THE NEW FOUNDATIONS

A *future* built on democracy

POLITICS FOR THE MANY
Trade Unionists for Political Reform

OPEN LABOUR

Edited by Christine Berry
March 2021

"It is not possible to build democratic socialism by using the institutions of the Ancient British state. Under that I include the present doctrine of sovereignty, Parliament, the electoral system, the Civil Service – the whole gaudy old heritage. It is not possible, in the way that it is not possible to induce a vulture to give milk."

NEAL ASCHERSON, 1986

ABOUT

Politics for the Many is the trade union campaign for real democracy, through proportional representation and political reform. We campaign to overhaul Westminster so it works for the many, tackling political inequality and dragging Britain's broken constitution into the 21st century. It is backed by trade unionists across the country and supported by the Electoral Reform Society.

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Open Labour represents Labour's open Left: a practical, open-minded and tolerant type of democratic socialism. Our ideas and campaigns are based on a simple strategy: creating broad and diverse alliances behind policies which transform society.

We believe a radical Labour party must prioritise transforming our economy – the UK must become high-investment, more green and more democratic. We stand with the bulk of the trade union movement in believing that this demands a close relationship with Europe, more trade and exporting, and solidarity with those campaigning for social justice here and internationally. Open Labour has deeper roots in the history of the Labour left through organisations like Tribune and the Labour Coordinating Committee, but also as committed trade unionists. We are optimistic about our future and we hope you will become part of it.

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ACKNOWLEDGEMENTS

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FOREWORD

The past year has shown the best of this country, united towards one goal of overcoming the virus. We all have a stake in this recovery following one of the biggest struggles of the past century. But amid the rhetoric of 'rebuilding' Britain, a big question lingers: who will set the blueprint?

A recovery directed by just a few will be one built on sand. The past year has shown the dangers of hyper-centralised decision making, of cronyism – feeding an epidemic of distrust and alienation.

New polling for this book finds that the public feels powerless over decision making. Two-thirds of people (66%) feel that they have little or no opportunities to influence decisions made at Westminster and only five percent of people feel they have a lot of opportunities.[1]

It's no wonder. The democratic divide was stark even before the pandemic. But what's becoming increasingly clear, is that the failings of our democracy are letting our country down – in healthcare, in housing, in responding to the climate emergency. We simply cannot build a just society on the foundations of a broken democracy.

Britain's political system leans towards cronyism: a House of Lords with no democratic mandate, an over-powerful executive that rules increasingly by Henry VIII powers, and the vast majority of votes at general elections being effectively ignored: burnt up in the fires of our winner takes all electoral system.

All this, and a failure to deal with devolution in a joined-up way, instead offering a patchwork of powers for some in England, while other communities get ignored altogether. Who can forget the footage of Andy Burnham finding out Manchester's coronavirus funding offer, via Twitter? It was a moment that summed up the bad-faith approach to devolution in Whitehall, where it is too often seen as a tool for extracting more GDP and revenue for the Treasury.

There is a principle that all sides of the Labour Party – indeed most voters – tend to agree on: Westminster just isn't working. Now what?

This book seeks to flesh out a bold response to the UK's democratic crisis for the left. This country could give everyone a stronger stake in political life. It could experiment with new ways of doing democracy. It could create a new foundation for a better future.

It is welcome that through the launch of a 'Constitutional Commission' – a UK-wide conversation to devise a new constitutional settlement – Labour is asking important fundamental questions. It is important that we consider what a truly equitable political system would look like. Asking, if we built Westminster from scratch, how should citizens be represented? These constitutional questions can no longer be placed on the 'sort later' pile.

On devolution, deliberative democracy, and more, this book sets out proposals for renewal. And beyond that, it shows how these democratic reforms are central to transforming society – that without reform, the economic and social policies Labour supports will always be constrained by the institutional conservatism of the current Westminster system.

This collection of essays provides practical thinking on how to create a new constitutional settlement for the 21st century. Ideas that could help transform the distribution of power in the UK.

"Westminster just isn't working. Now what?"

[1] Polled by Savanta ComRes: 2,092 UK adults aged 18+ online from 12-14 March 2021. Data weighted to be demographically representative.

INTRODUCTION

by Tessa Milligan and Nancy Platts

Already in this century, the world has faced all manner of disasters that force us to re-examine the role of the state – and whether it is fit for purpose. From a deadly pandemic to financial turmoil and the brutal effects of climate change, we have become increasingly aware of the power of our communities in rising to the challenge, taking action and protecting each other – and the limitations of the state in its current form to do the same.

The political project of the right in recent years has been about exploiting the feeling of a lack of control over our lives and using it to usher in sweeping ideological changes which exacerbate these concerns rather than address them, using a rhetoric that puts the blame on 'others'. For the left, the response must be about giving a voice to the diverse communities which make up our society, empowering people in their places of work, addressing inequality and strengthening rights and freedoms to give all of us greater personal stability.

The past year has shown the executive's capacity to swing towards kleptocracy, with unfettered scope for the kind of cronyism beloved of authoritarian regimes. We have a Government club with a VIP guest list, used as the basis for handing out contracts, favours and honours. Public procurement becomes a fast-tracked operation for friends, family and donors.

A progressive Government needs to reimagine the role of the modern state. Central to what we are about is shaking off the dead hands and drag anchors keeping us down and holding us back as individuals, as communities, and as the nations and regions which make up the UK. The task is to take control from warped institutions of government today, and unleash personal and political empowerment built on inclusion, equality, democracy and accountability. The labour and trade union movement has always led demands for greater democracy, empowering working people and communities, and offering a different vision of society. Today, a reimagined state is central to revitalising and rebuilding our country, and it is an urgent task.

Fundamental Change

Young people in the UK see too many old institutions which were not fit for the last century never mind this century. Instead, the state exists in a transformed world with huge technological advancements – but it is built upon a creaking democratic structure, and institutions which are only marginally tweaked from their 18th century versions.

As the authors in this book argue, we have democratic, financial and state institutions which are not fit for purpose. The inequality and exclusions which come with them are not unfortunate and unavoidable flaws – they are hard-wired in. The effort to undo them, to open up, will be an uphill struggle. A quick makeover or replacing a few bricks in the crumbling edifice won't do. To build a better society we will need wide-ranging and fundamental change.

There will be opposition. Just as the flaws are built in, so are the defensive barriers, because these institutions were not designed to represent everybody fairly. Instead, they were built to defend a particular group or groups of interests and they will fight like hell to keep doing so. Real democracy and

"A progressive Government needs to reimagine the role of the modern state"

electoral reform should be a breath of fresh air to tired state institutions: shifting the culture towards bridge-building, rather than divide-and-conquer tactics.

As Jess Garland and Willie Sullivan observe in their contribution to this volume, Westminster's minority-rule electoral system is simply not designed to govern the kind of diverse – and over recent years, increasingly divided – country that the UK has become. As a result, Westminster is increasingly incapable of producing governments underpinned by genuine electoral legitimacy.

Parliament's own legitimacy was battered by years of Brexit stalemate, revealing the vulnerability and weaknesses of our largely unwritten constitution and making the foundations of our politics look ever more fragile. Growing mistrust of politics and politicians is opening the door to a resurgent authoritarian right and this poses a huge problem for a Labour Party trying to enthuse voters with a positive vision for change.

This is the context for this collection of new essays. Its primary focus is not on the nuts and bolts of an agenda for democratic reform – although the authors put forward many ideas. Rather, it aims to show how this agenda is inseparable from Labour's wider aspirations to transform the country.

A progressive vision for a new society

Too often, democratic reform is seen as an optional add-on to economic reform – at best a 'second term' priority, at worst a distraction from the bread-and-butter issues facing working people. But, as the authors of these essays show, to put constitutional issues on the back seat would be a fatal mistake. Indeed, constitutional issues are now at the forefront of our politics, from allegations of cronyism to the very breakdown of the union.

It has become increasingly clear – if it was ever in doubt – that we cannot build a country that works for working people unless we take on our unaccountable and dysfunctional state. Nor can we think of the state simply as a neutral set of levers waiting to be pulled to the left. Rather, the institutions of the state are bound up with many of the forces a progressive government will need to confront. Without overhauling the monolith of Westminster, it will act as a barrier to transformative change, potentially leaving such a government 'in office but not in power'. All of the authors in this volume demonstrate this in different ways.

Christine Berry argues that the economic disaster of the pandemic is inseparable from the governance disaster – and that solving both demands a deepening of democracy. James Meadway examines the intertwining of high finance and the state, and the unique constraints placed on our politics by a large and systemically risky financial sector. This is mirrored in the domination of land in Britain by an elite few, with Laurie Macfarlane highlighting how the UK's incomplete democratic revolution has allowed concentrated political power to persist alongside concentrated ownership of land - driving our dysfunctional housing market.

These are inequalities closely linked to the UK's colonial past, with Maya Goodfellow tracing the legacies of colonialism in the institutional racism that still pervades our politics. Amid the Black Lives Matter protests of 2020, we were reminded again of the imperialist links of many of those who sit in the House of Lords.

Sandy Martin shows how every aspect of the Westminster system from an unreformed House of Lords to our unwritten constitution are providing a block to necessary action to tackle the climate emergency and Safiah Fardin shows why a new deal for the NHS must have democracy at its heart.

Jess Garland and Willie Sullivan argue that although unfettered executive power might seem attractive – to left and right – in fact it lends itself to capture by vested interests, limiting the scope for reforms and leaving them vulnerable to being unravelled by a future government. And Declan McLean

sets out why Westminster must change to accommodate the futures of the nations of the UK, in which he argues for a new federal model based on equality.

And yet, for all its flaws, we cannot do without the state. It remains the only vehicle with the ability to transform society on the scale required to meet big challenges like inequality and climate change. It is also the only vehicle with the ability to democratically represent everybody in society. Even those with a strong critique of state power are not seriously suggesting that we do not need it. But the state's potential as a force for good will go unrealised unless it becomes more genuinely democratic, local and accountable.

The question is not whether progressive politics can replace the state but how we can remake it. Whether we care about workers' rights or a Green New Deal, dismantling systemic racism or providing affordable homes, reform of the state is not a sideshow: it is equal parts stage and screenplay for this country's future.

But democratic reform is not only a means to an end. It is at the heart of a new progressive vision for a new society. As Laurie Macfarlane, James Meadway and Christine Berry all show, the most innovative policy ideas in recent years are ultimately all about democracy: of real power for people. It is about democratising the economy by giving people more control over their working lives; democratising finance by breaking up big banks, promoting local banking accountable to local communities; democratising ownership of land by reclaiming public space and reducing the gains to be made from speculation.

This is not about going back to the 'spirit of 1945', with people passively receiving services owned and run by a centralised state. Nor is it about a return to New Labour, where the market economy was left largely untouched and taxes skimmed off the top to fund social programmes. Instead, it is about rewiring the economy to put wealth and power in the hands of the many, giving ordinary people collective control over the things that affect their lives. The authors powerfully argue that this is the only way to solve the deep problems afflicting our economy, from an unstable financial system to a lack of affordable housing. And it is the only way to counter the toxic tendencies of polarisation, hatred and distrust.

Change is bigger than any single policy, be it electoral reform, Lords reform or devolution – important though all of these are. It requires a far-reaching effort to bring democracy to every corner of society. As James Meadway puts it: 'The democratising movement here is to create many different centres of distributed power.' It also means confronting the structural inequalities that limit people's ability to participate in our movement. A democracy worth the name must include all people, challenging racist, nationalist rhetoric that pits immigrants against citizens and marginalises ethnic minorities, as Maya Goodfellow argues.

By giving people a taste of power and agency we build the 'muscles' for democratic engagement – and the appetite to flex those muscles on a bigger stage, something observed by Jess Garland and Willie Sullivan. By doing so, working people can become materially better off. But the ability to have a real say over things that affect us has value independent of its material benefits.

These essays are, ultimately, a vision of empowerment, and it is one that sits at the heart of the labour and trade union movement. This is a movement that has always been at the forefront of demands for democracy. Any effort by a future Labour government to rebuild and renew the UK needs fundamental democratic reform at the heart. A core belief that no matter where you are or who you are, your vote matters. Right now, it only really matters in the relatively small number of House of Commons seats which can change hands at general elections. That has to change, it should be first order of business, and will make a crucial bedrock for Labour's vision of the UK.

Empowerment is not just something worth offering – it is perhaps the most important thing the labour and trade union movement can offer people. Only by putting it at the heart of our agenda can we build an economy and society that works for all – a politics for the many.

"It is about rewiring the economy to put wealth and power in the hands of the many"

CHAPTER ONE

Democratising the State

Jess Garland and Willie Sullivan

Democracy was in crisis across the world before the pandemic arrived. Here in the UK, our democratic institutions appeared unable to respond to the 21st century challenges that we face: the climate emergency, conflicting calls for national independence, financial crisis, rising inequality. The myth that if the establishment flourished, we all did, had ebbed away with the rising tide that failed to lift all boats. These challenges demanded more of our political institutions than they seemed able to provide, and then Covid-19 struck.

Crises speed up the course of history: major changes that would take decades to achieve are implemented overnight, and whatever country emerges from the Covid-19 crisis, it will be radically different economically and socially from the one that went into it. But politics too must change. Democratic crisis has not disappeared and, if anything, it is more acute than before. As emergency powers are introduced and major decisions are made by small groups of individuals, with scrutiny reduced or put on hold altogether, the pandemic has highlighted the weaknesses in the system and the size of the challenge to fix them.

System failure

[1] House of Commons Public Administration and Constitutional Affairs Committee (2020) *Parliamentary 'Scrutiny of the Government's handling of Covid-19'*, September 2020.

In March 2020, as the number of cases of Covid-19 was growing, the UK government finally decided to move to a national lockdown. At this moment of national crisis, parliament was adjourned early for Easter recess with no clear return date, sweeping emergency powers were granted to the government in a bill that had just a day's debate in the Commons, and no additional mechanisms were established to ensure that these new powers came with greater scrutiny. A row over who would chair the Liaison Committee meant that the body that should have been holding the Prime Minister to account, was non-existent when the most major changes were being decided upon.

Parliament did return, and with it, critical scrutiny functions. But those first few weeks exposed the political system's centralising tendencies, and the extent to which they could be abused by government while staying well within the rules. It is often assumed that swift, frictionless decision-making is needed in a crisis and that democratic scrutiny is an unnecessary encumbrance. This last year has proved the very opposite. Expert advice is crucial, but it does not tell you what decisions to make – that is where politics comes in. To be making major decisions without oversight is dangerous and ultimately, as subsequent inquiries have highlighted,[1] rarely leads to the best decisions.

This global crisis has enabled us to see how different governments have dealt with the same problem and compare how different political systems have been able to respond. In this unique situation, the weaknesses of the British political system have been revealed. In a comparative examination of

responses to the crisis, academics have found that countries that collaborated across different levels of government, that did not rely too much on central direction, allowed localities to adapt to circumstances, and did not allow rigidity in structures to undermine dialogue, fared far better in responding to the crisis.[2] They conclude that, 'Most countries partially failed at least one of those hurdles. The UK [...] failed all four'.[3]

This more collaborative approach, which reaches across parties and localities, and brings alternative viewpoints into play is, to a large extent, alien to Westminster's political culture. Of course, individual choices are made, one course of action is pursued over another, but these decisions are not made in a vacuum; the structures of our political system dictate the options that are available to decision-makers, and the norms and cultures of our political intuitions shape what is deemed acceptable.

When decisions are being made that are life or death for so many citizens and will have economic and social repercussions for generations to come, that the UK governing system moved so quickly and easily to dispense with even the most basic scrutiny and relied on a small group of advisors is both deeply troubling but also entirely expected: it is typical of the system. In fact, such is our acceptance of the Westminster way of doing politics that many would not even question why the Prime Minister had moved to govern alone by press conference.

Centralised power

To a large extent the UK today is still living in the shadow of a Westminster system both structurally and culturally. It is unsurprising that the UK did not demonstrate the collaborative, locally-led approach that enabled other countries to respond better to the Covid-19 crisis. The Westminster-style system is, after all, designed to give the election victors the power to do anything they want – it is systemically and culturally winner-takes-all. As a result, other political skills such as alliance-building and negotiation, cooperation and compromise – more common in systems that require them for forming governments and ensuring the progress of legislation – are woefully underdeveloped.

Despite post-1997 reforms, British democracy continues, in many ways, to be the prototypical example of a Westminster system (or majoritarian system) as famously described by Arend Lijphart. It is a model that 'concentrates power in the hands of a bare majority' and it stands in opposition to a consensus model which 'tries to share, disperse and limit power in a variety of ways'.[4] The typical features of a Westminster system are the concentration of executive power in single-party majority governments, a dominant executive over the legislature, a two-party system, and majoritarian, disproportionate electoral systems.

Under Westminster systems, a parliamentary majority combined with a weak second chamber gives the executive the ability to enact its legislative programme with very little resistance. The system is designed this way in order to prioritise a government's ability to change policy at the expense of consensus – an 'elective dictatorship', as Britain's system was famously described by Lord Hailsham.[5]

The lack of democratic friction in the system, this power to force through change, means that, while transformative change is possible, it is always change done to people rather than with them, and nearly always in a direction away from the interests of the many and towards those that can influence the executive.

Post-1997 moves to devolve power and more recent city-level devolution deals have moved power away from Westminster but the limitations of this shift, and the top-down nature of the relationship, have been exposed in the Covid-19 crisis. As central government sought to impose local lockdowns in northern cities, metro mayors came up against the limitations of their 'devo deals'. The horse-trading over which restrictions would be imposed and how

[2] Gaskell, J., Stoker, G. Jennings, W., and Devine, D., (2020) 'Covid-19 and the Blunders of our Governments: Long-run System Failings Aggravated by Political Choices'. *The Political Quarterly*, Volume 91, No. 3, July–September 2020.

[3] *ibid.*

[4] Lijphart, A. (2012) *Patterns of Democracy: Government Forms and Performance in Thirty-Six Countries.* Second Edition. New Haven; London: Yale University Press.

[5] BBC (1976) 'Lord Hailsham, Richard Dimbleby Lecture', 14 October.

> **"While transformative change is possible, it is always change done to people rather than with them"**

[6] Institute of Welsh Affairs (2020) 'A Dysfunctional Family', 8 October. https://www.iwa.wales/agenda/2020/10/a-dysfunctional-family/

[7] Lijphart, A. (1977) *Democracy in Plural Societies: A Comparative Exploration.* New Haven; London: Yale University Press.

[8] Sixty-eight percent of votes either went to candidates who did not win, or were excess votes for candidates who had already crossed the finish line.

[9] See Garland, J., Palese, M. and Simpson, I. (2020) *Voters Left Voiceless: The 2019 General Election.* London: Electoral Reform Society.

much economic support would be offered, reflected the way these deals were set up initially: asymmetrically, based on competition between areas, and ultimately, with central government still in control. And while the devolved nations have used their powers to strike a different path in their response to the crisis, the endeavour has not been one of shared responsibility and cooperation.

Problems with intergovernmental relations between the nations are longstanding and they too reflect the centralising tendencies of the system. Twenty years on from devolution, former First Minister of the Senedd, Carwyn Jones, writes, 'we are still debating whether there is a proper mechanism for relationships between the legislatures of these islands. The contact is almost non-existent'.[6] Having been conducted informally at the start, the fragility of intergovernmental relations has increasingly been exposed as the nations have come to be governed by different parties and diverged on policy. These relationships became even more strained during the Brexit process, with little formal discussion with devolved governments and legislation pursued without consent. The Sewel convention (that the UK parliament does not normally pass legislation that relates to devolved policy areas without the consent of the devolved legislatures) was breached twice in the EU Withdrawal Act and EU (Withdrawal Agreement) Bill, and again with the Internal Markets Act 2020. The Covid-19 crisis has further highlighted the need for proper working relationships across the nations and working together will remain necessary even if Scotland votes for independence. The tendency for government at Westminster to act unilaterally is becoming increasingly at odds with the nature of UK politics.

Milking a vulture

The argument that Britain's majoritarian system is a superior model for governing because of the lack of friction and the unconstrained power to legislate, is not so appealing when viewed in the wider context of its outputs. The system itself, by creating division, excluding other voices, and creating a sense of powerlessness, is limited in the kind of transformation that is possible.

While the Westminster system provided the blueprint for many other democratic systems around the world, these were almost exclusively former British colonies. Democracies in other countries followed different models, particularly those divided by strong cleavages such as religion, language or culture. Lijphart argues that nations divided by social and political cleavages need a political system and culture that can accommodate these divisions, while more homogenous societies (and he puts Britain at the time of writing – the 1970s – in this category) can afford the adversarial, winner-takes-all culture of a Westminster system.[7]

It is clear why societies that want to heal or bridge divisions do not opt for such a system. In divided societies, majority rule and the exclusion of minority voices can be damaging, if not outright dangerous, reducing support for the system by those whose voices are excluded. For these very reasons, a consociational (power sharing) model of democracy with a proportional electoral system was built into the Good Friday Agreement in Northern Ireland. Britain today is unlikely to be seen as a society without political conflict, if indeed it ever was. Post-Brexit, politics remains highly polarised with a model of governing that heightens political adversarialism and does nothing to accommodate division.

To maintain the centralisation of power, the Westminster electoral system needs to return a majority for one party, even if that requires significant disproportionality to be built into the outcomes at the expense of voters' choices. As such, the system produces high levels of exclusion: in the last three elections, over sixty-eight percent of votes did not contribute decisively to the outcome[8] and this exclusion is growing as electoral competition becomes more multi-party and votes are increasingly geographically concentrated.[9]

The system tolerates the exclusion of any alternative view because, in a two-party system, those that are excluded from the decision-making this time round will, in theory, get their chance the next time. History, however, shows us that periods out of office are often long, making this total exclusion from power far less legitimate. Likewise, with recent governments formed on just over forty percent of the vote or less, and a third or more of the adult population not voting at all (with more people not even registered to vote),[10] the idea that the system is delivering the majority view is less credible. This makes the lack of friction or challenge in the system far less democratic than it was when the electorate turned out in greater numbers and politics was less fragmented across the UK.

By holding onto power, the system has tried to hold onto stability, but changes in the electorate and voting patterns are even challenging this claim to stability. In the past, the grip has loosened to avoid revolt, but it is a grip that is increasingly strangling both politics within Westminster and democratic life beyond. What this system leaves us with is a minimal democracy – and this is not just a matter of numbers: a system that does the bare minimum in representing and engaging, which tolerates extensive exclusion, limits what outcomes it can produce for society.

Jane McAlevey, a US trade union organiser, describes power as the ability to make good things happen for you or your community and the ability to stop bad things happening.[11] In a culture of scarcity and competition, she argues, power (or lack thereof) is played out when policy programmes are pursued that make people's lives worse in particular places, and communities feel like there is nothing they can do about it. This powerlessness (combined with a feeling of being bullied and manipulated) manifests itself in social consequences such as crime, addiction and mental illness. Power, or lack of it, has a direct relationship to the society we live in. It is not possible to create a country that is socially just without addressing the question of where power lies.

Lijphart finds that consensus political systems that share power are not only equally successful in terms of macroeconomic performance, but also create 'kinder and gentler' societies; societies that are more egalitarian, have greater representation of women, and less punitive justice systems.[12] If a system shapes what outcomes are possible, how can a system that is inherently elitist, power-hoarding, divisive and deliberately deaf to minority views create a country that is the very opposite of that? Might it be better to think of our democratic institutions as prefiguring the sort of society we want to live in? Power is deeply connected to the sense of value and agency that builds strong communities. It is that same sense of agency that is painfully lacking in highly centralised political systems, which tolerate minimal democratic engagement.

In his famous address, Jimmy Reid, one of the leaders of Upper Clyde Shipbuilders work-in between June 1971 and October 1972 and later Rector of Glasgow University, described powerlessness as alienation: 'It is the cry of the men and women who feel themselves the victims of blind economic forces beyond their control. It is the frustration of ordinary people excluded from the processes of decision making. The feeling of despair and hopelessness that pervades people who feel with justification that they have no say in shaping or determining their own destinies.'[13] This speech could have been written today. It is this very frustration that has been said to have helped drive the Brexit vote and wider discontent with the political system.

Alienation has meant people gravitate towards any hint of power they can find and use it to express that despair. But direct democracy in the form of referendums does not necessarily address the roots of frustration and alienation, and can, in the worst case, leave people feeling more powerless than before and less trusting of the system as a whole. And it is in these frustrations that democracy is most vulnerable.

[10] See for example Garland, J., Palese, M. and Simpson, I. (2020) *Voters Left Voiceless: The 2019 General Election.* London: Electoral Reform Society; Garland, J. and Terry, C. (2017) *The 2017 General Election: volatile voting, random results.* London: Electoral Reform Society; Garland, J. and Terry, C. (2015) *The 2015 General Election: A Voting System in Crisis.* London: Electoral Reform Society.

[11] See for example, McAlevey, J. (2016) No Shortcuts: Organizing for Power in the New Gilded Age. New York: Oxford University Press.

[12] Lijphart, A. (2012) *Patterns of Democracy: Government Forms and Performance in Thirty-Six Countries.* Second Edition. New Haven; London: Yale University Press.

[13] Full speech here: https://www.independent.co.uk/news/uk/politics/still-irresistible-a-working-class-heros-finest-speech-2051285.html

[14] Foa, R.S., Klassen, A., Slade, M., Rand, A. and R. Williams (2020) *The Global Satisfaction with Democracy Report 2020*. Cambridge: Centre for the Future of Democracy.

[15] Ibid, page 19.

"Dissatisfaction with democracy has reached an all-time global high"

Democratic decline

Recent years have seen many people foretelling the death of democracy, as populist authoritarian leaders have taken the stage, trust in government has fallen, and people have turned away from traditional political participation. The causes of this democratic dissatisfaction are too many to cover here, and often lie outside of democratic politics, in social change and economic shocks, but it is the established systems of governing which are increasingly seen as failing to deliver on their promise and, correspondingly, belief in democracy itself that has faltered.

Westminster-style democracies are not the only ones that are facing democratic decline: most democracies have felt the impact of declining participation and declining trust at one time or another. Yet winner-takes-all political cultures, which are highly centralised and exclusionary, appear particularly ill-equipped to deal with these changes. By pitting two political sides against each other and reducing the role of alliance-building and cooperation, majoritarianism plays into polarisation in politics, turning legitimate grievance at the system into something deeper. Combined with the in-built adversarialism in our political system, this appears to be deepening the divides.

A report by the Centre for the Future of Democracy at the University of Cambridge found that dissatisfaction with democracy has reached an all-time global high.[14] This decline in democratic satisfaction stems from the view that democratic governments have failed to deliver, failed to provide solutions to pressing societal problems, to economic breakdown and climate change. But while this democratic dissatisfaction is a global problem, Westminster-style democracies – the UK, USA, Australia and Canada, have in particular – experienced 'soaring public discontent'. Of the major Westminster-style democracies, only New Zealand, which introduced proportional representation in the 1990s, has not seen the same increase in citizen dissatisfaction over the same period.

That these majoritarian systems have experienced such a notable increase in discontent is put down to their adversarial nature. Citing the rising political polarisation between Democrats and Republicans in the US and 'Leavers' and 'Remainers' in the UK, the report authors suggests that 'Combined with social media, the winner-takes-all nature of political competition in Anglo-Saxon democracies contributes to polarisation, which in turn makes citizens less willing to compromise or accept the legitimacy of a rival's electoral mandate.'[15]

In an atmosphere of economic stress, low trust and political polarisation, the politics of blame can thrive. Contrary to conventional wisdom, majoritarian systems are not immune to the rise of far-right politics. In fact, majoritarian systems actually make it easy for extreme views to gain power. The systematic exclusion of views outside the main two parties allows more extreme viewpoints and political movements to develop an image of legitimacy, presenting themselves as representing a large, ignored population without needing to live up to that claim – or ever facing the scrutiny or responsibility of office. This can result in large electoral gains (potentially tipping into majority representation) or it can pull the existing parties of government towards that position.

Unlike proportional systems, in majoritarian systems, it is the established parties that provide the vehicles for new political viewpoints – seen all too clearly in the Conservatives' adoption of UKIP's main policy platform in recent years. Larger parties can also be captured by more extreme actors – Trump was elected through majoritarian structures and won the presidency despite gaining fewer votes than Clinton, successfully remaking the Republican Party in his own image. Majoritarian systems allow this power to be achieved on a minority of the votes, and once achieved it is easy to maintain because of the centralisation of power.

David Runciman, author of *How Democracy Ends*, writes, 'It is true that many voters dislike and distrust their elected representatives now more than ever. But it is not the kind of loss of trust that leads people to take up

arms against democracy. Instead it is the kind that leads them to throw up their arms in despair'.[16] This disconnect between people and politics – not a new phenomenon, but certainly one that is getting worse – is a real threat to democracy, not just because people have disengaged from political processes, but because this gap leaves the door open for those who want to exploit that disconnection to gain power and dismantle democracy from the top.

Voter disaffection, disillusionment and disappointment create a gap between the governed and the government, and in doing so reduce popular challenge. After all, a decline in trust ensures that leaders who offer empty promises will not be held to account, simply because no-one believed they would deliver the promises in the first place.

This gap in trust and engagement is brought into sharp relief at times of crisis. Trust in government is necessary to ensure that crisis response plans work. Citizens must trust that the government is looking after their interests first, that their huge sacrifices, the limits put on their freedom, the encroaching on personal privacy, is all for the good – that power is used responsibly and not abused. Without that trust, any policy that requires citizens to cooperate will fail. But trust is fragile and, when trust in politics is lost, it affects every political party equally. When one government plays fast and loose with democratic norms and citizens' goodwill, it is democracy that loses out.

But while it is easy to lose trust, it is far harder to reverse the trend. Governments of all stripes have attempted to reduce democratic disconnect by offering up a shopping list of policies to 'restore trust' but few, if any, have managed it, because these symptoms call for a more radical response. What we are seeing across the globe is a shift in what democracy means, and in what citizens expect: greater power and greater voice.

A political system that is itself antagonistic and adversarial, deepening tribalism and making citizens less willing to accept the mandate of those with alternative views, cannot support and create the conditions for an inclusive, cooperative and community-led future. It cannot invest in and help foster a sense of agency and self-efficacy among citizens. The real solution to powerlessness and disengagement, which are too often addressed by authoritarianism, is of course people power.

People power

It seems archaic to gift power from above, as is envisaged in the 'divine right of kings', but still it is the dominant idea of governing and even of sharing power within Britain. Democratic rights are seen as something that is gifted from above. Instead, we should be thinking of democracy as coming from below.

Conceiving of democracy as coming from below would mean rebuilding the state from the bottom up – starting perhaps with a confederation of very local units of democracy, where people could plan and run their own communities; they could then unite together into network-type institutions, pooling and sharing what they need; and finally, they could achieve economies of scale which would not erode the agency and independence of their community. This is very much the structure under discussion in Scotland, where the government plans on reforming local democracy in the next parliamentary term. These suggestions were arrived at after a long period of discussion and community involvement across the country both by the Scottish government's 'Democracy Matters Consultation'[17] and the civil society campaign 'Our Democracy'.[18]

The 'Our Democracy' campaign is based on the idea that people flourish when they have control over their lives. This coalition brought together local communities in deliberative forums across Scotland to discuss the problems, and collectively devise the solutions that would make their areas better. These 'Act As If' councils were founded on the idea that people should 'act as if they owned the place'.

[16]Runciman, D. (2018) *How Democracy Ends*. London: Profile Books. p.4

[17]Scottish Government (2018) 'Democracy Matters - Your Community. Your Ideas. Your Future: consultation'. https://www.gov.scot/publications/democracy-matters-community-ideas-future/

[18]Our Democracy (n.d.) 'Our democracy: Act as if we own the place'. https://ourdemocracy.scot/

"We should be thinking of democracy as coming from below"

[19] http://www.constitutionalconvention.ie/

[20] https://www.citizensassembly.ie/en/

[21] https://www.citizensassembly.scot/

[22] https://www.climateassembly.uk/

Before this process began it was claimed that people did not want to get involved in decision making: 'As long as the bins are emptied and the buses run on time, people just want to get on with their lives' or something similar, was a common refrain. The learning from this process has been the opposite. Not only because the bins are often *not* emptied and the buses *are* late, but because people are crying out for a sense of control over what is happening to them and their communities. They are looking for the power that Jane McAlevey so simply described, and to escape the alienation that angered Jimmy Reid. People have accepted the minimal version of democracy because it was all that was on offer – but give people the ability to exercise their democratic muscles, and those muscles grow.

The threats to our democracy are significant and so the solutions must be equally bold. The answer to democratic decline must be more democracy, sharing power, growing democratic muscle, and moving politics closer to people. Time and space should be given to people so that they can shape institutions in a way that empowers them. Decisions should be made at the level of the community that is affected, and involvement should be ongoing, not a one off. This is a very different type of democratic engagement to using a vote to lend legitimacy to a highly centralised system where a few people hoard power at the centre. It would move us from a minimal 'government of the bare majority' to a 'government by as many people as possible'; from change done to people to change done with them.

Citizens' assemblies are fast becoming a feature of democratic life. Following Ireland's constitutional convention[19] and subsequent citizens' assembly in 2016,[20] Scotland too has recently concluded its first national citizens' assembly on the future of Scotland.[21] In September 2020, the first UK-wide citizens' assembly on climate change reported its findings.[22] Across the UK, local councils are turning to citizens' assemblies to help with decisions from traffic congestion to improving town centres. And around the world these forums are becoming trusted proxies for the public in making key decisions, giving politicians the support to take action on difficult and complex policy problems, and adding a layer of legitimacy to processes and institutions that have been losing people's trust.

Building politics from the bottom up would see citizens' assemblies built into democratic representative structures. They could be used to help develop local area plans both spatial, social and economic, or national plans on specific policy areas such as the climate. They could be utilised in times of crises to scrutinise the government. They could, and should, be used to develop constitutional reforms that help move Britain away from the damaging and outdated Westminster model.

If we equate democracy only with elections to representative state bodies, such as councils and parliament, then trust will continue to decline, particularly when the means by which we elect representatives to these bodies is often disproportional and therefore exclusionary. Holding votes every few years is a clumsy and blunt way of communicating between voters and their representatives. It is said that the perpetual prospect of election forces politicians to gauge public views and to respond to the electorate throughout the term of government. This is partially true, but so often the focus of politicians and campaigns is on persuading voters of what they want rather than responding to what citizens need. It is a commercial transaction rather than a responsive relationship. Citizen power is reduced when exercised in atomised groups of voters; it is powerful when it is applied as organised communities.

This being said, representative democracy has an important role to play – one that is necessary but insufficient. That it is necessary means that its decline must be halted and reform of Westminster, including its electoral system, is needed. That it is insufficient means that it needs reinforcing and remaking, with institutions of participatory and deliberative democracy.

Remaking democracy

People power could be used to create and articulate a new democratic story for Britain. One that breaks free of the vice-like grip of the centralised Westminster system, reshaping it to allow citizens, communities, and nations to exercise their democratic muscles. These new democratic stories are already being written in local communities from Frome, the home of Flatpack Democracy,[23] to Fife, where the coalfield communities are experimenting with citizens' assemblies to plan the social and spatial needs of their villages – and challenging politicians to deliver on them. However, it is no good to change democracy at the local level without addressing the huge power-hoarding tendencies of Westminster.

Power is concentrated and consolidated through the shaping and maintaining of Britain's institutions, both inside and outside the state. And that very power has been used to neuter and diminish forces that might counter the interests of finance, of the remnants of empire and inherited wealth, or entrenched commerce such as fossil fuel industries. Local government has been gradually dismantled by privatisation and outsourcing, and any potential progress on democracy has been parried and rolled back.

The challenge for Labour is that the state is the only vehicle capable of facilitating the transformative change necessary for the creation of a good society. It is the source of legitimacy and power that could take on the established order. Being aware that its cultures, institutions and practices can be anti-democratic, conservative, racist and oppressive is therefore necessary. Those within Labour who are aware of this suggest an 'in and against the state' approach with the understanding that 'the master's tools will never dismantle the master's house'.[24] Remaking the state so that is it as democratic as possible is not an afterthought or a second-term issue; it should be the priority issue for a Labour government.

[23]Macfadyen, P. (2014) *Flatpack Democracy: A DIY Guide to Creating Independent Politics*. Bath: Eco-logic Books.

[24]Lorde, A. (1984) *Sister Outsider: Essays and Speeches*. Berkeley: Crossing Press.

CHAPTER TWO

"We cannot renew our economy without also renewing our politics"

[1] For a good overview of the issues in relation to households, see Gray, M. (2020) 'Covid has exacerbated soaring problem debt levels in the UK'. *The Guardian*, 2 December. https://www.theguardian.com/society/2020/dec/02/covid-has-exacerbated-soaring-problem-debt-levels-in-the-uk

[2] Burns et al, (2016) 'Where does the money go? Financialised chains and the crisis in residential care.' CRESC Public Interest Report. https://foundationaleconomycom.files.wordpress.com/2017/01/wheredoesthemoneygo.pdf

[3] Macfarlane, L. (2020) 'British students have learned a crucial lesson: landlords always come first.' *openDemocracy*, 7 October.

[4] Berry, C. et al. (2020) 'Who wins and who pays? Rentier power and the covid crisis.' Institute for Public Policy Research. https://www.ippr.org/research/publications/who-wins-and-who-pays

Economic and Political Democracy

Christine Berry

In recent months, it has become almost a cliché to say that the pandemic is exposing the fault lines in our economy. Less commonly highlighted, it is also exposing the fault lines in our democracy. As the crisis exacerbates existing inequalities of wealth and power, the UK's economic and political settlement are both likely to come under increasing strain. Perhaps they will even reach breaking point. Moreover, these twin crises are intimately linked. The economic disaster of the pandemic cannot be separated from the governance disaster – and we cannot renew our economy without also renewing our politics. In both cases, a radical extension of democracy is the only way to combat a rising tide of alienation and disempowerment.

The economic disaster: shaky foundations

Deep weaknesses in the UK's economic model have contributed to one of the world's highest Covid-19 death rates and deepest recessions. In turn, the pandemic has exacerbated these same weaknesses. Austerity had stretched the NHS to breaking point even before the crisis hit. The government may claim that austerity is over, but the public sector pay freeze is a sign that public services will continue to be squeezed. Precarious labour markets and a shredded social safety net meant that significant numbers of people could not afford to self-isolate. Unemployment and cuts to pay and conditions will only worsen this problem over time. Businesses and households entered the crisis already burdened with high levels of debt, lacking the resilience to weather drops in their income. They were then told to cover this lost income by taking on even more debt – for example through payment holidays on mortgages and personal debt, and the hideously misnamed 'Bounce Back Loan scheme' for small businesses.[1]

Our dysfunctional housing market, and our economy's over-dependence on landlordism, have also played their part. The virus has spread fastest in deprived communities where people are trapped in overcrowded housing. In the first wave of the pandemic, the virus ripped through care homes where older people had been warehoused, in part due to the demands of financialised business models.[2] In the second wave, the same thing happened in student accommodation, where young people had been sent by universities terrified of losing their rental payments.[3]

As I and others warned in a report for IPPR in April 2020, the policy response to the crisis has widened the gulf between those who own assets and those who do not.[4] Furlough payments implicitly bail out landlords by enabling people to continue paying rent. Meanwhile, a lack of forbearance on rent debt for those who still cannot pay has left many facing eviction and homelessness. Buy-to-let landlords, encouraged by the stamp duty holiday,

have been buying up more properties – trapping even more people in the private rented sector.[5] State-backed loans amount to an implicit subsidy for big banks, while small business owners struggling with the effects of prolonged shutdowns still face closure and bankruptcy. Wealthy households are building up cash savings, while low-income households are pushed into problem debt and forced into food banks.[6]

Far from 'levelling up', the way these various factors come together in place means that Covid-19 looks set to widen the north-south divide – with the most deprived areas hit hardest.[7] Johnson's 'Rooseveltian' rhetoric has not been matched by investment on anything like the scale needed to offset this and secure a fair and green recovery. The bottom line is that an already chronically unequal country is becoming even more unequal – risking a spiral of low demand and 'debt-deflation' which will further drag back the economic recovery.

The political disaster: 'poorly governed and fragile'

Meanwhile, as journalist Tom McTague has argued, Britain entered the crisis 'poorly governed and fragile'.[8] After decades of austerity and privatisation, a hollowed-out state bureaucracy lacked the capacity to respond to an emergency, leaving it dependent on outsourcers and management consultants.[9] Far from addressing this problem, the Johnson government used the crisis to double down, handing huge contracts to the likes of Serco and Deloitte – most notoriously for the catastrophic test-and-trace system – in what writer Rachel Shabi calls 'pro-privatisation shock therapy.'[10] The pandemic response must go down as a governance failure of historic proportions. But that failure is systematic, not simply the result of individual incompetence.[11]

The crisis has also exposed and entrenched the unaccountable power of the centre. Two moments exemplified this in 2020. The first was Dominic Cummings' rose garden press conference on 25 May. Politicians and commentators across the spectrum were united in their belief that Cummings' position had become completely untenable – and yet he stayed, torching public trust in the process.[12] Given that Cummings had built a career on right-wing populist claims to represent 'the people' against corrupt elites, the implications of this are potentially profound. But it would be a mistake to assume they will favour the left. Rather, incidents like this may reinforce a prevailing sense that politicians are 'all the same' – feeding cynicism about politics itself. This pattern has been observed in public attitudes research,[13] and was clear to many of us on the doorstep in the 2019 general election: Johnson's untrustworthiness created a 'reverse halo' effect that made it harder, not easier, to inspire people to believe in Labour's manifesto.

The second key moment was the October stand-off between central government and northern leaders over local lockdown rules, led by a visibly angry and frustrated Andy Burnham. This moment may ultimately prove equally significant in the UK's political evolution: it both exposed the reality of central government's ability to dictate terms to local leaders, and channelled rising public resentment into a new sense of pan-northern identity. The subsequent emergence of the 'Northern Independence Party' was only semi-parodic.[14] This has been mirrored by rising support for Scottish and Welsh independence, as their leaders make full use of devolved powers to diverge from England's most reckless mistakes.[15] Spurred on by Brexit, support for a united Ireland also appears to be increasing among Northern Irish voters.[16] The British nation-state is being challenged from other quarters too, as Black Lives Matter raises questions about the racist legacy of empire – from policing and criminal justice to nationalism and immigration. The idea that all British citizens (let alone all British residents) are equally represented and protected by the state simply no longer rings true for large swathes of the population.

[5] Partridge, J. (2020) 'Buy to let purchases boom as landlords rush to benefit from stamp duty holiday'. *The Guardian*, 14 December. https://www.theguardian.com/business/2020/dec/14/buy-to-let-sales-boom-as-landlords-rush-to-benefit-from-stamp-duty-holiday

[6] See for example Hanscomb, K. and Judge, L. (2020) 'Caught in a (covid) trap: Incomes, saving and spending throughout the coronavirus crisis.' Resolution Foundation. https://www.resolutionfoundation.org/publications/caught-in-a-covid-trap/

[7] See for example Beatty, C. and Fothergill, S. (2020) 'The impact of the coronavirus crisis on older industrial Britain.' Sheffield Hallam Centre for Regional Economic and Social Research. https://www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/impact-coronavirus-crisis-older-industrial-britain.pdf; Northern Health Science Alliance (2020) 'Covid-19 and the Northern Powerhouse: Tackling inequalities for UK health and productivity.' https://www.thenhsa.co.uk/app/uploads/2020/11/NP-COVID-REPORT-101120-.pdf

[8] McTague, T. (2020) 'How the pandemic revealed Britain's national illness.' The Atlantic, 12 August. https://www.theatlantic.com/international/archive/2020/08/why-britain-failed-coronavirus-pandemic/615166/

[9] Brooks, R. (2020) 'The failure of test and trace shows the folly of handing huge contracts to private giants.' The Guardian, 13 October. https://www.theguardian.com/commentisfree/2020/oct/13/failure-test-trace-folly-huge-contracts-private-giants-uk

[10] Shabi, R. (2020) 'The Pro-Privatization Shock Therapy of the UK's Covid Response'. The New York Review, 8 July. https://www.nybooks.com/daily/2020/07/08/the-pro-privatization-shock-therapy-of-the-uks-covid-response/

[11] Berry, C. (2020) 'Why we need to go beyond 'incompetence' to explain the UK's Covid-19 failures'. New Statesman, 5 November. https://www.newstatesman.com/politics/uk/2020/11/why-we-need-go-beyond-incompetence-explain-uks-covid-19-failures

[12] Brown, F. (2020) 'Trust in government has collapsed after Dominic Cummings scandal'. The Metro, 1 June. https://metro.co.uk/2020/06/01/trust-government-has-collapsed-dominic-cummings-scandal-12788832/

[13] NEON/NEF/Frameworks Institute/PIRC (2018) 'Framing the Economy: How to win the case for a better system.' https://neweconomics.org/uploads/files/Framing-the-Economy-NEON-NEF-FrameWorks-PIRC.pdf

[14] See https://www.freethenorth.co.uk/

[15]Support for Scottish independence has fallen slightly in the wake of recent political scandals, but is still at 52% (down from 56% in November 2020): see https://www.ipsos.com/ipsos-mori/en-uk/support-scottish-independence-falls-back. Support for Welsh independence rose to 39% by March 2021, its highest level ever – see De Silva, C. 'Highest ever support for Welsh independence, new poll shows.' 3 March 2021. Independent. https://www.independent.co.uk/news/uk/politics/welsh-independence-uk-highest-support-b1812241.html

[16]Polls on this subject vary, but the most recent found that 45.4% of Northern Irish respondents would favour a united Ireland, with majority support for a referendum on the issue. Poll conducted by LucidTalk for TheDetail: https://www.thedetail.tv/articles/a-majority-favour-a-border-poll-on-the-island-of-ireland-in-the-next-10-years

[17]Pegg, D., Lawrence, F. and Conn, D. (2020) 'PPE suppliers with political ties given "high-priority" status, report reveals'. The Guardian, 18 November. https://www.theguardian.com/politics/2020/nov/18/ppe-suppliers-with-political-ties-given-high-priority-status-report-reveals

[18]See https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/articles/housingandhomeownershipintheuk/2015-01-22

[19]Howard, T. and Kelly, M. (2019) The Making of a Democratic Economy: How to Build Prosperity for the Many, Not the Few. San Francisco: Berrett-Koehler Publishers. chapter 1.

[20]Christophers, B. (2020) Rentier Capitalism: Who Owns the Economy, and Who Pays for It?. London: Verso Books.

[21]Chakrabortty, A. (2019) 'This Labour meltdown has been building for decades.' The Guardian, 14 December. https://www.theguardian.com/commentisfree/2019/dec/14/labour-meltdown-decades-govern-votes

It is entirely possible that 2020 will be seen by history as a critical turning point in the disintegration of the British nation-state. Whether this comes to pass or not, its legitimacy as a political entity is under increasing challenge. It hoards power in an unaccountable centre, yet – like a rotten tree stump – this centre is increasingly hollow, unable or unwilling to use that power effectively. The result is a descent into increasingly open crony capitalism and corruption. The National Audit Office found that £10.5 billion of Covid-19 contracts were awarded without competitive tender, with politically well-connected suppliers of PPE channelled into a 'fast lane' where contracts were ten times more likely to be awarded.[17] In November, we learned that deprived communities would be able to bid to central government for a share of the £4 billion Levelling Up Fund, ideally with the support of their local MP – a transparent piece of pork-barrel politics aimed at Tory seats in the Red Wall. These are symptoms of a diseased body politic, one whose vital signs are not looking good.

The roots of our twin crises: power and disempowerment

Of course, neither of these crises began with the pandemic – and nor are they separate. In both politics and economics, the source of many of our problems lies in an extreme and self-reinforcing concentration of power whose roots stretch back decades.

In economic terms, this concentration of wealth and power has been the inevitable consequence of neoliberal policies, although it is the opposite of the Thatcherite promise. Privatisation was supposed to empower us all as individual shareholders, but in reality, the trading of shares on the open market has concentrated ownership in the hands of a few big institutions. The Right to Buy was supposed to empower us all as home-owners – and for some, for a while, it did; but an economy built on inflated house prices means that levels of home-ownership are now falling, with younger generations increasingly unable to afford to buy a home.[18] Free markets were supposed to empower us all as consumers, but in reality, power has been concentrated in the hands of a few successful firms through mergers and acquisitions, to the point where the economy is now dominated by monopolies and oligopolies who are able to rip off their customers with impunity – most strikingly in sectors like energy and banking.

Moreover, as the economy has become increasingly financialised, this new economic elite are not principally the productive entrepreneurs of neoliberal theory, but have acquired their positions by virtue of *controlling* assets – land, houses, energy, water, even the money supply itself – that they did not create and that arguably should belong to all of us. They are not creating wealth but extracting it from others in the economy in a zero-sum game.[19] They are, as economic geographer Brett Christophers argues, 'rentier capitalists'.[20]

This has gone hand in hand with the concentration of wealth and power in regional terms. Politicians of both left and right subscribed to the idea that we could run a successful economy based solely on financial services in the City of London, with the resulting tax receipts used to fund modest redistribution for everyone else. The hollowing out of post-industrial towns, coastal communities and rural areas was acceptable collateral damage. In the economic models of neoclassical theory, if a job in a factory in Luton was replaced by a higher-paid job in a bank in Canary Wharf, the net effect on social welfare was positive. These models had no room for the importance of place, identity and community, or the simple fact that most people affected by deindustrialisation were not in a position to benefit from these new jobs. The result is that we now live in one of the most regionally unequal economies in Europe. As Aditya Chakrabortty has pointed out, with the institutional bases of working-class power smashed in Labour's traditional heartlands, and the Labour Party itself deeply implicated in the policies that have led us here, it is hardly surprising that many people in these communities now feel the party has little to offer them.[21]

What is more, the concentration of economic power has gone hand in hand with the concentration of political power. Thatcher's defanging of local government (and more recently devastating austerity cuts) has both exacerbated regional inequality and left local communities with little power to address it. The UK is one of the most centralised countries in the developed world.[22] In turn, this centralisation has enabled the growing corporate capture of policy making in Whitehall, from the 'revolving door' between policymakers and those they regulate, to 'deregulatory' initiatives which actually invite corporate interests into the policy making process itself.[23] As Dan Hind puts it, 'the centralised and largely unaccountable state sees itself reflected, even perfected, in [the] corporate sector'.[24] Meanwhile, the prevailing ideology has held that the economy is an essentially technocratic sphere where decisions should be informed by the correct application of economics rather than by democratic debate. This has both closed down the space for us to shape our collective destiny, and masked the highly unequal power relations that have tended to shape it for us.

All this perhaps helps to explain why – as research for the 2018 *Framing the Economy* project found – people often see political and economic elites as two sides of the same coin, rather than seeing democratic politics as a sphere where the power of economic elites could be challenged.[25] This may be one reason why the collapse of the status quo has so far benefitted an authoritarian-nationalist far right rather than a progressive democratic left. As Maya Goodfellow argues elsewhere in this volume, our failure to reckon with the UK's imperial past and its legacy of structural racism is another. Any serious project for democratic renewal must confront the resulting toxicity of debates about national identity, policing and immigration: we cannot simply evade them.

Brexit can be seen as a symptom of this malaise – with the answer to widespread disempowerment being located in an imagined imperial past rather than a more democratic future. As many have observed, the Leave campaign's promise to 'take back control' was potent partly because it spoke to a deep-seated feeling that people have lost control of their lives, their communities, politics and the economy. Remainers who derisively pointed out that many Leave-voting areas benefitted from EU funding, were missing the point: this was not just about prosperity but about power. As *Framing the Economy* found, people have a clear sense of who does have control: a tiny elite who are able to rig the economy for their own benefit.[26] It is hard to look at Britain today and tell people that this belief is misguided.

Boris Johnson has cynically ridden this wave to victory – tapping into a deep and widespread contempt for politicians, increasingly regarded as an out-of-touch elite who do not represent or benefit ordinary people. It is easy to forget now, but the 2019 election result marked the resolution of a full-blown constitutional crisis over Brexit. Convenient factional narratives that fixate solely on Jeremy Corbyn's failings have tended to obscure this fact. It was not only Labour that was defeated in December 2019: parliament itself was decisively defeated by the executive. Johnson's great achievement was to conflate the conflict between parliament and the executive with a supposed conflict between parliament and 'the people' – leveraging people's disillusionment with parliamentary politics to concentrate power in his own hands.

Johnson's central pitch was that if voters handed him unfettered authority, he would end the stalemate and 'get Brexit done'. The extent to which this appeal against politics succeeded – turning out two million new voters – should worry us all. Faced with the competing claims to legitimacy of their elected representatives and a maverick Prime Minister who lied to the Queen in order to suspend parliament, voters decisively chose the latter. On one level, the return to stable majority government means that normal service has now been resumed. But the underlying damage to our system's democratic legitimacy may yet prove fatal.

Scapegoating Corbyn is too easy: it avoids the urgent need to grapple with the deep crisis facing our political and economic system. As polls consistently

[22]Ramsay, A. (2018) 'Trying to milk a vulture: if we want economic justice, we need a democratic revolution'. In Macfarlane, L. (ed.) *New Thinking for the British Economy*. openDemocracyUK

[23]Devlin, S. and Berry, C. (2015) 'Threat to democracy: The impact of 'Better Regulation' in the UK'. New Economics Foundation. https://neweconomics.org/uploads/files/9c5f5f6281c949ddd9_uom6bvj9y.pdf and Berry, C. and Guinan, J. (2019) *People Get Ready: Preparing for a Corbyn Government*. O/R Books.

[24]Hind, D. (2018) 'The constitutional turn: Liberty and the co-operative state'. *openDemocracy*, 17 September. https://www.opendemocracy.net/en/opendemocracyuk/constitutional-turn-liberty-and-co-operative-state/

[25]NEON/NEF/PIRC/Frameworks Institute (2018) 'Framing the Economy: How to win the case for a better system' https://neweconomics.org/uploads/files/Framing-the-Economy-NEON-NEF-FrameWorks-PIRC.pdf

[26]*Ibid.*

[27]See for example Labour Together's 2019 General Election Review: https://www.labourtogether.uk/review. See also Proctor, K. (2020) 'Just 6% of UK public "want a return to pre-pandemic economy".' *The Guardian*, 28 June. https://www.theguardian.com/world/2020/jun/28/just-6-of-uk-public-want-a-return-to-pre-pandemic-economy

"**People often see political and economic elites as two sides of the same coin**"

[28] See for example Stone, J. (2019) 'Public support for nationalisation increased while Jeremy Corbyn was Labour leader, poll finds'. The Independent, 16 December. https://www.independent.co.uk/news/uk/politics/labour-party-election-corbyn-leader-polls-nationalisation-a9248511.html; Smith, M. (2019) 'Labour economic policies are popular, so why aren't Labour?'. YouGov, 12 November. https://yougov.co.uk/topics/politics/articles-reports/2019/11/12/labour-economic-policies-are-popular-so-why-arent-

[29] Wainwright, H. (2018) A New Politics from the Left. Cambridge: Polity Press.

show, voters are not crying out for a return to pre-pandemic 'business as usual'; they are crying out for something better.[27] Indeed, as the Covid-19 crisis unfolds into mass destitution and unemployment, our era of political upheaval seems more likely to intensify than to stabilise. British democracy is surely heading either for a period of breakdown or a period of renewal – perhaps both. In this context, it is not enough to hope that Labour can restore the status quo ante, squeaking a victory in 2024 by gaming our broken and corrupted political system. Rather, it must seek to disrupt and remake it.

Building a democratic economy

So what would this mean in practice? First, it demands a willingness to reset the UK's economic model to spread wealth and power more widely. In recent decades, the post-war bargain of rising living standards has irrevocably broken down, as wages stagnate and attempts to plug the gap with cheap credit create increasingly damaging economic convulsions. So has the Thatcherite promise of a 'property owning democracy'. The Conservatives have no plan in response to the pandemic except to try and prop up the old model – be it through stamp duty holidays to reinflate the housing market, or exhortations to 'get back to the office' to shore up commercial property values. But if we want a sustainable recovery, there is no going back: the only way out is forward.

We need a new economic model based on democracy and genuine popular empowerment. Part of this is about redressing the balance of power between rentier capital and other forces in society – labour, of course, but also other groups at the sharp end of rent extraction, including private renters at the mercy of their landlords, and private debtors at the mercy of their creditors. Outside of government, this can be done by building the collective power of these groups – through trade unions, tenants' unions and other forms of organising. Inside government, it can be done through regulation – rent controls, a higher minimum wage, strengthening workers' and tenants' legal rights, and so on. It is also about reclaiming our collective ability to steer the economy towards democratic ends – whether tackling the climate emergency through mass public green job creation, or tackling poverty through the provision of universal basic services.

But this is not only a question of taming or muzzling rentier capital. We must also democratise the ownership of capital itself. First, this means a new approach to public and common ownership of public goods, based on a plurality of different forms of ownership at different scales – from community land trusts to citizens' wealth funds. State ownership, including renationalisation, is still critical within this approach – we simply cannot take on private oligopolies or ensure universal access without it. But the state underpins a decentralised ecosystem of democratic ownership, rather than concentrating power in centralised bureaucratic entities. It is widely accepted that Labour's commitments to renationalise rail, mail, water and energy were popular with voters.[28] But one of the great misconceptions about Corbynism is that this was simply a return to the same old top-down state socialism of the 1970s or even the 1940s. In fact, these policies were always about designing new, more participatory and localised forms of public ownership.

The task is not simply to replace distant, unaccountable private elites with distant, unaccountable public elites. It is to bring ownership and decision-making closer to the people with a stake in the resource in question, who are affected by the way it is managed – and who, by extension, know best how to run it for the common good. As Hilary Wainwright notes in her book *A New Politics of the Left*, this emphasis on the 'tacit knowledge' of those on the frontline was never part of the post-war model of nationalisation – but it has long been a central plank of the case for participatory democracy on the new left.[29] It has the potential to transform the often alienating and oppressive experience of interacting with bureaucratic systems, both public and private, into an experience of genuine empowerment.

Along with greater internal democracy and participation, the second thing that differentiates this new approach to public ownership from the post-war settlement is *decentralisation*. A good example of this is the concept of 'energy democracy' which has been developed in recent years by academics and social movement actors, drawing on successful models from countries like Germany and Denmark, and has recently been placed at the heart of Labour's energy policy.[30] In this model, there remains a role for national-level state ownership of large-scale renewable energy infrastructure such as offshore wind, but beyond this, the transition to renewables is likely to make highly centralised energy systems obsolete. Instead, we must build a mutually supportive ecosystem of more localised public and community ownership.

Crucially, this ecosystem is already being pioneered all around us – but it needs state support to survive and thrive. Community renewable co-operatives have proven successful in communities up and down the country, but the growth of the sector stalled after subsidies were cut.[31] Meanwhile, attempts to set up municipal energy supply firms have fared less well. As the recent demise of Robin Hood Energy sadly illustrates, new models face an uphill struggle to compete in our skewed energy markets.[32] They are therefore not a substitute for state action to overhaul the system, but rather a means of delivering it. These models can genuinely put people in control – giving them direct experience of co-owning and participating in a piece of the economy that directly affects their lives, as well as delivering material benefits in the form of clean energy and lower bills. In doing so, they have the potential to boost support both for renewables themselves and for progressive politics in general. As Alan Simpson has put it, 'In Germany, people saw themselves as drivers (not passengers) within the energy transformations taking place around them'.[33]

This agenda is not confined to public ownership. It also extends to the private sector, with ideas for giving people more control over their working lives and more of a stake in the wealth they create. In the aftermath of the financial crisis, there was a brief fashion for the idea of 'shareholder democracy' in the context of debates about how to build a more 'responsible capitalism'. It was this thinking that brought us binding shareholder votes as a way to try and rein in ballooning executive pay (in this it has signally failed: by Wednesday 6 January 2021 the average FTSE 100 CEO had already earned as much as the average full-time worker would take home all year).[34] But shareholder democracy is not real democracy: it is based on the principle of 'one share, one vote', which is to say 'one pound, one vote'. If we truly want to democratise business, we must look to models based on the principle of 'one person, one vote' – and in particular, to one with a long and proud history in the Labour movement: the co-operative.

The much-admired Preston Model of community wealth building shows how all of these ideas can be brought together in a holistic way; in a way that is firmly rooted in place, and that can help to counter the economic displacement and loss of identity that many communities have experienced in recent decades. Led by a visionary local council, it combines a commitment to local procurement – keeping wealth circulating in the local economy rather than being extracted to distant corporate headquarters – with efforts to nurture new co-operative enterprises, as well as new forms of public and community ownership, such as community land trusts and new public banks. It is interesting to note that Preston – a Leave-voting town sharing many features with those in the crumbled 'red wall' – has returned a Labour MP with a decisive (albeit reduced) majority.[35]

Taken together, this thinking adds up to a coherent new approach to the economy based on three key principles. First, we need to reorient our economy around the things that matter to us – and in particular around the universal provision of basic needs. This means treating things like care, housing and energy as basic economic rights, rather than as commodities or assets from which to extract rent. Second, we need to democratise ownership of wealth, not through the Thatcherite model of individual ownership of tradeable assets, but by vesting it in new democratic institutions representing

[30] See for example Platform (2015) 'Energy Beyond Neoliberalism'. In Hall, S., Massey, D. and Rustin, M. (eds.) *After Neoliberalism: The Kilburn Manifesto*. London: Lawrence and Wishart. https://www.lwbooks.co.uk/sites/default/files/09_energybeyondneoliberalism.pdf; RESCoop (2015) 'The energy transition to energy democracy', https://uploads.strikinglycdn.com/files/adacaa76-5074-4bd6-8b4a-a9d66b124406/REScoop%20Energy%20Transition%20to%20Energy%20Democracy%20-%20English.pdf

[31] Grundy, A. (2019) 'Farewell FiTs: Community solar on a cliff edge without a feed-in tariff.' *Solar Power Portal*, 28 March. https://www.solarpowerportal.co.uk/news/farewell_fits_community_solar_on_a_cliff_edge_without_a_feed_in_tariff

[32] Pittam, D. (2020) 'Robin Hood Energy: The failed council firm that cost city millions.' BBC News online, 17 September. BBC News. https://www.bbc.co.uk/news/uk-england-nottinghamshire-54056695

[33] Simpson, A. (2013) Written Evidence to DECC Consultation on Community Energy Strategy. http://www.communityenvironment.org.uk/cms/wp-content/uploads/2013/08/Community-owned-energy-generation-Alan-Simpson.pdf

[34] High Pay Centre (2021) 'High Pay Day 2021'. https://highpaycentre.org/high-pay-day-2021-ceos-earnings-for-2021-will-surpass-the-median-uk-full-time-salary-today/

[35] Jones, P. (2020) 'Look to Preston for an answer to Labour's – and Britain's – woes.' *The Guardian*, 13 January. https://www.theguardian.com/commentisfree/2020/jan/13/preston-labour-woes-localism-brexit

[36] Guinan, J. &and O'Neill, M. (2018) 'The institutional turn: Labour's new political economy'. *Renewal*, Vol 26 (2).

[37] See for example Dahl, R. (2006) [1956] *A Preface to Democratic Theory*. Chicago; London: University of Chicago Press; Pateman, C. (1975) *Participation and democratic theory*. Cambridge: Cambridge University Press.

[38] Guinan, J. and O'Neill, M. (2019) *The Case for Community Wealth Building*. Cambridge: Polity Press. p.49

[39] Ramsay, A. (2018) 'Trying to milk a vulture: if we want economic justice, we need a democratic revolution'. In Macfarlane, L. (ed.) *New Thinking for the British Economy*. openDemocracyUK.

[40] Berry, C. (2018) 'Yes, neoliberalism is a thing: don't let economists tell you otherwise'. *openDemocracy*, 17 May. https://neweconomics.opendemocracy. net/yes-neoliberalism-thing-dont-let-economists-tell-otherwise/ and Mirowski, P. (2014) *Never Let a Serious Crisis Go To Waste: How Neoliberalism Survived the Financial Meltdown*. London: Verso Books

[41] Hind, D. (2018) 'The constitutional turn: Liberty and the co-operative state'. *openDemocracy*, 17 September. https://www.opendemocracy.net/en/ opendemocracyuk/constitutional-turn-liberty-and-co-operative-state/

'small and large publics'.[36] Third, we need to democratise control of decision-making – both within these institutions and more widely, from democratic regulation to participatory budgeting. This also means rebalancing power by boosting the ability of exploited and marginalised groups to act collectively and to be heard.

We can do all this through a plurality of different institutional forms, but we cannot do it solely through a patchwork of community-led initiatives: we need the ability of the democratic state to represent everyone in a given locality, whether at local or national level, and to redistribute where necessary. And yet a participatory and decentralised economy clearly cannot be built by an unaccountable and over-centralised state. This brings us to the necessity for democratic reform of the state itself.

Remaking the state

Political theorists have long argued that true political democracy requires economic democracy – or at least, that true political equality requires much greater economic equality.[37] This line of argument has also been part of recent debates about democratising the economy. For instance, O'Neill and Guinan argue in their book *The Case for Community Wealth Building* that, 'It is impossible to have a fully democratic society when the scope of democratic agency is excessively restricted, and when the day-to-day experience of living and working in society undermines rather than supports and advances one's sense of oneself as an active democratic citizen.'[38] In other words, disempowerment begets disempowerment. Conversely, the experience of democratic deliberation builds the 'muscles' required for active citizenship and a sense of empowerment that can 'spill over' into other areas of life. This idea is supported by research showing that participatory budgeting initiatives have impacts on those involved which are just as significant as their impact on spending decisions.[39]

But this logic goes both ways: we cannot have economic democracy without true political democracy. It will be difficult to build a culture of participation in economic decisions when this is not mirrored in our political culture, and it will be difficult to take on entrenched vested interests through political institutions that concentrate power. From a theoretical or intellectual point of view, it is simply not coherent to advance an agenda for participation and localisation without also extending this to the state. And from a purely strategic or tactical point of view, it is hard to see how such an agenda could be implemented within an unreformed state. Moreover, it seems unlikely that progressives will win a mandate to do so in the first place unless they tackle people's deep disillusionment with politics itself.

The new agenda for economic democracy is built on the insights that hierarchies and distant bureaucracies can be oppressive, regardless of who nominally owns them; that harnessing people's collective wisdom leads to better decisions; and that decisions should be taken as close as possible to the people they affect. These principles apply to the state itself as much as they do to the economy. The argument between left and right is often caricatured as simply being about 'big' versus 'small' state. In fact, it has always been about what kind of state we want, and whose interests the state should serve.

Neoliberalism, unlike classical liberalism, was never simply about shrinking the state, but about repurposing the levers of state power to create and maintain markets.[40] Accordingly, Thatcher embarked on a far-reaching programme of reform to remake the state in her image – from the introduction of New Public Management to the outsourcing and privatisation of state functions, and the rise of economics and cost-benefit analysis as the justification for policy decisions. The left will need to reckon with this legacy if it is serious about charting a path beyond the failed policies of the last forty years. Instead of a 'market state', we will need to build a genuinely democratic state – capable of kick-starting the transition from an economy ruled by markets to one ruled by democracy.

Indeed, as Dan Hind argues, 'Attempts to establish a co-operative and egalitarian economy without far-reaching changes to the structure of the state are highly unlikely to succeed.'[41] The logic of the system would push against everything that was most innovative and important about the new way of doing things. At best, it might result in a reversion to a more traditional top-down state socialism or social democracy. At worst, it could result in capture by the powerful economic interests currently privileged by our centralised state apparatus – an interventionist state that reinforced existing power imbalances rather than reshaping them.

Indeed, this is arguably what 'Johnsonism' has become during the Covid-19 crisis – from the huge sums of public money thrown at private providers like Serco, to the 'National Infrastructure Bank' that could easily turn into a slush fund for private developers. In any case, progress made by a Labour government in this vein would always be vulnerable to being unpicked by a future Conservative government when the levers of power were pulled back the other way. The only way to achieve a durable new political and economic settlement that answers the scale of the crises we face, is to give people real ownership over that settlement and real power to defend it. In short, to revolutionise our democracy.

So what would this mean in practice? At national level, there are ways we could democratise the machinery of the state. The Treasury's 'Green Book' casts a long shadow in Whitehall; its models are inimical to progressive ends and would likely stymie many of the policies discussed in this essay. Yes, we need new and better economic models – but we also need to challenge the whole idea that decisions about the economy can be informed solely by plugging numbers into a model rather than by democratic deliberation. From participatory budgeting and citizens' assemblies to co-production of public services, policy making must become an act of collective creation, led by the people whose lives are affected by decisions.

This also means making Whitehall accountable to the people rather than – as it increasingly is – to corporate interests. Here, the focus is often on restricting lobbying and the revolving door, but we also need to rewire Whitehall itself. For instance, we must overhaul or scrap bodies like the Regulatory Policy Committee, an unelected group of business representatives and economists which reviews new regulation based solely on its projected cost to business.[42]

But this isn't just about changing the way Whitehall works. More fundamentally, it is about decentralising and dispersing power. As Adam Ramsay has observed, 'local government in Britain is both less local, and has less power to govern, than almost anywhere else in the Western world'.[43] If municipal socialism and local public ownership are to form one of the building blocks of a new economic settlement, it is self-evident that this needs to change. There must be symmetry between the new economic institutions we create and our political institutions. Reformed and strengthened local councils can work with community-led trusts and co-operatives to form 'public-commons partnerships', which Keir Milburn and Bertie Russell have argued could become 'islands of democracy'.[44]

Progressives can be nervous about decentralisation, believing it fragments state power and erodes our ability to hold powerful corporations to account. But the UK's recent experience suggests the opposite.[45] Thatcher's strategy for fragmenting the state was privatisation, not decentralisation. Indeed, she sought precisely to break local government as a potential source of counterpower, funnelling power upwards to the centre. In turn, this has lent itself to capture by big institutions. Conversely, a more decentralised system in which millions of ordinary people have a stake will make change much harder to reverse or undermine. If we want to change the country, not just for the life of the next Labour government but for the next generation, it is an agenda we must embrace.

It is also often assumed that highly centralised command-and-control systems are better able to respond to emergencies – whether acute ones like Covid-19 or slow-burn ones like climate change. But the events of the

[42] Berry, C. and Guinan, J. (2019) *People Get Ready: Preparing for a Corbyn Government*. O/R Books. chapter 4.

[43] Ramsay, A. (2018) 'Trying to milk a vulture: if we want economic justice, we need a democratic revolution'. In Macfarlane, L. (ed.) *New Thinking for the British Economy*. openDemocracyUK

[44] Russell, B. and Milburn, K. (2019) 'Public Common Partnerships: Building New Circuits of Collective Ownership.' Common Wealth. https://www.opendemocracy.net/en/oureconomy/building-new-left-economics-public-commons-partnerships-and-new-circuits-ownership/

[45] Ramsay, A. (2018) 'Trying to milk a vulture: if we want economic justice, we need a democratic revolution'. In Macfarlane, L. (ed.) *New Thinking for the British Economy*. openDemocracyUK

[46]Berry, C. and MacFarlane, L. (2020) 'Why the UK must not bail out an unreformed rentier economy'. *New Statesman*, 12 May.

[47]Berry, C. (2020) 'To get through this crisis, we must learn how to combine expertise with democracy', *openDemocracy*, 18 March. https://www.opendemocracy.net/en/oureconomy/get-through-crisis-we-must-learn-how-combine-expertise-democracy/

[48]Ramsay, A. (2018) 'Trying to milk a vulture: if we want economic justice, we need a democratic revolution'. In Macfarlane, L. (ed.) *New Thinking for the British Economy*. openDemocracyUK

"Democracy is the means as well as the end"

pandemic cast doubt on this. The most obvious example is the disastrous failure of the test and trace programme. For months, those on the ground have been calling for the system to be decentralised, allowing local public health teams to make use of their deep knowledge of local communities to trace contacts and respond to outbreaks more effectively. Information should then flow upwards from localities to the centre, enabling it to co-ordinate and redistribute resources accordingly.

Likewise, the government relied on big commercial banks to distribute Covid-19 loans, and they failed abysmally.[46] Far from being able to get money out the door quickly by virtue of their size and reach, they simply lacked the local relationship-lending capacity to assess small businesses' loan applications. Of course, there is a story in both of these cases about the failings of for-profit private providers. But there is also a story about diseconomies of scale: how decentralised systems with deep local knowledge may actually be able to respond more quickly and effectively in a crisis, while rigid centralised structures flounder. We need the central state's ability to mobilise resources and guarantee universal access to public goods, be they Covid-19 loans or Covid-19 tests. But the delivery of these things may best be served by pushing power closer to the ground.

Where decisions do need to be taken quickly from the top, it is crucial that those making them are accountable. There are countless examples where concentrated and unaccountable power during the pandemic has led to poor decisions. The most glaring is the group-think that prevailed both within SAGE and within government at the start of the crisis. This episode also exposed the dangers of invoking 'experts' as authority figures to stifle democratic debate.[47] Here once more we see the necessity of democratic scrutiny and accountability, especially in times of crisis, when a small group of people under immense pressure are taking life-or-death decisions, and especially when those decisions are rendered inaccessible by the technical nature of the evidence behind them. It also reminds us that big decisions never simply fall unproblematically out of 'the science'. Expertise is always contested, and political decisions always involve trade-offs and value judgements. This is as true of economics as it is of epidemiology.

A politics of empowerment

If this sounds like an ambitious agenda, it is meant to be. Some aspects of it may seem a long way off: radical reform of the state can only be achieved from inside the state, and with a clear democratic mandate to do so. But democracy is the means as well as the end. Whether we are talking about reimagining our local high streets or boosting people's power at work, building shared experiences of creation and empowerment can help to lay the foundations for a more democratic society. And even if we are talking solely in terms of winning elections, embracing the need to renew our democracy is still essential.

On the most prosaic level, the path to a Labour majority is increasingly difficult to see – particularly if the Scottish elections cement the SNP's dominance north of the border, and the Conservatives continue to gerrymander boundaries in their favour. It is surely time to be honest about the fact that the next Labour government could well be at the head of a coalition – and for the party to take seriously the case for electoral reform as part of a renewed willingness to cooperate with smaller progressive parties. Indeed, the traditional belief that electoral reform must be resisted because it threatened the Labour/Conservative duopoly on our politics seems increasingly outdated (not to mention at odds with the values explored in the rest of this essay). In fact, evidence suggests that proportional voting systems tend to deliver more progressive governments – since 'citizens, on the whole, are more egalitarian than their establishments'.[48]

At a more fundamental level, it is hard to see how the left can rebuild a sense of trust in politics as a path to popular empowerment while most people, accurately, feel that their vote does not make any difference. The

promise of economic control is not something that can be benevolently bestowed on people from above by well-meaning politicians, particularly in a climate where politicians are simply not trusted to deliver on their promises. To truly compete with a resurgent right-wing populism that claims to be on the side of 'the people' whilst simultaneously shoring up elite power, Labour must acknowledge the widespread feeling that our politics is broken – and offer something new.

But radical democracy cannot simply be a promise made at election time. On the contrary, it demands that we rebuild a politics based on participation – one that builds sources of social power capable of effectively countering the might of rentier capital, and that gives people direct experiences of empowerment to counter the fatalistic belief that things cannot change. A Labour agenda for radical democracy is unlikely to succeed unless rooted in such efforts – the fate of Corbynism shows us that much. Building power and making change from the bottom up is an essential prerequisite to winning state power – not the other way around.

This can start in towns and cities where Labour is in power and is willing to experiment with new ways of doing things. The Preston Model gives us a glimpse of what this approach could entail – and of its potential. It can start anywhere that grassroots activists are willing to mobilise to offer practical solidarity to those suffering the worst effects of the crisis, and to bring local people together to forge a shared democratic vision for post-Covid renewal. In places like Broxtowe, where the CLP has opened a high street community hub which became home to a pop-up food bank when the pandemic hit, this is already happening.[49] And it can start in the workplaces currently experiencing a resurgence in trade union activity – from couriers to cleaners to childcare workers.

Ultimately, it comes down to this: imposing radical democracy from the top down is an oxymoron. By definition, this must be an agenda that is built and shaped from the ground up. There is hope in this message, because it gives us agency: there is work for everyone to do, whether or not this agenda is embraced by the Labour leadership. In a world on fire, where politics itself is on trial, this is how progressives can begin to transform the country for the better – and how Labour could earn people's trust to finish the job in government.

[49]See https://labourorganiser.co.uk/?p=213

CHAPTER THREE

The Health of our Democracy and the Democracy of our Health

Safiah Fardin

"I know we can create an anti-racist and inclusive NHS that works for the people that need it and work within it"


Over the last year almost all of us will have had moments when we struggled to understand what is happening. How can the world be so vulnerable? How can our government have allowed a virus to wreak such havoc? Far too many of us have come close to death – or had death take our loved ones from us. We have had a year of experiences that crystalise what matters, what is of consequence. Events that have illustrated in sharp relief the core, basic function of government and the economy – to safeguard our health and wellbeing.

And so we have witnessed, time and again, the failure of our government and economy to protect us. Most deaths can rarely be traced back to a tangible action or inaction; life's complexity means there are always myriad plausible contributory factors in such a loss. But with Covid-19 we have direct and documented connections between tens of thousands of deaths – benchmarked against the rest of the world – and the failure of government that caused them. That failure is a failure of democracy.

If a nation is not delivering that most basic tenet of existence, health, to its citizens, then the need for an urgent review of the structures of the state should be irresistible. The National Health Service is a source of huge national pride, symbolising the best of how collectivism and unity can improve life for everyone. It was created just twenty years after universal suffrage was achieved, translating democratic equality into equitable access to healthcare.

But over recent years – despite public opposition – the public ethos of the NHS has been steadily eroded as the political system has increasingly responded more to finance and capital than workers, patients and citizens. And government reforms have made the NHS itself increasingly opaque and unaccountable. If we are to win its restoration, marking the pandemic as the moment we make our health and wellbeing as central to our economy and politics as it to our lives, then it will only happen with a democratic transformation in the NHS' corridors and clinics, as well as the halls of Westminster and beyond.

The NHS New Deal, created through a participatory process conducted by Just Treatment's patient campaigners, engaging the views and experiences of NHS users – like me – across every one of the 650 UK parliamentary constituencies, is both the embodiment of a necessary approach to democratic decision making in health, and a set of radical demands to win the open, accountable, effective and expansive health service we all need and deserve. As a person of colour, I know we can create an anti-racist and inclusive NHS that works for the people that need it and work within it. I joined thousands of Just Treatment volunteers because I could see the effect of the failings of the current system on patients like those I was working with, as a health and wellbeing worker, but also on those that worked within it. Too often I would hear of my friends crying after a long shift, feeling powerless. A New Deal, shaped by patients, is our way forward.
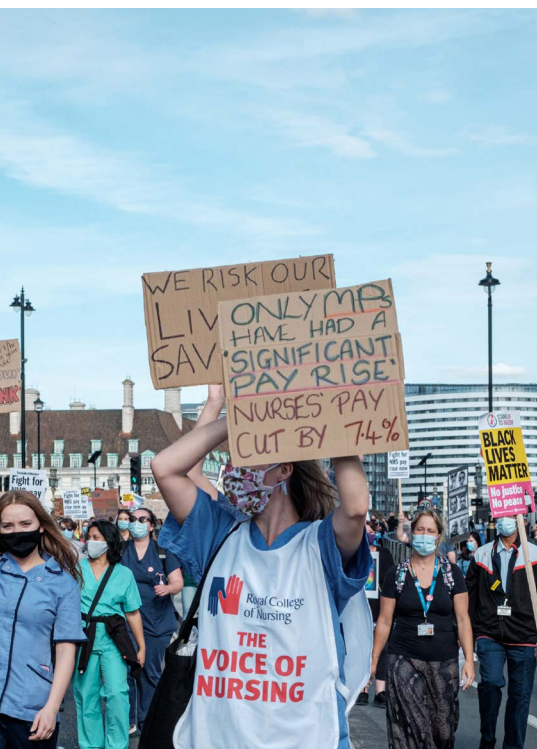
Context

Seventy-two years ago the NHS was founded as a public service, equally accessible to all, free at the point of use, and based on need – not ability to pay. Nearly three-quarters of a century later there is still strong public support for these principles. But the erosion of the NHS as a public service has been underway for decades, with reforms under both the Conservatives and Labour advancing the marketisation and privatisation of services. Then in 2010 David Cameron became Prime Minister off the back of an election campaign that leaned heavily on Conservative commitments to safeguard the NHS. Having promised no cuts to the NHS budget, Cameron enacted the largest sustained fall in NHS spending as a share of GDP since 1951.[1] Having repeatedly promised not to undertake any large-scale reorganisation of the health service, his government implemented a set of changes that NHS England's chief quipped was so big 'you could probably see it from space'.[2]

The 2012 Health and Social Care Act, therefore, was a betrayal of the democratic process. It also ushered in a rapid acceleration of the privatisation of the health service, forcing contracts out to tender and into the hands of profit-driven health companies, and creating space for health inequality to deepen.[3] With seventy-six percent of us wanting to see the end of private provision and a return of the NHS as a truly public service,[4] this erosion of the NHS' founding principles is in direct opposition to the people's vision for our health service and confirmed campaigners' long held fears that public support for the NHS means that governments will seek to use dishonesty to mask their market-orientated reforms.

The privatisation of healthcare has meant corporate interests prevailing over patient wellbeing and alongside years of austerity and underfunding, created a melting pot of rising health inequality. The devastating consequences of this democratic failure are being witnessed every day: a health system with overworked and underpaid staff, insufficient bed capacity, and a dangerously under-resourced public health system fighting a pandemic but unable to cope.

COVID exposed and accelerated anti-democratic privatised health failures

Covid-19 has lifted the veil and revealed the failings of a highly financialised NHS. During the first phase of the pandemic, our response was characterised by PPE shortages, a dysfunctional test and trace system, and hospitals with no spare capacity revealing a government floundering and a health service unable to cope. Carol, a nurse, spoke to Just Treatment about her experiences working during Covid-19. She said:

> "The quality of PPE (Personal Protective Equipment) in the early days was extremely poor. When there was no PPE, l was witnessing nurses dying on the news which made it so real for me. I also contracted the virus at this time. When I returned to work I completed the NHS risk assessment and was stopped from providing patient care because I was deemed to be high risk. I have since decided that it is time to go after 40 years as a nurse."

Feeling unsafe, Carol left nursing, but many healthcare workers were not able to make that choice and were forced to work without all the necessary protective equipment they needed in order to stay safe. More than 850 health and social care workers died from Covid-19 between March and December last year,[5] with hundreds losing their lives during and in the weeks following a national PPE shortage caused in part at least by neglect of the NHS stockpile which had been transferred to private sector control.[6] The lack of PPE was a danger to not just the healthcare staff trying to save our lives but to patients themselves, with up to 20% of Covid-19 patients in hospitals contracting it as

[1] Hawkins, R. (2015) 'NHS spending 'to fall as share of GDP by 2020', *BBC News online*, 20 October. https://www.bbc.co.uk/news/uk-politics-34586871

[2] Scott, L., Greer, H J. and Azorsky, A. (2014) 'A reorganisation you can see from Space: The architecture of power in the new NHS'. Centre for Health and the Public Interest. https://chpi.org.uk/papers/analyses/a-reorganisation-you-can-see-from-space-the-architecture-of-power-in-the-new-nhs/

[3] Evans, P. (2015) 'NHS privatisation soars 500% in the last year, finds in-depth new study'. *openDemocracy*, 30 April. https://www.opendemocracy.net/en/ournhs/nhs-privatisation-soars-500-in-last-year-finds-indepth-new-study/

[4] Woodcock, A. (2020) 'Britons overwhelmingly want NHS privatisation to end after coronavirus crisis, survey finds'. *Independent*, 15 July 2020. https://www.independent.co.uk/news/uk/politics/coronavirus-uk-nhs-privatisation-hospital-survey-a9598826.html

[5] Shone, E. (2021) 'More than 850 health and social care workers have died of Covid in England and Wales since the pandemic began'. *The Scotsman*, 27 January. https://www.scotsman.com/health/coronavirus/more-850-health-and-social-care-workers-have-died-covid-england-and-wales-pandemic-began-3114202

[6] Davies, H. (2020) 'Revealed: Private firm running UK PPE stockpile was sold in middle of pandemic'. *The Guardian*, 22 April. https://www.theguardian.com/world/2020/apr/22/revealed-private-firm-running-uk-ppe-stockpile-was-sold-in-middle-of-pandemic

[7]Hardin, L. and Campbell, D. (2020) 'Up to 20% of hospital patients with Covid-19 caught it at hospital'. *The Guardian*, 17 May. https://www.theguardian.com/world/2020/may/17/hospital-patients-england-coronavirus-covid-19

[8]Read, S. (2020) 'Covid spending: Watchdog finds MPs' contacts were given priority'. *BBC News online*, 18 November. https://www.bbc.co.uk/news/business-54978460

[9]BBC (2021) 'Covid: Matt Hancock acted unlawfully over pandemic contracts'. *BBC News online*, 19 February. https://www.bbc.co.uk/news/uk-56125462

[10]Wearmouth, R. (2020) "Who's In Charge?' – Serco Outsources 85% Of Jobs Under Its £45m Test And Trace Contract'. *Huffington Post*, 22 July. https://www.huffingtonpost.co.uk/entry/private-firm-serco-subcontracting-almost-all-its-contact-tracing-operation_uk_5f1708aec5b651977c071c06

[11]Wood, P. (2020) 'Spending watchdog urges government to 'stop throwing money' at NHS Test and Trace'. *City AM*, 11 December. https://www.cityam.com/spending-watchdog-urges-government-to-stop-throwing-money-at-nhs-test-and-trace/

[12]Siddons, E. (2021) 'Taking on the tech giants: the lawyer fighting the power of algorithmic systems'. *The Guardian*, 28 February. https://www.theguardian.com/media/2021/feb/28/taking-on-the-tech-giants-whether-its-the-cia-or-facebook-cori-crider-likes-a-fight

[13]Kollewe, J. (2021) 'From Pfizer to Moderna: who's making billions from Covid-19 vaccines?'. *The Guardian*, 6 March. https://www.theguardian.com/business/2021/mar/06/from-pfizer-to-moderna-whos-making-billions-from-covid-vaccines

[14]Chinazzi, M. (2020) 'Estimating the effect of cooperative versus uncooperative strategies of COVID-19 vaccine allocation: a modeling study'. Northeastern University Network Science Institute, 14 September. https://www.mobs-lab.org/uploads/6/7/8/7/6787877/global_vax.pdf

[15]Labour Party (nd) 'Medicines for the Many: public health before private profit'. https://labour.org.uk/wp-content/uploads/2019/09/Medicines-For-The-Many.pdf

[16]McConaghie, A. (2019) 'Orkambi row: government now considering Crown Use licensing'. *PMLive*, 20 June. http://www.pmlive.com/pharma_news/orkambi_row_government_says_now_considering_crown_licensing_1290525

in-patients.[7]

Covid-19 created the perfect conditions for cronyism and corruption, with billions of pounds wasted on contracts with corporations that failed to deliver. The government spent huge amounts on contracts during the early stages of the pandemic with little oversight, prioritising deals with people in the networks of ministers and Conservative MPs,[8] and unlawfully failing to publish contracts within 30 days,[9] undermining transparency and democratic accountability of their actions.

Deloitte, one of the big four accounting firms, was awarded contracts to run a centralised test and trace system which aimed to reduce the spread of the virus dramatically. Instead, an almost unbelievably large amount of money – £22bn – was wasted, dwarfing the entire annual budget of the police and fire service, on a privatised find, test, trace, isolate and support (FTTIS) system built on cascades of outsourcing[10] that largely failed to do its job.[11]

The pandemic also saw the acceleration of moves into the NHS of surveillance capitalist firms from the big tech and data industries. This new field of data, digital and artificial intelligence-driven healthcare is being created as a private sector-controlled realm of the NHS, with far reaching consequences for our health service, privacy rights and wider society – with virtually no public debate. Covid-19 has seen a glut of contracts handed out, which the government has fought to hide from public view.[12] As our health data comes under the control of huge data firms like Google and Amazon, and others with controversial records on human rights such as Palantir, a company founded by Trump backing billionaire Peter Thiel, we can expect the influence of opaque corporations embedded in the NHS, shaping our health for years to come. Not only does this highlight the government's ability to sidestep NHS users when making major decisions but also the lack of transparency around the nature of data extraction, which will inevitably erode vital public trust in the health service. Academics such as Carissa Véliz have argued for an end to the surveillance capitalist business model in order to protect our democracy, but we are on the cusp of this model becoming an indispensable cornerstone of what should be a public health system.

As a new big data monopoly threat to our health grows in the wings of Covid-19, another monopoly-centred business model has been centre stage in the pandemic response. As vaccines are rolled out across the UK, the pharmaceutical industry has been hailed as our saviour, promising to bring an end to seemingly interminable cycles of lockdowns and fresh waves of infections. But the UK experience stands in marked contrast to that of the majority of the world's population, who are years off accessing Covid-19 vaccines as companies focus their sales in the countries with the deepest pockets, not the greatest need. Even European Union members have seen the weaknesses of the monopoly-controlled business model, with patents and other protections resulting in an artificial scarcity in the supply of vaccines.

This corporate controlled vaccine roll out stands to generate billions of dollars in profits for the companies[13] at the expense of the pandemic response, with twice as many people set to die as a result of inequitable access fuelled by the focus on profits.[14] This is despite the innovative science which these vaccines are built upon originating in public labs, and the overwhelming source of financing for their development and scale up coming from taxpayers.

Myriad flaws and injustices arising from the current pharmaceutical business model were identified in Labour's Medicines for the Many paper,[15] demonstrating how little power citizens have to shape decision making around the development of tools that are intrinsic to achieving the right to health.

Just Treatment patient leaders have first-hand experience of how damaging corporate monopolies can be to health. Izzie has been fighting for equal access to medicines for many years. Like thousands of people with Cystic Fibrosis (CF) across the UK, Izzie's life was held to ransom by the drug company Vertex as they tried to extract the highest possible price from the NHS for their CF treatment, Orkambi. Support from the Labour Party helped to

secure a policy shift from the government as they acknowledged their 'moral obligation' to explore breaking the patent monopoly on the medicine,[16] and in turn, a price reduction from Vertex that resulted in thousands getting access at a fair price for the NHS. But just a few weeks after getting access to a life-changing CF drug, Izzie was at the mercy of the pharmaceutical industry's business model again:

> *"I have cystic fibrosis, and COVID poses a huge risk to my already damaged lungs. This means I have been isolating since March, and will have to carry on isolating until I get vaccinated. Currently, big drug companies have a monopoly over the vaccines they develop meaning they can charge high prices and the vaccines cannot be manufactured by anyone else. These companies are focused on selling their vaccines in countries where they will make the biggest profits. I am lucky to live in the UK, but my family in India could wait years to be vaccinated if they are at all. I have spent years watching people I know die as they cannot get their hands-on lifesaving medication. I am not willing to do it again."*

In truth, we were not as well prepared for this and other pandemics because of a short-term pharmaceutical business model that requires predictable returns on investment. World renowned vaccine researchers have stated that candidate vaccines that could have been used against Covid-19 were left for years gathering dust on the shelves of public labs, unable to secure the private sector investment they needed.[17] The Covid-19 apartheid playing out today is the result of a political choice in western capitals, including within Westminster, to prioritise the profits of pharma over the lives of people across the developing world. The choice they have made is the result of a political system that is highly responsive to the unparalleled lobby spend of big pharma corrupting the political process.[18] [19] Right now the UK is blocking multiple initiatives to overcome Covid-19 monopolies in international forums.[20] Countless lives will be lost if Izzie and others' campaigns for a People's Vaccine do not succeed.[21] [22]

At present financial markets and speculators have more say over what medicines get developed than patients, doctors and researchers. After Covid-19, the reforms of big pharma must go much further than a temporary halt to the destructive business model – bringing democracy, accountability and equity to its vital societal function.

Covid-19 has elevated and accelerated the trends, flaws and failings of anti-democratic NHS policy reforms over the last two decades or more. Patients have long had to live with the costs of the service's financialisation. Mental health services have been subject to more extensive privatisation than any part of the NHS, and patients have suffered as a result. Twenty-eight privately run mental health units have been judged to be inadequate according to a 2019 report,[23] with often heartbreaking consequences for those in their care. We Own It have catalogued example after example of waste and neglect arising from privatisation – from the catastrophic collapse of Circle's contract to run Hinchingbrooke Hospital to Serco's terminated out-of-hours GP service in Cornwall following evidence of bullying and falsification of data.[24]

But this privatisation is not only problematic because of poor service – it also undermines our democracy. As Chiara Cordelli argues, there is a fundamental conflict between democratic values and privatisation of public services,

> *"In a democracy, we want those delivering public services to make decisions in our name. When public services are outsourced, decisions are made by private companies (whether for-profit, or non-profit), rather than elected representatives. It's doubtful whether the private sector can ever act in a genuinely representative capacity."*[25]

If health is driven by market interests and competition it will lack accountability, lead to rationing of services, high bureaucratic costs and

[17]Hotez, P. (2020) Testimony before the Committee on Science, Space, and Technology, United States House of Representatives, 'Beyond Coronaviruses: Understanding the Spread of Infectious Diseases and Mobilizing Innovative Solutions', March 5, 2020 https://science.house.gov/imo/media/doc/Hotez%20Testimony.pdf

[18]Tansey, R. et al. (2020) 'Power and profit during a pandemic. Why the pharmaceutical industry needs more scrutiny not less', Corporate Europe Observatory, 21 September. https://corporateeurope.org/en/2020/09/power-and-profit-during-pandemic

[19]Evers-Hillstrom, K. (2019) 'Big Pharma continues to top lobbying spending', *Open Secrets*, 25 October. https://www.opensecrets.org/news/2019/10/big-pharma-continues-to-top-lobbying-spending/

[20]Medecins Sans Frontieres (2020) 'WTO COVID-19 TRIPS Waiver Proposal: Myths, realities and an opportunity for governments to protect access to medical tools in a pandemic' technical briefing, Access Campaign, 3 December. https://msfaccess.org/wto-covid-19-trips-waiver-proposal-myths-realities-and-opportunity-governments-protect-access

[21]Just Treatment 'Another Access Crisis'. https://justtreatment.org/news/another-access-crisis

[22]The People's Vaccine. https://peoplesvaccine.org/

[23]NHS Support Federation (nd) 'A snapshot of NHS outsourcing failures' https://www.nhsforsale.info/contract-failure/50-examples-of-nhs-outsourcing-failures/

[24]We Own It. https://weownit.org.uk/privatisation-fails/nhs

[25]Cordelli, C. (2020) 'The Covid crisis has shown how privatisation corrodes democracy'. The Guardian, 24 December. https://www.theguardian.com/commentisfree/2020/dec/24/covid-crisis-privatisation-democracy-outsourcing

[26] Migrants Organise. https://www.migrantsorganise.org/?p=29229

[27] Bertram, C. (2020) 'The hostile environment is undermining British democracy'. The Guardian, 6 October. https://www.theguardian.com/commentisfree/2020/oct/06/british-democracy-democratic-values

[28] Medact (2021) 'Health Versus Wealth? UK economic policy and public health during COVID-19'. Briefing paper, 16 February. https://www.medact.org/2021/resources/briefings/health-versus-wealth-uk-economic-policy-and-public-health-during-covid-19/

[29] Ibid.

"The pandemic has exposed the health inequality which has been allowed to quietly grow over the decades"

ultimately undermine universalism which is a core part of the NHS we treasure. We have already seen financialisation in our health service result in certain groups of people having to pay for healthcare, going against the core principle of having a health service that delivers everyone's right to health.

The NHS surcharge came about after the Immigration Act in 2014 which stated that anyone outside of Europe applying to work or study would have to pay an 'NHS surcharge of up to £200 per year'. Hailed as a law that would tackle 'health tourism' and stop 'migrants abusing services', the consequence was an increasingly hostile environment for immigrants that risked their safety as patients.

Simba has lived in the UK for most of his life, but his immigration status meant that he had to pay for his prescriptions – including blood clot medication which he was eventually unable to afford. His inability to access his medication increased the risk of further health complications and, at the age of 30, he suffered a stroke and was rushed into intensive care to receive life-saving treatment. Shortly afterwards he received a bill for £93,000.[26]

Simba's story is just one of an increasing number, after NHS England introduced rules that require ID checks for all patients accessing secondary care. We hear stories of cancer sufferers being refused treatment, refugee pregnant mothers being too scared to attend appointments and people dying – even those that work for the health service – because they fear accessing care may mean deportation. The Hostile Environment is endangering both the lives of migrants, and the country's democracy, as growing numbers are denied their basic rights and excluded from the essential functioning of the democratic process.[27]

Neoliberal politics has delivered poverty, food banks, widening health inequality and stagnating life expectancy. The 'Health vs Wealth' report by Medact demonstrates that the presumption that there is a choice to be made between these two is a fallacy: the purpose of our economy is to promote health and wellbeing – austerity and decreasing NHS funding is counterproductive to creating a functioning economy that serves society.[28]

We know that Covid-19 has disproportionately affected people of colour and those with the poorest health outcomes, which is why the pandemic is often referred to as a syndemic, as virus spread and potency is 'clustered within social groups according to patterns of inequality deeply embedded in our societies'.[29] For people of colour, historic poor health outcomes and health inequality has culminated in (according to an ONS report in May 2020) black males and females being 4.2 and 4.3 times more likely to die from a Covid-19 related death than their white counterparts, and Bangladeshi, Pakistani, Indian and mixed ethnicities having a significantly raised risk of death from Covid-19 compared with their white counterparts. The pandemic has exposed the health inequality which has been allowed to quietly grow over the decades. It also highlights the prejudices that exist in healthcare practice – and in wider society – with historic racism and its present-day manifestation contributing to the deaths of black and brown lives from Covid-19.

In short, the Covid-19 crisis has taught us that health inequality kills, and although structuring our health service so it provides free and equitable care for all is just one part of tackling this (amongst larger societal reforms), ensuring that services are truly accessible for everyone that needs them is unachievable without those people playing a central role in shaping our health service, helping to overcome the democratic deficit undermining their wellbeing.

A trend towards more closed and less democratic decision making

The Health and Social Care Act was touted as a means of improving efficiency and patient autonomy by providing the opportunity to choose health services from the NHS, third sector or an independent provider. Replacing democratic accountability as a citizen, with choice as a consumer, is deeply

dangerous – failing to drive up quality (as it was claimed to) as patients grappled with highly complex decision making with multiple influencing factors, and instead, driving wasteful competition and increased privatisation. Furthermore, choice also created 'inequalities of access', discriminating against those with lower health literacy, no means of transport, or English as a second language.[30]

The decade of change initiated by Lansley's reforms also meant growing numbers of highly consequential decisions about the design and delivery of healthcare were taken further away from the scrutiny of the public and power of local and nationally elected representatives. The controversial development of Sustainability and Transformation Plans across the country, designed to drive cost savings (cuts) in the health service, sparked backlash for the secrecy and lack of public consultation in their creation.[31]

The keystone creation of the reforms – GP-led Clinical Commissioning Groups – have been criticised for outsourcing their decision making to management consultants,[32] for opaque and unaccountable governance structures, and for widespread financial conflicts of interest.[33]

The government has been told for years that the 2012 reforms were a disaster for the NHS, and their proposed White Paper on another round of reorganisations within the health service[34] are, in part, a grudging acceptance of that reality. However, they also look set to worsen democracy, transparency and participation in the NHS – enshrining new Integrated Care Systems to govern the NHS that will transfer power from local authorities to central government, with lines of accountability connecting to Whitehall instead of the communities they serve. The reforms will allow private healthcare corporations to sit on ICS boards, shaping budgets and determining what services and care NHS patients will receive.[35] Corporate power looks set to further edge out patients and the public and we face a critical battle that will shape the NHS for decades to come.

But there is hope...democratic NHS patient and worker organising

Although the picture appears bleak, throughout history, patients have consistently stepped up to form democratic movements that have shaped health systems and access to care – most notably in response to the AIDS pandemic. We believe a new patient movement can grow from this pandemic, to defend and create a renewed NHS they deserve.

Just Treatment has already waged and won successful campaigns to take on the vested interests impacting our health, supporting patient leaders to force corporations and the government to change course.[36]

Meanwhile the series of victories won by start-up unions like UVW to win NHS contracts for NHS staff have proven an inspirational model which can be replicated.[37] As the health unions[38] and activist groups like Nurses United[39] gear up to harness the widespread anger at the 1% pay deal, we have the toolkit of tactics and the support of millions deeply indebted to the NHS to shape the democratic process to win a better future for the health service.

The NHS New Deal

That future has to include the participation and active involvement of patients or it will never be fit for purpose. Just Treatment's NHS New Deal was built by patients. We responded to the pandemic by launching a 'big conversation' that aimed to involve as many people as possible with lived experiences of accessing healthcare and working for the NHS to shape a new set of demands that would transform our health system for the better.

Through an initial listening phase, at least one person from each of the 650 constituencies in the UK spoke about their experiences as NHS patients, how the Covid-19 crisis impacted them and what they wanted from our healthcare system. In the end, Just Treatment volunteers reached over 1500 people and

[30]Fotaki, M. (2014) 'What market-based patient choice can't do for the NHS: The theory and evidence of how choice works in health care'. Centre for Health and the Public Interest, March 2014. https://chpi.org.uk/wp-content/uploads/2014/03/What-market-based-patient-choice-cant-do-for-the-NHS-CHPI.pdf

[31]Alderwick, H. (2016) 'Sustainability and transformation plans in the NHS How are they being developed in practice?'. The Kings Fund, November 2016. https://www.kingsfund.org.uk/sites/default/files/field/field_publication_file/STPs_in_NHS_Kings_Fund_Nov_2016.pdf

[32]Rimmer, A. (2012) 'Exclusive: CCGs risk 'culture of dependency' on private firms'. GP, 5 March. https://www.gponline.com/exclusive-ccgs-risk-culture-dependency-private-firms/article/1120118

[33]Transparency International (2021) 'New research reveals extent of conflicted decision making in NHS'. TI, 4 February. https://www.transparency.org.uk/NHS-england-CCG-commissioning-conflict-interest-sustainability-transformation-partnerships-STP-integrated-care-systems-ICS

[34]Department of Health and Social Care (2021) 'Working together to improve health and social care for all'. White paper, 11 February. https://www.gov.uk/government/publications/working-together-to-improve-health-and-social-care-for-all

[35]Keep Our NHS Public (2021) '2021 NHS White Paper: government seizes on the pandemic as an opportunity'. 18 February. https://keepournhspublic.com/2021-nhs-white-paper-government-seizes-on-the-pandemic-as-an-opportunity/

[36]Just Treatment (2019) 'Patient Power Works – here's the proof'. https://justtreatment.org/news/2019/11/12/we-won

[37]UVW Union (2020) 'Cleaner's union UVW forces Great Ormond Street Children's Hospital to end outsourcing and bring hundred of outsourced workers into the direct employment of the NHS'. UVW Union, 10 December. https://www.uvwunion.org.uk/en/news/2020/12/cleaners-union-uvw-forces-great-ormond-%20streetchildrens-hospital-to-end-outsourcing-and-bring-hundreds-of-outsourced-workers-%20into-the-directemployment-of-the-nhs/

[38]Royal College of Nursing (2021) 'RCN to set up industrial action fund and members invited to Fair Pay For Nursing campaign update'. RCN, 5 March. https://www.rcn.org.uk/news-and-events/news/uk-rcn-to-set-up-industrial-action-fund-and-members-invited-to-fair-pay-for-nursing-update-050321

[39]Nurses United. https://www.nursesunited.org.uk/

[40]Lloyd, J. (2019) 'Equal Care: The platform co-op radically reimagining social care'. Nesta, 12 June. https://www.nesta.org.uk/blog/equal-care-platform-co-op-radically-reimagining-social-care-one-relationship-time/

[41]Equal Care. https://www.equalcare.coop/

themes started emerging of the anger and frustration people felt at the way the pandemic was handled, how ill prepared the NHS was, and the inequality within it. Themes also emerged of what changes people wanted to see: a fully funded NHS, a robust system able to cope with pandemics and workforce shortages, diverse management, and acknowledgment for the contribution of migrant workers to our NHS. Just Treatment also spoke to lots of allies working on related issues of health and justice, and ran a series of workshops which brought people from Edinburgh to London together to discuss how we could tackle health inequality, corporate power, racism within the NHS, and support NHS staff, as well as other issues. These powerful discussions were then transformed into a set of five core demands that would see a universal, fully funded, publicly funded and delivered, accountable, inclusive, anti-racist health system with a holistic and progressive approach to care.

The five crowd-sourced demands reflect what people want from a health system especially when they are at their most vulnerable:

1. **Give everyone an equal chance to enjoy the freedom of a healthy life.** All of us – no matter where we live or who we are – should have an equal chance to live a full and healthy life. We must overcome the disadvantages and inequalities that mean some people's circumstances lead to worse health and poorer care.

2. **An NHS that listens – run by the people, for the people.** This is our NHS. We must give patients and frontline health workers the ability to shape services, so that they meet the needs of communities across the UK and give patients the respect and dignity they deserve.

3. **Tackle the root causes of poor health.** Across the UK, bad housing, poorly paid work, pollution, and poverty are making us sick. We must do something about these underlying causes – it is not good enough to simply treat people once they are already unwell.

4. **Fully fund our health and care, respect and value NHS staff.** If nothing matters more than our health, then why aren't we funding healthcare properly? We must dramatically increase spending by £33bn a year to the levels seen in France and Germany – and ensure that NHS staff get the pay and support that means they can do their job.

5. **Our care is not a commodity: stop big corporations ripping off our NHS.** Right now, the profits of healthcare and pharmaceutical corporations are being put before our right to health. We must bring an end to private companies running NHS services, and take action to protect patients from big pharma and big data firms.

These demands were shaped as an act of participatory democracy and reflected that people wanted to see a healthcare system that works for those that need it the most. The demands show that when asked, people will step up to give you the blueprints of a system that can work for everyone. Which is why it could be argued that an NHS that listens, run by the people, for the people, could be the key to sustaining a health service that works for generations to come.

So how is a truly democratic NHS – laid out in the second demand – supposed to be achieved when patient voice is viewed as 'nice to have' and draws from – according to my experiences – overly white, generally privileged, patient groups that are detached from people's real experiences of poor health?

We know that listening to people brings about positive sustainable change and there are amazing pockets of examples of patient led care which have transformed services. Emma Back, the founder of The Equal Care Co-op, the first platform-based social care and support co-operative,[40] noticed through her time designing social care services that power over how services were delivered sat with commissioners and managers and 'it was rare to see people on the front line in charge'.[41] Banding together with her team, she was determined to build a new way of organising care and support that would 'put power in the hands of those who matter most – the people who

give and receive care and support'. Through self-governing teams where the person receiving support selects their other team members – which could be a mixture of paid workers, family and volunteers – this model focuses on building lasting and respectful relationships. People see the same person every day and not a stream of workers rushed off their feet, and, alongside decent wages and decentralised decision making, workers are provided with the freedom to organise themselves. Decisions are driven by sociocracy – consent-based decision making – and continually places choice and control in the hands of people receiving and giving care and support. Although this is an example of democracy in social care, the idea of giving ownership and power to those that deliver and use healthcare services can be transferred to the NHS as well.

The Buurtzorg Model in the Netherlands illustrates how this type of patient led care can work in a healthcare organisation.[42] The model has transformed nursing, with health workers building solutions for the patient through their networks, always starting at the perspective of the individual receiving care. High patient satisfaction and staff commitment to the model highlights how patient led care, focused on building positive long-term worker/patient relationships, can produce great outcomes. If the process of developing the NHS New Deal has taught us anything, it is that people want a health service that listens and therefore treats them with dignity and respect.

These examples of democratically run patient care reveal a glimpse of what could be the future of our health system: a patient-led service that is underpinned by strong patient-staff relationships.

A truly democratic health service would see patients and frontline workers acting as lead decision makers at every level of the NHS so that services properly reflect staff experience and patient needs. Transforming our health system in this way won't be easy – it will require a shift in power, from the few managers at the top, to localised, transparent decision-making structures – properly integrated with local government – that place communities at the core of shaping and delivering care.

Right now, consultation with users of the health service has very little consequence, despite 'patient involvement' being a frequent buzzword in our healthcare spaces. Is it because not enough patients get involved? But why would we. According to some patients I've spoken too, spaces to participate in decision making can feel uncomfortable. Our feedback often feels like a box ticking exercise, our voice isn't made to feel vital, and power is placed firmly on the side of Whitehall and NHS England managers that have the final say.

This consumerist, top-down approach to patient participation is not democratic, it is in fact exhausting – especially when engagement doesn't shift towards actual change. One part of the battle to secure a new deal will be to advocate for a new form of patient involvement, one that is active, valued, and is a powerful voice in shaping health services. It also has to be inclusive, to take into account the plethora of experiences of health, from physical to psychological, that change throughout people's lives. Not to mention our background, social and environmental conditions that can all shape how confident we feel to step forward and contribute and know that that we will be listened to. Encouraging participation is hard if we do not create safe spaces that reflect the diversity of society.

During the AIDS crisis in the 1980s, in the UK alone, over 10,000 people died before an effective treatment was developed.[43] People then had similar questions to now – how was it allowed to get this bad? People living with HIV demanded action, and to be made central partners in the fight. The success of HIV patient-centred interventions was due to patients refusing to be passive in the face of the government's response to the pandemic. Patients demanding a say and holding the government accountable is exactly what we need in order to build a free, democratically run NHS.

Right now we are at a crossroads, and the government is facing mounting pressure to fix the crisis in the NHS. Amidst one of the highest death rates in the world and continuous outpouring of support that Covid-19 has reignited for our health service, we have an opportunity, forged from a combination of anger and love, to create a new, expansive, democratic NHS.

[42]Buurtzord International. https://www.buurtzorg.com/about-us/buurtzorgmodel/

[43]Cooper, J. (2020) 'I lived through the AIDS crisis: like then, citizens must take control'. *openDemocracy*, 17 April. https://www.opendemocracy.net/en/opendemocracyuk/i-lived-through-1980s-aids-crisis-then-citizens-must-take-control/

[44]Molloy, C. (2021) 'Why did the government say revealing NHS plans is not in the public interest?'. *openDemocracy*, 12 February. https://www.opendemocracy.net/en/ournhs/why-did-government-say-revealing-nhs-plans-not-public-interest/

But the government is focused on changes which will entrench privatisation and worsen democratic engagement. Indeed, they have highlighted that they do not believe it is in the public interest to reveal all their NHS plans to the public.[44] We have an alternative to this continued erosion of the NHS and disrespect for the democratic process. Winning an NHS New Deal will require and include the building up of a powerful democratic movement, changing the democratic structures that govern our health system, and establishing new principles of democracy in patient care. Like all good democratic revolutions, you need to get involved.

First we clapped. Now we act: NHSNewDeal.org

CHAPTER FOUR

Environment and Democracy

Sandy Martin

Over the last 200 years, intensive agriculture and our use of fossil fuels has led to exponential global population growth and a huge increase in CO2 emissions. With our profligate approach to the consumption of energy and materials, and a world population of almost eight billion, it is perhaps surprising that we now have any natural environment left at all. What we do *not* have left is a natural ecological balance. It is no longer possible to mend the world simply by stopping certain activities – the viability of our 'perfect planet' is now in our hands and requires positive action.

We know what changes we need to make. Why then are we not making them?

Much environmental discourse has been aimed at changing individual behaviour. There is nothing wrong with that if the changes are both straightforward and affordable – between 2001 and 2004 Suffolk's recycling rate, like many counties across the UK, rose from around fourteen percent to around forty-five percent, by the simple expedient of introducing doorstep waste collections and ensuring that people knew what to put in each bin. The public confounded critics who predicted non-compliance. The campaign against smoking is a good example of how increased taxes, regulatory restrictions, support for re-education, and a consistent public message can all work together to change the way people behave.

We will not however, achieve the necessary changes unless we have governments that are prepared to impose them. The fundamental block to achieving a sustainable society is the reluctance of governments to take control. Where profits are accruing to companies that undermine sustainability, and those profits support political parties that refuse to regulate the activities of those companies, it is clear that there is a cycle of power that needs to be broken if we are to have any chance of dealing with the climate emergency.

In many countries that cycle of power is being broken. Democratic Socialists, Greens and Liberals – and even some less doctrinaire right-of-centre politicians such as Angela Merkel – have begun to work together to impose the regulations, levy the taxes, make the investments, and launch the public campaigns to change the things we do and the way we do them. For instance, the EU is embarking on a programme of fast rail across Europe in order to reduce the level of intra-Europe air travel, despite the airline industry being far more effective at generating private sector profits. Such a progressive coalition for change is politically almost impossible in the UK, as it would be in the USA, and for many of the same reasons.

A First Past the Post problem

A First Past the Post electoral system which gives absolute power to a single party on the basis of a minority of the vote makes it unnecessary for that party to pay any attention to the views of other parties. The Conservative Party has

not won an absolute majority of the votes cast since 1935, and yet has been in government for most of that time. Without the necessity to listen and appeal to other shades of opinion, the only arguments that carry weight revolve around whether the party in government will remain united and win an election. This puts power in the hands of those who fund and control that party. Even opinions within the governing party can be safely ignored, so long as the leader can guarantee the support of the majority of the membership. As a leader who was popular with his own party's membership, Boris Johnson found it far easier in 2019 to simply expel MPs who disagreed with him.

First Past the Post also makes cross-party working unacceptable to most party members. If you are a Labour candidate standing in a seat where some of the votes you need to beat the Conservative candidate are being cast for a Liberal Democrat or Green candidate instead, your natural instinct is to attack the Lib Dem or Green candidate and, by extension, their parties.

Coalitions under a proportional system can give the electorate the opportunity to see how well parties perform in government, as the 2017-2020 New Zealand coalition did for the Labour Party, resulting in a Labour majority in 2020. The process of building a coalition will favour those parties with policies which have greater consensual support, and which are more inclined to a cooperative way of working. The Conservative Party's fundamental ethos emphasises private action rather than cooperative action, and so it is unsurprisingly opposed to proportional representation.

There are genuine debates associated with sustainable development, such as whether our society should invest in a high-speed rail network, or large-scale tidal power stations. Such debates are far more likely to result in the most climate-effective outcomes if genuine inter-party political discourse is encouraged. A one-party political 'fix' is just as likely to fail if it is promoted by the Greens or the Liberal Democrats – the history of recycling and bin-collection in Brighton is testament to that. Effective policies must reconcile the needs of business, the workforce and the planet – as the Brundtland report made clear, they must be economically, socially *and* environmentally sustainable. Labour is quite rightly centred on the working people it was founded to serve. If it were to promote interventions that its supporters could not accept – such as making air-fares unaffordable for most – it would not be elected and would be thus unable to make any interventions at all. In this context, it is extremely helpful to have an 'outlier' party available to promote policies which can then be negotiated to a compromise position. The ending of nuclear power construction in Germany is a very good example of this process.

Proportional elections would remove much of the need for 'triangulation'. Under First Past the Post there is a built-in advantage in being one of the two biggest parties. This encourages people with widely differing views to vote for and join those parties. Triangulation towards a Conservative position, bolstered by the majority of the mainstream media, that is dismissive of the action needed to curb climate change emissions, inevitably leads to Labour in opposition being less forthright on the environment than our members would like us to be. This reduces our ability to shame the government into doing the right things. It also reduces the likelihood that we will do the right things ourselves when we are in government. But with most Green Party votes being totally wasted, while Conservative/Labour switchers hold the key to who will be in government, the pressure on Labour to succeed is all in the direction of making our party less environmentally conscious, not more.

By contrast, proportional representation would subject both main parties to competition from both the centre and the edges, and force them to focus on what their members actually believe. This may well lead to the establishment of an electorally effective party to the right of the Conservatives, which denies the validity of man-made climate change altogether. Having an openly Farageist party of that sort would not necessarily be a bad thing – the political history of the UK and the USA over the past ten years is surely sufficient to demonstrate that you cannot combat extreme right-wing views by artificially denying them political representation; you simply force them to take over one of the existing main parties. It would have been far easier for Theresa May and for MPs such as

David Gauke and David Lidington to resist the rightward drift of their party if MPs such as Mark Francois and David Jones had been members of a small right-wing coalition partner.

Such political honesty would also empower the Labour Party to embody the environmentalist views of their membership in practical policy. There will always be room for a Green Party that promotes impractical policies – without such competition it would be harder for Labour's genuine environmentalists to convince self-declared pragmatists in the party of the importance of radical action. With PR it will become as important for Labour to satisfy potential Labour/Green switchers as it is to satisfy those in danger of drifting away to the right. And there is every likelihood that, as in New Zealand, if Labour does work constructively with the Greens in government, that will lead to better environmental outcomes and to Green voters switching to Labour at the next general election.

The 2017 New Zealand election, held under proportional representation, resulted in a coalition led by the Labour Party and including the Greens. If the same votes had been cast under First Past the Post, the National Party alone would have formed the government and no Green MPs would have been elected. But as it was, the coalition government performed well enough to re-elect Jacinda Ardern's Labour Party in 2020 with an overall majority, reducing the Green vote from 6.3 percent to 5.7 percent, but also more significantly slashing the National Party vote by ten percent from forty-four percent to thirty-four percent. Labour could now govern in New Zealand on its own, but has chosen to retain the relationship with the Greens that has worked so well for them, and for the people of New Zealand.

Systemic problems

In the UK, the electoral system is not the only problem. The House of Lords has been seen by many as an anachronism for many years, and indeed was actually abolished by progressives – in 1649. But having been restored again alongside the monarchy, this remnant of feudalism is still the UK's second legislative chamber. The hereditary peers are not now the main issue – their continued presence does little more than expose the House of Lords to ridicule. The most pernicious aspect of this unelected chamber is that it provides our elected dictatorship with yet more opportunity for party-political patronage. There are some very good people in the House of Lords, of course, but it is unconscionable that there are *any* who are entitled to sit and propose to amend or block legislation on the basis of having made a lot of money – often in dubious circumstances – and then handing some of it over as a barely-disguised bribe to a political party or government minister.

The experience of the past year has made 'follow the science' a cliché. But the climate crisis should have made the phrase standard years ago. It would be unreasonable to expect a significant proportion of scientists to dedicate their lives to political campaigning. The number of scientists in the House of Commons is probably greater than it has been, but there is still an underlying bedrock of ignorance underpinning many government decisions. However good the advice, or even the understanding of ministers, if most government backbenchers do not understand a particular environmental measure it will be difficult to decide to implement it. In this context, a revising chamber containing genuine expertise, unconstrained by the imperative of 'keeping the party together' could ensure that the practicality and potential efficacy of proposed environmental legislation is not lost in a sea of green-wash.

There are those who want – like Cromwell – to dispense with a second chamber altogether. That would be a huge mistake. There are plenty of wealthy and influential companies and organisations that will do whatever they can to maintain the status quo that has given them their wealth and influence. They will not go away simply by ensuring they can no longer buy places in the House of Lords.

"Many of the changes needed to achieve a sustainable society can best be encouraged or delivered by local councils"

One of the most egregious and effective results of such lobbying is the appointment of industry beneficiaries to scrutiny bodies – 'Dracula in charge of the blood-bank' syndrome. In many cases, those industries are precisely the ones that will need to undergo radical change in order to achieve an environmentally sustainable future. If ex-directors and major shareholders of oil companies and airlines are in positions of influence on 'independent' bodies, it becomes all the more difficult to impose the necessary taxation or regulation on those industries. It is not necessary for the scrutiny bodies to be industry-specific, either. The mind-set and world view of those who have profited from destructive practices will not incline them to shut down such practices in future, whether the body they sit on is a financial regulator or an advertising regulator or an environmental regulator. And where the appropriate recognised bodies do not exist to enable ministerial appointees to unduly influence policy, the present government has found ways to create such influence, primarily by using public money to fund think-tanks and management consultants.

We need the authoritative and objective voices from outside government that could come from genuinely independent bodies, in order to make constructive criticism possible. We also need a media that will disseminate such criticism. Separating substantial parts of the media from the clutches of multinational multi-millionaires and freeing them from the inevitable bias which that entails is a prerequisite to basing government policy on objective truth. Without the reporting of inconvenient environmental truth to the voters, it becomes impossible for parties committed to sustainability to get elected, or to maintain themselves in power long enough to make a difference.

Even non-private media, which is supposed to display objectivity, is increasingly coming under pressure from the government to define that objectivity as support for the government. Government-supporting voices have attacked the BBC not just for supporting Labour, but for giving too much air-time to pro-European and pro-environmental voices. The recently mooted appointment of Paul Dacre to Ofcom makes it clear that, as far as the present government is concerned, scrutiny of the media is designed to prevent criticism of the government – a familiar step for one-party states.

Dealing with the pernicious effects of ministerial and prime-ministerial patronage is almost as important as changing the electoral system for the House of Commons. We need an appointing body, not subject to undue influence from the government, with inalienable constitutional powers to make appointments. In my view that could and should be one of the chief purposes of a second chamber, but it would need to be very different from the current House of Lords. There are many views about how the House of Lords can best be reformed but, without being specific about any particular model, I would hope we can all agree that it needs to be wholly elected in one way or another. Otherwise, it will continue to be one of the mainstays of prime-ministerial patronage.

Local problems

Many of the changes needed to achieve a sustainable society can best be encouraged or delivered by local councils – recycling, home-insulation, transport including walking and cycling. But council elections typically attract the votes of between just a quarter and a third of the electorate. The voters are well aware that our local authorities actually have very little authority. They have responsibility for a wide range of vital functions, but their powers are seriously restricted, and the resources to fulfil their functions have been reduced almost to breaking point in the past ten years. Everything that local councils do is at the beck and call of the Westminster government – if the Secretary of State decides that local councils will give up their responsibility for the Fire Service, or merge with other councils, or cease to provide services to schools, there is no constitutional settlement that can be appealed

to. In constitutional terms, local authorities are simply outposts of national government, despite being independently elected.

Councillors potentially have a great democratic advantage over MPs – the issues for which their local council is responsible for are often very visible to the voters who do bother to vote and are far less likely to be skewed or manipulated by biased political reporting. If you have a free food-waste collection and your sister in the next-door borough does not, you do not need a newspaper or radio to tell you that one council is better than the other.

Empowering local councils to take a more active role in the change to a more sustainable society would encourage greater popular involvement in local government. It would make the necessary changes more responsive to the needs of the people affected. It would drive a greater level of consultation and better public education, as local authorities would ensure that they retained the support of their populations while implementing change. And it would enable policy-makers to judge, from the success or failure of new initiatives at local level, what the most effective measures and investments for the future might be.

But, as we have seen from successive parties in opposition promising greater powers and resources for local government, once they become the national government they tend to centralise power rather than devolve it. Even the last Labour government, while increasing the resources available to local authorities, increased the strings attached, via special grants and ring-fenced funding which stipulated exactly what the local councils could spend the money on. This is not so much local government as local administration. Genuine local democracy entails the power to fail as well as the power to succeed. When all such power is curtailed, the danger is that the voters will lose interest and the local authorities will become corrupt, with no effective scrutiny of their behaviour.

Constitutional problems

There are other elements of our supposed democracy which need urgent and radical overhaul if we are to have a situation where parties offer genuinely achievable solutions to the climate crisis, which they then implement when in government, and by the success of which they are judged. The cult of the Prime Minister is a serious block to any level of political thinking – cultivated to great effect by Margaret Thatcher and then reinforced by Tony Blair – it excuses the voters from any consideration of why they are voting one way rather than another.

I believe that a written constitution is necessary if we are going to effectively limit the power of the Prime Minister. Transferring the powers that Charles I tried to exercise to the governing party in the House of Commons may increase the mandate of those exercising those powers, but having them exercised by a Prime Minister (one unencumbered by effective scrutiny) rather than a King does not make them any more legitimate. The government of the day should not be able to remove support for members of the judiciary, or alter the ability of people to seek justice, or threaten to remove the Supreme Court, on the authority of a simple majority in the House of Commons.

A written constitution prevents an elected government from so easily undoing structural arrangements put in place by a previous government. Those who believe that the best thing a government can do is to get out of the way, and allow individuals to exploit each other and trash their planet with impunity, will welcome the unfettered ability to remove regulatory bodies or independent reporting which might expose or prevent corrupt and exploitative practices. But those on the left who argue that there should be no block to the democratic will as expressed through elections to the House of Commons, ignore not only major policy reversals such as the privatisation of the NHS, but also the Conservatives' removal or hobbling of institutions such as our trade unions, or the BBC, which might make it possible to promote the need for a sustainable society to the voters.

The problems the Americans have with aspects of their Constitution largely stem from the fact that it was written in 1788 by people who distrusted

government altogether and wanted to limit its powers. Other countries have more relevant written constitutions which have served them well, and there is no reason we cannot learn from them as well as from the problems the USA has faced.

The left arguments for retaining the current monopoly of power for a single-party government, with the 1945-51 government being most frequently cited, begin to break down when the advances made by that government are systematically dismantled by subsequent single-party governments of an opposite persuasion. While it may be possible for an incoming Labour government to undo the previous reversal of certain policies, regaining public ownership is problematic. Our legal system has a strong natural bias against expropriation of property which chimes with our basic instincts. However, if the government – supposedly custodians of public property – give that public property away to their mates at knock-down prices, it is unreasonable to expect an incoming government to then recompense those same mates for the full value of the property that ought to have remained public, at the expense of the public from whom that property was taken. The privatisations of the last forty years have represented a huge transfer of wealth from the public sector to the already-wealthy. Renationalisation, without addressing the political structures that make privatisation easy, will simply enable a subsequent right-wing government to transfer yet more wealth to the wealthy. This makes renationalisation very difficult, both politically and financially.

Yet the experience with the railways, water and energy companies and others, has demonstrated how difficult it is to make the wholesale changes and investments our society needs if we are to reduce our carbon footprint, when dealing with private companies. Franchising contracts, commercial confidentiality and competition rules all get in the way of a coherent and comprehensive approach to change. And the underlying motivation remains profit and dividends, rather than environmental sustainability. Public investment in transforming our society needs to retain democratic control over the purposes and uses of that investment – and in many cases that will involve public ownership.

We need constitutional safeguards to prevent ideological, or simply corrupt, disposal of public property at a discount. And if we want to embark on a project of returning key parts of our national infrastructure to the public sector, we also need a level of continuity in government which we cannot expect if our electoral system returns governments as ideologically driven or corrupt as the present one.

Stronger democracy, stronger response

The contrast between the effectiveness of the vaccination programme, administered by the NHS, and the Test-and-Trace system, administered by SERCO, suggests that the stupendous efforts we will need to make to combat the climate crisis will need a strong public sector and decisive government intervention in the private sector. The continuity of purpose and the change in public perception required will not be possible within the lifetime of a single government, and there are regressive forces ready to undermine any progress made.

A new second chamber, a written constitution, genuine powers for local government, a less biased media, all are essential steps forward. But it will be difficult if not impossible to achieve them all in the course of a single government, and impossible to safeguard them from yet another right-wing government elected on a minority of the vote, unless we change the way that government is elected. The House of Commons is the seat of power. Only by changing the way the Commons is elected during the course of the next government can we secure progressive governments for the future and begin to tackle the climate crisis with the urgency it requires.

CHAPTER FIVE

Democratising Finance

James Meadway

The decade and more since the Great Financial Crisis of 2007-8 has seen a period of political turmoil and the steady unwinding of a consensus on the management of the economy: that competitive markets are the best way to organise economic life, and that government should (as far as possible) reduce its own role to creating the conditions for competitive markets to operate in. The implosion of the financial system globally, and most spectacularly in its twin epicentres of New York and London, saw states suddenly intervening in the most deregulated part of the entire system. Trillions of dollars of public resources were mobilised by governments around the world to keep the financial system from keeling over. Crisis drove state intervention.

The Covid-19 outbreak reinforced this general tendency: under pressure of the public health emergency, governments have intervened in the economy on a scale unprecedented in peacetime. An instant industrial strategy for pharmaceuticals was rolled out, delivering functioning and tested vaccines in record time – and providing a lifeline for an industry whose productivity and profitability issues had been obvious for decades. Across the entire economy, interventions were launched on a huge scale: furlough payments for those unable to work; buyouts for troubled companies; additional guarantees on loans; and, for the central banks at the heart of the global financial system, an expansion of the Quantitative Easing (QE) programmes originally launched in the wake of the 2008 crash. The US Federal Reserve, the Bank of England, the Bank of Japan, and the European Central Bank have collectively issued $5.6 trillion in new QE money during the course of the year[1] – or about half as much again as had been issued in the entire decade beforehand. Once again, a crisis was provoking deeper interventions by governments into their financial systems. But, strikingly, these were not interventions against the operations of finance; they were not, for example, actions to write off debt built up during the pandemic, or to restrict destabilising flows of capital – most notably from the Global South.[2] They were interventions that worked to facilitate its existing operations; the existing relationships of power, and the distinctive hierarchy of claims to flows of income and wealth that finance supports, were left, as far as possible, untouched.[3]

This chapter argues that these rounds of deeper intervention create a significant dilemma for the left, although one for which the implications have yet to be widely considered. If much of the left and progressive end of the spectrum have spent the period, certainly since 1945, thinking of ways in which state power could be mobilised for democracy and against the financial system, the grim truth of the world since the 2008 crisis has been that this polarity has been thrown in reverse: state power has mobilised for the financial system and against democracy. Breaking that state-finance relationship, in conditions of rising environmental instability, will require a shift in the programme for democrats and the left.

[1] Look, C. (2020) 'Central banks step up $5.6 trillion bond binge despite doubts', *Reuters*, 9 December 2020

[2] Kituyi, M. (2020) 'Curb capital flight to help fund COVID-19 response in Africa', UNCTAD blog, 30 September 2020. Available at: https://unctad.org/news/curb-capital-flight-help-fund-covid-19-response-africa

[3] Research by IPPR suggests that 45% of support offered by government would be spent on rent and debt repayments. Berry, C., Macfarlane, L., Nanda, S. (2020) *Who Wins and Who Pays? Rentier power and the covid crisis*. London: Institute of Public Policy Research.

> "State power has mobilised for the financial system and against democracy"

[4]A point also made by Grace Blakeley. Blakeley, G. (2020) *The Corona Crisis.* London: Verso

[5]Gowan, P. (2018) 'Permanently nationalise the banks during the next crisis'. People's Policy Project, 3 July 2018. https://www.peoplespolicyproject. org/2018/07/03/permanently-nationalize-the-banks-during-the-next-financial-crisis/

[6]Gowan, P. (2018) 'Permanently nationalise the banks during the next crisis'. *People's Policy Project*, 3 July 2018. https://www.peoplespolicyproject. org/2018/07/03/permanently-nationalize-the-banks-during-the-next-financial-crisis/

State-capital fusion

As we have seen, successive crises have acted to push states and notionally private capital closer together, in 2008 and then in 2020. But this has happened in ways that reinforce, rather than undermine, the status quo. Sometimes these state interventions were carried to the point of outright nationalisation (the British government still retains a seventy percent stake in RBS, for example), but more typically it was through intervention in support of specific business and industries without also making claims of ownership over them. Government economic interventions since 2008, and the immediate response to that crisis, have not been confined to the critical periods during which crises were at their peak: across the globe, governments have become substantially more inclined to intervene strategically for specific industries or even single firms. For economies in North America and Europe, this represents something of a turn against the accepted wisdom of the previous decades, when governments were supposed to (at best) create the framework or the 'level playing field' in which companies could compete to supply goods and services. For countries outside of this 'neoliberal' core of the world economy, state intervention has been far more widespread – perhaps most dramatically so in China, where, despite privatisations since the late 1970s, the government still owns crucial companies and actively attempts to steer investment.

It is this active pursuit of industrial policy and competitive advantage that marks the period since 2008 as a more decisive break with neoliberalism than might be suggested by the simple increases in government spending in both 2008 and (dramatically) 2020. Taking the neoliberal period as a whole, from the late 1970s to 2008, in the West at least, government spending did not fall greatly as a share of national income, despite some rhetorical claims by governments to be 'rolling back the state'. Instead, the *type* of spending governments made shifted, away from direct investment in productive processes to 'transfer payments' like benefits and pensions. Neoliberal governments retreated from what Mariana Mazzucato has termed 'market-shaping' activities – active interventions to steer and determine outcomes – and into a far more passive role: bigger in its operations, by order of magnitude, than the classic 'liberal' state of the nineteenth century, but reduced to a passive follower of markets rather than their active leader.

But since 2008 at least, a distinctive form of business organisation has begun to appear in the West. If not always outright nationalised (as is more common in, for example, China), these are businesses that may have a notional degree of private ownership but rely heavily on their links to their local state, to the point where it is increasingly hard to differentiate between the interests and actions of the two. Over and above the simple and relatively haphazard corruption of government, or the proximity of leading business figures to leading state figures – a recurring feature of any version of capitalism – this is the development of systematic relationships, and institutions to sustain them: a clear break with the liberal conception of capitalism, in which private business interests are sharply differentiated from the government, and with the neoliberal reassertion of those separate interests. It is something closer in form to the corporatism of the post-war period, but typically without the active participation of organised labour; a comparison might also be drawn with the great mercantile trading companies of the seventeenth and eighteenth centuries.

To date, the most dramatic form of this state-capital fusion has emerged in the West in finance.[4] Some of this has been obvious: at the time of the financial crisis, 'the entire Icelandic banking industry, the majority of the Irish banking sector, Parex Bank in Latvia, ABN AMRO and ASR in the Netherlands, Banco Portugues de Negócios in Portugal, and Northern Rock, Bradford and Bingley, and RBS in the United Kingdom' were all taken in to full or majority public ownership.[5] The US government took a seventy-eight percent stake in insurer AIG, seventy-four percent in General Motors' finance arm, GMAC, and thirty-six percent of Citigroup.[6] More subtly, the expansion

of regulators' reach into 'macroprudential' regulation – meaning attempts at system-wide control of bank lending conditions, intended to manage systemic risk – created another, powerful form of state regulation. And the extraordinary growth of QE programmes across the globe was a further expansion of state control, a specific (and contradictory) point of tension in the system to which we will return shortly.

Governments and financial systems have long been close to each other: the development of long-term credit and the creation of modern banking systems were inseparable from the activity of governments. But for the period since the Second World War, during which the Western left matured and embedded itself in wider society – becoming in most liberal democracies at least a plausible alternative government – a degree of 'financial repression' had been imposed. The free flow of capital between countries was severely restricted, regulations curtailed the activities of banks, governments themselves directly intervened in the creation and direction of credit: to a greater or lesser extent, finance capital was suppressed everywhere. Whilst the seeds of change were sown earlier, with the creation of an offshore 'Eurodollar' market in London as a key moment, the period since the 1970s then saw the loosening of these restraints, initially in a series of nationally-determined efforts to mobilise capital investment for struggling economies.[7] These coalesced to create the familiar globalised financial markets of the high period of neoliberalism, all the way through to the 2008 crash, in which the volumes of financial flows globally reached heights unheard of since before the First World War.

If interventions prior to the neoliberal period were aimed at stabilising the financial system, they tended to also curtail its operations in some form. If there was a clear break with the past in the emergence of neoliberalism, it was the switch in character of these interventions from those intended to suppress finance with the intention of ensuring its stability, to interventions intended to support finance with the intention of managing its instability. Financial crises became more frequent in the period since the 1970s, and provoked frequent interventions, but they occurred most often in countries outside the developed core, or involved institutions outside the developed core. The collapse of Long-Term Capital Management, a mis-named hedge fund that folded in 1998 on the back of some wildly misplaced bets on the Russian rouble, was a case in point: its $700 billion bailout at the time seemed large, but the costs were met by US banks, organised by the Federal Reserve, without government spending.

However, privately-owned hedge funds are not in the core of the system, however much public opprobrium they sometimes receive. It was when crisis struck right at the dead centre of the financial system, in the major banks of the US over 2007-8, in particular, that the character and scale of government intervention shifted: still working to support finance, but this time abandoning the arms-length finance-state relationship. The core issue was one of scale: once any given financial institution became 'too big to fail', state support had to be forthcoming.

In the UK, the part-nationalised banks were placed under the management of UK Financial Investments (UKFI), established in November 2008, with a board consisting of senior civil servants from the Treasury and existing senior bankers. No attempt has ever been made to manage the newly-acquired banking assets on anything other than conventionally commercial lines, with a view to reprivatisation as rapidly as possible. In the Eurozone, this intertwining of states and banks reached an extreme form in the emergence of a 'sovereign-bank nexus',[8] through which the financial health of states and banks become intertwined: indebted states borrowed from banks who, in turn, were supported by heavily indebted states. For Greece, this resulted in a doom-loop that vicious austerity measures – whose stated intention was to improve the financial viability of the Greek state, as with others across Southern Europe – worsened severely.

Whatever the specific national route, the general outcome from 2008 across the developed world was the same: private sector financial institutions and the state were drawn closer together than ever before, and the proximity was

[7] See the country-level case studies in Helleiner, E. (1994) *States and the Reemergence of Global Finance.* Cornell University Press.

[8] Dell'Ariccia, A., et al. (2018) Managing the sovereign-bank nexus. European Central Bank working paper. https://www.ecb. europa.eu/pub/pdf/scpwps/ecb.wp2177. en.pdf?74e347930a6e4ebd8372bc043533f51d

[9]Japan had launched its own version of QE in the 1990s in an attempt to break the long period of stagnant growth after the 1980s property bubble burst.

[10]Mumtaz, H. and Theophilopoulou, A. (2020) 'Monetary policy and wealth inequality over the great recession in the UK. An empirical analysis', *European Economic Review*, vol 130.

"The threat of future rate rises is, even today, being used as an excuse by some in the Conservative Party to whip up a panic about government borrowing during the pandemic"

not haphazardly determined by personal relationships or private corruption, but was systematic and sustained. Some on the political left initially welcomed the government interventions in the period from 2008 onwards, seeing this as a revival of recognisably 'Keynesian' methods, from direct asset purchases (even nationalisation) to deficit spending on a colossal scale – perhaps most strikingly in China, but to a very significant extent in Britain, where the government deficit swelled to ten percent of GDP. But the actual outcomes of this sudden lurch into interventionism were, from the viewpoint of progressives, deeply disappointing. It is not just that the expansion of the government's own balance sheets through deficit spending after the crash then resulted rapidly in demands for austerity measures; it was also that, despite the use of new tools (and some old) to intervene against finance, seemingly *for* the greater public good, the financial institutions themselves remained beyond meaningful democratic control.

But perhaps the strangest and most dramatic intervention of all was the use of Quantitative Easing on an unheard-of scale.[9] Considering the immense proportions that the various QE schemes have grown to globally, and their importance to central banks as a monetary policy tool, there has been strikingly limited wider public discussion of their role. Interest rate changes, and the discussions of policymaking committees of the 'independent' central banks, still attract attention – despite major central bank interest rates having been jammed at near-zero since the 2008 crash, with little movement either way. Interest rates for government borrowing, which have dropped to record lows (even turning negative over the last year), also still attract attention: the threat of future rate rises is, even today, being used as an excuse by some in the Conservative Party to whip up a panic about government borrowing during the pandemic. Quantitative Easing – which, in the British case, has almost doubled in the ten months of the Covid-19 crisis, to £895 billion – receives a fraction of the attention. There was a flurry of wider interest after then-Prime Minister Theresa May flagged the 'bad side effects' of QE in her first Tory Conference speech as party leader, but like some great whale briefly breaking the surface of the water, the issue soon returned to the murk of specialist economics discussion. This is unfortunate: as the new money issued by QE flowed through the system, it did so in ways that significantly reinforced the status quo, helping support (in the UK case) property prices and (in the US case) share prices, thus reinforcing inequality.[10]

Quantitative Easing, by acting to steer bond markets and, at the same time, reshape and support the markets for crucial assets (property and equities), is a massive government intervention that works, very precisely, to reinforce the existing hierarchy. It is of a piece with the wide-scale interventions made since 2008: it acts to support the existing structures, in the name of stabilisation, while at the same time drawing major institutions (the bond, property, and equity markets) closer to government. It does so, of necessity, at an immense scale, matching the scale of the crisis-ridden institutions it acts to support. And to the extent that it is occurring largely through the actions of institutions held to be 'independent' of government in the form of the central banks, without significant public scrutiny, it has troubling implications for democracy. The public scrutiny applied to quantitative easing programmes has been minimal, relative to their immense size.

Climate change and the end of democracy

This general threat to democracy is likely to get worse, given the kinds of risks and crises that are now making themselves felt through the steady disintegration of a stable biosphere. Aside from the physical damage inflicted by a changing climate – from extreme weather events to persistent harvest failures and the loss of biodiversity – the financial costs of climate change, now and in the future, are causing serious alarm in the finance industry itself. The Bank of England has been something of a leader here, with former Governor Mark Carney placing it ahead of most central banks in identifying the need for central banks and other financial institutions to both understand

the risks, account for them, and, as far as possible, move to act on them – although the proposals have tended to, if anything, understate the scale of the likely problem. Some of these are obvious: for instance, the severe challenges posed to the insurance industry from more extreme weather events. Some are more subtle, like the 'unburnable carbon' held in the form of reserves of fossil fuels that cannot be used if climate constraints are to bind.[11] And some pose such comprehensive risks to the entire system – for example in catastrophic biodiversity loss – as to require what the Bank of International Settlements has called an 'epistemological break' in how global financial institutions understand risk.[12]

We are living through one such catastrophic environmental crisis, in the form of the Covid-19 pandemic. The costs of this are likely to stretch beyond the emergency spending needed to sustain extreme social distancing through the first phase of the pandemic; even with a vaccine that offers long-term immunity and reduces transmission of the virus (both remain uncertain), economies of the future are likely to remain constrained by the need for continued monitoring, surveillance, and the sheer expense of mass, continual vaccination programmes. But the immediate response to the crisis has been to massively increase the economic presence of the state in general, often alongside a massive acceleration of data use (for example, in the efforts to contact trace), and certainly with very dramatic new support for financial systems. The more that financial institutions come to perceive other similar future risks, from future pandemics to the collapse of agricultural systems, the more the demand will come from them for an expansion of government support. And of course, the bigger the institutions are, the more pressing those demands become – and the more decisions undertaken by government are bent towards those preferences.

But it would be a mistake to think that this requirement for greater state intervention, as a result of rising environmental pressures, leads us automatically towards a greater democratic control over finance itself. As suggested above, the drawing together of financial systems and the state, increasingly apparent in the wake of the 2008 financial crisis, has not led to a thorough reassertion of democratic control over financial systems. In practice, the opposite has generally occurred: finance has become increasingly dependent on the state, but states – in relation to finance – have become even more technocratic and willing to free themselves of obvious democratic controls or restraints. The moves towards technocratic solutions to the crises provoked in financial systems by environmental decay further reinforce the problem. The two have drawn closer together, and the loser has been democracy.

The potential, then, as the costs of climate change and environmental decay become more apparent to financial systems, is something akin to the monstrous problem highlighted by Geoff Mann and Joel Wainwright in their excellent *Climate Leviathan*: that climate change, far from the fashionably leftist and progressive cause it is sometimes presented as, becomes the route to an increasingly authoritarian society by creating the demand for powerful, unrestrained and unreformed states to intervene against its impacts. But while Mann and Wainwright suggest that this can be the result of political pressures acting on the state, the implication in heavily financialised societies is that the financial system itself can be a source of acceleration towards outcomes that are both socially undesirable and anti-democratic. It is the link between financial systems and the states that host them which is critical in driving this. Once the scale of finance becomes big enough to impose society-wide costs from its collapse, and once the future risks to finance become big enough to alter its behaviour (as with climate change), the space for democratically-determined alternatives begins to close, since the sheer size of finance – its ability to mobilise resources, its claims on the system, its political connections, and even the threat of its collapse – will always be a barrier to meaningful democracy. It is scale that is the decisive anti-democratic problem: of both the financial system itself, and of the state operations then needed to sustain it.

[11] Carbon Tracker (2011). 'Unburnable Carbon: Are the World's Financial Markets Carrying a Carbon Bubble?' https://www.carbontracker.org/reports/carbon-bubble/

[12] Bolton et al. (2020) 'The green swan: Central banking and financial stability in the age of climate change'. Bank for International Settlements. https://www.bis.org/publ/othp31.pdf

[13] AthensLive News (2017) '#DoYouRemember – The launch of constitutional reforms by Syriza'. AthensLive News, 26 July 2017. https://medium.com/athenslivegr/doyouremember-the-launch-of-constitutional-reforms-by-syriza-7de88a54e0ad

[14] BBC (2014) 'Scottish independence: Post-Yes Scotland 'to end austerity''. 16 June 2014. https://www.bbc.com/news/uk-scotland-scotland-politics-27868468

Populism is not enough, nor is relying on the state

This poses a deep challenge for those strategies on the political left that are predicated on the existence of a basically democratic state that can be turned in a more socially-just fashion. What has been created in the last decade is not only an internal restructuring of the state – something that could, in principle, be dealt with only by proposing a democratic restructuring of the state. Nor is it only a problem of policy regarding finance – something that could, in theory, be dealt with by proposing a new policy. It is, instead, a problem of the relationships between different institutions, and their growing proximity. The political problem to solve is how to expand the space between the institutions of the state and the institutions of finance, and in doing so create the space where democracy can flourish.

This is, in other words, a question of the constitution: of the political arena in which many different institutions function, from the major banks to government itself, and the political consent that the population gives to them. It reaches beyond simply asking the existing states to behave differently, or placing additional restrictions on the existing financial institutions. It involves, of increasing necessity, a revision to the sets of relationships between all those different actors – and so an effective progressive and democratic challenge to the joint power of state and finance is a constitutional question.

These fundamental issues have been raised across Europe by the movements against austerity. Sometimes, they sought to counterpose the formal structures of parliamentary democracy with their own alternatives – as in the attempts at creating versions of direct democracy in the Occupy movement and in the protests of Spain's Indignados. Where these movements had formed into more conventional political parties, as in Spain's Podemos, or coalesced around existing political parties, as in Greece's Syriza, these experiences sometimes informed party policy. In 2016, Syriza proposed a major reform process for the Greek constitution,[13] while Podemos, in addition to adopting novel internal decision-making procedures, has campaigned on reforming the Spanish constitution – notably including greater autonomy for Spain's regions. Meanwhile, in France, La France Insoumise has raised the demand for a 'Sixth Republic' to overcome the perceived failures of the Fifth, and the surge in support for Scottish independence in 2014 – a pre-eminently constitutional issue – can hardly be understood separately from the imposition of austerity on Scotland by a Westminster government Scots could claim not to have voted for. The SNP and the independence campaign more generally pitched the case for independence, in part, on the need and ability to end austerity in an independent Scotland.[14]

Curiously, however, when the same anti-austerity movement converged inside Britain's Labour Party, under the leadership of Jeremy Corbyn, these constitutional issues were scarcely raised. In the most financialised Western European economy, as measured by (for example) the ratio of household debt to household incomes, site of the world's largest financial hub in the City of London and Canary Wharf, and (as a result) dispenser of one of the world's largest bailouts in the crash, the relationship between democracy and finance was very rarely made explicit. While Labour's 2017 manifesto proposed the break-up of major bank RBS, and the promotion of a 'diverse local banking system' through legislation, its 2019 offering concentrated on the creation of new public banking institutions. Its 2017 programme of democratic reform was limited to the abolition of the House of Lords – a significant step, of course, but only a single one – and the creation of a Constitutional Convention. By 2019, this package had been expanded to include more detail on the House of Lords proposal and, significantly, the repeal of the Lobbying Act 2014, the creation of a lobbyists' register, and new restrictions on MP's abilities to hold outside jobs.

These were positive moves that could, potentially, have foreshadowed more than they were: but they stopped short of the more comprehensive democratisation of the state that is necessary to break up and disrupt the emergence (or reinforcement) of a state-finance nexus in conditions of extended environmental crisis. For Jeremy Corbyn's Labour, the focus remained on claiming the good that a largely unreformed state could do, rather than going the step further and seeing the democratisation of the state and constitutional change as central to any progressive strategy for the future. There is a long history of the left in Britain treating constitutional issues as something of a sideline, with the belief that a largely unreformed system – granting unusually wide powers to any government with a stable parliamentary majority – would by itself be able to deliver far-reaching reforms.[15] The argument in this chapter, is that faced with the growing joint power of capital (notably financial capital) and state, this is no longer a viable strategy for progressives.

Instead, what is required is a different conception of democracy as such. We need a vision of democracy in which choices are always plural and made as close to those affected as possible. It means conceptualising democracy not as a singular decision – an intervention which reorders the world, or a series of unattached interventions to build out a policy programme – but as a process of deliberation: a form of democracy closer to its original development in the Greek city-states than in the regulated mass democracies of conventional capitalism. Indeed, while mass, liberal democracy had its undoubted high-point – that sweet spot in the development of capitalism in which growth was high, wage growth higher still, and a generous welfare state could, across the developed Western economies, provide for a high and expanding level of public service provision – we are now some distance from the 'Golden Age' of the post-war boom.[16] In the place of the unitary state, able to act against specific problems, we need a dispersion of power in society – including the power of the state, alongside that of finance. The democratising movement here is to create many different centres of distributed power, because this both creates the space in which a genuinely plural democracy can function, and reduces the risk of overwhelming crisis that exists in the state-finance combination.

Some recommendations

Democratising finance, then, is not only about making financial institutions more accountable. It is about making sure our financial institutions – essential as they are to the functioning of a modern economy – do not subvert the functioning of government and democracy as such. But this cannot now mean only – as it is sometimes taken to mean – either placing existing institutions under 'democratic' control, or perhaps building new, national institutions that have a greater degree of formal democracy. Suggestions along these lines are commonplace on the political left – for example, in the insistence that the Bank of England should be put back under Treasury (and therefore, it is assumed, elected government) control, as it was prior to being made 'independent' by then-Chancellor Gordon Brown in May 1997. Or it might be in the calls to create a 'National Investment Bank', a demand taken up by the Labour Party in its 2017 and 2019 manifestos. The critical problem here is that by creating institutions that operate at a national scale, we still have the problem of scale itself: it is the very scale of financial operations that bends and distorts democratic decision-making. Introducing elements of formal control will shift the priorities and preferences of financial institutions, but still leaves the systemic biases towards anti-democratic behaviour.

So the major government priority, first, remains to address the problem of scale. The size at which a financial system can operate must be reduced, relative to its host economy, especially in conditions of a changing climate, since the presence of those risks for a national financial system operating at scale distorts the social choices the society can make. For the UK, this would

[15]The Socialist League of the 1930s went as far as to propose an 'Enabling Act' that would grant emergency powers to a future majority Labour government; but the right of the party has, if anything, been even less inclined to consider constitutional issues, preferring to see them (as in Anthony Crosland's influential *The Future of Socialism*) as secondary relative to advancing the power of the state to tax and spend as needed.

[16]The expression is Eric Hobsbawm's. Hobsbawm, E. (1994) *The Age of Extremes: The Short Twentieth Century, 1914-1991*. London: Michael Joseph.

"We need a vision of democracy in which choices are always plural and made as close to those affected as possible"

[17]Haldane, A.G. (2017) 'Rethinking financial stability'. Speech at Rethinking Macroeconomic Policy IV conference, Petersen International Institute for Economics, 12 October 2017. https://www.bis.org/review/r171013f.pdf

involve restraining the further process of domestic financialisation, critically in driving up household incomes to reduce debt dependency – but with a recognition, down the line, of the potential need for wider debt forgiveness. It might, too, involve an expansion in the powers of the nations, regions and localities relative to the central state in Westminster.

Second, it would mean that emerging climate and environmental risks are understood and priced-in to decisions made by financial institutions that are not of a size to threaten the economy as a whole or distort how it allocates resources. The period since 2008 has seen a swing towards 'macroprudential regulation' as a means to understand and mitigate systemic risks. This should include metrics for the assessment and measurement of climate risk, as the Bank of International Settlements and others have suggested.

Third, it means overhauling the accounting procedures of public institutions so that they, too, can better account for both the risks of climate change, and the benefits (in particular) of delivering the investment needed to combat it. This should include the rewriting of the Treasury's 'Green Book' guidance for investment, revising discount factors and shifting the process of cost-benefit analysis currently used in the department. But it can also include, for example, asking the Office for Budget Responsibility to include climate change and environmental risks in its own assessment of the long-term health of the public finances, as a means to shift the balance of investment decisions taken by government over the longer term. Making visible the processes and procedures by which future environmental damage will be accounted by public and private institutions is an essential part of democratising finance.

Fourth, and perhaps most radical and critical, it means the creation of a new, mixed ecology for finance, replacing the domination of a few national institutions with a range of different institutions, operating at different scales – for example, public regional banks, financial co-operatives, or credit unions. These should be both able to deliver the smaller-scale and localised investments that effective action on the environment and the climate requires (for instance in funding locally-owned renewables infrastructure). But the creation of an ecology of different forms of institutions is itself a means to build in a higher degree of systemic resilience: a system in which all the parts respond differently to a shock is one that has a higher chance of survival, and a system in which the failure of a single part does not threaten the entire system is clearly more viable than one which does not.[17] And of course a multiplicity of different financial institutions, operating at a smaller scale than the national level removes some of the potential for applying national political pressure that large financial institutions otherwise create. These are actions that progressives and democrats can begin to take on the ground immediately. Moves in Britain to set up new, local financial institutions, from credit unions to local banks, much closer to the people and communities they serve, are positive and essential.

The conditions needed to effectively combat climate change and environmental decay, then, are those also needed to effectively create a democratic future: not unitary, single political actors, able to impose a single will, but a plurality of smaller institutions, able to cope with increasing uncertainty and offering the prospect of building a better alternative.

CHAPTER SIX

[1] Wilson Gilmore, R. (2007) *Golden Gulag: Prisons, Surplus, Crisis, and Opposition in Globalizing California*. Berkeley: University of California Press, p. 247.

Race, Immigration and Democratic Reform

Maya Goodfellow

'Racism, specifically', writes Ruth Wilson Gilmore, 'is the state-sanctioned or extralegal production and exploitation of group-differentiated vulnerability to premature death.'[1] This is what we have seen during the pandemic: people of colour more likely to die, certain groups too scared to access healthcare because of their immigration status. If you care to look properly, the pandemic has clearly shown the very real products of racism and bordering.

But in discussions about democratisation on the left, there is a propensity to overlook this, to sideline and treat it as relatively unimportant. Much like when the economy is discussed (this too is surely part of the necessarily expansive idea of 'democratisation'), race and migration are treated as potential add-ons at times when it is deemed necessary or politically useful. Or, running in the opposite direction, when they are considered, it is because they are being positioned as obstacles to democracy or, in the case of immigration, bad for the economy. It is thought that to give 'people' more control, immigration must be 'controlled' and 'diversity' sidelined. This is how the right often understand 'democracy', but it is something the left do too.

These tendencies must not be indulged; they should be actively rejected. To talk of democratisation and the economy without factoring in racism often means assuming it will magically disappear if the system is changed. And to speak of giving 'the people' more power without addressing the UK's immigration policies serves to reinforce xeno-racist politics. Or it means ignoring this altogether, and in turn, excluding some of the very people who are already marginalised in political processes.

In whatever form they come, any serious left-wing moves toward democratisation and economic reform must include active opposition to economic ideology and practices that are racialised and gendered, and to the state violence directed toward migrant populations and racialised minorities through policing and border control.

These are issues that are often rendered invisible through the normalisation of racialisation, bordering, and the marginalisation of the people who are impacted by this very violence, an erasure that also occurs within left-wing movements themselves. The routes to changing this are multifaceted and fraught with complexity, but one starting point is with the foundations. That is, with thoroughgoing understanding of race, Empire and bordering; the role they've played in this country's history and how they continue to determine, shape and impact much of what happens in the present. Because for all that has shifted, there has been no clean 'break' with colonial structures. This essay is concerned with exactly these themes. It does not claim to cover every aspect of the relationship between them or provide all of the solutions. Rather it is intended as an initial examination of some of the key issues at hand.

[2] Koram, K. (2020) 'Democracy in Focus: The undead state'. *Red Pepper*, 9 January 2020.

[3] McIntoish, K., Todd, J. and Das, N. (2019) *Teaching Migration, Belonging, and Empire in Secondary Schools*. London: Runnymede Trust.

[4] *Ibid.*

[5] *Ibid.*

"How can we argue for what needs to change when we are rarely given the time or space to learn how it works?"

Understanding Britain's empire state

What we learn in school helps inform how we understand the world around us and the ways we interact with it. The UK's confusing and arcane democratic processes are not sufficiently taught about in our education system. In the national curriculum, efforts to explain structures of government (from the House of Lords through to local government), decision-making processes, and how laws are made, are piecemeal at best. At the same time, 'the economy', that supposedly abstract, unified entity that governs so much of our lives, gets little to no sustained examination. How can we argue for what needs to change when we are rarely given the time or space to learn how it works to begin with? And so we have to ensure we are taught about all of this, at every level of education, including lifelong adult learning.

But this would mean engaging with the history of these institutions and how this history plays a role in the present; unpicking how they are not simply neutral decision-making bodies but imbued with racialised, gendered notions of power, rights and belonging.

'The UK's 20th-century transition from an empire state to a nation state was not accompanied by a comprehensive review of its constitution and its institutions', Kojo Koram has argued, 'and in many ways we can understand the crisis it is facing now as the manifestation of ignoring endemic problems for too long'.[2] The current form of the constitution, he points out, was key to imperial expansion: it was focused on being 'flexible enough to bind together the differing polities of the empire – crown colonies, settled colonies, dominions, protectorates and so on – but with an authoritative centre in terms of parliamentary and executive power, protected, in part, to serve the interests of the empire-at-large'.

The relative silence about our parliamentary and constitutional processes is intimately connected with another lacuna in our schooling system and public debate: understanding the brutal realities of Empire and the relationship between this and contemporary society. To make sense of the latter, you have to understand the former. Calling for reform without understanding this past and its enduring influences on the present will only create reformed democratic structures that still produce racialised exclusion.

Although migration and empire can be taught in schools, neither are a statutory part of the curriculum meaning it is 'up to teachers, heads of department and curriculum leads to decide whether these topics are covered or not.'[3] This produces 'wide variations in the teaching of these crucial topics across the country'. But it is hard to know what this patchwork coverage even looks like in an education system made up of state, academies, grammars, free schools and private schools (not all of which have to follow the National Curriculum).[4]

Reckoning with the history of Empire is not just about what is taught, but also how. Politicians often weigh up colonialism as both 'good' and 'bad': the railways vs. mass killings and exploitation. Any attempts to acknowledge the ultimately destructive nature of the UK's colonial past are dismissed as overly negative and condemnatory. A history of Empire that were to mirror this nostalgia-heaped retelling would only make the situation worse.

And so the Runnymede Trust has suggested setting up a body similar to the UCL Centre for Holocaust Education, which 'provides a national programme of ITE [Initial Teacher Education] for early-career teachers, online materials and resources, Continuing Professional Development (CPD) days, and a Masters accredited online distance learning course'.[5] This, they say, would offer a 'useful blueprint for a future programme to support teachers with migration, empire, and belonging'. It might be possible, then, to devise a way of teaching Empire that is not celebratory and that does not try to frame parts of colonialism as ultimately positive, but begins to show the bloody reality of this past and its impact on the present.

Without this, the ground is fertile for imperial myths to abound in the present. Understanding this history would equip more people to critically interrogate and challenge racialised material inequalities and interconnected

notions of belonging that should be understood as central to discussion about power both nationally and globally. Part of this would address the poor understanding of race and racism in the UK public debate, like the piecemeal and often ill-informed discourse around racial inequalities. Similarly misleading is the discussion around borders and immigration, including how they are related to race and racism. Presented as rational and necessary, the consistent focus on and implementation of policy concerned with 'controlling immigration' erases the damages done by borders. Both 'debates' are at least partly rooted in a lack of systematic teaching about Empire.

Race and migration

You cannot explain the impact of coronavirus without understanding racism. People of colour have had some of the worst outcomes – Black, Bangladeshi and Pakistani people, for instance, have been among those most impacted. This is because of existing social inequalities produced by racism.[6] People of colour are more likely to be unemployed and more likely to be living in poverty than white people, black people with degrees earn 23.1 percent less on average than their white counterparts, and black people and people of Pakistani and Bangladeshi backgrounds are far more likely than white people to live in overcrowded accommodation.[7] Here Ruth Wilson Gilmore's definition of racism is shown to be painfully accurate.

The nature of racism is systemic and it is deep. People of colour have to send more job applications to get a positive response than white people, while black people are forty times more likely to be stopped and searched by the police than white people.[8]

Yet this understanding of structural racism is often bypassed with a much simpler story. There are reams of research evidencing the impact of racial inequality, but still in TV studios all over the country the debate often circles back round to whether racism is really a serious issue in this country.[9] Those who suggest the UK does not come out so badly in the scheme of things often point to the fact that the current cabinet is multiracial. Priti Patel as Home Secretary and Rishi Sunak as Chancellor are supposedly signs of great progress; that we are moving in the right direction. Addressing racism is, then, reduced almost entirely down to representation or 'diversity'.

At the same time, it is still widely believed that racism is only really about a small minority of individual actions; it is a few 'bad apples' who are to blame as the rest of the society is actively 'not racist'. This is the product of what Gloria Wekker calls 'white innocence', where it is thought racism is a question of ignorance, lack of intention or people who 'don't know any better'.[10] This very thinking is made possible through historical erasure. By misrepresenting and invisibilising Empire, there is little engagement with how racial hierarchies were created and used as a technology of power. In this picture, racism can be reduced down to bad, often isolated individual behaviours and opinions, while racial inequality is implicitly treated as natural or accidental.[11] This is why too many assume that people of colour suffer disproportionately from Covid-19 either because of individual failing, unhappy coincidence or a mythical essential biological difference.

This is not to downplay the seriousness of individual acts of violence, such as the rise in hate crimes targeting South Asian and East Asian people during the pandemic.[12] Rather it is to see that the constant individualisation of racism in the public debate hides its institutional nature – how it operates as a form of control and how it fits with Ruth Wilson Gilmore's definition.

Nisha Kapoor draws on David Theo Goldberg's theorisation of 'racial neoliberalism'[13] to argue that, in the UK context, 'the project of neoliberalism avoids any acknowledgement of racialization and state racial arrangement' but 'it simultaneously enforces racial structures through policing and militarization, legitimizing such actions under the banner of the "threat of terror".'[14] Therefore this process might be understood as follows: racism has been ill- or vaguely-defined in public discourse at the same time

[6] The Doreen Lawrence Review (2020) *An avoidable crisis: the disproportionate impact of COVID-19 on Black, Asian and minority ethnic communities*. Available at: https://uploads-ssl.webflow.com/5f5bdc0f30fe4b120448a029/5f973b076be4cadc5045fad3_An%20Avoidable%20Crisis.pdf; Public Health England (2020) *Beyond the data: Understanding the impact of COVID-19 on BAME groups*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/892376/COVID_stakeholder_engagement_synthesis_beyond_the_data.pdf.

[7] Equality and Human Rights Commission (2018) *Race report statistics*. Available at: https://www.equalityhumanrights.com/en/race-report-statistics.

[8] Croxford, R. (2019) 'Why your name matters in the search for a job'. *BBC*, 18 January. Available at: https://www.bbc.co.uk/news/uk-46927417; Townsend, M. (2019) 'Black people "40 times more likely' to be stopped and searched in UK'. *The Guardian*, 4 May. Available at: https://www.theguardian.com/law/2019/may/04/stop-and-search-new-row-racial-bias.

[9] Cabinet Office (2017) *Race Disparity Audit*. London: Cabinet Office.

[10] Wekker, G. (2016) *White Innocence: Paradoxes of Colonialism and Race*. North Carolina: Duke University Press.

[11] Koram, K and Nişancıoğlu, K. (2017) 'Britain: The Empire that Never Was'. *Critical Legal Thinking*. Available at: https://criticallegalthinking.com/2017/10/31/britain-empire-never/.

[12] Grierson, J. (2020) 'Anti-Asian hate crimes up 21% in UK during coronavirus crisis'. The Guardian. Available at: https://www.theguardian.com/world/2020/may/13/anti-asian-hate-crimes-up-21-in-uk-during-coronavirus-crisis.

[13] Goldberg, D. T. (2008) *The Threat of Race: Reflections on Racial Neoliberalism*. Weinheim: Wiley-VCH.

[14] Kapoor, N. (2013) 'The advancement of racial neoliberalism in Britain'. Ethnic and Racial Studies, 36 (6).

[15]*Ibid.*

[16]Stone, J. (2016) 'Nigel Farage delivers first post-Brexit speech to the European Parliament in full'. *The Independent.* Available at: https://www.independent.co.uk/news/uk/politics/nigel-farage-brexit-speech-european-parliament-full-transcript-text-a7107036.html; gov.uk (2013) 'David Cameron's immigration speech'. Available at: https://www.gov.uk/government/speeches/david-camerons-immigration-speech.

[17]Goodfellow, M. (2019) *Hostile Environment: How Immigrants Became Scapegoats.* London: Verso.

[18]Koram, K. and Nişancıoğlu, K. (2017) *Britain: The Empire that Never Was.* Available at http://criticallegalthinking.com/2017/10/31/britain-empire-never/. 31 October 2017.

[19]Bhambra, G K.. (2016) *Viewpoint: Brexit, class and British 'national' identity.* Available at: https://discoversociety.org/2016/07/05/viewpoint-brexit-class-and-british-national-identity/. 5 July 2016.

[20]Bhambra, G K. (2020) 'Colonial global economy: towards a theoretical reorientation of political economy'. *Review of International Political Economy*, DOI: 10.1080/09692290.2020.1830831; Gilbert, P. (2020) 'What is the Colonial Global Economy?'. *ConnectedSociologies.org*. Available at: https://connectedsociologies.org/curriculum/colonial-global-economy/what-colonial-global-economy/.

[21]Cited in Goodfellow, M. (2019) *Hostile Environment: How Immigrants Became Scapegoats.* London: Verso, p. 204.

[22]Valluvan, S. (2019) *The Clamour of Nationalism: race and nation in twenty-first-century Britain.* Manchester: Manchester University Press.

as an increasing number of racialised techniques of state control have been normalised, and also as racialised forms of exploitation continue to proliferate. This means that according to Kapoor, 'the institutionalization of racist practices has become ever more difficult to name'.[15]

Instead, what is consistently named as a problem is the racialised 'other'. Despite how it is framed, racism and immigration are not easily separable. In discussions of democracy, 'the people' are often positioned – even if implicitly – against a racialised outsider. Immigration has supposedly been imposed on people by 'liberal' elites and certain group of migrants are presented as a threat to the economy, supposedly coming to 'take' jobs and, somewhat contradictorily, welfare support. They are undermining an illusory, often ill-defined national 'culture' with their damaging and 'backwards' 'ways of life'. In this context, reducing immigration is imagined as a key part of defending, and even deepening, British democratic processes (see Nigel Farage arguing 'we want our borders back' or David Cameron stating peoples' 'concerns' about 'uncontrolled immigration' are not 'just legitimate; they are right').[16] Circulating for decades, these arguments have been parroted by sections of the nationalistic labour movement too.[17]

This is at the core of much anti-immigration politics and it is used to justify deeply restrictive immigration policy: detention, deportation, denying people access to basic rights, and refusing others entry. Cultivated by politicians across the political spectrum, it has been fundamental to the belief that limiting immigration even further (no amount of 'control' is ever enough) will throw open a future of prosperity and true independence.

It is against this backdrop that the call to 'take back control' during the EU referendum was able to take root. Dreams of sovereignty came in the form of controlling the movement of people, or at least of some people – people racialised as a threat. But this was predicated on a two-fold mistelling: imperial nostalgia and amnesia working in tandem.[18] 'Since its very inception as a common political unit in 1707, Britain has not been an independent country, but part of broader political entities', Gurminder Bhambra wrote, 'most significantly empire, then the Commonwealth and, from 1973, the European Union. There has been no independent Britain, no "Island nation"'.[19]

This too is also central to how we understand 'the economy'. People believe the UK 'developed' itself, ignoring this country's central role in the slave trade, the forms of colonial extraction and exploitation that powered this 'progress'. Against this backdrop, this country can be depicted as 'developed' in relation the 'developing' or 'underdeveloped' world – ignoring the, albeit altered in form, ongoing colonial nature of the world economy.[20]

If learning about Empire and migration were a compulsory part of the national curriculum, then more of us might have been able to see this. We might understand that many of the people who came to the UK in the 1950s and 1960s did so as citizens from colonies and former colonies and not as immigrants. As Bhambra says, if we understood that, 'we wouldn't just shift the boundary of citizen and migrant to include people from (former) colonies. To say that I'm not a migrant is not a lack of solidarity with those who are migrants … If we were to accept that I am British, then that would mean that we would have to think differently about migration in the present.'[21]

Resisting racialisation

'No modern nation, however benign its political system and however eloquent its public voices may be about the virtues of tolerance, multiculturalism, and inclusion,' Arjun Appadurai argues, 'is free of the idea that its national sovereignty is built on some sort of ethnic genius.'[22] A project that is ultimately concerned with the nation state is likely to be unable to deliver true emancipation for everyone. I cannot conceive of a non-discriminatory border and a nationalism that does not exclude in some form or another. They must, then, be resisted, not passively reproduced. But this can exist alongside – and even work with – more 'reformist' efforts.

That is, as well as focusing on abolition, it is also possible to try to erode and undo forms of control and surveillance that are intimately linked to racialised conceptions of who belongs and who does not, whose voice matters and whose does not, who needs to be protected and who they need to be protected from (think Gordon Brown's 'British jobs for British workers').

These divisions are not static or always easy to trace, they shift over time and place. For instance, there may be particular moments in which a certain minoritised group (which are at the time homogenised) becomes the focus, as with the Islamophobic 'War on Terror'. Which groups are marked out as a threat can give us an idea about who the state is focused on 'controlling': who might be monitored, have their rights curbed or stripped away.

Confronting anti-migrant politics and border control

'Democratising' should be more than just about what happens to people who are classed as UK citizens; it should also be about those who are not – rejecting the citizen vs. non-citizen dichotomy.

Instead of focusing on the figure of the migrant, we should look at what the real problem is: the border. They do not, as is widely claimed, constitute safety. They produce harms. There are a number of well-known cases that exemplify this. When the Essex thirty-nine were found dead in the back of a lorry, it was assumed more border checks would have prevented this from happening. Erased were the onerous border regimes that force people to take dangerous journeys, making it so they have no other route to get to their destination than in the back of a lorry. This same script has played out so many times before, and since – such as the moral panic and greater forms of control that ensued when people tried to cross the Channel during the first summer of the pandemic. But borders do not protect, they penalise.[23] They kill. They produce racism. And they are designed to sort the worthy from the unworthy or the contributors from the non-contributors.

The former might be able to access rights, albeit limited ones – depending on the perceived importance of their contribution – the latter none at all or very few. So when we talk about how people are categorised, the issue is not just dehumanising language but what it might tell us about how people are being treated. The intimate relationship between how people are categorised and the policies they are subjected to, was made clear during the UK's first lockdown.

The campaign to end the NHS immigration health surcharge was focused on healthcare and care workers; people rallied around the message that the very workers who staff these services should not have to pay twice over to access them. It was eventually a success. But this limited framing had a material impact. While a small proportion are made exempt, whole swathes of people are still having to pay more than most to access the NHS. In the aftermath of this win, far less energy flowed into ending the surcharge for all. But rights should be universal, not decided on how useful you are seen to be.

While some politicians issued warm words lauding certain migrants' 'contribution' during the first lockdown (often the thinking seems to be: 'they' are acceptable because 'they' have saved 'my'/'our' lives), much of the government's hostile environment remained in place. That meant some people were too scared to go to their local doctor because of their immigration status, while others were left without any financial support at all. All because of the country they happened to be born in and where they needed and/or decided to move.[24] The momentary rhetorical shift, then, was not matched by enough of a material change.

You can highlight that the migrant key workers that politicians are applauding, are the same people they dismiss as being low-skilled, without reifying the contributions narrative. This hypocrisy can expose the rotten core of the immigration 'debate'; it can be a starting point.

Because people's right to move should not be contingent upon how much they earn or how their skills are defined, their 'value' should not be seen as

[23]de Noronha, L. (2019) 'Deportation, racism and multi-status Britain: immigration control and the production of race in the present'. Ethnic and Racial Studies, 42(14).

[24]Bulman, M. (2020) 'Undocumented migrants dying of coronavirus because they're too afraid to seek help, MPs and charities warn'. *The Independent.* Available at: https://www.independent.co.uk/news/uk/home-news/coronavirus-undocumented-migrants-deaths-cases-nhs-matt-hancock-a9470581.html; Goodfellow, M. (2020) *Hostile Environment: How Immigrants Became Scapegoats.* London: Verso.

"Some people were too scared to go to their local doctor because of their immigration status"

[25]Crawley, H. and Skleparis, D. (2017) 'Refugees, migrants, neither, both: categorical fetishism and the politics of bounding in Europe's "migration crisis"'. *Journal of Ethnic and Migration Studies*, Volume 44, Issue 1.

[26]Maylin, L. (2017) *Asylum After Empire: Colonial Legacies in the Politics of Asylum Seeking*. Maryland: Rowman & Littlefield International.

[27]Crawley, H. and Skleparis, D. (2017) 'Refugees, migrants, neither, both: categorical fetishism and the politics of bounding in Europe's "migration crisis"'. *Journal of Ethnic and Migration Studies*, Volume 44, Issue 1.

reducible to their education level or perceived skills. Borders are imbued with, and produce, classism and racism. Interrogating the idea of border control, which has been so normalised, is essential to a movement concerned with everyone's rights.

There are a number of starting points that can be considered to curtail and challenge border control:[25]

- Ensure people can move more easily. A culture of suspicion and racialised 'othering'[26] is part of a bordering regime that makes it increasingly difficult for people to reach countries in a safe way and means that, when they reach the UK, they are often treated terribly.

- Part of challenging how borders operate is rejecting the 'good refugee'/ 'bad migrant' dichotomy. Though this changes over time and place, it has become particularly common in recent history for politicians to advocate for a more open asylum system but remain firm that 'economic immigration' is a problem. This treats as dichotomous two concepts that are actually more complicated when mapped onto the realities of people's movement.[27] It also ignores that people move for all manner of reasons, that those who might move primarily for economic reasons do so in a global economy that is highly unequal, and that this is related to colonial legacies of power and extraction. Often these people – particularly if they are racialised as 'other' and/or if they do not have much money – are seen as illegitimate and a drain. This line of argument must be rejected. Ultimately, we should create a world where everyone should have as much right to stay as they do to move.

- Borders are onerous, expensive and built on dehumanisation. Borders cause all kinds of devastation. People who do not have the 'right' skills to get into the country have climbed into plane undercarriages to try to make it here, only to then die on the journey. Others have made it to the UK to find that staying here long term is a near impossibility, some are then made undocumented by the immigration system. Then there are the thousands of parents who have been split up from their children (creating what are known as 'Skype families') because they do not meet particular salary thresholds. There are a number of things that can be done to make bordering less destructive, such as scrapping salary thresholds, and vastly reducing the costs of immigration fees.

But I cannot see there being a non-discriminatory border. So as well as these measures that sand down the edges of the existing system, the logics of the border in its entirety must be dismantled. We have to think expansively; we have to be abolitionist. Because there are alternative worlds to make possible.

Confronting the myth of the 'white working class'

As well as teaching about race and Empire in schools – which might be seen as a long-term project to challenge and change how this country is understood – there are shorter-term measures that can be taken to combat ethno-nationalism and how the country is conceptualised. This too should be then related to how economic policy is formulated.

One of the leitmotifs that circulated after the EU referendum and after the 2019 general election was that the Labour Party needed to focus more attention on the 'white working class', people who are at times seen as constituting a large part of the party's so-called 'heartlands'. This argument has been accepted and articulated by people across the spectrum of the labour movement.

The 'white working class' is often treated as a homogenous block of voters who all hold the same views, and who have left the party in their droves. There is a truth to some of this, insofar as there are significant constituencies

across the country where the number of people voting Labour appears to be declining, from parts of the northeast to Scotland. However, the category of 'white working class' is not analytically useful. What does the tag of 'white' tell us in this formulation, Lisa Tilley has prompted us to ask, given that no 'widespread violent racist ideology' based in anti-white politics exists?[28] This framing runs counter to a necessary politics of solidarity: there is an implicit positioning of this group against working class people of colour, who are at once constructed as a 'problem' and at the same time erased. Similar to the belief that immigration has been imposed on people, worsening their living standards and sense of self, it is alleged that the 'white working class' are alienated by the left's supposed focus on 'diversity' at the expense of 'their' interests (this exists alongside an ongoing celebration of British progress reflected in a multiracial parliament, for instance).

The 'white working class' narrative has been centred in and beyond the labour movement. The BBC's 'white season', for instance, was premised on the question: 'Is the white working class becoming invisible?'. The country's national broadcaster was implicitly perpetuating the idea that white working class people were being overlooked because of immigration and politicians' largely fictional preoccupation with addressing racial inequality. The purpose of dissecting this is not to pit people against one another but to probe the invisibilisation and implicit hierarchy that exists in this understanding of class.

Indeed, while eschewing this framing so too must there be a wholesale rejection of the idea that there is an 'undeserving poor'. More inclusive economic policy should be constructed. Policy that takes into account racialised forms of exploitation and exclusion, and also understands the need for a supportive, non-discriminatory, non-disciplinary welfare state.

Conclusion

Much of what has been discussed so far also applies to internal Labour Party politics; the power imbalances that exist within society are present within party structures. It would be wrong to assume that the party is automatically a space where these are not reproduced in a variety of ways, and so any focus on democratisation and empowerment must engage with this.[29] That would mean embedding the 'principle of reflexivity' in party operations so people 'continually consider the ways in which their own social identity and values affect' their interactions in campaigning spaces.[30]

But what really matters too is policy: how seriously anti-immigration politics and racism are challenged. It is not enough to pose for photos taking the knee then dismiss defunding the police as a nonsense, nor is it sufficient to avoid these issues or play into racialised framing in an effort to appeal to certain people.

If racism and anti-immigration politics feature at all in debates about democratic reform, it is usually when racialised forms of exclusion are seen as the key to empowerment; to give 'people' power, immigration must be limited or concern with racism should be sidelined to focus on class. But a more expansive understanding of disenfranchisement and democratisation would change the nature of that debate, shifting the boundaries of who is seen to matter. It means ensuring racial and migrant justice are at the centre of efforts to change the way the country works.

[28]Tilley, L. (2016) 'The Making of the 'White Working Class': Where fascist resurgence meets leftist white anxiety'. *Wildcat Dispatches*, 28 November 2016. Available at: http://wildcatdispatches. org/2016/11/28/lisa-tilley-the-making-of-the-white-working-class-where-fascist-resurgence-meets-leftist-white-anxiety/.

[29]Burke, B. and Harrison, P. (1998) 'Anti-oppressive practice'. In: Adams, R., Dominelli, L., Payne, M., Campling, J., eds. *Social Work*. Palgrave: London.

[30]*Ibid.*

CHAPTER SEVEN

Land, Housing and Democracy

Laurie Macfarlane

[1]Marsh, S. and Walker, A. (2020) 'Millions made homeless despite UK ban on evictions during pandemic.' *The Guardian*, 8 November. https://www.theguardian.com/society/2020/nov/08/tens-thousands-homeless-despite-uk-ban-evictions-covid-pandemic

Today Britain faces a multitude of crises – from inequality and climate breakdown to regional divides and financial fragility. Dig deep enough into these problems, and you will soon hit land. The way that land is owned and governed has an enormous impact on the outcomes we see in society – from the distribution of wealth and power to the character of our urban and rural landscapes; from the health of our natural environment to the strength of our democracy.

The government's response to Covid-19 has brought this into sharp focus. While homeowners and landlords have been offered mortgage holidays to assist with cashflow issues, tenants have received precious little support – despite being far more likely to face financial difficulties. With unemployment soaring and millions more facing shorter working hours, hundreds of thousands of tenants have fallen into arrears. Despite a formal eviction ban, tens of thousands of people have already been made homeless – and councils expect many more will lose their homes in the months ahead.[1]

Across the country students have found themselves imprisoned in their accommodation, unable to leave, after universities lured them back onto campuses to avoid losing billions in rent. Meanwhile, thousands of high-street businesses face insolvency after being unable to escape 'upward-only' rent reviews, meaning that rents can only ever increase and can never be negotiated downwards – even when their revenues have collapsed.

If a future government is serious about overcoming these problems, and 'building back better' from Covid-19, it must put land reform at the centre of its agenda. As we will see, this agenda must fundamentally be a democratic one – aiming to spread the power that comes with ownership and control of land more widely across society. Moreover, such an agenda cannot be implemented without recognising that power imbalances in our land and housing system are inextricably linked to power imbalances in our political system. We cannot democratise land without democratising the state itself.

How did we get here?

Ever since enclosure turned common land into private property in the fifteenth century, there has been a tendency to view land as simply another commodity that can be owned, bought and sold much like any other in a market economy. However, land is not just another good or service. In political economic terms, land is best understood not as soil or earth, but as a set of legal rights over physical space – space that everyone needs in order to exist.

How this system operates, and in whose interests, is shaped by the laws and regulations that govern the ownership, trade and use of land. In most countries, they have evolved over time reflecting the evolution of power

and class relations in society. But Britain is not like most countries. While most democracies escaped the shackles of monarchy and aristocracy many centuries ago, Britain's democratic revolution never quite came to pass. As a result, the archaic patterns of land ownership and governance that were swept aside by revolution and revolt elsewhere survive in Britain to this day.

As Guy Shrubsole has documented, today half of England is owned by just 25,000 landowners – less than one per cent of the population.[2] In Scotland, the situation is worse: it has been estimated that just 432 individuals own 50 percent of Scotland's privately held land.[3] It is perhaps unsurprising that land reform was high on the agenda following the establishment of the Scottish Parliament in 1999.

This feudal legacy also means that there are many arcane links between Britain's system of land ownership and its constitution. One example is the Duchy of Cornwall, a private estate that owns 135,000 acres of land in South West England. All revenues from the estate – which in 2018 totalled £21.7m – belong to the male heir to the throne (in recent times, Prince Charles) to spend 'as he sees fit'.[4] Despite not being a public body, the Duchy enjoys a host of legal and constitutional privileges, including the right to mine minerals in Cornwall – even under private homes. This is just one example, but it illustrates just how large the gap is between Britain in 2020 and what one might expect in a modern democracy.

These historic anomalies have been compounded by a series of political decisions made over the past half-century which have turned Britain into a property owners' paradise. This was no accident: it is the legacy of a carefully planned political project first developed by the Conservative Party in the 1950s, accelerated under Margaret Thatcher, and continued under successive governments since. The Conservative Party has long understood that domestic property relations have a significant bearing on people's ideological outlook and voting preferences. Thatcher's 'Right to Buy' was conceived by Conservative leaders as a way of eroding collectivist sentiment by giving more people a direct stake in the system of private property and unearned wealth.[5] More recently, Nick Clegg has described how George Osborne once remarked: 'I don't understand why you keep going on about the need for more social housing – it just creates Labour voters.'[6]

In order to promote this agenda, taxes on land and property were removed, and subsidies for home ownership introduced. The state withdrew from large-scale house building, and public land was sold off at knock-down prices. Councils were forced to sell their housing stock through 'Right to Buy' and prevented from building more. Restrictions on mortgage lending were removed, and banks were incentivised to become active players in the mortgage lending market. This unleashed a flood of new mortgage lending into the economy, fuelling a house price boom. Rent controls were abolished and the private rental market was deregulated, opening the door to a 'Buy-to-Let' frenzy.[7]

In practice, the primary effect of this project was to transform land and property into a lucrative financial asset. This transformation has not just taken place in the cities: generous tax breaks and subsidies have attracted a wave of speculative investment into farmland, triggering a boom in agricultural land prices. Today London estate agents promote farmland as a safe shelter for wealth and a tax-efficient means of transferring wealth from one generation to the next'.[8]

The overall result has been an unprecedented boom in land and property prices across Britain. Since 1995 the value of land has increased from around £1 trillion to over £5 trillion today. Land now accounts for 51 percent of the Britain's net worth, compared to 26 percent in Germany.[9] This makes land Britain's most valuable asset, even in today's high-tech economy.

While this has been great news for land and property owners, it has been disastrous for everyone else. We have known since the days of Adam Smith that land is not a source of wealth, but of economic rent – a means of extracting wealth from others. The trillions of pounds of wealth amassed through land and property ownership has been gained at the expense of

[2] Shrubsole, G. (2019) *Who Owns England*. Harper Collins.

[3] Wightman, A. (2013) *The poor had no lawyers: who owns Scotland and how they got it*. Birlinn.

[4] Duchy of Cornwall (n.d.) Frequently Asked Questions. Retrieved from: https://duchyofcornwall.org/frequently-asked-questions.html

[5] Macfarlane, L. (2019) 'The Unmaking of the British Working Class'. *Jacobin*, 6 April. https://www.jacobinmag.com/2019/06/the-unmaking-of-the-british-working-class

[6] Grice, A. (2016) 'Nick Clegg accuses Conservatives of 'rigging the rules' in attempt to create 'one-party state''. *The Independent*, 25 February. https://www.independent.co.uk/news/uk/politics/nick-clegg-accuses-conservatives-of-rigging-the-rules-in-attempt-to-create-one-party-state-a6896086.html

[7] Ryan-Collins, J., Lloyd, T., and Macfarlane, L. (2017) *Rethinking the Economics of Land and Housing*. London: Zed Books

[8] Bailey, I. and Lawson, A. (2016) Global Market Tips. Savills, Research Article, 24 February 2016

[9] Office for National Statistics. (2018) The UK national balance sheet estimates: 2018.

"Since 1995 the value of land has increased from around £1 trillion to over £5 trillion today"

[10]D'Arcy, C. and Gardiner, L. (2017) The Generation of Wealth. Resolution Foundation. http://www.resolutionfoundation.org/app/uploads/2017/06/Wealth.pdf

[11]Financial Times (2019) 'Over-65s account for almost half of UK housing wealth'. *The Financial Times.* https://www.ft.com/content/b3847f7c-25ab-11ea-9305-4234e74b0ef3

[12]Financial Times. (2017) 'Bank of Mum and Dad is ninth-biggest lender with £6.5bn loan'. *The Financial Times.* https://www.ft.com/content/0bd5e826-2e49-11e7-9555-23ef563ecf9a

[13]Corlett, A. and Judge. L. (2017) Home Affront. London: Resolution Foundation, 30

[14]Bulman, M. (2018) Number of homeless people sleeping on streets in England hits highest level on record. *Independent*, 25 January. https://www.independent.co.uk/news/uk/home-news/homelessness-rough-sleepers-record-england-stats-homeless-people-2017-increase-a8177086.html

[15]Shenker, J. (2017) 'Revealed: the insidious creep of pseudo-public space in London.' The Guardian, 24 July. https://www.theguardian.com/cities/2017/jul/24/revealed-pseudo-public-space-pops-london-investigation-map

[16]Ministry of Housing, Communities and Local Government (2020) Coronavirus (COVID-19). Guidance for Landlords and Tenants. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/876500/Consolidated_Landlord_and_Tenant_Guidance_COVID_and_the_PRS_v4.2.pdf

current and future generations who don't own property, who will see more of their incomes eaten up by higher rents and larger interest payments. The result is a growing divide between those who own property (or have a claim to it), and those who do not.

While the attempts to increase home ownership succeeded for a while, eventually a tipping point was reached: prices are now so high that a whole generation finds itself completely priced out of the market, and levels of home ownership have been falling for fifteen years. In this sense, Thatcher's 'property owning democracy' is failing on its own terms. On the other hand, as a political project it has been a remarkable success.

According to the Resolution Foundation, homeowners born in the 1940s and 1950s gained an unearned windfall of £80,000 between 1993 and 2014 alone.[10] Today almost half of UK homeowners' housing wealth is concentrated in the hands of the over-65s.[11] Eventually, this will be passed on to the next generation via inheritance or transfer. Already the 'Bank of Mum and Dad' has become the ninth biggest mortgage lender in the UK.[12] The ultimate result is therefore not just a growing intergenerational divide, but an entrenched class divide.

But for now, the key dividing line is between younger generations who are locked out of the housing market, and an older generation that has built up significant housing wealth. Not only is this older generation more likely to turn out to vote under our present electoral system, it overwhelmingly votes Conservative. The growing minority who are stuck in the private rental market tend to vote Labour (in England at least), or don't vote at all.

The proportion of this group's income spent on housing has risen from around ten percent in 1980 to thirty-six percent today — among the highest in Europe.[13] The number of homeless people in England is now at a record high, having more than doubled since 2010.[14] Across the country communities are being segregated along socioeconomic lines, with poorer households priced out of desirable areas with good schools, work opportunities, transport links and other services.

At the same time, private developers have been left to shape our built environment in the interests of shareholders rather than human needs. In many parts of the country, Privately Owned Public Space ('POPS') — squares and parks that appear to be public but are actually owned and controlled by private companies — have replaced genuine public space.[15] The problems with this are not merely economic: the decline of genuine public space poses a serious threat to democracy.

A modern land reform agenda

How then to deal with these challenges? When it comes to policy, there is no quick fix. The proposals in this section are not intended to be a comprehensive set of policy solutions, but rather some initial areas for reform that will help to address the problems outlined above, while also embedding the principles of a new more democratic economy.

Redressing the balance of power between landlords and tenants

Covid-19 has highlighted the urgency of introducing steps to increase the bargaining power of tenants relative to landlords. In the immediate term, a key priority is to reduce the burden of rent arrears that have been accrued due to Covid-19. Tenants that have fallen into arrears now face the impossible prospect of paying accrued arrears on top of what are already some of the highest rents in Europe. Forcing the cost of the crisis onto tenants in this way would consign thousands of households to a future of servitude.

The government's approach so far has assumed that landlords can be trusted to 'show compassion' and tenants can negotiate with them on a level playing field. Government guidance states that when the crisis is over, landlords and tenants will 'work together to agree an affordable rent repayment plan'.[16] However, this ignores the significant power imbalances that exist between those who own property, and those who do not.

In practice, it is likely that tenants who can't pay will instead be served with eviction notices. Councils predict that as many as half a million private-sector renters could be in danger of being made homeless in the months ahead.[17] Even after evicting tenants, landlords can pursue a number of legal avenues to collect unpaid rent from them, some of which can lead to personal possessions being seized or arrears being deducted from wages and benefits. The social consequences of allowing this to unfold would be felt for years to come.

This can only be avoided with decisive action from the state. One solution is to write-off rent arrears that have been accrued due to Covid-19, with the cost being partly funded by the government and partly absorbed by landlords. For smaller landlords who could not bear this cost, targeted, post-hoc income support could be provided.

It is likely that some would object to this on the basis that it interferes with property rights, and in particular Article 1 Protocol 1 of the European Convention of Human Rights (ECHR). Indeed, the Labour Party has already rejected the idea that landlords should take a haircut on rental income on these grounds. However, this is a qualified right, and we can and must contest the idea that it gives landlords a divine right to extract unlimited rents from tenants, even during times of crisis when they can't afford to pay it.

This must also be accompanied by longer-term measures to strengthen tenants' bargaining power. This could include capping rent increases, outlawing 'no fault' section 21 evictions (a measure the Conservatives promised but have now delayed), increasing eviction notice periods, supporting tenants unions, and banning the use of 'upward-only' rent reviews for commercial tenants.

De-commodification

If such short-term measures are not taken, it will be all the more critical to take longer-term steps as we emerge from the crisis to redress the imbalances between landlords and tenants. One important goal in this regard is de-commodification.

Ever since land became private property, it has served two conflicting functions. On the one hand, it has been a basic need. From this perspective, it is desirable for land prices and rents to stay low to ensure that housing is affordable and goods and services are cheap. On the other hand, it has been a financial asset upon which to secure credit and enjoy unearned rents and capital gains. From this perspective, it is desirable for land prices and rents to increase rapidly. In recent decades, land's exchange value as a financial asset has been prioritised over its use value as a basic need.

For a future government, the priority should be to reverse this trend by introducing measures to discourage land and housing from being treated as financial assets, and to reduce the exposure of land to volatile market forces.

Tax reform is not without its political challenges, however. Property taxes tend to be politically unpopular because of their visibility or 'salience' – they are generally administered as annual or monthly demands for payment by local authorities, in contrast to less obtrusive income and consumption taxes. If not managed carefully, changes to property taxes can also create significant winners and losers overnight, meaning that politicians often avoid them for fear of a political backlash. It is largely for this reason that property values for the purposes of council tax have not been revalued since April 1991.

Moreover, Britain's print media has historically been extremely hostile to property taxes. Most recently, the 'Land for the Many' report delivered to the Labour Party in 2019 was met with sustained attacks in the tabloid press.[18] Many of these attacks were based on lies and misinformation about the tax proposals in the report, but were repeated by the Conservative Party in its 2019 general election campaign.[19] Eventually The Mail on Sunday was forced by the press regulator IPSO to correct a false claim it had printed about the report, but this correction was only made after the general election.[20]

Perhaps the key challenge for de-commodifying land and housing is breaking the positive feedback cycle between the financial system, land values

[17] Barker, N. (2020) '500,000 on brink of homelessness because of pandemic, councils warn'. *Inside Housing*, 7 May. https://www.insidehousing.co.uk/news/500000-on-brink-of-homelessness-because-of-pandemic-councils-warn-66358

[18] Monbiot, G., Macfarlane, L., et al. (2019) 'Land for the Many'. A report to the Labour Party. https://labour.org.uk/wp-content/uploads/2019/06/12081_19-Land-for-the-Many.pdf

[19] Monbiot, G. (2019) After urging land reform I now know the brute power of our billionaire press. *Guardian*, 03 July. https://www.theguardian.com/commentisfree/2019/jul/03/land-reform-brute-power-billionaire-press-attacks

[20] Press Gazette. (2020) Mail on Sunday rapped by IPSO over article wrongly framing Labour plans on capital gains tax. https://www.pressgazette.co.uk/mail-on-sunday-rapped-by-ipso-over-article-wrongly-framing-labour-plans-on-capital-gains-tax/

[21] Jha, A. (2018) "But what about Singapore?" Lessons from the best public housing program in the world. World Bank. Retrieved from: http://blogs.worldbank.org/sustainablecities/what-about-singapore-lessons-best-public-housing-program-world

[22] Riddoch L (2020) 'Community land buyout on the Buccleuch Estate looks doomed.' *The National*. https://www.thenational.scot/news/18539784.community-land-buyout-buccleuch-estate-looks-doomed

"There is a significant opportunity to tap into a latent desire for greater democratic control over the decisions that affect people's lives"

and the wider economy. Measures to de-commodify land could destabilise the financial system unless steps are also taken to shift the financial system itself towards more productive and socially useful forms of lending. This can be achieved through a variety of means, including stricter financial regulation to restrict the amount of new credit flowing into the property market, and structural reforms to the banking sector (such as the creation of new public and community banks) to re-orientate it away from property and towards socially useful activity.

Finally, de-commodification can be achieved by removing land and property from the market entirely. As well as addressing the problems of financialisation, collective forms of land ownership can be an effective way to align land use more closely with social needs; socialise the unearned rents arising from the control of a scarce natural resource; and encourage long-term environmental stewardship.

A variety of non-market alternatives are available, including state, municipal, cooperative and community ownership. Evidence from around the world demonstrates that high levels of private land ownership are not a prerequisite for a prosperous society. Germany, Switzerland and Austria all have significant public and cooperative housing sectors, while in Singapore 80 per cent of the population live in public housing and 90 per cent of all land is owned by the state.[21] In Amsterdam, 80 per cent of the land is owned by the city municipality, and property owners are required to pay a ground rent to the municipality for the use of the land, under the so called 'land lease system'.

Community empowerment

Since the Brexit referendum, much has been made of how the slogan 'take back control' resonated in many communities. The right has also deployed this rhetoric in relation to housing: one of the reasons Margaret Thatcher's 'Right to Buy' proved so popular was that it was sold to families as a means of achieving greater control over their lives. Often this control was of a narrow and individualistic nature, such as the ability to redecorate or refurnish a home. But as many people feel increasingly isolated and disconnected from a sense of community, there is a significant opportunity to tap into a latent desire for greater democratic control over the decisions that affect people's lives.

One way of doing this is to empower communities with the rights, resources, information and incentives needed to bring land into community ownership and take control of local assets – managing them democratically in the interests of those who live there, both now and in the future. This embodies a move away from the failed notion of a 'property owning democracy', and towards 'democratically owned property'.

In Scotland, the Land Reform (Scotland) Act 2003 introduced Community Right to Buy, which empowered communities with the first option to buy land when it was put up for sale. This was accompanied by the establishment of the Scottish Land Fund, which provides community organisations with the funding needed to acquire land, buildings and other assets. Initially, the Community Right to Buy was aimed at helping rural communities purchase the large estates they lived on, which were typically owned by absentee landowners. However, more recently it has been expanded to urban assets, and the powers have been strengthened: community groups are now able to purchase land without a willing seller under certain circumstances, such as where the land is abandoned or neglected. To date it is estimated that around 500,000 acres have been taken into community ownership in Scotland.

While Community Right to Buy continues to be an important mechanism for diversifying land ownership in Scotland, high land prices mean that many communities cannot afford to pursue buyouts, even with support from the Scottish Land Fund – as the example of the Langholm Initiative's attempt to buy out land on the Buccleuch Estate demonstrates.[22]

Community Right to Buy does not currently exist in other parts of the UK. Extending it to England, Wales and Northern Ireland, and strengthening

the powers further – for example by enabling communities to acquire land at below market value – would provide a powerful means of scaling up community ownership.

[23]Monbiot, G. (2017). *Out of the wreckage: a new politics for an age of crisis*. Verso Books.

Democratic development and planning

Ever since the state withdrew from development on a large scale in the 1990s, Britain has been reliant on private developers to construct buildings and infrastructure. The duty of these companies is to their shareholders, and they will shape the built environment in whichever way will maximise shareholder value. In practice, this bears little resemblance to the type of buildings, tenures and amenities that a community actually requires, and has resulted in chronic housing shortages in many parts of the country. At the same time, years of funding cuts and deregulatory pressures have left many local planning authorities without sufficient capacity and power to stand up to deep-pocketed developers.

Lessons from around the world, as well as from Britain's own history, indicate that development is more effectively led by bodies that are democratically accountable with a duty to serve the public interest, working in partnership with planning authorities, landowners and other relevant stakeholders. One way of doing this is to create a new, democratically accountable 'Land and Housing Development Agency' with the power to purchase, develop and sell land and ensure that this key resource is being managed strategically in the public interest. It would also be a powerful way to capture the land value uplift that results from planning permission and new infrastructure for the public benefit.

The Agency would not replace private developers altogether, but would act as the 'prime mover' in the land market, working in partnership with local authorities, small and medium sized house builders, landowners and citizens to ensure that enough land is brought forward to deliver housing, infrastructure, new towns and regeneration projects.

Once land has been assembled, the Land Development Corporation would contract out construction to housebuilders, prioritising local small and medium-sized firms, who would compete with each other on the basis of quality and design of house building. This means that the success or failure of private developers would be determined by construction quality rather than by their ability to navigate the speculative land market. Once construction is completed, the sites could either be kept in public ownership and leased out or sold on. The Agency could also work with local authorities to explore opportunities to purchase existing properties, for example those made vacant by Covid-19, and repurpose them as part of the social housing stock.

The principle of democratisation should also extend to the planning system. The introduction of the public planning system in 1947 with the Labour government's Town and Country Planning Act should have enabled communities to have a stake in controlling development. Indeed, of all areas of government, the land use planning system could, in theory, provide one of the greatest opportunities for participation in decision-making. However, this has failed to materialise in practice. The voice of local citizens is typically crowded out by that of developers and landowners, who have far more resources to engage in the planning system.

This could be addressed by establishing a Community Participation Agency to ensure that under-represented groups in particular are involved in the planning process, and to secure the participation of citizens in plan-making and major infrastructure planning. A jury service for plan-making, comprised of local people selected at random, could also help to diversify engagement in planning. The jury would participate in designing local and neighbourhood plans at the earliest possible stage.

Finally, a more democratic approach to planning and development should also be aligned with a wider reimagining of the public realm. As George Monbiot has highlighted, while there is not enough physical or environmental space for everyone to enjoy a life of private luxury, there is enough space for

[24]Aron, Janine, Duca, J.V., Muellbauer, J., Murata, K., and Murphy, A. (2012) 'Credit, Housing, Collateral and Consumption: Evidence from Japan, the U.K. and the U.S.' *Review of Income and Wealth*, 58 (3): 397–423.

[25]Dolphin, T. (2009) *Time for Another People's Budget*. London: Institute for Public Policy Research.

[26]Channel 4 News. (2017) Almost one in five MPs are landlords. *Channel 4 News*. https://www.channel4.com/news/factcheck/almost-one-in-five-mps-are-landlords

everyone to enjoy shared public luxury: excellent parks and playgrounds, public sports centres and swimming pools, galleries and public transport networks.[23] A new approach to planning and development should enshrine a universal right to a decent and affordable home as well as access to high-quality, low-carbon amenities and transport. This is well aligned with the Labour Party's recent embrace of Universal Basic Services (UBS), and identifying the synergies between the UBS agenda and land reform is an exciting area of future work.

Transparency

Britain's dysfunctional system of land ownership is exacerbated by an exceptional lack of transparency. Communities do not know how the land around them is owned and controlled, and there is no publicly available data on land values and land ownership. A democratic approach to land use would ensure that all information about land ownership, control, subsidies and planning was available as open data. This should include clear information on who owns land, including the identities of the beneficial owners.

From here to there: a roadmap to reform

Taken together, the above polices provide a sketch of what a successful strategy for land reform may look like. But charting a new course will not be easy. There are many vested interests who benefit immensely from the status quo who will resist efforts to transform it. These include landowners, private developers, the financial sector and – most difficult of all – the large part of the electorate that have a material stake in a highly financialized land economy.

For many households, the family home is the primary source of wealth, meaning that household net worth is inextricably tied to land prices. Many homeowners have become accustomed to ever rising house prices, viewing them as normal and just. Moreover, Britain's economic performance has become intimately linked to house prices: households spend more when house prices rise, and spend less when house prices fall, meaning that volatility in house prices is transmitted into volatility in the wider economy.[24]

This has placed the left in somewhat of a bind. Any policies aimed at addressing the affordability crisis for the minority of non-property owners put downward pressure on land prices. This risks generating an electoral backlash from the majority, who may see their wealth eroded, and triggering financial instability and a possible recession. This may be one reason why so few of the recommendations of 'Land for the Many' made it into the Labour Party's 2019 election manifesto.

These complexities only serve to underline the importance of adopting a strategic approach, and avoiding any knee-jerk actions that would create large winners and losers overnight. This requires an approach to politics that is conducive to long-term planning and consensus building – something that Britain's democratic structures are not well suited for.

A key barrier to an ambitious programme of land reform is therefore the British state itself. This chapter began by highlighting how Britain's failed democratic revolution has left a legacy of archaic and often undemocratic systems of governance. Throughout history, this system has acted to thwart any serious attempts at land reform. For example: in 1909 Lloyd George's People's Budget, which proposed a 20 percent tax on increases in land value payable each time land changed hands, was rejected by the House of Lords, whose membership comprised many aristocratic landowners – triggering a constitutional crisis and a general election.[25] Today the House of Lords is still heavily occupied by landed interests, while one in five MPs are landlords.[26] Moreover, Britain's uncodified constitution and first-past-the-post electoral system means that right-wing governments can easily undo any reforms that are implemented by progressive governments. History is replete with examples of policies not working as intended because private interests refused

to collaborate in the anticipation that a Conservative government would soon roll back the changes.

The one part of Britain that has managed to move ahead with a land reform agenda in recent years is Scotland. But this only happened after the creation of the Scottish Parliament – a decision that brought power closer to the people; which circumvented the power of the House of Lords; and which embedded a system of proportional representation that ensures people get the government they vote for.

As long as Britain's archaic democratic structures remain, it will be difficult for any government to pursue a bold land reform agenda. Only by sweeping away the vestiges of undemocratic privilege, putting power closer to the people, and building a democracy fit for the twenty-first century will land reform become a more realistic prospect. This means electoral reform, House of Lords reform, a new settlement for the UK's regions and nations, and a written constitution produced by a citizens' assembly.

Finally, steps should be taken to reform Britain's media landscape. The experience of the Land for the Many report, and from the land reform agenda in Scotland, shows that the tabloid press is typically extremely hostile to land reform, and will publish lies and misinformation to oppose it. This adds to the already strong case for reform of the ownership, regulation and ethical guidelines of the British media as part of a wider effort to renew our democracy.

If we want to build a more equal and prosperous economy, we must democratise land and housing. But to achieve this, we need a similar democratic revolution in our politics itself.

CHAPTER EIGHT

Devolution and the Way Forward

Declan McLean

Born in 1998, I began my life alien to the constitutional ways of the past. The doctrine and practices of one parliament for four nations with power centralised as far from us as possible, not as close to us as possible, was unfamiliar. Instead, the Scotland and the UK in which I have grown up is one where the decentralisation of power has been a continual goal, and where it is a parliament in Edinburgh that is regarded as the 'national parliament', not the one 400 miles south in Westminster.

As I have grown, changed, become more autonomous, more independent, confronted challenges, overcome obstacles, faced self-doubt and self-crisis, so have the devolution settlements across the United Kingdom. And, as I embark on my own future, it is the decisions and life choices that I and others make which will shape what is to come and determine the longevity of this Union. It is from this perspective that this chapter is written – from my observations of the devolution models that I and others have aged with.

Naturally, as a Scot, this chapter will lean towards Scotland more often than it does England, Wales or Northern Ireland, but that should be viewed as no disadvantage since it is in this corner of the UK, where its nature, make-up and survival is being fought most fiercely. I approach this topic as someone whose first vote ever cast was as part of the 2014 independence referendum, which fundamentally challenged the purpose and necessity of the UK. I recognise much has changed in the time since that referendum, yet I remain of the opinion that Scotland should stay part of the UK. Looking at the proposals for an independent Scotland, many questions from 2014 are still unaddressed: there is no certainty over which currency an independent Scotland would use, and no guarantee of EU membership. In addition, the world in which we live is no longer the same – while previously the debate focussed on how long oil *could* sustain an independent Scotland's economy, in our climate conscious society, the question would undoubtedly be how long *should* we depend on this resource? And, of course, for jobs that rely on the unconditional trading of goods and services within the UK, and the importance of pooling and sharing resources that are central to my politics, unity triumphs over the idea of erecting borders and walking away from the United Kingdom. In the same vein as 2014, however, my support for the UK is in no way an endorsement of the status quo. It is with an expectation of change, and within the context of the global pandemic, the Brexit crisis, and a Conservative government with its largest majority since Thatcher, that this chapter is formed.

Lessons from the past

The debate on the formation of the United Kingdom that is occurring today is in many ways a success of devolution. In each of the nations,

previous constitutional and political norms have been discarded for a new understanding of the relationship to and role of power, and who exercises it. Wales' development speaks especially to this growth and maturity. From a nation which struggled with the very concept of nationhood – to the extent of rejecting devolution as a concept by over eighty percent in 1979 when it was first offered – to narrowly voting for it in 1997, it now has a devolved administration that uses the language of federalism with regards to its own aspirations for the Union's future. If we were to assess the success of devolution by how it has been embedded as a power model, then it would not be hard to conclude that it has been a success in Wales more so than anywhere else. This is true because, of all the nations that have devolution, it is only really in Wales that a shared power model is demonstrably the objective. Of course, this objective remains controversial, with a strong tendency still seeking to 'Abolish the Welsh Assembly' on one side, and growing support for full independence on the other side. However, these tensions do not currently define Welsh politics to the same degree as in Scotland, where devolution and UK membership are under constant review by virtue of the drive for independence by the SNP-led Scottish government. That is not to say that Scotland does not want or appreciate devolution, but rather that the commitment to it is not something that can easily be seen as, for want of a better term, the 'settled will'.[1] In further contrast, Northern Ireland's devolved settlement has been on an entirely different trajectory, with the requirement for parallel consent and power-sharing being fraught, meaning the Northern Ireland Assembly has only functioned effectively for half of its life.

Demand for power has always been greatest in Scotland, as was demonstrated in the first devolution referendums of 1979. Despite being a far-cry from what exists now, devolution then failed to materialise, although not for the same reasons in each of the countries. In Wales, devolution was undesired, with a large majority outright voting against it. In Scotland, however, devolution was voted for by the majority of those who participated in the referendum yet failed to be delivered since the result did not meet the requirements of the referendum legislation. The Cunningham amendment, which has been described as the 'most powerful backbench amendment since the war',[2] stated that, if devolution were to become a reality, then it must be supported, not just by the majority of those who voted on the day, but by at least forty percent of the registered electorate. Many have considered this a direct gerrymandering of the referendum by anti-devolutionists. It was. That bitterness and resentment towards devolution feels present still to this day.

Though undoubtedly gutting for those who wanted to see devolution realised, there was a silver-lining both for Scotland and for Wales in it taking another twenty years for power to be given away from Westminster. The 1980s, most typically remembered for Thatcherism's obstructive, neoliberal, anti-worker and all-round devastating reign in British politics, should also be noted for the ways in which they inspired and drove the movements for devolution. In this decade, devolution went from being simply a dream, to something that could realistically be delivered. In Scotland, having voted for devolution but been denied it, the 1980s were about maintaining momentum and keeping the proposal on the political agenda. With the Conservative Party now in power and promoting an agenda which was alien to many Scots, the need and desire for devolution was intensified. In fact, the very legitimacy of the Tories to make decisions about Scotland was routinely challenged; it is argued that in using language such as 'no mandate'[3] the Labour Party flirted with nationalism in order to effectively object to the Conservatives, but by doing this the cause of devolution was being advanced. The 1980s achieved a one-Scotland movement united in opposition to the policies of the UK government, with one in particular being a source of much anger: the Poll Tax. Its implementation saw a mass campaign of political parties and communities rejecting the policy outright and refusing to pay. People here felt that they were being treated as guinea pigs given that the policy was being 'tested' in Scotland first.[4] It was proof for people that the Conservative government in London was obtusely at odds with their political wishes, and

[1] John Smith, at the Scottish Labour Party conference in 1994, described the Scottish Parliament as 'the settled will of the Scottish people'. https://commonslibrary.parliament.uk/research-briefings/cbp-8441/

[2] Mitchell, J. (1999) 'The Creation of the Scottish Parliament: Journey without End'. *Parliamentary Affairs*, 52(4), p. 650.

[3] Mitchell, J. (2009) *Devolution in the UK*. Manchester: Manchester University Press. p128.

[4] *Ibid.*

[5]Aughey, A. et al. (2011) 'Unique Paths to Devolution'. *Institute for Welsh Affairs.* p22.

[6]*Ibid*, p14.

[7]McGarvey, N. (2008) 'Devolution in Scotland'. In Bradbury, J. (ed.) *Devolution, Regionalism and Regional Development.* London; New York: Routledge. p.35

[8]See: *Agricultural Sector (Wales) Bill – Reference by the Attorney General for England and Wales* [2014] UKSC 43

"The cracks in the settlement following the Conservatives regaining power have emerged"

confirmation that the current system of governance in the UK was unfit for purpose. In the same respect, the miners' strike in Wales played a vital role in tipping the balance of opinion towards Welsh devolution – as Aughey et al. explain, the miners' strike 'persuaded many Welsh people that ultimately, they could only rely on their own resources and those of their communities' when challenged by Tories in power at a UK level.[5] This decade of opposition was fundamentally important for securing devolution not just as a proposal, but as a demand.

We in Scotland can see many similarities in comparing the 1980s to the situation at hand now in the UK, and lessons should be learned if there is any hope of maintaining the Union. Margaret Thatcher was once described as the 'unwilling and unwitting midwife of Scottish devolution',[6] since her flawed understanding of Scotland, its politics and traditions, and her deep resentment against the concept, drove Scotland deeper into its grasp. Forty years later, Boris Johnson, displaying many of the same characteristics, seems determined to be the person who gives birth to Scottish independence and the break-up of the Union.

This is true because he is the political embodiment of everything Scotland has spent the past forty years fighting against: he is an English nationalist politician, whose focus and agenda bear incredibly weak support outside of the 'little England' he is determined to create. I will come on to discuss how Boris Johnson, and the Brexit that he led, are frustrating the long-term future of the Union and what is needed to change that, but first it should be recognised that even the existence of a Conservative government in London has made devolution problematic. The early drive for devolution was inherently linked with frustration and resentment towards the Tories. Thus, when devolution became a reality, it did so in the context of the Labour Party being in power across the nations, resulting in far less contentious politics than had existed in the decades prior.

New Labour, New Britain

Labour's popularity at the ballot box allowed devolution to appear to function with perhaps more credibility than it really did. This meant that, despite strong and valiant efforts to recognise the political differences driving its creation, the early years of devolution were lacklustre for those who wished to see mass policy variances. Indeed, Neil McGarvey observed that the 'domestic policy agenda [bore] more than a passing resemblance to that of Blair's administration'.[7] That is not to undermine the importance or requirement of devolution or say that there were no policy differences – there were, with free personal care and the abolition of upfront tuition fees in Scotland being good examples – but the point is made to demonstrate how the political differences that had been so obvious previously, and which were paramount to the delivery of devolution, were not as obvious following Labour's election success in 1997.

In carrying support across Scotland and Wales as well as England, the Labour Party was able to do something the Conservatives could not – unite the country around a collective vision which appealed to more than just one corner of the United Kingdom. Therefore, while Labour willed devolution to succeed, its success in the first decade of this century, as compared with the last, was not in spite of a UK governing party, but because of the overwhelming support that existed for it. After the 2010 general election, the UK was governed in each constituent part by different political parties and, as such, the ability to achieve consensus on policy began to diverge and so did the directions of travel for the Union's nations. The cracks in the settlement following the Conservatives regaining power have emerged, with one particularly good example occurring in Wales in 2016.

At that point in time, unlike in Scotland, Wales' devolution settlement stated the very specific powers under which laws could be made by the then Welsh Assembly (now the Senedd). However, as per a 2014 Supreme Court decision,[8] the 1998 Act was regarded to have not just devolved and reserved powers,

as had been anticipated, but also matters which were not explicitly stated as being held either in Cardiff or in London. This legal loophole gave the Welsh Labour government the ability to challenge the UK Conservative government's anti-trade union legislation by creating their own in contrast. Since then, however, the Conservatives have made clear their intention to undo the Welsh legislation,[9] and by virtue of the 2017 Wales Act, which establishes clearer lines of where power lies, they can now do this. This decision demonstrates the continuing power the UK government has over the nations and undermines Wales' move to a reserved powers model, which in theory should have meant an expansion of the Welsh parliament's abilities, but has actually been resisted by the Welsh government – then First Minister Carwyn Jones described the 2017 Act as 'rolling back devolution'.[10] In addition, the debate was a clear demonstration of the Conservatives' failure to respect devolution because of their unwavering commitment to the centralisation of power at Westminster. While devolution was expected to satisfy political differences, continuing power imbalances within the UK impose serious constraints on its ability to do so. And nowhere has this imbalance been more obvious than with Brexit.

Who takes back control?

The UK's exit from the European Union, led by Johnson, is a fundamental turning point for the UK because, while the advances of devolution have been worthwhile, they have achieved very little in terms of changing the centre of British politics. Tragically, Brexit has almost single-handedly undone all the progress that devolution has made in changing politics in the UK, and more than any other event, with the possible exception of the Scottish independence referendum, undermined and brought into question the longevity of the Union. It has done this because it reaffirmed the dominance of England within the UK and the inability of the other nations to challenge this.

The English nationalist movement which drove Brexit was able to ensure that our EU membership ended by the argument that the 'will of the people' must be respected. This notion is incredibly frustrating for those of us who live in Scotland because, by majority, we supported staying in the EU and thus our 'will' was not to leave. Yet because of England's population size, it is able to control and decide political events within the UK. The Westminster government's fetishisation of the 'will of the people' is paradoxical in many respects. Firstly, deferring to the 'will of the people' meant introducing the notion of popular sovereignty to the British constitution, which the establishment would traditionally consider as incompatible with the doctrine of parliamentary sovereignty that has prevailed in the UK from time immemorial. To further the paradox however, it may well be that this popular sovereignty was tolerated only insofar as it could re-establish the sovereignty of the UK parliament by returning powers from Brussels. Yet while this justification may be acceptable for England, it is not for Scotland, where parliamentary sovereignty itself has long been a source of contention. Indeed, the vision of devolution propounded by the Scottish Constitutional Convention was founded on the basis of dismantling one parliament's authority. It did this by endorsing Scottish popular sovereignty. The 1989 Claim of Right read:

> "We, gathered as the Scottish Constitutional Convention, do hereby acknowledge the sovereign right of the Scottish people to determine the form of Government best suited to their needs, and do hereby declare and pledge that in all our actions and deliberations their interests shall be paramount."[11]

Those forty-six words began a new chapter in Scotland's relationship with the United Kingdom. They did so by establishing a belief in the sovereignty of the Scottish people and, effectively, said that the people of Scotland can make and instruct decisions to be taken, and a parliament in Westminster,

[9] Davies, A C L. (2018) 'The Trade Union (Wales) Act 2017/Y Ddeddf Yr Undebau Llafur (Cymru) 2017'. *Industrial Law Journal*, 47(1). p144

[10] BBC (2015) 'Draft Wales Bill 'English veto on Welsh laws', says Jones'. *BBC online*, 20 October. https://www.bbc.co.uk/news/uk-wales-politics-34571146

[11] Mitchell, J. (1999) 'The Creation of the Scottish Parliament: Journey without End'. *Parliamentary Affairs*, 52(4), p. 657

"Tragically, Brexit has almost single-handedly undone all the progress that devolution has made"

[12] Welsh Government (2019) *Reforming our Union: Shared Governance in the UK* https://gov.wales/sites/default/files/publications/2019-10/reforming-our-union-shared-governance-in-the-uk.pdf

[13] Burn-Murdoch, A. and Aiton, A. (2019) 'Local government finance: facts and figures 2013-14 to 2019-20'. *Scottish Parliament Information Centre*, research briefing, 2 July. https://digitalpublications.parliament.scot/ResearchBriefings/Report/2019/7/2/Local-government-finance--facts-and-figures-2013-14-to-2019-20#Local-government-and-Scottish-Government-comparison

[14] University of Glasgow (2020) 'UofG lecture to reflect on the legacy of Scotland's first First Minister'. *University of Glasgow*, 6 October. https://www.gla.ac.uk/news/headline_756666_en.html

unless authorised by those people, may not ignore that. How then do you square the circle of two competing determinations for the future, as happened when England voted to leave and Scotland voted to remain? And how does a parliament in Westminster that has become more England-centric as years have gone by, now mandated by English will to pursue a Britain separate from EU relations, persuade Scots who disagree with that approach that a power model within the Union is still the best vehicle to achieve their political ambitions?

It is my belief that you do this not by seeing Brexit as a constitutional endpoint, but instead as a catalyst for a deeper and unprecedented rewriting of the UK constitution. If the UK is to survive, then it must recognise the implications of these past few years: Scotland facing a re-run of 2014, Northern Ireland considering the viability of the Union as a consequence of the Withdrawal Agreement, and Wales asserting itself as a key player in the Union like never before. Indeed, it is on this point that we may have a means of changing the UK to preserve it. The Welsh government have, over recent years, made concerted attempts to emphasise its importance as a nation and have been very clear that the constitutional structures of the past are ineffective and no longer applicable. The very language that is being used nowadays demonstrates this: recently First Minister Mark Drakeford described the UK as 'a voluntary association of nations'.[12] This shift in approach cannot be understated. The Welsh have begun to advocate more strongly for the UK moving towards and assuming a power structure akin to a federation. A federal UK would go a long way to making the UK more palatable to those currently questioning its need. Disowning the concept of Westminster's absolute sovereignty and reforming the UK parliament into a federal one, would rip up the rule book and move power permanently away from the centre. That would require a new understanding of the ways in which the UK nations co-operate and choose to rely on one another, and of course it would demand that England's power structures are debated too – with a new settlement for the English regions.

Previously, when offered limited and top-down devolution, several parts of England rejected it, but times have changed, and we should not assume that people are similarly unconvinced today. As much as Brexit has presented issues for the nations of the UK, it has also shown that England cannot be considered as one homogenous block. Major cities such as London voted overwhelmingly to remain, while the surrounding counties voted resoundingly to leave. Divides between the English regions have been exposed even more brutally during the coronavirus pandemic. Leadership has been shown across England in demands for region-specific support and created clear lines of separation between those in power locally and those centrally. At the same time, the acrimonious collapse of 'negotiations' over these demands has shown that when push comes to shove, power still lies firmly with the centre – a lesson the Welsh learned in their move to a reserved powers model in 2017. Andy Burnham's fierce defence of Manchester and the North of England is a compelling basis for examining further devolution to England's regions. Doing this would be a good first step in ultimately breaking the broken centre of the British state.

Of course, to change the operation of British politics requires more than just multiple parliaments dictating the law of the land. Devolution and the decentralisation of power must be about every single aspect of decision making coming closer to the people and communities it affects. That was always devolution's aim, but so far it has gone largely unrealised. Where power and resources were previously hoarded in London, too often they are now hoarded instead by the devolved administrations. The capacity of local government in Scotland has also been massively reduced by budgetary decisions in the Scottish parliament. As the independent Scottish parliament Information Centre (SPICe) confirms,[13] between 2013-2014 and 2019-2020, local authorities saw their budgets being cut at up to five times the rate that the parliament's own budget has been cut by Westminster. This has left communities across the country disempowered when the promise of devolution should have meant the opposite.

A changing UK must be one that recognises the role of local councils in delivering change for their areas. At the recent Donald Dewar memorial lecture at the University of Glasgow,[14] Jack McConnell, who eventually succeeded Dewar as First Minister, articulated his sadness at the current state of affairs. He observed that his younger self would have been in disbelief if he had known that the structure of local government would remain relatively unchanged since the days of its reorganisation in the mid-90s by the Tories, after two decades of a devolved parliament with the means to change it. Perhaps even more so since that reorganisation itself was, according to former Scotland Minister Lord James Douglas-Hamilton, only to ensure the Tories had something to put in their Scottish manifesto.

Transitioning the UK into a federal state may be the wholesale reform that prevents it from ceasing to exist. Naturally, however, it must be a truly bold agenda that is not constrained by traditions, but determined to create new ones. We must embrace and promote the language of four nations who share sovereignty by establishing structures that make this clear. In doing so, the parliaments of the UK would be empowered to pursue domestic policy agendas that are unconstrained by the UK parliament and which are relevant to their people. The promotion of a unity of purpose within the Union should also be a key goal for this new federal UK with the creation of baseline rights and strategic, collective targets. For example, if we consider employment law, a new federal parliament could set a minimum wage that no nation could undermine but would be able to increase. This should be done to drive-up standards and, as well as creating healthy competition between nations, it should also force politicians into action where they are failing or lagging behind. One area in which this should already be occurring under the current system is drug deaths. Since the SNP came to power, drug deaths in Scotland have more than doubled and left families, friends and communities scarred by the loss of someone they care about. Scotland has the worst drug death tally not only of any country in the UK, but of any country in Europe. The Scottish parliament has the flexibility to take dramatic action to save lives. In Glasgow, a safe drug consumption van has been set up by campaigners as a means to prevent overdose. The activists want the Scottish government to follow their lead by establishing safe drug consumption rooms across the country, but they have been unsuccessful due to the SNP's reluctance to tackle this issue head on.

The UK should not be assumed to be unquestionably permanent and the people of each nation should be able to consider their own future. This is particularly important in the context of polls indicating more Scots favour a second independence referendum and independence itself. We in the Labour Party should not shy away from that debate but be confident in our ambition, without relaxing our belief in the principles of democracy and indeed, the Scottish Claim of Right. That means we should not deny Scots the opportunity to discuss independence if it is the desire of the majority. We may disagree on the timing, but we should not be seen to be standing in opposition to democratic wishes. While we might hope and expect that under a new, federal relationship, most Scots would vote to remain within the UK, we should also be prepared to address the feelings of many that this issue is unending. We could do this by approving the Welsh government's 'voluntary association' stance and providing the Scotland Act with a provision which allows the Scottish parliament to hold a referendum, which could then be caveated by the inclusion of a time bar that would prevent a referendum from being held more frequently than is desirable, or in contrast to a majority's opinion against one.

To begin this process, the Labour Party must lead by example. John Smith once remarked that the Labour Party is the natural party of constitutional reform, but for this to be the case then Labour must prove it. For as much as the UK parliament has become England-centric over recent years, so too has the Labour Party. As Scots, it is difficult to understand the purpose of attending a UK conference since the focus is on English domestic policy which has little relevance to us. The Labour Party, therefore, must mirror

the constitutional structures it wishes to see in the country – only when this is done will we be ready to apply the same change to the UK. In addition, to be recognised as the obvious advocates for constitutional change, Labour has to adopt policies of electoral reform that many other parties already do. Labour should no longer defend the First Past the Post electoral system that has ensured the seesaw of British politics is weighed down by England. Democracy is important, so is representation, but we should not assume these are automatically the same thing. At the 2019 general election, the Tories won 43.6 percent of the votes but received 56.2 percent of the seats in the House of Commons and are now governing with an 80-seat majority, even though they lost seats in Scotland and finished behind Labour in Wales. The SNP managed to pick up 7.4 percent of seats on 3.9 percent of the vote, but by contrast the Liberal Democrats received just 1.7 percent of seats in the Commons despite receiving 11.6 percent of the vote nationwide. It is clear that our system is delivering disproportionate results that mandate the Westminster government on the basis of its ability to command support in particular areas of England. Thus, to address the democratic deficit at the heart of the British constitution, Labour should back a proportional voting system. And, naturally, we must continue to argue for the abolition of the unelected House of Lords and its replacement with an elected upper house, such as a Senate of the Nations and Regions.

   The UK is at a crossroads and there are directions which are unfavourable to those of us who believe it is through common endeavour that our best progress is made. To that end, it falls on us to establish a Kingdom which is deserving of its description as 'United' and to forge a way forward that breaks the current constitutional stranglehold to which our politics feels subjected. The twin crises of Brexit and the pandemic have redefined everything, and we must grasp this moment in history as an opportunity to examine and fix our broken politics and its structures. If we fail to do this and choose not to learn the lessons of the past, then we will condemn ourselves to a project which not only increases the likelihood of the UK's dissolution, but misses the opportunity for fundamental change to deepen democracy and improve the life chances of people living across these isles.

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