application for new apprenticeship standards “challenging” due to complex processes, high costs or opaque requirements.

By contrast, the German system has remained fairly stable. Chambers of commerce and unions are direct collaborative partners in training development and implementation. Training costs are covered by the government and apprentice employment costs by companies. Around a third of businesses enjoy positive gross margins before programme completion. No one gets called a ‘trail-blazer’ but the system engages around a third of all school leavers (compared to just 6% of 16-18 year olds in the UK).

In the above mentioned survey, parents of British children cited concerns that vocational training entailed “too narrow a career choice too early on”. This perception is borne out of a system in which retraining is prohibitively costly.

Although Germany also struggles to fund continued educational training, it's relatively cheap for learners of all ages. At the ‘Volkshoch-

schule’ (people's high school) one can study anything from a foreign language to programming for less than €100, and for the unemployed. Additionally, in most states, all employees have the right to between 5-10 days of yearly ‘Bildungsurlaub’ (paid training holiday, organised on the employee's initiative in a subject that could benefit their professional development). Finally, for those wishing to retrain completely, financial support is available up to the age of 45 in the form of ‘Bafög’ (half interest free loan, half maintenance grant), to support university studies or top-up apprenticeship wages.

This intensive subsidisation effectively de-risks specialisation. Not only are apprenticeships highly likely to lead to stable employment (with around 72% employer apprentice retention), but the ability to return to education at any time allows people to make ‘riskier’ training choices, such as entering a niche industry.

Furthermore, HE and FE streams are more integrated and valued more equally. For example, the publicly funded Fraunhofer Institute in applied science channels research into business, contributing to a sense of pride in the nation's industrial impact. Many rarified professions include apprenticeship elements, for example qualifying as a psychologist involves a post-Msc apprenticeship. For artisan and blue collar jobs there are advanced (or “Meister”) apprenticeships, which include teacher training to support future apprentices. Altogether, this contributes to a culture in which vocational skills are as respected as academic pathways.

The German system isn't perfect. As in the UK, austerity poses an existential threat to FE institutions. Providers can be peculiarly legalistic and rely on learner initiation, excluding the most disadvantaged in society. However, despite these caveats there's still plenty the UK could

aspire to emulate. Cultural change may be hard to engineer, however public and business perceptions of what constitutes worthwhile training are partially driven by what the government focuses on and invests in. Cuts to FE budgets since 2010 have led to a 50% fall in participation, and yet this year the skills levy is set to make significantly more than Labour plans to invest in further education. At the very least, our new government could take inspiration from Germany and devote more than a footnote to retraining in its next report. A renewed focus on lifelong learning will benefit us all.

Georgia Hatton is an aspiring writer who moved to Germany with a British Council graduate programme 6 years ago. Since arriving she has worked in the education system, studied at university and learnt German through her local Volkshochschule.

From Labor to Labour: Lessons from Australia



By Campbell Frost

To our sister party, congratulations on taking the reins on Number 10. As a member of the Australian Labor Party, we've endured a very similar set of events: losing power in the early 2010s, almost a decade of Tory governments with a revolving door of PMs, and a thin margin in government. Our countries may be distant, but our challenges are very similar. In this short piece, I want to offer two perspectives on both the Macro and Micro, on how both the Labour Party, Young Labour & Fabian Activists can lay the foundations for a better Britain.

The Broader Picture

In politics, storytelling is essential, but who you tell it to is even more critical. At the federal level in Australia, Labor often shares its message through traditional media channels, heavily influenced by the Murdoch empire. This conventional approach confines Labor's narrative to elite political circles, limiting its broader impact.

However, we found through former Victorian Premier Daniel Andrews a different blueprint – one that bypassed traditional media to connect directly with voters. Andrews reimagined press relations, transforming his media approach from a reactive, transactional model to one that positioned his team as a direct line between his office and the public. Rather than filtering messages through journalists, his press department used social media and clear, relatable communication to speak directly to Victorians. This created a more transparent and inclusive narrative that resonated with everyday people, fostering trust

and a feeling of genuine involvement.

This approach offers a valuable lesson for UK Labour. Like Australia, the UK's media landscape often presents challenges, with parts of the British press not always aligned with Labour's mission. By adopting a grassroots, direct communication strategy, UK Labour could forge stronger, more authentic connections with voters.

This shift would involve rethinking Labour's press department as an engagement hub that uses social media, livestreams, and community forums to deliver updates, explain policies, and respond directly to the public. By focusing on issues that affect daily life – communicated in straightforward, relatable terms – UK Labour could bypass traditional gatekeepers, ensuring its message reaches and resonates with the people it aims to serve.

Daniel Andrews demonstrated the power of speaking directly to voters. For UK Labour, adopting a similar approach could transform its communication strategy, empowering and uniting supporters while broadening its appeal nationwide.

Two-Pronged Approach

It's natural for progressives to feel disappointed when governments enact policies that clash with core values—recent changes to the Winter Fuel Allowance, austerity measures, and the self-determination struggles of the Palestinian people come to mind. As progressives, we expect our leaders to champion equity, compassion, and international justice.

In Australia, activists have developed an effective strategy for shifting party leadership toward these progressive ideals when traditional methods fall short. Known as the “Two-Pronged Approach”, this model has become a staple of Australia's progressive landscape, enabling left-wing activists to drive meaningful change within the Labor Party.

This approach combines two essential forces: internal advocacy and external pressure. On one front, activists work within the Labor Party, leveraging roles, committees, and conferences to shape policy from the inside. This internal advocacy ensures that critical issues are on the agenda and woven into the party's official platform. On the other front, external tactics – protests, public advocacy, and media campaigns – hold leaders accountable and reinforce the importance of these internally championed policies.

Together, these tactics create a dynamic force that keeps the party aligned with the progressive values its base demands.

This dual strategy embodies a central tenet of progressive activism: the power of constructive critique. Pushing our leaders to be better is not just a right; it's a responsibility for those committed to creating a fairer, more just society. Criticism of the Labor Party, holding it accountable, and demanding it live up to its values are not signs of disunity but of dedication. The ongoing push for improvement strengthens the party, ensuring it remains connected to the people and ideals it represents.

In Closing

I hope the message from this entry is clear: the road to lasting change is built on bold communication and relentless activism. By speaking directly to the people and holding power to account, Labour activists such as yourself can rise to meet the challenges of this moment. As Labour sets out to deliver on its mandate, may these lessons from Australia serve as a reminder: progressive politics thrives when it stays true to its values and remains rooted in the everyday lives of the people it serves. Only through retaining those values we can forge a future that's fairer, stronger, and more just.

Campbell is a Second Year Political Science student at Monash University and is working to lead and rebuild the Young Fabians Society in Australia. He is also an Australian Labor Party activist and deeply involved in grassroots progressive movements around Australia.

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Our Climate Future:

Labour's lessons from Europe & Central Asia



By Alfie Cairns

In 2022, 74% of adults in Great Britain aged 16 years and over said they were worried about climate change. Following on from the 2015 Paris Agreement, Britain has accepted responsibility to be a trailblazer in leading the world into the climate transition. Whilst previous Governments have demonstrated the seriousness of the challenges ahead, more radical approaches will be needed to ensure Governments borrow to invest and meet the challenges head on to mitigate the climate crisis.

The UK must demonstrate leadership in partaking in international climate change negotiations, and still holds great political influence. However, they must fulfil their commitment to reduce state funding of fossil fuel projects in addition to addressing the funding of polluting projects all over the world that inflates the finance industries emission of fossil fuels. Additionally, the global stocktake mechanism as part of the Paris Agreement will enable accountability at all levels and Britain will have to work internationally to drive global climate change action.

In 2021, the Climate Change Committee provided analysis about Britain's path to clean power by 2030. By 2050, the heatwave experienced in the summer of 2018 will become normal, with winter rainfall set to increase as much as 16%. These seismic changes won't operate in silos, and cross-government strategic efforts should be made to ensure housing, healthcare, the natural environment, and the economy are protected against these challenges.

In the past 10 years, 83% of all disas-

ters triggered by natural hazards were created by extreme weather events such as floods, heatwaves and storms. Such climate events have risen by 35% since the 1990s. However, some governments are better equipped than others with 93% of people impacted by climate disasters living in low resource countries.

The Middle East and Central Asia have taken steps to mitigate the dramatic impacts of climate change, with Morocco and Tunisia both improving their water management practices, strengthening their resilience amid droughts. There is a stronger case for greater climate regulations to enable fossil-fuel subsidies and introduce carbon taxes more widely. The IMF have advocated for 4% investment of GDP to boost climate resilience, with measures on adaptation and mitigation central to this.

Aside from economic measures, the technological revolution can play its part in tackling climate change. Cooperation and mutual learning from Asia in their advanced technology capabilities should serve vital toward solving these challenges. Government structures and tech eco-systems should be closely examined so we can compete with the innovation and global cooperation demonstrated by China and South Korea specifically. Europe and Central Asia have shown they can work together to strengthen efforts to reduce poverty and sustain development, as contributing factors to enhance the global capacity to tackle climate change. These regions are ready to accelerate climate change adaptation actions. Britain can benefit from serving as the broker between vulnerable communities to share innovative ideas and financially back initiatives that build a low-carbon and climate resilient future.

There is a clear signal to take action – with economic damage through droughts and floods in Asia amounting to 1.3% of GDP per annum and the impact of internal climate migrants. The EU also will experience large impacts with the overall cost of climate-related extreme weather totalling \$170 billion by the end of the century. Effective economic distribution must occur to soften the impact for European countries making the transition for labour markets to shift to greener jobs. It is imperative Britain learns from Europe in tackling climate change in the context of societal challenges like poverty and economic growth to support the transition. The World Bank Group's

Climate Change Action plan prioritises transformation within five key areas: Energy, Agriculture, Cities, Transport and Manufacturing. Governance structures should align these areas with their overall agenda to ensure Labour's missions deliver on these challenges across multiple sectors. The UK Government should take steps beyond the EU Commission to hold high-level dialogue with the global South to ensure the rapid implementation of the Paris Agreement is achieved.

Countries that experience similar difficulties should therefore collaborate to provide strong solutions. For example, Europe and Central Asia are vulnerable to the concentration of greenhouse gases, warmer temperatures and more extreme, frequent weather events. There is a serious adaptation deficit that countries must adopt to learn best practice and improve their resilience and preservation of natural resources i.e. biodiversity, water, health, agriculture and the build environment. There is greater scope for Britain to drive a joint-European strategy on disaster preparedness – similar to pandemic preparedness. Britain's specific climate conditions might not be most impacted by these extreme events, but the effects of climate migration and global economic growth will impact them just as profoundly.

Alfie Cairns is a civil servant at the Ministry of Housing, Communities & Local Government working within local government strategy. He is also a post-graduate student studying Government, Policy & Politics at Birkbeck, University of London. Alfie is also co-chair of a school governors' board in South London, and previously volunteered for organisations and groups focused on racial equality, education, climate change and social mobility.

Rebuilding the UK Economy: Lessons from South Korea and Denmark



**By Juliet Eaglestone
Haran**

In recent years, the UK has been confronted with significant economic challenges, from inflation rates surging above 7% during the prolonged cost of living crisis, to the ongoing trade disruptions post-Brexit and lasting impacts of the COVID-19 pandemic. These factors have kept economic growth and productivity at notably low levels, with GDP growth rates declining persistently since 2021. Quarterly growth figures of 0.7%, 0.5% and 0.4% for Q1-Q3 of 2024 remain far below the government's 2.5% target. While the IMF forecasts a hopeful 1.1% overall growth for the UK economy in 2024, it leaves them in the middle of the pack of the world's leading nations, and lags behind historical norms as well as the country's ambition to lead. Could strategies from those leading the pack offer inspiration to boost the UK's growth trajectory? Maybe the adaptation of similar policies to South Korea and Denmark, would help Rachel Reeves to "rebuild Britain once again", as desired in the autumn budget.

Firstly, let's look at South Korea; this diverse economy is forecasted to grow by 2.5% in 2024, exactly on the UK's target. Technological innovation and rapid development since the 1960s have left them with the 14th largest economy in the world. Although the UK exists already as a high-income country, so may not be looking for similar economic development, it may be able to draw lessons from South Korea's impressive drive for research and development in technology. South Korea is seen to be one of the highest committers to R&D,

investing approximately 4.6% of its GDP each year, propelling them to become global leaders in technology and manufacturing, dominating semiconductor technology, and automotive manufacturing. Perhaps their focus on future-oriented technologies could be a new focus for the UK to boost their productive potential and long run growth rates. The UK's current R&D spending is above the OECD's average, but lower than leading nations such as South Korea, with main investment seen in the pharmaceutical industry. However, maybe if they shifted their focus to the modern and emerging industries, such as renewable energy, green technology and artificial intelligence, in which we already have significant expertise, then growth will increase. This would also facilitate further innovation and sustainable growth for years down the line. Is this where the chancellor should look to "invest, invest, invest", as again headlined in her budget?

Let's turn to Scandinavia, where countries like Sweden and Denmark have successfully achieved a balance between work and personal life. The UK labour market has seen significant issues amid the recent crises. Wage growth has lagged inflation, the ageing population and the effects such as long covid have increased economic inactivity, and post-Brexit immigration reductions have contributed to labour shortages, particularly in health and social care. These factors point to a clear imbalance between labour supply and demand. Inspiration could be taken from the Nordic countries, which prioritise a work-life balance, flexibility and strong social welfare systems in their labour policies. Denmark's "flexicurity" model, for example, combines labour flexibility with social security, creating a unique balance between worker protections with business flexibility. This makes it easier for people, like those who need updated skills, or the economically inactive, to transition between jobs while maintaining financial security. Businesses in Denmark can adapt swiftly to changes, helping drive economic growth while providing workers with strong safety nets and proactive labour market policies, such as retraining and upskilling programmes.

The UK could benefit from adopting similar programmes, particularly in the areas experiencing huge shortages, such as health and social care. Aligning workforce training with the specific demands of the labour market could significantly

boost output and productivity in these key sectors, and if training is offered to those who are structurally unemployed, then the labour force and productive potential of the economy would also expand. Moreover, enhanced social security and workplace flexibility could encourage economically inactive individuals to re-enter the workforce. Knowing they have a safety net in place, and the option to balance work with personal life, may alleviate past disincentives. This balanced approach could be a transformative step toward addressing labour shortages while fostering a more resilient and motivated workforce that grows with the economy.

Right now, the new Labour government stands at a pivotal stage in the revitalisation of the UK economy, where learning from international successes could reignite its economic growth. Emulating South Korea's dedication to forward-looking sectors like green technology and AI could drive innovation and sustainably increase productivity, addressing many of the structural challenges currently hindering the economy's growth. Likewise, adopting Denmark's "flexicurity" model might be the answer to growing concerns of economic inactivity and shortages in the labour market. By integrating these approaches, the UK has the potential to rebuild a more dynamic and resilient economy, positioning itself for long-lasting growth amid the complex global landscape.

Juliet is a second-year economics student at the University of Bath. She looks to work in policy advisory roles in the future, with a strong interest in progressive economics and social mobility.

Britain must pioneer AI regulations in entertainment industries



By Francis Shin

“Priority one – Ensure return of organism for analysis. All other considerations secondary. Crew expendable.” Since these words appeared in the 1979 film *Alien*, the *Alien* series has regularly criticised how some large corporations treat their workforce as disposable in the pursuit of profit. It is rather ironic then that the most recent instalment, *Alien: Romulus*, partly emulates that approach by utilising AI technologies to recreate the likeness of the late Sir Ian Holm, who portrayed a character in the original 1979 film. Holm’s digitally recreated presence in *Alien: Romulus* once again raises questions of whether AI could render entertainment jobs obsolete, and if the overuse of AI may cause creative stagnation. Such questions remain unresolved at the national level in the United States despite a bilateral agreement between the writers’ and actors’ unions and entertainment companies to end the labour dispute last year, primarily because the US Congress remained (at the time) too divided to draft AI regulations on the entertainment industries.

In contrast, the Starmer ministry has the benefit of a robust parliamentary majority to easily pass AI regulations on entertainment in the current parliamentary term. Britain is also a “cultural superpower” with many cultural properties that are exceptionally popular overseas, ranging from Shakespeare’s plays to TV series like *Doctor Who*. Consequently, AI regulations that Britain adopts will set an example for other countries to follow. Considering that the Starmer ministry has furthermore prioritised strengthening Britain’s status as a cultural superpower, this would

be an excellent opportunity for the ministry to demonstrate its commitment.

The UK government should waste no time here either, as AI-related concerns have gained increasing attention recently. The UK actors’ union Equity issued a statement in solidarity with the US strikes last year and has more recently requested regulations on the use of AI, albeit oft entertainment companies instead of UK authorities. Nevertheless, without establishing rules for the use of AI in entertainment, Equity could launch a strike like its US counterparts did. The US entertainment labour strikes last year cost the economy of California \$6.5 billion (£5.3 billion) and 45,000 jobs in that state alone, and similar action taken in the UK could easily have massive economic impacts, possibly even threatening the Starmer ministry’s current commitments to put an end to years of austerity.

The growing presence of artificial intelligence in the entertainment industry poses a significant risk to job security as well, especially for junior-level workers. The capabilities of AI have advanced enough that the demand for large production crews may decrease as digital technologies evolve. Returning to the example of *Alien: Romulus*, a fully staffed crew recreated the likeness of Ian Holm, with Daniel Betts providing the voice for Holm’s character. However, as AI technology improves, the need for such extensive teams to execute digital recreations of actors (both living and deceased) could diminish. These trends highlight another need for future AI regulations in entertainment.

There are likewise growing problems in the use of AI-generated creative writing as well. In fact, a study from Rice and Stanford Universities reported that AI models trained off AI-generated materials tended to produce poor and/or homogenised results. Given how AI-generated materials have exponentially proliferated the internet since the public release of ChatGPT in 2022, any AI-generated creative writing materials that may be generated in the future will be increasingly susceptible to “Model Auto-phagy Disorder (MAD),” and thus be at risk of creative stagnation. Even if issues with MAD might be addressed in future AI models, the fact that generative AI requires drawing upon existing materials means that it is less likely to produce anything unique or groundbreaking. The UK’s future AI regulations must address

the shortcomings to prevent such creative stagnation as well, especially to maintain Britain’s cultural superpower status.

Given these circumstances, the UK must consider the following approaches when developing AI regulations in entertainment:

- Open standing policy consultations between the Department for Culture; the Parliamentary Committee for Culture; Equity and other entertainment trade unions; and companies in entertainment industries like film, TV, publishing, video games, among others, to keep up with advancements in AI technologies in entertainment.
- Parliament must pass legislation (drafted based on these consultations) that safeguard jobs and prevent creative stagnation as the use of AI grows more common in the entertainment industries.
- The government should issue guidance on how it would enforce this legislation to ensure that the adoption of AI technologies will not negatively impact entertainment workers or Britain’s cultural power.

Francis Shin is an author and research analyst focused on strengthening global governance, fostering transatlantic-Indo-Pacific cooperation, and advancing democratic resilience. His expertise spans anti-corruption strategies and clean energy policy. Francis has held roles at prominent think tanks, including the Atlantic Council, the Royal United Services Institute, and the Center for a New American Security.

Lessons from Croatia's take on Higher Education



By *Martina Vitasovic*

Largely thanks to its socialist tradition, Croatia is one of the few EU countries to have continued the practice of allowing its home students access to free higher education (HE). Albeit this comes with a few T&Cs, generally public university programs do not charge their students tuition fees upon enrolment, a practice which has been abandoned by the UK higher education institutions. This short article does not aim to analyse the quality of HE in the UK and Croatia, but merely contrast their different approaches to HE and the way in which this reflects their respective political and social traditions.

Full time students enrolling via the regular process after completing secondary education are exempt from paying any tuition fees upon starting their course, as their education is financially supported by the Ministry of Science and Education. European Commission confirms that HE in Croatia is provided by HE institutions that are state financed, while the share of tertiary education funded by households, i.e. payments from student participations, amount up to 15%.

Although they may be excluded from worrying about tuition fees, a concept which may even feel abstract and unknown to an average Croatian undergraduate student, choosing their desired faculty and place of study does indeed require meticulous financial planning. Over 80% of costs related to studying per semester are taken up by rent, bills, and transport, and only a few are lucky to live in subsidized and affordable student accommodation, which is awarded through a merit-based system and is highly coveted.

The practice of providing free HE reflects Croatia's socialist and collectivist tradition to dealing with public institutions which has remained since its days as part of the former Yugoslavia. On the other hand, the UK relies on a more liberal and market-driven approach to higher education. To secure a portion of highly competitive funding, institutional leaders have had to resort to tactics reminiscent of marketized consumer environments, which includes recruiting an ever-larger number of EU and international students who contribute to financial stability of HE institutions. This is not surprising, as since the 1960s there has been a trend of decline in public funding of universities.

While the budget for HE institutions in Croatia is determined based on data on the number of employed staff, research needs, and costs of maintaining the performance of regular activities, UK HE leaders are forced to resort to practices of income maximisation characteristic of a business to attain funding necessary to finance their institutions. As the number of students participating in full-time HE has increased, public funding per student has decreased. By the early 2000s, the UK had one of the lowest tertiary level expenditures as a percentage of GDP among the OECD countries.

Unlike their Croatian colleagues, UK full-time students are required to add tuition fees to their consideration when applying to university. In most cases, they go as high up as £9,250 per year (having now increased to £9,535 by the time of this article's editing), creating a consumer market in which study programs are financed by market forces, universities become businesses offering a service, and students become clients that expect a return on investment. This creates an entirely different and awkward student-professor dynamic and changes student expectations, making university go from being seen as a place of pure academic exploration to a transaction-driven environment where education is viewed as a product.

To summarize, Croatia's commitment to free higher education (HE) for its home students stems from its socialist tradition, allowing full-time students to enrol without paying tuition fees, supported by the Ministry of Science and Education. This contrasts sharply with the UK, where students face tuition fees of up to £9,250 per year, reflecting a market-driven approach to education. In Croatia, students enter higher education as beneficiaries of a public good, whereas in the UK, students assume the role of consum-

ers, with universities becoming service providers. The UK could benefit from adopting a more accessible, publicly funded model. Reducing fees could break down financial barriers, create a more diverse student body, and lessen socioeconomic disparities. Beyond the immediate benefit to students, a more accessible system could foster long-term economic growth by supporting a highly educated workforce without the burden of exorbitant debt. Adopting this model could also help shift the perception of education from a transaction to a public good, enhancing community, inclusivity, and a focus on learning within the UK's higher education system.

Martina recently graduated with a Master's in International Politics and she volunteers with a youth NGO in writing articles about current world

Housing as a Right: Learning from Vienna's Success in the UK Context



By *Ilgin Özkul*

The UK's housing crisis is one of the most pressing challenges facing the country, with rising property prices, rent inflation and a shortage of affordable homes leaving millions struggling to secure stable accommodation. Meanwhile, Vienna has developed one of the most successful housing models in the world, with a commitment to affordable, high-quality and socially inclusive housing. Adapting Vienna's approach and key policies can help Labour tackle the affordability crisis and reduce homelessness while reframing housing as a right rather than a market commodity.

Vienna's success stems from its long-term commitment to public housing, with around 60% of the city's 1.8 million residents living in either municipal or subsidised housing. This approach, rooted in early 20th century Red Vienna's socialism, provides a model for social integration and affordability. Housing policies are designed to support a broad range of incomes, not just the poorest, ensuring high-quality, subsidised housing for many.

While public housing has been a priority for decades in Vienna, the UK housing market is dominated by market-based solutions and a political focus on homeownership. For the UK to imitate Vienna's housing model, it needs to target at least 30-40% of all new developments for social housing. By prioritising public ownership and large-scale development, Labour can more effectively address the housing crisis.

Another defining feature of Vienna's housing policy is its commitment to

mixed-income housing. Income caps for the applicants of social housing are set high enough that a large share of the population is eligible. As residents from different income levels are mixed in the same estates, social cohesion is facilitated while socioeconomic segregation is prevented. To replicate this, the UK could implement inclusionary zoning and thus, require developers to reserve a portion of new developments for lower-income residents.

Vienna's housing model also limits rents at 20-25% of household income, which ensures affordability and long-term stability for tenants. Although rent controls face legal and political resistance in the UK, they could be critical in stabilising the housing market, particularly in high-demand areas like London where rents have surged.

However, rent control alone is not the solution. Vienna's success is also due to the government's proactive role in land procurement and partnerships with private developers. Vienna ensures that two-thirds of new developments include social housing, which prevents market speculation from inflating prices. Furthermore, offering affordable land and low-interest loans in return for the construction of subsidised housing keeps costs manageable, while the government retains control over the quality and affordability of housing projects. The recycling of loans to produce new housing also makes the housing system self-sustaining.

In favour of public land ownership, Labour could reform policies to prioritise social housing on public land. This, however, requires significant changes to how the government views land as a public resource rather than a commodity to sell to private developers for short-term revenue. Adapting Vienna's housing model to the UK would require significant changes, particularly in land acquisition and rent regulation. The UK's shift towards privatisation contrasts with Vienna's strong public sector role in housing affordability, which presents a challenge in replicating the degree of public-private collaboration seen in Vienna and overcoming political resistance to public housing investment.

A similar model in the UK would also require significant increases in public spending to finance new affordable homes, making long-term funding mechanisms essential. In addition, Labour needs to promote a cultural and political shift in the perception of social housing

by emphasising the benefits of affordable and socially integrated housing. This shift is necessary to build support for the kind of systemic reform that Vienna has successfully implemented. Legal and regulatory reforms are also required to enforce affordable housing provisions.

These challenges are significant. Yet, there are several starting points Labour can pursue. It can begin by implementing zoning laws requiring a certain percentage of affordable housing in new development projects, along with stricter rent controls to put the brakes on rising rents. This also involves being more proactive in securing land and negotiating with developers to ensure social housing remains a priority. While public ownership and investment are key, private developers must be part of the solution.

On a local level, metropolitan cities like London or Manchester could pilot versions of Vienna's model and, over time, success in these areas could build momentum for the rest of the nation. Educational campaigns and political advocacy could help overcome cultural barriers while inducing a forward-thinking approach to housing and urban development.

Although replicating Vienna's system in its entirety may not be feasible due to political and economic differences, key policies such as mixed-income developments, rent controls and public-private partnerships offer potential solutions to the UK's housing crisis. By reframing housing as a right rather than a commodity, Labour can foster social cohesion and long-term urban stability.

Ilgin is a recent graduate with an MSc in Public Policy and BA in PPE. I'm currently an intern at PwC, specialising in Anti-Money Laundering (AML) and Know Your Customer (KYC).

Breaking the Chains of Credentialism: Insights from Finnish Education



By Felix Tansey-Thomas

When the question of looking abroad for new policy ideas arises, Finland's education system is hardly a revolutionary suggestion. Since the early 2000s, it has been hailed as the gold standard, consistently placing at the top of the PISA rankings. Celebrated for its innovative approach, including minimal standardised testing, high teacher autonomy, and a strong focus on student well-being, it is no surprise that many have urged the UK to follow suit. However, recent challenges – such as reduced funding and rising class sizes – have cast some doubt on Finland's model. A steady decline in the PISA rankings, has prompted critics to dismiss the approach. Sure, it sounds appealing in theory, but it is ultimately unworkable. The experiment has failed, and conventional wisdom rang true. Starmer's Labour would do well to heed these warnings. Yet, what if these principles offer not a blueprint, but a different philosophy for Labour as it reconsiders education reform?

Finland's system is compelling because it disrupts a core assumption within the UK's education system: that standardised sorting and competition are necessary to foster success. Our meritocratic model channels students into predefined academic tracks from a young age, using test scores and selective pathways to determine future opportunities. The Finnish approach, by contrast, reduces early academic stratification, creating a more collaborative, equitable environment.

This emphasis on standardisation and sorting reflects a meritocratic ideology – one that ties educational success to individual effort and achievement. The

assumption is that diligent students can rise to the top, regardless of their starting point. In theory, this creates equal opportunities for all. Yet in practice, factors like family background, access to resources, and cultural capital heavily influence academic performance. For many, the reality is that meritocracy can deepen inequalities rather than reduce them.

Michael Sandel's, 'The Tyranny of Merit' critiques this exact problem: that meritocratic systems, by treating academic success as a personal triumph, reinforce the belief that success or failure is solely a matter of individual effort. Sandel warns that this can create a sense of 'meritocratic hubris' among those who succeed, and shame and resentment among those who do not. The resulting hierarchy can breed social divides, as those who succeed feel justified in their privilege while others internalise failure as a personal deficit.

In Finland, this emphasis on ranking and credentialism is notably absent. Rather than weeding out students based on exam performance, the Finnish system encourages students to explore their strengths without the pressure of constant assessment. Teachers, given significant autonomy, play a central role in supporting each student's development, rather than primarily preparing them for high-stakes exams. This shift in focus—from sorting students to supporting them—enables Finland to foster a learning culture that values all paths.

A key lesson from Finland's model is that broadening the definition of success could counter the harm caused by narrowly focused meritocracy. In Britain, competition for elite education and high-status careers reinforces a culture where academic credentials become gatekeepers to opportunity. The Finnish model, on the other hand, holds a more egalitarian view of education and career paths, avoiding the prestige hierarchy that often characterises British universities. Finnish universities don't have the same prestige-driven divides, and vocational training is equally valued, reducing the pressure to pursue narrowly defined academic success.

Of course, the practical reality of adopting Finland's approach would be fraught with challenges. For starters, the UK's long-standing educational hierarchies would pose significant barriers. In point-

ing towards the Finnish model, I hope to highlight the shift in social values that would be required. That is, a move away from hyper-competitive academic sorting to rethinking what we consider valuable in education.

Labour's current platform offers some steps toward equity – such as removing VAT exemptions for private schools, providing free breakfast clubs, and increasing funding for apprenticeships. However, if these measures are framed only as ways to "level the playing field" for competition, they may reinforce rather than dismantle the credentialism that drives inequality. True equity would mean creating a system that values a diversity of strengths and paths, recognising that success cannot be narrowly defined by academic achievement alone.

Finland's model highlights an alternative philosophy of education, one that values collaboration over competition and views education as a public good rather than a sorting mechanism. For Labour, the challenge is not just to provide more opportunities within the current framework but to reimagine the framework itself, supporting diverse ways for individuals to thrive. They should look to Finland not as a model to copy, but as a guiding philosophy to inform a more just and inclusive approach to education.

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Towards a Socialist Singapore-on-Thames: what the Singapore model can teach a Labour Britain



By Otto Barrow

As Labour begins implementing its ambitious program for national renewal, the Singapore model offers vital lessons. While Singapore's average citizen enjoys higher wages than their British counterparts and better public housing (80% in high-quality public housing), this success stems not from minimal government but from strategic state intervention and sustained public investment. The Adam Smith Institute's vision of Singapore as a low-regulation paradise fundamentally misunderstands Singapore's success and risks pointing Britain in precisely the wrong direction.

The evidence of Singapore's achievements is striking. Between 1970-2019, Singapore achieved average annual GDP per capita growth of 4.7%, compared to Britain's 1.9%. Life expectancy is 83.5 years versus Britain's 81.3 years. Its infrastructure ranks first globally while Britain languishes in 11th place. This contrast is particularly relevant given the 2024 Autumn Budget's revelation that Britain's GDP per capita remains lower than at the start of the last Parliament.

Conservatives claim Singapore's success stems from low taxes and light regulation. Reality tells a different story. Singapore's government, through its sovereign wealth funds, owns controlling stakes in many major companies and maintains extensive social programs. Most notably, it requires employer and employee contributions totalling 37% of wages to the Central Provident Fund – far exceeding Britain's National Insurance rates.

Singapore's approach to industrial policy offers particularly relevant lessons.

Through Temasek Holdings (holding over S\$313 billion [£184 billion] in assets) and GIC (estimated S\$690 billion [£406 billion]), the state strategically invests in key industries while maintaining market discipline. The 2024 Budget's commitment to boost capital investment by over £100 billion over five years and maintain public sector net investment at 2.6% of GDP demonstrates a step in the right direction, but Singapore's example suggests even greater ambition is possible.

In education, Singapore invests approximately 17% of its national budget, spending around S\$10,710 [£6,300] per primary school pupil compared to England's £5,000. While the 2024 Budget's £2.3 billion increase to the core schools budget for recruiting 6,500 new teachers is welcome, it still leaves Britain playing catch-up. Singapore's comprehensive approach to lifelong learning, such as through SkillsFuture, offers vital lessons for Labour's Skills England initiative.

Perhaps nowhere is the contrast starker than in infrastructure and innovation. Singapore consistently ranks first globally for infrastructure quality through sustained public investment and long-term planning. Its research and development spending (2.2% of GDP versus Britain's 1.7%) has helped build world-leading capabilities in biotech, digital technology, and green innovation. The 2024 Budget's commitment of £1.6 billion to local roads maintenance and promise of a 10-year infrastructure strategy, while welcome, highlights how far Britain needs to go.

Critics point to Singapore's stern governmental system, with one party in charge since the country's founding, and society sustained through migrant labour that will fine those who chew gum as a reason for why such an approach could never be applied in the UK. However, this critique conflates Singapore's political model, a topic well beyond this article, with its economic governance approach. Examples from Scandinavian social democracies show how elements of strategic state coordination can be combined with strong civil society institutions and worker rights.

The real lesson from Singapore is that an active state – working strategically with business, unions and civil society – can drive sustainable growth and shared prosperity. This requires:

- Long-term strategic planning through empowered institutions

- Sustained investment in human capital via reformed skills and education systems

- Strategic deployment of public investment through vehicles like the National Wealth Fund

- Highly capable public administration focused on delivery

- Strong social protection systems that enable economic dynamism

The 2024 Budget's creation of an Office for Value for Money and commitment to one major fiscal event per year echo Singapore's emphasis on effective governance. However, the Budget's commitment to growing day-to-day departmental spending at 2.0% per year in real terms between 2023-24 and 2029-30 suggests we should be even more ambitious in areas like education and R&D investment.

As Labour implements its program for government, Singapore offers a powerful example of how strategic state intervention can drive sustainable growth and shared prosperity. The choice is not between markets and planning, but between strategic coordination and drift. By combining Singapore's lessons about effective state coordination with Labour's commitment to democratic accountability and social justice, we can build something better: a British developmental state that drives innovation while ensuring its benefits are shared by all. The Conservatives' free-market fantasy about Singapore has failed. Labour's task now is to build a real Singapore-on-Thames – one that harnesses state capacity and market dynamics to serve the many, not the few.

Otto is a Young Fabian researcher. He is currently a Yenching Scholar at Peking University.

Looking Outwards and Inwards: Education and beating the language deficit



By Amy Brook

“Britain’s students are not interested in languages”. It is a common opinion, treated as fact - one that is reflected, at least, when looking at secondary language education provision. While the EU average for students learning two or more languages is 60%, only one in ten UK state school students take one language GCSE. This jars with the actual linguistic diversity of the nation, with 1.5 British children growing up in bilingual households.

Low language uptake reaffirms, for some, the incorrect thesis of British monolingualism as an immutable attitude. From my experience, the problem is not attitudinal, but logistical. My love of languages was, perhaps, encouraged by the initiatives of my secondary school, a specialist ‘Language College’. This certification no longer exists. I sat in a Confucius classroom, listening to a taster class with a local Chinese teacher. A native teacher took us to see German films at a local cinema, liaised with a local university’s language outreach programme. The enthusiasm for languages was there, a positive consequence of these programmes, but this did not result in increased uptake. In my final years at sixth form, German A-Level was under threat due to low popularity.

As I mentioned German and Chinese specifically – two languages that were targeted by previous government strategy – this raises a key issue in any language education policy. What makes policy in this area more complicated, compared with other subjects targeted for improvement (such as STEM subjects), is that strategy must encompass a range of different languages. The specificity of each language’s status means that strategy must take this into

account. This complex picture has also been noted in European statistics on language choice - for instance, the decline in German learning in certain Eastern European states. Language learning choices, then, are related to a nation’s cultural history with certain languages. In the British context, it is useful to group languages into three main groups: traditional languages (including the ‘Big Three’: French, German and Spanish), UK minority regional languages (Welsh, Gaelic etc), along with heritage/community languages (such as Polish, Arabic and Urdu). Given the nature of devolved policy in this area, this article will focus specifically on the first and third language groups specifically.

A Labour government must recognise that a change of approach is needed. The Department of Education, universities and cultural institutes have introduced initiatives, targeting both recruitment to language degrees and teacher training. There is a dual nature to this problem - low uptake of languages at A-Level are leading to reductions in degree courses, especially at post-92 institutions, which narrows the pool of graduate talent to provide language teaching.

One measure is to adapt the remit of existing ‘language hubs’. Through the National Consortium of Language Education (NCLE), the project’s current remit focuses on best practice on a regional level. Selected ‘hub schools’ then share training specific to language teaching to local schools. I propose that the remit of the project be expanded beyond this, to address issues with heritage language teacher availability. A lack of teachers is found in both minority languages native to the UK (Gaelic, Irish and Welsh) as well as ‘other’ heritage languages more broadly - 4% of teaching vacancies are unfilled for these languages, a much higher percentage than the Big Three. As well as sharing best practice for secondary language teaching, their remit would be extended to both secondary and adult teaching in the area. The aim would be to share resources specific to the heritage languages spoken in each region and create a professional community of heritage language speakers in the area. Heritage language hubs respond to an existing interest in languages, both in school and wider communities, by expanding language choice. Flexibility in teacher recruitment via language hubs, taking teachers both from the community as well as teacher training programmes, addresses some of the issues raised.

However, teaching is not the only issue where the UK lags behind its European neighbours - our workforce has a linguistic skills gap. This ‘language deficit’, highlighted by a range of trade bodies, stands in contrast with EU partners. Recognising that English is a global language, there is still a stark difference in language skills between other comparable countries. Spain and France, two countries with a wider community of global Spanish and French speakers, find themselves in a more secure situation - in part, due to the emphasis on language learning in higher education. Not only is a language course obligatory for some courses, teaching is more adapted to a student’s area of interest. For example, engineering students in French universities have a greater buy-in to technical English teaching that meets their academic interests. In the UK, while numbers enrolled in sole language degrees have fallen, joint honours degrees with a language component have remained more stable - especially arts and humanities joint offers.

To summarise, both secondary and higher education need to offer greater flexibility in language choice and learning options. Although teacher recruitment and language upskilling provide challenges specific to the UK context, looking at international strategy is still fruitful. As well as looking out to European neighbours, policymakers must also look inwards, on the great existing potential of heritage languages in the UK.

Amy is a recent graduate of the University of Cambridge, studying modern languages (French, German and Modern Greek).

Funding and Financing City Public Transport



By Mateo Bartra

Labour's top priority is economic growth, but cities outside of London are held back by their poor transport infrastructure. Public transport systems in cities like Birmingham, Leeds and Manchester are significantly smaller than their European counterparts. According to Centre for Cities, only 40% of the urban population can reach the city centre within 30 minutes using public transport, compared to 67% in Europe. This poor connectivity shrinks labour markets, limiting businesses' access to talent and depressing productivity.

There has been some progress. Great British Railways promises more reliable commuter services, and Mayoral Combined Authorities now have powers over bus franchising, with Labour proposing this approach to be the standard across England and Wales. While these are welcome changes, they don't solve the funding and financing challenges in urban city transport.

In its Second National Infrastructure Assessment, the National Infrastructure Commission recommended £31bn worth of investment in major urban transport infrastructure projects outside of London. However, under current arrangements, most of this investment will have to come from the Treasury, putting urban transport projects in competition with national infrastructure like HS2 or other policy priorities. In effect, the long-term development of our cities is subject to central political support and the volatility of budget commitments. While the Labour government seems committed to building up our cities, the key to sustaining urban investment into the future will require learning from international arrangements in transport financing and

funding.

Public Transport Financing

The first piece of the puzzle is that major infrastructure projects require substantial upfront investment. Capital sources include public budgets – central or local – or financing through debt or equity from banks or other investors. In the UK, capital for new transport infrastructure comes mostly from the central government, and in recent years there has been significant progress with £14bn for Mayoral Combined Authorities provided through the City Region Sustainable Transport Settlements (2022-2032), several additional funding pots and one-off deals like the £2.2bn repurposed HS2 funds given to the West Yorkshire Mass Transit System.

Reducing the share of capital required from the Treasury would give local governments more independence to deliver their ambitious transport plans. Indeed, local government can borrow at favourable rates from the Public Works Loan Board and the National Wealth Fund, but to maximise the financing potential, the government should encourage a blended finance approach. This approach to Public Private Partnerships utilises public funds to reduce projects risks and attract private capital and is increasingly used in transport projects internationally.

For instance, the first metro in Lima received loans from multiple private banks thanks to the involvement of the regional development bank and guarantees from the government. In Montreal, a loan from the national development bank and funds from the regional government attracted significant investment from an institutional investor and developer to build a light metro system.

In both cases, public loans and financial guarantees were key derisking mechanisms. The National Wealth Fund already has access to these financial instruments and a mandate to crowd-in private capital. The Chancellor's upcoming statement of strategic priorities to the NWF should further promote this approach, and work with local governments to develop the capacity to deliver these projects.

Public Transport Funding

While Mayoral Combined Authorities can borrow to invest in public transport, this requires steady revenue streams for repayments. Fares alone won't cut

it – local taxation plays a crucial role. However, with only 5% of taxes collected and retained by local government, the UK has the most centralised public revenues in the G7. Without fiscal devolution, our secondary cities are constrained in their ability to secure financing, reinforcing the over-reliance on central government funding that often lacks the necessary long-term commitment required for financial repayments.

Following the 'beneficiaries pay' principle, local taxes should capture two key benefits from transport improvements: increased land values and city-wide economic gains. Local governments already collect revenues from council taxes and 50% of business rates, but periodic revaluation of land to reflect improved transport access could unlock additional revenues.

A promising model to capture wider city benefits comes from across the Channel: France's Versement mobilité is a local payroll tax on companies with 11+ works that is earmarked for transport spending, and it accounts for nearly half of the funding for transport authorities. While the thresholds and tax ranges should be unique to the UK, this is the sort of fiscal devolution that would allow cities to implement their ambitious plans regardless of political support in Westminster.

Even London suffers under our current system or overreliance on central funding and fares. With the world's most expensive metro creating pressures to freeze fares, and without additional funding from central government, old trains remain unreplaced, and critical infrastructure projects are shelved. Unless we rethink our funding models, cities across the country will face similar struggles.

Mateo is a public transport analyst, and previously worked as a graduate at a national development bank. He holds a BSc in Economics from the University of Leeds.

Forget “State vs. Market” - Why Not “State and Market”?



**By Connor Escudero
and Lewis Warner**

The State versus Market efficiency debate is well known and exhausted. If we are to pursue social and economic justice, we must first rid ourselves of such dogmatic and tired thinking and reject the presumption that a Labour government must curb the influence that markets have on society. A new frame of thinking, focused on the partnership between the state and the market, is the true progressive vision that the Labour must embrace. An approach where a smart state strategically partners with the private sector to increase the supply of good jobs - which form the backbone of a stable and prosperous livelihood - crushing the all too common barriers to opportunity. An approach where we can invest our precious resources into making our welfare state as good as it can be for those who need it.

The route towards a fair and prosperous society needs a strong foundation - good industrial policy. Industrial policy has become a mainstream part of the modern global economy, but what marks the difference between effective and ineffective industrial policy lies

with the tools that are used to determine the relationship between the public and private sectors.

These tools are called conditionalities, which refer to the requirements or criteria that governments or regulatory bodies attach to the support or benefits they provide to industries or firms. Examples can include subsidies, tax credits, grants, business support programmes, or other forms of state support. Their purpose is to ensure that the recipients of the state’s support comply with specific conditions that align with broader policy goals.

There are multiple examples from across the globe where the use of conditionalities in industrial policy have been successful. Below, we’ll present examples outlined by Dani Rodrik and Mariana Mazzucato in their paper Industrial Policy with Conditionalities, exploring their merits and looking into the lessons we can apply into a British industrial strategy.

A country with stark regional inequality is Italy. There is a pronounced difference in prosperity between the north of the country, such as Lombardy and Veneto, and southern regions, like Calabria and Sicily, reflective of the UK’s urban-rural wealth divides. In 1992, the Ministry of Economic Development introduced Law 488/92, which aimed to reduce regional economic divides by providing subsidies for various business investment projects. Subsidies were delivered through regional tenders, in an auction-like process, directed at supporting industries like steel, pasta, and construction, focused in southern regions. The project also included support for emerging modern industries like renewable energy and ICT. Projects were evaluated on the following conditionalities, or criteria; 1) amount of subsidy requested, 2) number of jobs expected to be created, 3) projected return on investment, 4) environmental impact, and 5) level of innovation.

Most importantly, Small and Medium Enterprises (SMEs) in the most disadvantaged regions received the highest subsidy rates, due to the rules dictating the fund allocation. Research by Cingano et al. (2022) showed that overall, the subsidies had strong positive effects on investment and employment, especially for younger and smaller firms.

Israel has an innovative, high-tech sector, especially in ICT that plays a critical role in their economy. In 2013 the ICT sector accounted for 11.1% of GDP and 17% of export revenue. The Israel Innovation Authority (IIA), which develops

programs like Magnet, focuses on deep collaboration between companies and universities, and initiatives like Yozma help fuel a market for international venture capital, which has served the Israeli economy well since the 90s. Conditions for R&D funding from the IIA include project approval by a research committee, with grants covering up to half of R&D budgets, with an additional 10% for designated development sectors. Large firms are required to commit to domestic R&D expenditure in order to receive funding.

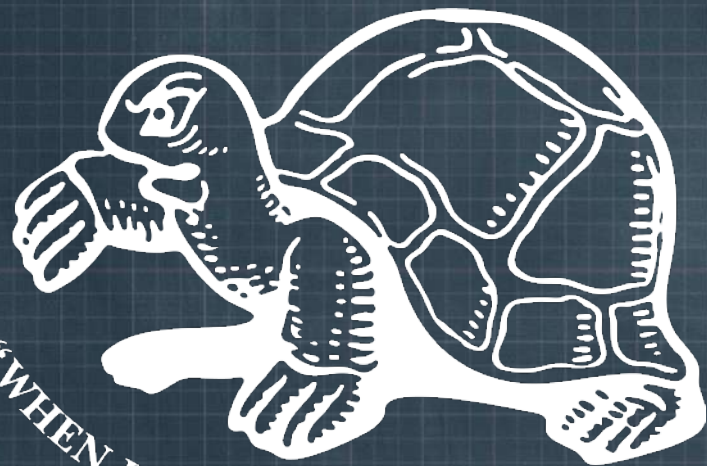
Israel’s R&D incentives have led to rapid growth, and by 2007 it had the world’s highest per capita startup density. Over 530 multinational corporations now have R&D centres in Israel, including tech giants like Intel and Microsoft. These initiatives have strengthened Israel’s global innovation profile, with every R&D subsidy dollar increasing private R&D investment by 41 cents over time.

The case for conditionalities is clear; they allow the state to harvest the talent and innovation of the free market, whilst outlining clear requirements that ensures the market delivers the broader policy goals. Not only does this encourage increased private investment, and the direct benefits associated with it such as higher employment and better jobs, conditionalities have the potential to lay the groundwork for new sectors and specialisations, providing innovation and new sources of tax revenue. Furthermore, conditionalities allow for the strengths of the market and the state to work in tandem - the state identifies the issue and provides the funding, whilst the market is able to deliver the talent, innovation, and efficiency.

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