

# ELEPHANTS LEFT IN THE ROOM



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DIRECTION FOR  
THE DEMOCRATIC LEFT

# **ELEPHANTS LEFT IN THE ROOM**

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# Foreword

Jon Cruddas

How do you create political energy? Where does political vitality come from? How can a party or movement gain traction? These are not insignificant issues as the country tilts and people demand answers. The fear is that vacuums are filled with shrill sour voices built around demonisation of the weak; the result is that the real culprits get out from under.

These of course are not insignificant concerns for my party, the Labour Party, as we recoil and regroup after arguably our worst defeat since 1918.

For sure 2012 was a good year for us but the baseline was not a high one. 2013 has to be the year that we get moving. My job is to build a Policy Review that provides new remedies and ensures that a politics of hope and national renewal counteracts one of despair and national decline. For that to happen we have to re-embed our party into a deeper community of ideas and action. That means difficult conversations and debate; we have to confront what we became and what we have lost. This is elementary for a process of political renewal to occur. In short, we have to face down the elephants in the room.

That is why I like this new Compass document, it confronts the big issues rather than hides. This is difficult for us but necessary. Throughout this document you will read testing pieces that cover the front - welfare, identity, immigration, rights, liberty, radical political economy and ecological ideas that push and contest orthodoxy. At times uncomfortable, always vital. This text fits easily into what we need to develop - a wide orbit of radical thinking that shunts us politicians out of our comfort zones, calls us to account and demands answers. This in turn is what creates political energy and vitality - the key ingredients for political change.

*Jon Cruddas is MP for Dagenham and Coordinator of the Labour Party Policy Review*

“We have to confront what we became and what we have lost. This is elementary for a process of political renewal to occur. In short, we have to face down the elephants in the room”

# The elephant we revealed through this process

Rosie Rogers & Joe Cox

There is no doubt that there are issues that the left are more comfortable talking about than others. The point of this process was to identify these issues and begin to find a way to address them. One reason for this process was tactical; we need the left to have broad answers to the big questions and concerns that people have.

It was also, we hope, illustrative of a better way of doing politics, and we hope to demonstrate that there is a better way of doing politics at Compass. This exercise and publication was underpinned by a vision of a Good Society. We invited Compass members and supporters to submit articles on what they thought were 'elephants in the room' for the left and we didn't pretend that these big issues have simple solutions or that we alone have all the answers.

The response from Compass members and supporters to this process was fantastic, we had over 200 entries. All of them were passionate and many told powerful personal stories whilst others used rigorous philosophical concepts to frame their arguments.

There was, in the process another elephant that revealed itself; only a small fraction of the submissions came from women. As you can see the final publication has a very unequal gender balance and we recognise this is a big problem. Perhaps we shouldn't be surprised by the imbalanced gender outcome of this process. The representation of women in politics and the proportion of women in leading roles is worrying small.

We recognise this and Compass is taking steps to ensure more equality and diversity throughout our practices as we feel we need to prefigure a good politics on our route to a Good Society. To begin to fully embed gender politics into the left we think we need to do three things:

Firstly, deepen our analysis of gender inequalities and how we can overcome them. This doesn't

mean having gender issues and discussions as an annex to our work but embedding and threading it through our campaigns and research.

Secondly, ensure our processes encourage participation from all and do not exclude people because, for example, they are not given the space to speak or have child care commitments. We must find ways to have meaningful conversations and make meaningful decisions through processes that celebrate difference whilst ensuring there are no barriers to engaging in democracy.

Thirdly, we need to have more organisational accountability on the left. Ensuring gender balance on speaking platforms, committees, in meetings and within staff structures must be a goal of ours. We know that the challenges we face are immense and it is tempting to go straight to the big issues before thinking about how our own organisations are set up but there is no short cut to building a Good Society.

Compass will be releasing a statement of intent soon to try to address how we can play our part in ensuring gender equality and diversity can run through our politics at all times, it would be great if you could join the discussion too.

*Rosie Rogers is National Coordinator of Compass and Joe Cox is Research Coordinator for Compass*

# Can the left harness the benefits of immigration and protect the lowest paid?

Lisa Nandy

The immigration debate in the UK is toxic - so toxic that few commentators on the left are keen to take part. This is despite having a clear contribution to make, based on a belief that having robust immigration rules does not have to mean being tough on the dignity and lives of immigrants and an understanding that deep-seated fears about immigration are borne out of insecurity in people's lives, not racism.

To cede the terms of the debate to the irrationality of the right would be a disaster. Immigration is good for Britain: kneejerk policies designed to meet demands to be tough - and for no other purpose - ignore the clear social, cultural and economic benefits immigration brings.<sup>1</sup> Policies like the current Government's arbitrary cap on non-EU immigration, currently causing so much damage to the Higher Education sector, are not in the interests of the UK.<sup>2</sup>

Despite a common fallacy that the left has nothing to say on immigration, and certainly nothing that could appeal to middle England, it is only left-wing solutions that can resolve the problems that underlie national fears about immigration. This is especially the case among the people who ostensibly have most to fear from immigration: those in insecure employment, without work or dependent on public resources to a greater degree than most. Much of the immigration debate is not about immigration at all but about pressure on public resources and the unequal distribution of opportunities in the UK.

The left has always had a strong commitment to solidarity, but that commitment is not limited to or contained within national borders. An internationalist outlook, discussed by Anas Sarwar and Danny Phillips in this publication,

brings obligations both to immigrants themselves and to people in developing countries. This commitment means we should not refuse sanctuary to refugees who need it, nor should we seek to close the door to migrants who are seeking opportunities and can fill shortages in the UK. Alongside businesses large and small, we should recognise the importance and value of attracting skilled workers from other countries, but at the same time we should not ignore the potentially negative impact on those countries and our own workforce. Politicians should not be able to use the UK's ability to attract highly skilled people as an excuse not to train and support the UK workforce; for example by pursuing deliberate strategies to recruit from overseas whilst leaving the gap between skills and jobs in the UK unaddressed.

A commitment to international solidarity also means we have to recognise that the benefits from immigration are not always distributed evenly and that if immigration policy is formulated in a way that depresses wages, puts pressure on public resources or pushes people into unemployment, the policy - not immigration per se - is a bad thing.

There has been a great deal of debate about the impact of the accession of the A8 countries to the European Union, and suggestions that the decision to allow workers from those countries to work in the UK had a particular impact on lower paid and unskilled workers. The evidence suggests that this was not widespread<sup>3</sup> which may be in part because lower skilled migrants, who lack advantages in the workplace, may be more likely to move to where there are shortages rather than compete in already crowded domestic markets.<sup>4</sup>

Yet, there were undoubtedly severe pressures on public resources, wages, communities and jobs over that time. The left cannot shy away from these pressures and I want to address each of them in turn, starting with resources.

The majority of migrants are prohibited from relying on public funds, such as housing and benefits.<sup>5</sup> Research shows immigrants who are eligible are less likely than the UK population to claim benefits<sup>6</sup>, whilst the pressure on housing stems not from immigration, but from a policy of building insufficient housing to meet changing

demographics.<sup>7</sup> By contrast, migrants who are admitted to the UK are able to access schools and some free treatment on the NHS, such as emergency care and treatment for communicable diseases. It is surely right that people who are present in the UK can access emergency medical treatment and that their children can go to school. The alternative – leaving people without lifesaving treatment, exposing the UK to the public health risks of communicable illness and barring children from school is both unhelpful and immoral.

But it does mean that planning for controlled immigration matters. The dispersal of asylum seekers has been highlighted as an example of insufficient planning. The National Asylum Support Service, established in 1999, placed asylum seekers in areas of the country, many of which were unused to immigration on that scale or from those particular countries. The decision to house asylum seekers in poor-quality accommodation in communities that were already under pressure undoubtedly caused strain on community relations, schools and other public services. For example, in the first two years there were approximately 2,000 racially motivated attacks against asylum seekers.<sup>8</sup>

**“Real incomes have remained stagnant for the lowest paid 50% of workers and have fallen for the lowest third over the last eight years.”**

This second element - pressure on communities - can be resolved not just by planning, but also by ensuring that for skilled migrants who are admitted to the UK, the ability to speak English is a condition of entry; whilst ensuring others, such as refugees, are given English language support (ESOL) from the day they arrive in the UK. A common language is a binding element of a community with shared ties. The introduction of a revised citizenship process, whilst controversial, contained some positive elements. While many British commentators understandably baulked at the notion of testing for ‘national pride’, personal

testimony from migrants demonstrates the value of citizenship ceremonies for giving them a sense of belonging.<sup>9</sup>

A third, crucial concern for the left is pressure on wages. Overall, evidence suggests that the impact of immigration on wages has been positive, except for those on the lowest levels of pay. We cannot ignore this. Research demonstrates that immigration can have a modest, negative wage impact on the low skilled depending on the extent to which migrants have skills that substitute or complement those of existing workers.<sup>10</sup> One solution to this problem is planning migration on the basis of skills shortages.

Real incomes have remained stagnant for the lowest paid 50% of workers and have fallen for the lowest third over the last eight years.<sup>11</sup> However this cannot be attributed solely to immigration. Given the net benefits immigration can bring, we cannot allow it to take the fall for an uncaring capitalism that failed to redistribute the benefits of growth fairly over the last decade. Evidence suggests that education, economic restructuring and demographic changes have all had a more significant impact on wages than immigration and it is only the left that will bring forward policies to protect the lowest paid – whether we are talking about the minimum wage, the living wage, job security, or commitments to increasing opportunities offered by Higher Education and training.<sup>12</sup>

The research on illegal immigration and its impact on wages is understandably scarce; however a series of studies have found that many of the estimated 430,000 irregular migrants are working for poverty wages, particularly in certain industries such as construction and agriculture where wages are low but demand for labour has traditionally been high.<sup>13</sup> So whilst measures like enforcing the minimum wage are good in and of themselves, they do not tackle this particular problem - government cannot enforce the minimum wage for illegal workers. Restricting legal migration also does nothing to tackle this. Instead, action to protect illegal migrant workers is needed; such as extending the Gangmasters Licensing Authority into the construction industry, creating a path to earned citizenship for illegal migrants, and providing greater support for the victims of trafficking to improve the low rate of prosecutions. Trade unions, like the construction workers’

union UCATT, provide a model response for the left: fighting to better the treatment of illegal migrants in order to prevent the undercutting of the UK citizen workforce.

Finally, at a time of high unemployment, and especially record youth unemployment, the impact of immigration on employment opportunities for UK citizens must be taken seriously. Although there is no evidence that higher immigration is linked to higher unemployment, UK citizens with low skills can lose out, evidenced by the fact that unemployment and labour shortages simultaneously exist.<sup>14</sup> Action is urgently needed to increase the flow and competitiveness of British workers, including requiring schools and employers to look ahead to the jobs that will exist in future, and equipping young people with basic literacy and numeracy, as well as creative skills and resilience to prepare them for the many jobs they will do that may not currently exist.

This is important, not just because closing the UK's borders is neither practical nor desirable, but because migration should be part of the solution for young people who currently lack opportunities. In any economy the number of jobs is not fixed – increasing demand is as important as increasing supply – and migration creates jobs.<sup>15</sup>

Unless the left engages with the immigration debate it will remain focused on the rights and wrongs of immigration itself, rather than the successes and failures of policies that can determine its impact. Real, urgent and pressing solutions will be off the table. There is a reason why concern about immigration ranks high amongst Labour voter concerns in areas where immigration is low; it is to do with housing shortages, the skills gap and lack of opportunities for young people. Arbitrary caps or restrictions on immigration levels do nothing at all to resolve this. Fighting for citizens' best interests includes the responsibility not to offer false solutions that will do nothing to alleviate the real concerns and fears they are faced with. We must be honest with people or we will continue down the road of toxic debate, and wrongheaded policy solutions. Politicians on the left cannot afford it, and neither can the people we represent.

*Lisa Nandy is the Labour MP for Wigan*

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# Equality and empowerment: can the left have both?

Neal Lawson

Social democrats want two things: they want people to be as equal as possible so that they can be as free as possible. That is the social bit. But we also want them to be in control of their own destinies, to have a say and voice in the institutions that shape their lives at work, in the community, public services and through politics. That's the democracy bit. That can mean delegating power through representative democracy to national or local government or it can mean operating as individual decision makers or better still in many instances, in collaboration and solidarity with others; through trade unions, social movements, community organisations, civil society, charities, cooperatives etc. The oppressed must, in large part, emancipate themselves.

But here is the issue – as soon as people start participating locally, and locally is usually the only way you can participate in any meaningful way then you start to get different outcomes. Without control from the centre anything decided in a locality is bound to throw up different outcomes as different resources, interests and abilities come into play. That means different and therefore unequal outcomes. So we have a paradox. We can't have equality if we want empowerment, and we can't have empowerment if we want equality. What are we to do? We don't talk about this dilemma and we should.

Politicians don't by and large like paradoxes. A paradox by definition cannot be solved. It can only be lived with and mitigated. It can't be eradicated. It can of course be ignored but is almost bound to come back and bite us. People think they can have equality and a local voice – when the truth is they have to seek a balance. But politicians are elected, or so many of them seem to feel, to directly fix what they or the public perceive to be wrong. They have to be in control, have the answers and be able to deliver them. That is their

platform for re-election. That all becomes very difficult when we hit a paradox. The old politics of certainties and fixes, of black and white, right and wrong is always bound to fail in the face of a paradox. What we tend to see is politicians either ploughing everything into centralisation to drive up equality or devolving and diversifying to get empowerment. But neither, on their own, tends to work – because we want and need both.

Now this might be okay in other circumstances, say for instance when the absolute level of poverty is the key issue and therefore it may be acceptable that an emphasis is placed on the undoubted redistributive impact of the big centralised state, especially in an essentially bureaucratic era when the general productive model in the private and public sector was the Fordism of the command and control production line. This was the story of the 1945 Labour government, which led to Britain becoming as equal as it had ever been, before or since.

But there are two problems with this approach. First there is a limit to how much equality can be reached in a system primarily based on socialism being done to people. The short hand for this is simply that the Soviet Union was tried and didn't work. That sounds trite and is not meant to be. But the experience of the Soviet Union showed what happened when a purely centralised top down system was trying to pursue a politics of equality; targets lead to unintended consequences and innovation, experimentation and ownership of the project was lost. Some of that was mirrored here in the big bureaucratic forms of nationalization. People felt they didn't have a voice or say. It stopped being their state and started feeling remote and alienating. Without vibrant non-state actors things begin to ossify. Then the search for a more equal society gets lost. This was the terrain the new right moved into in the 1980s.

The second problem is that things change. You don't have to be especially Marxist to believe in some kind of relationship between the economic base and social superstructure. Or to put in a simpler way; the way we make and produce things influences wider social institutions and especially the nature of the state. So for example, the rise of the Fordist system of production in which long conveyor belts were attended to by (mainly) men playing the role of worker ants, created the technocratic and cultural base for such essentially bureaucratic systems of government delivery in the public services like the

NHS and even cultural institutions like the BBC. It was power over – not power with.

But the centrifugal forces of the last century began to give way to centripetal forces. The centre could no longer hold, at least not in the same way. New technology begat a new, more diverse culture; mass TV, radio, advertising and then of course mobile technology and the internet created a world of diversity. Its cultural effect was to literally bring colour where before there were only monotonous and to crush the era of deference and central control. Certainty and security gave way to freedom. We would all be authors of our own lives – if of course you could afford the things that bought such freedom. It was freedom to win and to lose, to do badly and to do well. This does not mean the state has or is withering away. But the context in which it operates has changed, as has the method by which we do things.

For social democrats this new world is difficult and challenging. Labour came to prominence as a political force in the world of the big strong central state. Fabianism, the Western version of Leninism, overtook the guilds, the co-ops and friendly societies as the big state dominated the scene. That world is no more. But the state is perhaps more important in this new world of diversity – if it doesn't deliver some semblance of equality – then what will?

It is into the paradoxical world of a desire for equality and therefore some centralism and the need for empowerment and therefore some localism and diversity that we must now jump. If the central state becomes too strong then people will break free. If the state is not strong enough and everything is too diversified then inequalities will be manifest. No, the challenge is to learn to live with the paradox. How can this be achieved?

First, we have to get our minds in the place in which we stop thinking we can fix everything – if only we tried hard enough or got a big enough majority with the right leader. Instead social democrats are going to have to embrace a world of ambivalence and uncertainty, a world of complexity in which the simple control of the state isn't enough.

Second, in embracing at least some elements of localism and diversity social democrats will find that it is likely to lead to different outcomes, but in addition to this there will be other consequences that feel far more favourable to the left.

When people as producers and users of services are involved in their co-production, the services can be better designed, more responsive, popular and more efficient. Out of experimentation we can develop best practice and then spread them. If best practice is developed in rich areas then let's use the central state to redistribute it progressively. In this way people are more likely to feel ownership of the state and support it both politically and through the tax system. It becomes a social and democratic state – 'our state' even.

Finally, we should start letting the people into the paradox, letting them live it and where possible allow them to decide what trade-offs they want to make between their need for equality and their desire for empowerment. It should not be beyond our imagination to conduct surveys, polls, referendums and citizen's juries etc to test people's individual and collective preferences. This way we can find out where central delivery systems and targets are required and if so how we can make them stronger and more effective. We can also discover where we should have more pluralism and empowerment. Let's trust the people to decide.

Where is the evidence for this new approach? Still one of the best examples is the experience of 'in-sourcing' of council services in Newcastle. The local authority Unison branch tendered for and won the council contracts to run a range of back office functions but in ways that maintained some semblance of democratic accountability and public service ethos.<sup>1</sup> Building on this experience and others we could establish a model of the democratic state to replace the failed bureaucratic and market models of the state.

Labour must move beyond 'either or' models of public service delivery and embrace 'either and'. Long ago RH Tawney said that equality of provision need not imply identical provision. This new paradoxical world will be difficult and messy but it has one major benefit; it is a much closer fit to the world people actually occupy. We should start talking about it.

*Neal Lawson is chair of Compass.*

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# Political Apathy and Labour: Grasping the Nettle

Adam Goldstein

The shouts of those in Westminster fail to be heard beyond Zone 1. As the latest twittering's of this political hamlet (village seems an over-exaggeration) are broadcast across the UK any message they originally conveyed is wrecked on the rocks of people's daily concerns.

Political apathy amongst the general population isn't the elephant in the room for today's Labour Party. It's a blue whale beached on the freshly manicured grass of Parliament Square. This is not an issue confined to the left. But for a movement whose origins lie in mass mobilisation it is an especially desperate conundrum.

At this point in this Parliament Labour should be at the forefront of a popular movement for change, instead the chasm between politicians and the wider public remains vast. Some token efforts have been made to build bridges, including a selection of Party membership initiatives and what seems, with some honourable exceptions, to be death by a thousand anodyne tweets. But the feeling remains that there is an aversion within Labour circles to grasp the nettle and lead the debate in this area, rather than glumly accepting the general public just don't 'do' politics.

The reasons for this appear manifold. Solutions like state funding of political parties, which could potentially act as some kind of political disinfectant, are felt to correspond too closely to the public's view that Labour are reluctant to disown their tax-and-spend heritage. Government attempts through the shambolic 'big society' agenda that could've helped build a broader base for political action seem to have scared the Opposition away from territory they historically should own. And there remains a fear that any attempt to rehabilitate the reputation of politicians by Labour opens the Opposition up to charges of hypocrisy given that its record on expenses and lobbying has hardly itself been exemplary.

If Labour remains paralysed by this crisis of confidence for much longer it threatens to render almost meaningless any benefit of the doubt the electorate may otherwise have awarded the party should it be successful in 2015. Only a concerted effort to rebuild public trust in politics, to address the cynicism and pessimism amongst the electorate, can invest Labour with the moral and political authority required to begin to reverse the rising tide of inequality in the UK.

Where to begin for Labour? No one measure can rebuild public faith in politics, particularly when the issue is clouded by a media more interested in sound bites than rational argument and politicians often conspire to be their own worst enemies. But the following steps could serve to at least start the party on the right path.

One, to begin to address the lack of public trust in politicians, it's finally time for Labour to make the running on an issue that it should be consistently be shouting about – the access of lobbyists to those in power. The Opposition front bench can set the tone by agreeing to publish lists of each spokesperson's diaries in advance at regular intervals. It can also then find out what happened to commitments from members of the Government to publish a register of lobbyists, before announcing its own commitment to introduce just such a measure.

Second, to show that they're not afraid to set the agenda in this area, Labour has to display the courage to acknowledge that zero progress has been made since politics plunged to a new low following the expenses scandal. A sound bite apology is not enough. Labour must show it recognises that lack of trust in the political class casts a shadow over its diagnosis and proposed cure for all other economic and social ills. Nothing less than a fundamental shift in rhetoric and the terms of the debate can hope to begin to repair the damage of years of steadily increasing disenchantment.

Three, Labour can make the running on two inter-related party funding issues. It must lead on seeking a political consensus for a cap on party donations. At the same time, and displaying the hard-headedness to face down a barrage of negative headlines, it must declare its support for state funding of political parties. One set of agreed rules for party fundraising is a necessary

step to beginning to dispel the cynicism infecting our body politic.

Finally, to underline that the Party is truly trying to move on from an era characterised by a lack of confidence in politics and political solutions, Labour should give serious consideration to its own internal party rules. The distrust the public harbour in career politicians can no longer fail to be acknowledged. Selection as a Labour PPC should in part rely on having lived in the constituency for a reasonable amount of time. Steps should be taken to attract those without a politics-only CV to stand. And it's finally time for an honest appraisal about whether MPs can truly serve their constituencies and the national interest whilst holding down second, and sometimes third, jobs.

Restoring public faith in politics is not a task that will bear immediate fruit. This appears to be just one amongst several reasons why Labour is reluctant to embark upon even a moderate response. But only by first acknowledging, and then addressing, the substantial concerns of the electorate about the capacity of politicians to address the country's biggest issues can Labour hope to build a movement trusted enough to be allowed to try.

*Adam Goldstein is a Compass member*

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# Environmental Limits

Nicholas Robin

If we on the left learn only one lesson from the financial crisis, it should be to trust our instincts and be confident in our values. New Labour let voters down badly when it allowed itself to become 'intensely relaxed' about growing inequality and casino capitalism. We should have shown those elephants the door long before they caused the crash.

In the clamour to fix the economy and get people back into work we are now in danger of ignoring an even bigger problem – economic growth itself. Labour is right to advocate a Keynesian alternative to the Tories' nineteenth-century Liberal austerity, but if 'growth' is all we focus on, we run the risk of resurrecting an economic system that literally has no future.

The crisis has presented us with an opportunity to remodel our economy along more sustainable lines. If we do not seize it, the credit crunch may well prove to be the prelude to a bigger and far more frightening environmental crunch.

Growing global demand is pushing up prices of vital commodities – such as oil, gas, copper, food, etc. - as the world population edges towards nine billion and more people adopt Western consumer lifestyles. Meanwhile, climate change and the destruction of forests and other vital ecosystems threaten the very life-support systems that we and all the other creatures on the planet rely on.

As well as supplying all our raw materials and resources, nature processes and cleans our water, regulates the climate, pollinates our crops, and absorbs all our waste outputs. The total value of these services, which are currently provided for free, have been estimated to be in the trillions of pounds and the processes would be very hard and very costly to replicate or synthesize. As the banner outside the St Pauls occupy camp rightly observed, 'nature doesn't do bailouts'.

If we continue to outpace nature's ability to renew our resources and process our wastes we will end up exhausting the Earth's ability to sustain life or at least its ability to sustain human

populations as large as they are now. That is the biggest elephant in the room for both left and right. And every time policies put profit before people or elevate economic growth above all other considerations, we feed that the elephant.

Economic growth can only continue in the long term if it is decoupled from the use of natural resources and the emission of greenhouse gases, and we move to what has been described as 'steady state' economy.

Talking about environmental limits to economic growth will not be easy. Vested interests, our political enemies and the dinosaurs in the right-wing media will denounce any attempt to seriously remodel the economy as woolly headed or too costly. 'Conventional wisdom' and language will unfortunately be on their side – the very word 'growth' triggers all sorts of positive associations in our minds: from the green shoots of spring to thoughts of childhood and personal development.

The left will have to frame the debate very carefully. We must rebrand the 'steady state economy' and sell a compelling vision of a genuinely 'green growth' that does not rely on high consumption levels and fossil energy. The reactionaries on the right seem to want to leave the UK stranded with creaking twentieth century combustion-based power systems when fossil fuel prices are likely to keep going up and other advanced economies are moving on to cleaner, newer technologies like fuel cells, smart grids and next-generation solar photo-voltaics. We need to make sure the public knows that there is a choice between a left that is looking forward and a right-wing that is stuck in the eighties.

Fortunately, this should not be hard. Many on the right are not just ignoring the elephant; they are actively denying its existence. It seems that some people would rather subscribe to comic-book conspiracy theories about climate change rather than change their world view in line with the scientific evidence. This is a big problem for the right. Free market ideology is already in trouble because of its failure to predict or provide solutions to the crash. If it gets it wrong on climate change, it could find itself thoroughly discredited.

In contrast, left-wing thinking has been largely proven right over the financial crisis and it is our vision of an equitable sharing society and

“The economy cannot be revived by simply kick-starting the housing market and retail consumer spending this time”

an active state that is best equipped to provide the policy solutions that will deliver sustainable development. We know that markets work in society’s best interest when they are regulated. And we know that Governments shouldn’t just get out of the way, they should play an active role in setting the right frameworks for the economy.

The economy cannot be revived by simply kick-starting the housing market and retail consumer spending this time. That is an eighties economic model and it has had its day. If we want to create an economy fit for the twenty first century out of the ashes of the recession, we will need an active state that works to rebalance and recalibrate the economy to require less energy and resources.

The electricity sector must be made fossil fuel free by 2030. Clean and affordable public transport must be provided for everyone in the country, not just those in the big cities. All of our housing stock must be insulated, double-glazed and made to be much more energy efficient and all new developments must have renewable energy technologies installed as standard.

By making our society much smarter in the way we use energy and resources, we will not only be protecting families and businesses in the UK from rising commodity prices; we may even create a happier, healthier and less individualistic society. Ignoring the elephant, on the other hand, will leave Britain lagging behind on clean technology and will make the inevitable transition to a sustainable economic system even harder.

*Nicholas Robin is a Compass member.*

# Social security: re-naming and re-framing the ‘welfare’ elephant

Ruth Lister

‘Welfare’ has become a ‘toxic’ issue for the left; a trap set by the Tories who plan to use it to drive a wedge between Labour and blue collar voters. This is the constant message that has turned social security aka welfare into an elephant in the room. Spurred on by the apparent popularity of the £18bn benefit cuts already planned, the Tories are seeking to cut a further £10bn. In a succession of interventions, Cameron, Osborne and Duncan Smith have signalled what amounts to a declaration of war on the social security system. The three year cut in the real value of most social security benefits and tax credits is the latest salvo.

What has been Labour’s response? Well for the most part it has been muted at best. Insofar as it has protested it has tended to deploy managerial arguments about effectiveness rather than principled arguments about values and impact. While its vocal opposition to the latest benefit cut is welcome, so far this opposition has highlighted the impact on the 60% in-work rather than the 40% out-of-work who will be hit and has not constituted a defence of social security as such. Embarrassed Liberal Democrat voices off-stage have tried to distance their party from the Tory message. Only the Greens among the UK-wide political parties have offered unequivocal opposition on grounds of principle. More widely social security has rarely been high on the left’s agenda, leaving voluntary organisations such as the Child Poverty Action Group, one or two trade unions and a few academics to fill the space.

A Compass supporter responded to a message we circulated after Cameron’s infamous Bluewater speech: ‘Cameron said he wanted to talk about the first principles of welfare. I say bring it on. It is about time we stopped letting

the debate be dominated by the right wing press, while progressives are too embarrassed to talk about benefits in honest terms.’

Indeed. The problem for Labour is that in power New Labour talked about benefits in a way that reinforced the messages spewed out by the right wing press, thereby paving the way for the Tory onslaught. The elephant was then clearly visible. But it was constantly represented as an alien and dangerous species, which created ‘welfare dependency’ and needed to be reduced to size by increasingly ‘tough’ conditions and sanctions. It is surely no coincidence that the latest British Social Attitudes Survey (BSAS) shows a doubling over two decades in the proportion of the population who believe that ‘if benefits were less generous, people would stand on their own two feet’.

The BSAS report itself observes how the stand taken by political parties can influence the views of their supporters: ‘this tendency was especially noticeable under the 1997 to 2010 Labour government when attitudes among its supporters became markedly less pro-welfare as the party repositioned itself on issues such as equality and government intervention. *As a consequence*, there are reasons to predict that opinion has not followed the pattern of previous recessions, because the public – *under the long-term influence of Labour’s stance* as well as that of the current coalition – has embraced a more tough-minded view of welfare than it held in the past’ (emphasis added).<sup>1</sup>

This finding is reinforced by a new report on benefits stigma. It suggests that political rhetoric and policy are an important driver of negative media coverage, particularly with regard to social security fraud, thereby contributing to the increased stigmatisation of the ‘undeserving’ poor.<sup>2</sup> This finding is reinforced by a new report on benefits stigma. It suggests that political rhetoric and policy are an important driver of negative media coverage, particularly with regard to social security fraud, thereby contributing to the increased stigmatisation of the ‘undeserving’ poor.

So what to do? First we have to rename the elephant. ‘Welfare’ has become contaminated by its association with a US-style residual poor relief for people of working age. Let’s reclaim the language of social security and in doing so remind

people what it really means. Social security is not simply a bureaucratic means but it represents an end to which society aspires. It expresses the desire to achieve, insofar as is possible, genuine economic *security* for all through *social* means. And herein lies the clue as to how we might start re-framing and leading the debate on progressive terms. At a time of such great economic insecurity, we need to remind people that social security is a shared mechanism for safeguarding the security of us all and for preventing rather than just alleviating poverty. It provides protection against a range of risks and contingencies that we each might face over our life-cycle and it does so more efficiently and equitably than private insurance. But it also helps to share some of the costs associated with disability or raising children and it relieves poverty. As such it represents an instrument of social solidarity. Social solidarity might not be a fashionable notion but it is sorely needed as the Tories vilify ‘welfare’ as an ‘unfair’ source of division between the out-of-work and ‘hard-working families’ (a label first deployed by New Labour) or the Tories’ new icon ‘the strivers’. While it makes sense to remind people that social security protects people in work too, Labour risks reinforcing this division every time it refers to Osborne’s latest benefit cut as a ‘strivers’ tax’, with the implication that those out of work do not strive also and are therefore less worthy of our support.

**“Re-naming and re-framing are only the first steps. They have to be reinforced by policies that rebuild the social security system itself”**

In re-framing the social security debate we could do worse than turn to a text agreed recently by the ILO. It sets out a number of principles for social protection including ‘universality of protection based on social solidarity’ and ‘respect for the rights and dignity of people covered by the social security guarantee’ in recognition of social security’s status as a human right.<sup>3</sup> Although the recommendations are not legally binding, countries cannot opt out of their responsibili-

ties and social security policies can be assessed against the principles that the recommendation establishes.<sup>4</sup>

Re-framing also requires contextualising social security. In particular, social security policy can’t be divorced from labour market policy. The more secure jobs there are available at decent wages and the fewer the obstacles in the way of disadvantaged groups accessing those jobs, the less the need for social security. Similarly, some form of rent regulation would be the most effective way of reducing the housing benefit bill for both those in and out of work. And an adequate social security system has to be paid for through a more progressive system of national insurance contributions and taxation. But tax is of course another huge elephant in the room for Labour.

Another aspect of re-framing is to challenge the increasingly dominant individualistic diagnosis of the causes of poverty propounded by the government with a more systemic structural analysis, which explains poverty with reference to inequality and to the failings of both the market and of economic and social policies.

Re-naming and re-framing are only the first steps. They have to be reinforced by policies that rebuild the social security system itself and which address what a recent Touchstone pamphlet dubbed the ‘nothing for something’ syndrome.<sup>5</sup> Paradoxically, people typically tend to overestimate the level of benefit paid to unemployed people but if they become unemployed themselves are shocked by how low the benefit is. As part of the first signs of a more positive narrative about social security, Labour is beginning to talk about a revitalisation of the contributory principle (which rewards care as well as paid work) to ensure people get more for their contributions and to counter the ever greater reliance on means-testing.

Of course, the left cannot simply ignore public attitudes. But attitudes are not set in concrete and nor are they uniformly hostile, as for instance Ben Baumberg has pointed out.<sup>6</sup> According to Peter Kellner, polling evidence suggests that politicians are more likely to win support not by appeasing the public mood but by demonstrating that they deserve respect.<sup>7</sup> So let us develop an authentic story on social security that appeals to the solidaristic and generous side of human

nature rather than to its individualistic, selfish side and which speaks to what we share and have in common. And in the meantime, if Labour won't vigorously defend and champion our social security system, who will?

*Ruth Lister is a Labour peer, Emeritus Professor of Social Policy at Loughborough University and Chair of the Compass Management Committee*

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# An Elephant in the room; a push towards Contributive Justice

Knut Laaser

This short piece hopes to articulate that people and their working environments are not mere shells living under the rule of the markets, but rather something which need attention and care to flourish. The central argument here is that the left – to date – primarily focus on the concept of distributive injustice in opposition to the liberals; rather than also including contributive justice to question the division of labour.

In his *Great Transformation* Polanyi presents a timeless analysis of the organizing principles and push towards a market society in Great Britain. Polanyi's seminal work challenges liberal market advocacy by stressing that workers and their environments are 'fictitious' commodities that cannot be subject to the law of the market. Instead, these 'commodities' are vulnerable and need protection from purely economic calculating; as this impetus not only weakens society it arguably destroys the market in the long run. What makes Polanyi as relevant today as he has ever been is that his work is lodged in the fight between regulated and unregulated market streams. Polanyi was aware that past economies were shaped by a constant struggle between liberals and the left by conceptualising the 'double movement' between liberal schools of thought i.e. those advocating for the expansion of markets, pushing towards a dis-embedded economy; and those of the working class movement, made up of unions and workers, who insisted on moral and social obligations; forming a counter movement, aiming to constrain market forces.<sup>1</sup>

## **But what has this to do with justice? Why is this an elephant in the room for the left?**

Since 2008 we have witnessed job cuts across all labour market sectors, whole departments are now outsourced and full-time work has been replaced by part-time work or contin-

gent work arrangements. Indeed, increasingly liberalised capitalism treats work and labour as mere commodities, as something hired and fired according to the economic climate and profit calculations. Wages are stagnating and living conditions are harshening. And, in this fierce economic climate the left can be seen fighting against 'distributive injustice' which is - in a nutshell - concerned with who gets what, when and why. Here, the focus is on multi-layered disadvantages - economic, social and psychological in nature, which emerge when people are denied access to resources and opportunities (fulltime work and secure employment, pay & wages).

However, while these issues will continue to be of great importance I challenge the left to broaden their scope of economic justice to include the concept of 'Contributive justice' in their fight; to create a counter movement challenging the detached workings of markets by focusing on skills, capacities, recognition, and the satisfaction people receive and develop from work, or indeed the absence of it from peoples' working lives. As Gomberg<sup>2</sup> and Sayer<sup>3</sup> argue, what people do is as important as what people get. Indeed, work can offer an essential source for human flourishing and well-being if it is diverse, demanding, rewarding and interesting for people. Ideally, work allows people to exercise and actualise their skills and capacities and gain satisfaction through the recognition they receive from others; and this is vital for quality of life.

However, many workplaces in contemporary Britain (and, of course, beyond) are characterised by skill polarisation - as too often work does not require a variety of skills from the worker, leading to monotonous and low-skilled work. Consequently, people who are engaged in low skill work are often 'in it for the money', and the workplace is not linked to non-monetary aspirations in their life, i.e. who they want to become, what they want to learn etc.

My impression is that the left has, rightfully, focussed on the social and economic justice of who gets resources and opportunities to acquire skills to participate in the market and social life, and who gets how much for what. Indeed, the UK workforce has become increasingly skilled in the last century. At the same time, however, the low wage sector expanded, particularly throughout

the service sector, in which the demand for skills is particularly low. What we witness is a skill underutilisation of many workers, despite improvements in the skill supply side through training. Hence, it is a fair assumption that many people are discriminated by the great divide of the UK labour market between stable high skill and high wage work, which allows people to flourish, receive esteem and recognition for their activities, and an unstable low-skill- low wage workplace that lacks all of the above. Is it not unjust to constrain peoples' skills and developments by limiting them to low skill work? Is it not unfair that large parts of the UK labour market rest on the divide between good work and bad work? I believe it is time to question again the division of routine and complex work and its asymmetrical contribution, and include it in our 'counter movement'.

#### **What can the left do about it?**

Of course, the problem is multi-layered and complex. Thus, there is no simple recipe to fight contributive injustice, as it is deeply embedded in structural inequalities, ranging from unequal education chances to restricted skill training and discriminative labour market and social policies, and, of course, discriminatory employer decisions. I argue that we need to raise the awareness of skill under-utilisation and bring it back on our agenda. A first step towards contributive justice, as Sayer and Gomberg advocate, assuming that there are only a certain number of quality workplaces available, could be to rethink current job designs and share complex and routine work. In the longer term, employers, the state and the unions should work together to make greater use of existing skills. Of course, this is just a first step, but it could be an important one.

*Knut Laaser is a Compass Member*

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“Is it not unjust to constrain peoples' skills and developments by limiting them to low skill work? Is it not unfair that large parts of the UK labour market rest on the divide between good work and bad work?”

# Why have people lost faith in the state and does that mean the market is the answer?

Helen Goodman and William Nabarro

Forty years ago a book on the state began with the words “More than ever before, men now live in the shadow of the state”.<sup>1</sup> And this has been taken by both right and left as axiomatic. But since 2008, with some Eurozone countries forced to appoint technocratic government, free movement of labour; the apotheosis of free trade and capital markets, it would seem more true to say “More than ever before people now live in the shadow of the market.”

The model of the state which emerged in Western Europe after 1945 was a welfare state which could:

- Provide those things which society needs to function, or ensure that they are provided – whether human institutions, such as the rule of law or concrete infrastructure such as motorways.
- Defend people against risks they cannot manage individually (various types of security).
- Provide and protect those things that are necessarily shared such as environmental goods and public health.
- Provide the entitlements of social citizenship: (security, education, a minimum level of income, health etc) which enable them to participate fully in society.
- Deliver certain goods and services which are natural monopolies and which function best as unified systems, the tube (even Norman Lamont turned down as too “radical” a proposal to privatise separately each line).
- Manage and regulate markets to ensure they deliver socially optimal outcomes, whether this means Keynesian demand management,

support for strategic industries or the correction of specific market failures.

This still forms the foundations for most people’s experience of the state, which is why people frequently say “they should do something” in the expectation of beneficent actions. It is the legacy of 1945 and has played an enormous role in improving the lives of millions. It is also, of course, often criticised: the state thus conceived is often said to be too expensive, inefficient, unresponsive and potentially undemocratic. Participation is not a central part of this narrative.

But partly as a result of deliberate policy – privatisations; trade liberalisation and free movement of labour; partly as a result of changing industrial structures which have produced important social changes in Britain: multi-cultural communities in big cities; the Americanisation of our culture; changed gender relations; much greater geographical mobility, overall, there is far less security in this new world.

Over the thirty years from 1980, the boundaries of the state were pushed back – initially nationalised industries were privatised, then public services were delivered either by the private sector (private prisons, hospitals, contracted out social services) or using quasi-market mechanisms based on personal choice rather than democratic accountability so that now there is a confusing mish-mash of regimes and provisions.

Two broad arguments were put forward for this, the first that the state was inefficient and therefore too costly, the second that it was bureaucratic, hierarchical and unresponsive to individual need.

We became so accustomed to the idea that any activity, including activities involved in the provision of public services, should be performed by private sector companies, that we (even on the left) rarely questioned it. The fundamental *raison d’être* of companies needs restating: it is to optimise the return on its shareholders’ investment, most usually by maximising profits. What they ‘do’ is the instrument by which this objective is pursued; producing the best toothpaste or operating a trouble-free current account are means to the end of serving shareholders’ interests.

Logically it makes no sense that a company (the objective of which is only tangentially related to the optimum provision of a public service and

which has to extract profits from the economic equation) should be better at providing that service than the comparable public sector entity. How can this assumption have taken root?

The culture of late 20th and early 21st century Anglo-American corporate management is direct and ruthless. The route from current situation to objective is planned in a clear, linear way and pursued with a determination driven by desire for (depending on where the manager stands in the corporate hierarchy) the accumulation of equity value, performance-related remuneration, promotion or the need to hold on to a job. Labour is a factor of production, the cost of which is minimised. Law and regulation, from employment protection or equality to health and safety and anti-trust, are observed to the extent necessary to avoid prejudicial economic consequences.

**“The contractors have gold-plated contracts that could be refinanced in the debt market, allowing proportionately small amounts of equity to be actively redeployed and the returns consequently maximised”**

There is no comparable culture in the public sector, where a plethora of interests and considerations inform decisions, often without the factors of their relative weighting being explicit. So, when private sector contractors are referred to the public sector resources to undertake a public service, it is the clarity and directness of the commercial approach that determines our preference. The downsides are rarely fully considered. The first of these is the divergence between the contractor’s profit motive and the contract awarder’s focus on the public service to be provided. Controlling the divergence of objectives requires detailed specification of service levels. Which guarantees that, at best, only those areas for which quantifiable minimums are prescribed will receive the contractor’s primary attention and be provided.

Secondly it means that other, wider considerations: the interests of employees, the environment, local communities, will be ignored – again, unless

specific service level minimums are prescribed. Any variable not so prescribed is vulnerable.

What is amazing is that this change in management culture and approach can generate both a lower cost to the public sector body contracting-in and profits to the contractor. Broadly the contractor’s economic advantage has three sources: as set out above-more ruthless management of the costs and driving service levels to the minimum sustainable. The third involves using financial engineering to its limits. A long-term public sector contract and/or a government guarantee would provide the underpinning required for a very high level of very cheap borrowing. Companies that specialise in public sector contracts specialise in isolating projects and extracting equity, replacing it with bank debt, at the earliest possible opportunity. During the past quarter century, the easiest and quickest route to a fortune has been in the field of public service contracting. Ever since the Ryrie Rules (which required that government should fund its own projects, through taxation or gifts, unless the private sector funding cost was demonstrably cheaper) were abandoned in the 1980s, an unspoken agreement between Whitehall and the contracting companies has developed, in which public sector employees and service users have been the victims. Government has turned capital outgoings into a stream of future rental and service payments. In the long term the cost is significantly higher but the liabilities ‘off balance sheet’. The contractors have gold-plated contracts that could be refinanced in the debt market, allowing proportionately small amounts of equity to be actively redeployed and the returns consequently maximised.

Who else loses? The taxpayer, if the unsustainable mixture of pared-down operation and over-borrowed blows up and the state has to rescue the service and take back its operation (e.g. Southern Cross).

Recent reports from both the Public Accounts and Treasury Select Committees have begun to demonstrate the overall financial costs of these unusual financing techniques, which often obscure the fact that there has been no transfer of risk. In the future we should avoid such wheezes.

Then of course there are the “intangible” difficulties created – the loss to morale, transparency and accountability.

To rectify this we believe that there needs to be clear boundaries and a renewed emphasis on professional ethos, on democratic accountability and public engagement.

The Tory approach is irresponsible and will make a confused situation worse. For example, using untrained volunteers to run 120,000 family intervention projects – does this make it more likely that child protection issues will be missed and who will be responsible?

One approach would be to distinguish things which are “nice to have” from things that we “need to have”. The “nice to have” things could then be parcelled out to the voluntary/private sectors in partnership arrangements. Examples here might be offender resettlement or bereavement counselling. The more a small numbers/whole person approach is needed the more the voluntary sector scores in terms of effectiveness. The “need to have” should stay clearly in the public bailiwick.

Staff are vital: who would volunteer to work in an enterprise being aggressively shrunk with a pay freeze, increased contributions for a reduced pension and tougher targets? But sometimes concerns about process seem to override outcomes with a consequent loss of personal responsibility. The running of Haringey Social Services during the Baby P scandal would be a case in point.

Democratic control is important, but it is not the same as management accountability within the public services. We need to re-inject the public service with an ethos of pride and responsibility. Of course public servants need to be accountable, but they also need to be free to take the initiative and innovate and not be so burdened with centrally driven bureaucratic chores that they lack time to deal with clients.

Indeed if they are more self-confident and capable they are likely to be better at engaging with the public, listening constructively and responding to demands.

*Helen Goodman was a treasury civil servant and is now a Labour MP for Bishop Auckland.*

*William Nabarro was a Merchant Banker and is now a school teacher. They met in 1985, while working on a privatisation.*

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# International social democracy - why bother?

Danny Phillips and Anas Sarwar MP

These are turbulent times. Earlier this year, the centre left was debating why social democracy was experiencing set backs across Europe: and for good reason. In 2000, centre left parties were in power in 11 out of 15 EU member states. And in the beginning of 2012 it was four out of 27.

How quickly things change. Those right-wing governments, including our own, who are pushing deep fast public sector cuts are in trouble. European governments are struggling to implement austerity budgets; Netherlands' government has collapsed and Sarkozy became the first president to lose in the first round of of the French Presidential election in 50 years. Sarkozy went on to lose to his centre-left opponent, President Hollande (Sarkozy's centre-left French opponent) in the next round, creating the first left-wing French presidential victory in 24 years. So are we seeing the roots of a social democratic revival?

The right's argument has always been that regulation of the markets, taxing the rich and fairly sharing wealth pushes global capital towards low-tax less-regulated free market economies. The right claim, they are the ones to take tough decisions in tough times and social democracy is a luxury we cannot afford.

There is no doubt that the present crisis has highlighted big challenges for social democrats. Among them, how to regulate global markets, close inequality gaps and hold the mega-rich and powerful to account.

We must be clear. The answer is more, not less, social democracy.

It was strong government that bailed out the banks. A banker collecting big bonuses paid for by ordinary taxpayers is a problem. The alternative of going bust would have been a catastrophe.

Social democracy also gave us fifty years of progress after two world wars and a great depression, resulting in some of the healthiest, richest, most equal societies in history.

In the UK, the pre-war National Insurance Acts, the NHS in the 1940s, mass social housing of the 1950s, the Plate Glass Universities of the 1960s, equality legislation of the 1970s, the minimum wage of the 1990s - are just some of the great social reforms that made the difference between living through this recession and living through similar circumstances in the 1930s.

Coping with this crisis without, for example, our strong welfare state is frankly unthinkable.

We have to take the long term view. Social democracy is a journey not a destination. Social democrats believe that parliamentary democracy and regulating markets within a framework of human and social rights builds a better life for all. Social democratic values of solidarity, equality and tolerance are as valid today as they have ever been.

The debate we must have is how to make all this a reality in a modern day setting.

Our first step is to work with our international partners to build a decent economy by arguing for our credible economic alternative. In the short term for VAT cuts, investment in infrastructure projects, National Insurance exemption schemes to get the young back to work and a reversal of tax credit cuts for our low paid.

In the long term we must re-balance our economy; manage the cyclical nature of international capitalism with its boom, bust and bubbles; protect ourselves from excessive risk taking by the financial sector; close down loopholes which allow big business to avoid their responsibilities; and encourage central banks across the world to work together to manage movements of international capital.

And we must build a sustainable future. We have to re-balance our energy supply, meet climate change targets and protect biodiversity. Vitaly, we must ensure all groups share in our progress by better redistributing wealth and income. Not just within the UK, but globally too.

These goals will not only take international co-operation they can only be done with the consent of the people.

The job of politicians, campaigners, and thinkers is to lead. We must reject the doomsayer

apologists. Yes Kyoto is difficult but countries are, at last, seeing the importance of investing in green clean energy and targets can still be met.

Parts of sub-Saharan Africa have life expectancy, child mortality rates, educational outcomes and poverty levels that mirror 19th century Europe. Rather than giving up, we need to remind ourselves and others that internationally agreed Millennium Development Goals are making a difference.

**“Social justice is good for all of us. We all benefit from living in a more inclusive equal world. The evidence is clear. More equal democratic societies do better in both good and bad times”**

The UN reports that Malawi has turned a food deficit into a food surplus, Northern Brazil has reduced child malnutrition from 22% to 5% in 10 years, Tanzania has doubled the amount of children in primary school in 6 years, and Rwanda could surpass rather than just meet the MDG 2015 targets for child maternal mortality. Is it enough? Of course not, but it is progress.

It is the nations who wave the flag for social democracy like Denmark, Norway, Sweden and Netherlands who have reached the 0.7% target for official development assistance. It was the last UK Labour government who put us back on track to meet our commitments by 2015.

So far from asking why bother? The question is why would we not bother? Democratic socialism and social democracy will face setbacks, but it is also responsible for most of what makes life better.

The 1997-2010 Labour Government was one of the most successful social democratic governments ever. While you can argue, and with some force, that it did not make nearly enough impact on inequality, relied too heavily on our financial sector and made some serious errors in foreign policy. We can also point to the fact that it presided over decreases in child and pensioner poverty; improved rights for working women; improved equality legislation; introduced the minimum wage; got as close to full employment

as we ever have; made the Bank of England independent; intervened for good in Sierra Leone and Kosovo; brought devolution and significantly improved our public services.

Social democracy was born because people were looking to end the injustices, inequality and mass poverty that came with the rampant unfettered growth of industrial capitalism in the 19th and 20th century. Social democrats and socialists saw an alternative to free market liberalism but rejected the violent overthrow of capitalist bosses and, what they saw as, the materialist determinist view of Marxists. Bernstein (father of social democracy) argued that European socialists would gain more from working with the system, to make it fairer.

That vision is as true to today as it was then. To borrow a phrase, we are all in this together: but we mean international solidarity.

Social justice is good for all of us. We all benefit from living in a more inclusive equal world. The evidence is clear. More equal democratic societies do better in both good and bad times.

Our vision has to be internationalist: to end poverty across the world, bring social justice across the globe and uphold the rights and freedoms of the many. So we can all prosper together.

*Danny Phillips is a writer and researcher. He is a senior consultant for the Active Learning Centre at the University of Glasgow - working with Members of Parliament in Malawi and Ethiopia. He was Head of Child Poverty Action Group in Scotland (1999-2003) and a Special Adviser to First Minister of Scotland (2003-2007).*

*Anas Sarwar is the Deputy Leader of the Scottish Labour Party, and the Member of Parliament for Glasgow Central. He is also a member of the International Rescue Committee's advocacy advisory group, and was a member of the House of Commons International Development Committee (2010-2012).*

# Defending Liberty: Protecting the public

Paul Goggins

Labour's approach to law and order and national security has changed considerably over the last 40 years. Party members on the receiving end of police operations during the Grunwick dispute and miners' strike felt at odds with those who were meant to keep order. Unresolved assertions that Harold Wilson and other prominent Labour and trade union figures were under the watchful eye of MI5 reinforced the establishment notion that Labour was "the enemy within".

Yet by the end of our 13 years in government Labour was accused from right and left of being security fanatics who had presided over a decade of illiberal legislation that failed to respect human rights and favoured state power and control over individual freedom.

It was an unfair caricature of a party that had underpinned human rights and freedom of information with substantial legislation; but it is important to make an honest evaluation of such claims and assess the implications for future policy.

Two major changes lay behind Labour's evolving position. First, in the 1990s we developed a clear understanding that the so-called party of law and order had in fact presided over a doubling of crime during their 18 years in government. And it was in the least well-off areas – often staunchly Labour areas – that crime and anti-social behaviour had the harshest impact. We resolved to be tough on crime and tough on the causes of crime.

The second change began with the events of 9/11.

## **Action on crime**

In government we increased the number of police officers and introduced police community support officers. We enabled greater use of DNA as evidence. Convictions increased, as did the numbers going to prison – although this was a trend that had begun before 1997.

Frustrated by problems with enforcement we introduced new civil sanctions, which required a lower standard of proof than criminal charges. Anti-social behaviour orders were not a panacea but they did make a real difference in many communities that were brought back under control.

Overall, crime fell by 40% under Labour.

But it was not all about harsher punishment. The New Deal provided jobs for young people and the Education Maintenance Allowance encouraged 16 and 17 year olds to stay on at college. We provided a substantial increase in the number of probation officers – to oversee the greater use of community punishments and supervise the increasing number of prisoners released back into the community on license. Drug treatment was made available on an unprecedented scale. We created the Youth Justice Board, increasing the emphasis on diversion and strengthening links with social services and education.

Of course not everything went to plan. The public protection sentences introduced in the 2003 Criminal Justice Act swept far more offenders into long-term custody than was ever intended and we had to act later to rebalance the system. But in that same legislation we also made it possible to have a second trial if new and compelling evidence came to light in relation to a serious crime. Some – even on our own side – complained that changing the law on double jeopardy was an affront to civil liberties and a thousand years of history. Tell that to the family of Stephen Lawrence.

## **After 9/11**

9/11 shook the whole world and transformed the security landscape. The new threat was global, based on hatred for our way of life and bent on indiscriminate killing. This required, under Labour, an expansion of the intelligence and security agencies and new powers to deal with those who were plotting mass murder.

Claims that ministers were not interested in due process were complete fantasy. Where the evidence is strong enough terrorists should be tried and sentenced before judge and jury. But how could justice be achieved when the suspects were foreign nationals who could not be deported? Or where there was intelligence that could not be used in court? These were new

questions that required new answers. It would have been a miracle if we got them all right.

We created the Special Immigration Appeals Commission, under the direction of a High Court Judge, to rule on appeals by those facing deportation on the grounds of national security. We introduced detention without trial for terrorist suspects who could not be deported or charged, a measure that was subsequently and rightly deemed non compliant with the lawful rights of suspects. We replaced this with control orders which enabled restrictions to be placed on high risk individuals in the community. For all the criticism, they involved considerable judicial oversight and were fully compliant with human rights law.

At least as controversial was the issue of pre-charge detention. The maximum period allowed was extended from 7 to 14 days in 2003 and to 28 days in 2006. Subsequent attempts to go to 90 and 42 days were defeated in parliament. This we did get wrong, albeit for reasons of practicality as well as principle. The police said they needed more time but the level of judicial scrutiny in each case made it impossible to sustain such long periods of detention simply for the purpose of investigation. In fact only 11 terrorist suspects were ever held beyond 14 days and none at all after 2007. We used up a large amount of political capital for a power so rarely used.

We set about introducing ID cards – again in the teeth of opposition from those who argued it was an affront to civil liberties. At first there was widespread public support but we began to undermine the strength of our argument by offering explanations that were too often confused and confusing. At the start we said they would help in the fight against terrorism; then it was about immigration and the control of our borders. Later still we emphasised the role they could play in helping to protect against identity theft. All are valid arguments but our changing message and failure to deal with growing myths about the amount of personal data that would be recorded turned that early approval into opposition.

### **Security and human rights**

The debate that took place inside and outside parliament brought into sharp focus the delicate balance between individual freedom and public

safety. That debate becomes distorted when it is framed as a straight fight between human rights and security. In fact a Government's core responsibility to protect the public is informed by the first and most basic human right – the right to life – which ministers have a duty to defend. This was the human right so cruelly denied to 52 people in the 7/7 attacks and the 67 UK citizens who died on 9/11. Civil liberties are not to be diminished – they make us the people and the society we are. But they are obsolete if our very existence is taken from us.

### **The Coalition**

For the last two years responsibility for these crucial issues has rested on the shoulders of Conservative and Liberal Democrat ministers. They came into government with their own different policies but with a shared commitment to amend or remove many of the measures Labour had introduced.

Some of their reforms have been for the better. The National Security Council provides improved co-ordination and more direct contact between senior ministers and the intelligence agencies. Recognition of cyber security as a major issue and the allocation of £650 million to deal with it is a welcome strengthening of our defence against this increasing threat. The Gibson Inquiry into allegations of UK involvement in the improper treatment of detainees had to be abandoned, but it was a bold step to try to resolve these ongoing concerns.

It has been important to exercise careful judgement in responding to the more controversial aspects of the Government's security reforms – working out what is the right policy rather than simply regurgitating an uncritical defence of our record. It was right to agree with ministers that 14 days pre-charge detention should be the standard maximum; right also to oppose their stubborn insistence that an extension in extreme circumstances could only be granted through fresh primary legislation. We were right to argue against their limited system for storing and using DNA samples; but Alan Johnson was on strong ground when he proposed an intelligent compromise rather than the status quo.

Some aspects of the Government's approach to national security have been a blatant political fudge, one of the best examples being the decision

to scrap the relocation powers that were available as part of a control order. In two cases following the 2010 general election the Home Secretary successfully defended a legal challenge to her use of these powers. The courts said she was right to insist that those particular terrorist suspects should live away from their home area. Yet in response to Liberal Democrat complaints that this was a form of “internal exile” this power was not included in the new terrorism prevention measures, TPIMS. Labour was right to oppose this weakening of provision.

### **The search for common ground**

As we approach the half way point of this parliament, we are moving into a new phase of policy making. Many aspects of Labour’s legacy have been changed by legislation and, as new events and challenges unfold, ministers will be judged not by their early rhetoric but by the effectiveness or otherwise of the system they have put in place to counter the serious threats that remain.

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The protection and safety of the public should never become a game of political point scoring and, wherever possible, Labour in opposition should continue to seek common ground. One area of shared concern has been the impact on national security of the widening remit of the European Court of Human Rights (ECHR).

The initial decision of the ECHR not to allow the deportation of Abu Qatada on the grounds that he could not be guaranteed a fair trial caused considerable concern. It failed to strike the right balance between the lawful rights of individuals – even when there is clear evidence that they mean to cause us harm - and the need to protect the public.

The court’s subsequent rulings that Abu Qatada, and more recently Abu Hamza, could be deported are welcome; although Abu Qatada’s situation has changed again as a result of a

decision by the Special Immigration Appeals Commission to stop his deportation and release him from prison on bail.

Labour should work with the Government to build a consensus across the main parties which ensures that the ECHR’s remit is made more proportionate. The core purpose of the Human Rights Act is to provide access to long standing convention rights through UK courts. Appealing over the head of our own Supreme Court should only be allowed in exceptional circumstances and we should insist that the ECHR takes more notice of the expressed views of parliament.

### **New legislation**

The Justice and Security Bill and the Draft Communications Data Bill provide two further opportunities for constructive engagement with the Government.

The Justice and Security Bill includes new measures for the protection of sensitive information in civil cases. This follows a ruling by the Court of Appeal in the Binyam Mohamed case which resulted in classified US intelligence material being released into the public domain in breach of what is known as the “Control Principle”. This caused considerable anxiety on both sides of the Atlantic and it is clear that this issue has to be dealt with if we are to continue to rely on US intelligence for the protection of our own people.

The proposed Closed Material Procedure has become deeply controversial amid claims that it encourages a system of secret justice. Government ministers have failed to give a convincing explanation for the policy and it is certainly not the job of the opposition front bench to make the case for them. But there are strong arguments in favour. Under the current system, highly sensitive intelligence can be removed from a case through the use of a Public Interest Immunity Certificate. But this means no-one, including the judge, sees that particular evidence.

The Closed Material Procedure would allow the judge to see all the sensitive material and reach a conclusion based on the full facts. This would provide our intelligence and security agencies with an opportunity to defend themselves against claims that they have participated in wrongdoing against those who are suspected of threatening our security. Currently, compensation

claims such as those brought by the Guantanamo detainees, have to be settled in favour of the claimants simply because the agencies cannot use sensitive information to defend themselves.

Some on the Labour benches may feel more comfortable siding with the critics but the party is right to support the Closed Material Procedure in principle whilst arguing for changes to the bill that will ensure they are only used in appropriate cases. We should also press ministers to explain why they are prepared to allow for a Closed Material Procedure in civil cases but not at inquests where equally sensitive material may be relevant.

The Draft Communications Data Bill attempts to deal with the growing gap between information that Communication Service Providers (CSPs) retain and the data required by the police and security services to investigate organised crime and terrorism. Currently they can, through a properly authorised process, obtain the details of relevant phone numbers and e-mail addresses. But the increasing use of the internet and changes to the way customers pay for their calls means that less data is now routinely collected.

The bill would require all CSPs to retain information about who makes and receives a call or e-mail, as well as when and where that communication takes place. Access to content would still require separate authorisation but concerns have been raised about the routine gathering of such large amounts of data, most of which relates to completely innocent members of the public.

Labour should be in sympathy with the aim of this legislation, which in many respects is an updating of existing arrangements. But there are serious questions to be asked about the cost and technical feasibility of what is proposed and we should be diligent in pressing the government to show that it can actually be delivered in a way that will enable the police and security services to do their job.

#### **What does the future hold?**

What deadly threats are likely to dominate the period ahead? Continuing instability and conflict in the Middle East? Al Qaeda in the Arabian Peninsula and East Africa? Cyber attacks from China? Reframed hostility from Russia? A global network of right wing extremists? As the intelligence and security agencies help to assess the

size and shape of what we face it is vital that politicians continue to search hard for the right balance between immediate security and our abiding values.

The core philosophical disagreement throughout our time in government was between those who believe that the democratic and accountable state can be a force for good, even when taking difficult decisions concerning liberty, and those – including many Liberal Democrats and libertarian Conservatives - who believe that the state by its very nature is always liable to be oppressive and deny people their inherent freedom. Irrespective of who is in charge that debate will continue to feed into the development of national security policy.

Getting the balance right will never be easy, but we should use our experience of government and our understanding of the threats we face to make sure that the safety of the public always comes first. Sometimes that will mean challenging ministers if we think they are weakening public protection; at other times it will mean supporting the government even if their critics encourage us to do otherwise. At all times we should demonstrate an unwavering commitment to protect the rights of the public, starting with the fundamental right to life itself.

*Paul Goggins is the Labour MP for Wythenshawe and Sale East*

# About Compass

Compass is an ideas and action based pressure group with over 50,000 members and supporters around the country.

We are committed to help build a Good Society; one in which there is far greater social, political and economic equality; where democracy is deepened at every level of the state, our workplaces and communities; where the sustainability of the planet is made an urgent priority and we recognise our interconnected fate across all nations; a society where the market is made to work as the servant of society.

We organise regular events and conferences that provide real space to discuss policy, we produce thought provoking pamphlets and we encourage debate through our website. We campaign, take positions and lead the debate on key political issues. We're developing a coherent and strong voice for those that believe in greater equality and democracy as the means to achieve radical social change.

As the planet gets hotter and the poor get poorer we're campaigning collaboratively with progressive politicians of all parties, pressure groups, trade unions, think tanks, NGOs, academics, activists, campaigners and across civil society.

Compass wants to see a transformed Labour Party working with other parties, organisations and individuals in pursuit of this goal of the Good Society.

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Southbank House, Black Prince Road, London SE1 7SJ  
T: +44 (0) 20 7463 0632 | [info@compassonline.org.uk](mailto:info@compassonline.org.uk)  
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