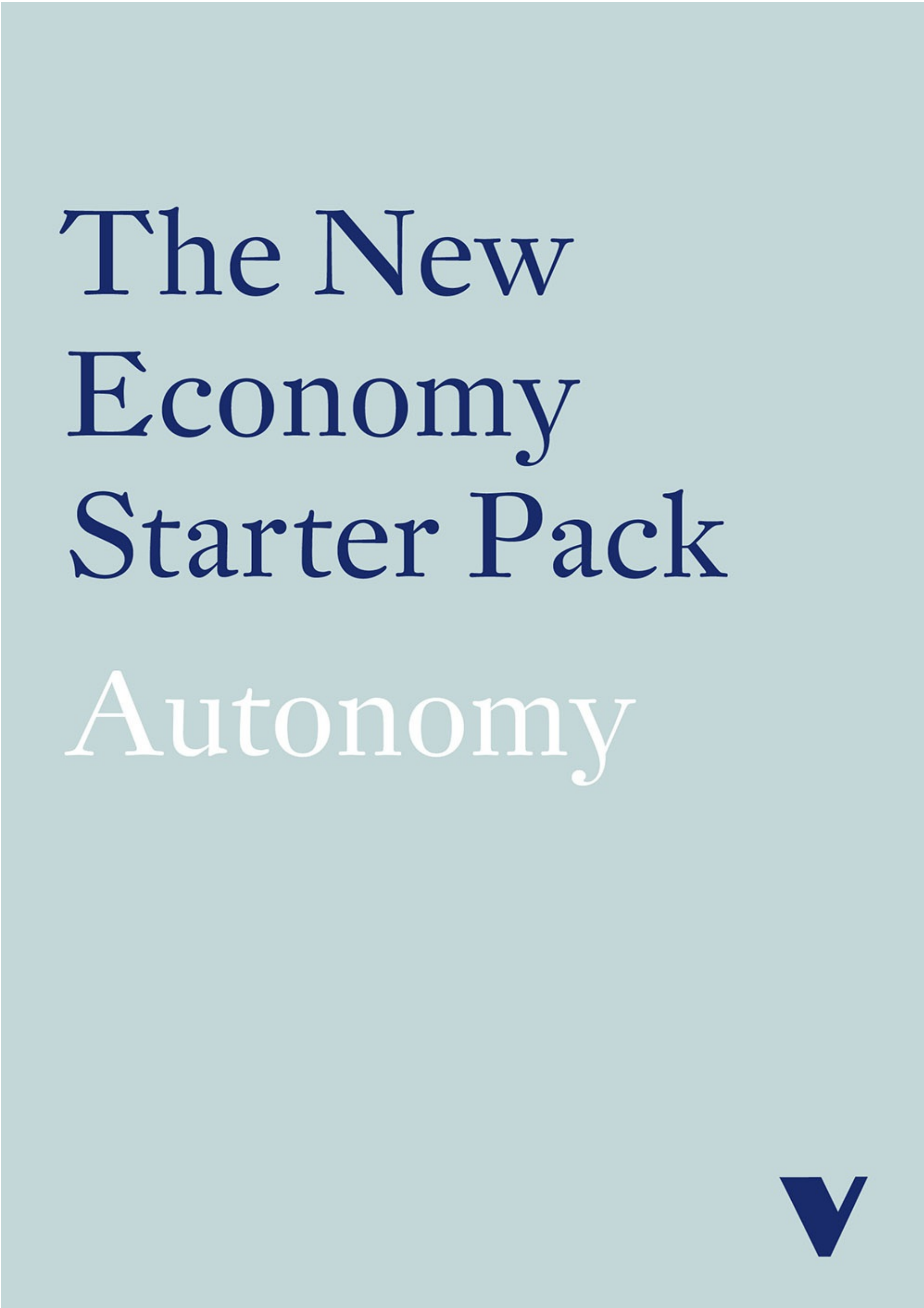
The New Economy Starter Pack



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Contents

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> “Only a crisis – actual or perceived – produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable.”
>
> *Milton Friedman*

1

The Old is Dying

James Meadway

Neoliberalism is dying. That much is clear. But its replacement is not yet born: we are still, a decade after the seismic shock of the financial crisis, picking through its rubble. And there is no guarantee, looking at the governments of either Donald Trump or Boris Johnson, that what emerges in its place will be in any sense an improvement. Those of us on the left have a huge fight on our hands: not only to win a Labour government committed to transformational change, but to win the battle of ideas over how that transformation should take place. Shadow Chancellor John McDonnell and his team have quite deliberately sought to create a space in which alternatives can be raised, from the regular "State of the Economy" conferences, to the new economics roadshow, to the publication last year of a collection of essays, *Economics for the Many*. The effect has been to help make the left, rather than the right (and still less the centre) the place where new economic thinking is taking place.

And despite the yawnsome clichés about returning the 1970s, or the Venezuela vuvuzela – a long, droning whine to be found below the line on any comment piece about Labour's economic policy – the mainstream press is now catching up with the reality that it is Labour's programme that offers a convincing and radical alternative. Strikingly, the *Financial Times* devoted an entire mini-series to explaining, for the benefit of its businessminded readers, Labour’s thinking on economic policy. There has been a flurry of media interest in what Labour and the new left might actually stand for in its economic programme – beyond the assumption that it is only tax-and-spend.

Because the truth is that, whilst the next Labour government will face the immediate challenge of undoing the damage of austerity, the economic difficulties we now face run much deeper. There is the slide in living standards, and the rise in inequality; relatedly, there are the challenges of the slump in productivity and the growing impacts of Big Data and automation; and, of course, there is the overwhelming catastrophe of climate change. Spending more on our public services is essential. But we will have no choice but look beyond ending austerity.

Three strands have fed into the left’s new economic thinking, as the articles in this short booklet show. First, there has been the development of Labour’s “ownership agenda”: beyond neoliberalism’s fixation with private ownership, Labour and the left more generally has drawn on the intellectual traditions represented by the likes of GDH Cole, RH Tawney, and the Institute for Workers’ Control to develop models of decentralised and collective ownership for society’s productive assets. From locally-owned renewable generation, to the flagship Inclusive Ownership Funds to transfer major companies into collective ownership, this strand of thinking has posed new solutions to pressing economic concerns: the slump in wages, the necessity of decarbonisation and the need to distribute power more widely. Labour’s “Alternative Models of Ownership” document, produced just ahead of the 2017 election, is a succinct summary of the challenges that changing models of ownership seek to address, but the next frontiers of the discussion are likely to settle on the important issues raised by Big Data and technology. It’s not just a question who owns the robots, but who owns the data they run off?

The second strand, coming to prominence over the last year with the work of new thinktanks like Autonomy, but building on the research of thinkers like Andre Gorz, is what gets labelled as “post-work”. This poses a simple question, but one with extraordinarily rich consequences: what if work, instead of being a fixed and essential part of our lives, was becoming obsolete? The CWU is amongst the trade unions actively pushing for a shorter working week, whilst a number of CLPs have raised the prospect of a four day working week. Official figures show nearly 11m people report being “overemployed”: they would seek shorter hours, if they could. One obvious – and popular – answer to the problem of automation is to look at ways to reduce hours spent at work, without loss of pay, giving people perhaps the most precious thing they possess: their time. But more than this, research shows that shorter working hours can be an important part of reducing the environmental harm caused by our economy.

This is the third, critical strand: a left environmentalism, centred not on the conservationist and small-scale measures favoured by the Tories, but on systemic change. Labour for a Green New Deal have done a brilliant job in winning support for a radical programme of decarbonisation, and Labour’s Shadow Business team are putting in the spadework needed to turn it into jobs and investment across the whole country. There will continue to be debates and discussion around what an environmental transformation of the economy should look like – what jobs will we have? what technologies should we prioritise? – as we draw up a plan for the next government.

It is here, perhaps more than any other part of the programme, that the need for radical action is most pressing. We have known for decades about the risks of climate change; those risks are now manifesting themselves as clear, undeniable evidence of environmental breakdown. Time is not on our side; the social, economic, and environmental challenges we face can seem overwhelming. But as the following entries show, it is the left that should have the confidence about facing up to them – and creating a world that works for the many, not the few.

2

A Shorter Working Week

Kyle Lewis

The Monday to Friday working week we inhabit today is a social and historical construct. Whilst it might appear as a ‘natural’ configuration of time, the reality is that the 37 hour working week, and the weekend, are the result of labour movements in the 19th and 20th centuries reclaiming and repurposing life beyond the toil of the sixteen hour working day and six day working week. The next fight laid before workers of the 21st century is to demand a further expansion of freedom in the form of a four-day working week.

A four-day week helps solve a number of important economic and social issues today. Firstly, it would greatly improve the problem of overwork that we have in societies. Across the Western world (and beyond it) work-related stress, anxiety and exhaustion are seriously damaging the lives of populations, not to mention holding back our economic performance. With more time to recover and recuperate, workers will perform better, will enjoy their work more and will inevitably take less sick leave. Therefore, worker productivity relies not just on the sheer number of hours put in, but on the wellbeing, fatigue levels and overall health of the worker. A universal approach that reduces the labour time we deem to be socially necessary, will help in tackling the chronic levels of work-related illnesses witnessed throughout economies across the world today.

A shorter full-time week will also help mitigate the potential threat of automation technologies. With driverless cars coming onto the market, software bots taking admin work away from white-collar workers and advanced AI set to impact many sectors, we need bold solutions to make sure that our near-future labour market also spreads the benefits of these technologies to everyone. A shorter working week makes sense in the ‘second machine age’: it is a simple but progressive way of making machines do the hard or routine work, and letting humans have more time for themselves. These new technologies are of course ‘both a promise and a threat’. In the context of the shorter working week, automation holds the promise – as it always has done – of reducing work time, thereby opening up the possibility of the maximisation of autonomous time for individuals. However, this link between automation and freedom cannot and will not be facilitated without adequate policy intervention. The past century has shown us that automation technologies have more often than not been introduced by employers as a way of simply maximising productivity without sharing the surplus time and/or profits with employees. This trend will continue unless a practical and enforced link between automation and free time is constructed.

Shortening working hours across the economy can also, in turn, reduce our carbon footprint – which is an urgent necessity if we are to avoid climate catastrophe. Longer working hours correlate strongly with higher carbon emissions – due to mass commuting and the use of carbon-intensive plastic goods that come with a work-centred lifestyle (e.g. bottled water and microwave meals). The rapid pace at which climate breakdown is occurring requires the left to put forward robust political-economic solutions and a shorter working week is emerging as an important policy in this regard. For example, in their comprehensive plan for a just transition, The Green New Deal For Europe advocate the EU implementing a four-day week as part of a sustainable post-neoliberal economy.

Reducing the working week would also help to improve gender equality. In many countries, women tend to work in part-time roles more than men – often because they are the primary carer of the children of the household. A four-day week, with no loss in pay, would mean that the new full-time week becomes more part-time, freeing up space for men to do more of the childcare and housework during the week, but also raising the hourly wage for those women already in these part-time roles.

Providing the material time for care needs to be met is an essential component in which a genuine new economy of care can emerge. For this to happen, our conception of progress must proceed from the recognition that reproductive labour is the primary activity upon which an economy is built and sustained, whilst simultaneously challenging and overcoming the ways in which this form of labour is naturalised as the domain of women. A shorter working week could be a powerful step in reducing the amount of socially necessary unwaged labour carried out at present, giving the space necessary to challenge its future organisation and distribution. Above all, a shorter working week would give us more time for ourselves, our friends, families and our communities: freedom is a core value in our societies, and the expansion of free time is a condition for it.

Critics of a four-day week argue that in a globalised economy a four-day working week will make the UK economy uncompetitive and, in turn, make us all collectively poorer. In addition, employers argue that certain industries simply won't be able to adapt or operate in such a reduced time frame. Whilst we must listen and customise shorter working week practices to fit all sectors, we must also acknowledge that many of the arguments put forward in opposition to the four-day week were the same as those championed by employers arguing against a five-day week at the start of the 20th century.

We need to reclaim the idea that the time and space that work occupies in our lives is a political choice rather than an economic necessity. A four-day-week without a loss in pay can become the practical cornerstone in our definition of what freedom means in the 21st century.

3

The Future of Unions

Rebuilding Collective Power

Alice Martin

Most people in the UK routinely commit the majority of their waking hours to a job – with little to no say over the conditions of that arrangement. The fact that today only a quarter of workers have a say over their pay and conditions via a collective agreement marks a dramatic turnaround in just one generation. Forty years ago, more than three quarters of the workforce was covered.

The decline in worker power has had far reaching consequences. Its role as a driver of inequality has been well documented, whereas impacts on the quality of our working lives are still unfolding. Working time is an interesting example in this regard. Despite major technological advancements boosting productivity over recent decades, we've gained little in the way of additional leisure time: since 1980 working hours have pretty much plateaued and real wage growth hasn't made up the difference. People in the UK now work some of the longest full-time hours in Europe. For an increasing number of people working hours aren't predictable or secure: 1 in 6 workers today are in insecure or precarious jobs and earn less than the independently calculated Living Wage.

In the context of accelerating automation and a climate crisis – which both stand to dramatically change the shape of the labour market with clear winners and losers – the next decade is crucial. How can the union movement and collective bargaining be rebuilt quickly, but sustainably, from this depleted point?

Recent calls from the TUC and others to reinstate sectoral collective bargaining, prioritising low union density sectors like social care and hospitality, are welcome and are in many ways a politically pragmatic response to the increasingly widespread acknowledgement that low wages are a drag on the economy. But this can never be the whole answer.

Formalising the economic role of unions is not enough to sustain a movement. Institutions without a base of active members are weak, and any amount of supportive legislation is only ever a new government away from being repealed. We only have to look to France, where the 98 per cent collective bargaining coverage is being unpicked under Macron: with less than 8 per cent of the working population signed up as a union member, unions are struggling to defend their national and sectoral structures.

Others have advocated auto-enrollment into unions as a way of solving the UK's membership deficit overnight, but this quick fix for the metrics would create an administrative maelstrom for unions before it created any actual power. If Brexit has taught us nothing else, a negotiating hand based on a dubious mandate made up of largely unorganised, uncoordinated and disengaged members, is weak.

To enable effective democracy at work to materialise in a meaningful way, there are two crucial ingredients which workers in the UK are currently lacking: means to organise and leverage.

By means to organise I'm referring to all of the things – time, resources, information, space – required to hold meetings with colleagues, scrutinise employer behaviour and form collective positions. And by leverage, I mean first and foremost, the right and ability to strike.

NEF colleague Becki Winson and I are developing a policy idea aimed at rebuilding worker power in a sustainable and democratic way by addressing the inequality of means to organise between employers and employees. One way to do this would be to mandate employers to afford all workers time away from their duties – the equivalent of, say, an hour a week – to participate in democratic activities in their workplace. What warrants a "democratic activity" would be up to the workers through their union to collectively decide. It could mean, for example, participation in union meetings, attending open negotiations with employers, scrutinising board proceedings, electing additional representatives, or forming autonomous staff networks (i.e. of women, BAME, LGBT workers).

Taking down all arduous barriers to union access and recognition alongside this, and even making union recognition mandatory for larger employers, would see workforces able to rapidly elect their representatives and form or join a union that can negotiate on their behalf from day one. The model would seek to transform “low-democracy” sectors like retail and hospitality where large workforces currently have little or no union contact. The workforces would amass significant time for organising overnight and, unlike under auto-enrollment, workers and their unions would be tasked with building membership, not the state. Access to senior salary data; ethnic, gender and disability pay ratios; and data collated by employers via surveillance, would begin to address the vast information imbalance between workers and their employers.

A positive right to strike is the final piece of the puzzle. Without it, all other workplace rights slip away. Enabling all workers to participate in collective bargaining, including necessary strike action without risk of reprisal, is a fundamental right that is suffering a slow death by a thousand cuts following successive rounds of anti-strike legislation and a depleted and increasingly punitive welfare state that gives workers few fallback options if they lose their job.

Despite legislative constraints, unions are signalling that they are up to the task of building workplace democracy. The mounting shorter working hours campaigns (involving CWU, TUC, Unite, CSEU and Forsa) demonstrate that unions can tap into public appetite for change while government is absent. Similarly more instances of unions supporting and even catalysing democratic forms of ownership (public, worker-owned) of ailing firms and sectors are on the cards. At a time when industrial strategy seems to have dropped off the government’s to do list, affording time off for workforces to develop new ideas, models and campaigns to improve and transform work is in the national interest.

4

Inclusive Ownership Funds

Mat Lawrence

The company is an extraordinary social institution. Endowed with a set of expansive legal privileges that enable it to structure external capital investment and internally co-ordinate production, its productive capacity has created the world we live in. Yet from the crisis of work to accelerating environmental breakdown, stagnating living standards to deep democratic deficits, the intertwined crises confronting us are inseparable from the design and aggregate performance of the company. Building an economy that works for all of us will therefore require transforming the company from being an engine of wealth extraction and non-democratic power to a generative, purposeful, and inclusive institution, one where workers have a genuine stake and say and where we all share in the wealth we create in common. Fundamental to this must be a deep institutional turn in the ownership and control of the company.

Reimagining how the company operates requires us to go beyond the policy tools of a regulatory or redistributive state into rearranging the distribution and nature of property, governance and control rights that shape its behaviour. This is because how a company is owned and governed fundamentally affects how it operates and in whose interest. Today, a combination of deep inequalities in asset ownership, the damaging corporate governance doctrine of shareholder primacy, the intermediation of corporate ownership by rentier-like financial institutions, and the deep financialisation of the corporation shapes the performance of many companies. Yet in an economy marked by low levels of investment, a decade of sluggish real wage growth, and a prolonged productivity crisis, we urgently need to create more generative forms of enterprise by design. This will require a deep institutional turn in the ownership and control of companies.

The Inclusive Ownership Fund is an attempt to reshape the company toward those ends. The policy would require large companies to issue into an asset locked all-employee fund a new class of share equal to 1 per cent of outstanding equity annually over the course of a decade. The Fund would be democratically controlled by and for the workforce, exercising voting rights on behalf of the collective and distributing the Fund's share of dividends equally among the workforce. The Fund would grow to be the largest single shareholder in most public companies, with powerful influencing effect on strategic decision-making, while ensuring worker. Above a certain level, dividend income from high-income firms should have capitalise an overarching social wealth fund which can invest in a just transition and scaling democratic forms of enterprise.

By gradually diluting existing shareholding, it would not adversely impact the working capital of the company but would broaden the distribution of economic and political rights within it. Critically, a central mechanism of the policy – the issuance of new shares to employees – is already common place. Investor guidelines recommend companies issue up to 10 per cent of their equity to employees over ten years. However, senior executive cannibalise existing employee share issuance practices, amplifying inequality without up building a collective ownership stake. FTSE100 company accounts show that directors currently hold an estimated £20.7 billion pounds of shares in the companies that employ them. Ownership funds repurpose issuance for the many, acting as a heartbeat toward the democratic economy.

There are important debates over design but its direction is clear. Instead of the governance of the firm being dominated by external investors and their managerial agents, many of whom hold important ownership stakes in their own right, the Funds would help ensure labour had a powerful voice in shaping strategic decision-making. Alongside wider corporate governance reforms and the strengthening of organised labour, it would democratise the governance of the firm. Through broadening ownership via new collective forms of property, the Funds would act as a powerful mechanism towards the redistribution of resources and power within companies and wider society. By removing a growing proportion of corporate ownership from financial intermediation – and the short-termism and extractive behaviours that often result – the ownership funds could act as a powerful steward for the sustainable creation of value, helping foster a more prosperous and inventive economy. In short, the funds could help enable a more generative and committed company form to emerge.

Strategies for democratising ownership – not just through ownership funds but through an array of interventions to thicken out and scale up a richer ecology of company forms that are democratic and inclusive by design and that radically broaden capital ownership in society – is also a critical step in moving beyond neoliberalism. Neoliberalism is many things: a mode of governance and rationality, an often-contradictory strategy for regulating capitalism, a reshaping of the state to enforce market-based forms of measurement and evaluation into ever-more domains of life, and an ideology and class project that has extracted wealth and power upwards. Yet at its core, in every form, it is a conscious strategy to insulate the economic from the political, to zone off the economy from democratic intervention. By insisting on the plasticity of the corporation as a political institution, its political ordering, and hence its capacity for change, interventions to reshape the nature and distribution of property in the economy can reassert our ability and need to consciously design economic life in ways that provide the conditions for universal flourishing. After all, if capitalism is in part a set of exploitation rights related to assets – from the landlords right to extract rent to the right of shareholders to control a company and its surplus – then a post-capitalist political economy will be anchored in new arrangements of ownership and control that deepen and extend social and economic freedom and prioritise generative forms of enterprise.

Accelerating environmental breakdown and the crisis of democratic capitalism makes transformative action the safest course. Twice before in living memory we have transformed how and for whom we organise our economy on a dimension and pace the moment now demands. Critically, both times it was radical changes in property and ownership that were fundamental to change, from the extension of public ownership that underpinned the post-war consensus, to the mass privatisation that was the tip of the spear of neoliberalism's counter-assault. Any transformation of our economy in the decades ahead, albeit in radically different directions to the past – toward the deepening of democracy in all spheres of life – will depend on similarly deep shifts in ownership. Ownership funds as part of a wider democratisation of ownership and control in the economy can ensure we own the future.

5

Owning the Economy

Cat Hobbs

Your public services have been taken from you for 40 years. Sold off, outsourced, privatised. Privatisation – the idea that everything in our economy should be run by private companies for profit – is a fringe, extreme ideology. The public have never been convinced, but we were told it was inevitable.

Despite all the myths, public ownership is incredibly popular. 83 per cent want public ownership of water, for example. 76 per cent want public ownership of the railways.

Now we finally have a Labour Party that reflects this popular demand, thanks to Jeremy Corbyn and John McDonnell. It's time to take our services back.

There is such a thing as society. We live together, work together, and our instinct is to help each other out. Public services are the best thing humans have ever invented. The idea that a handful of people can profit from public services that we collectively provide goes against the most basic idea of a social contract.

From Carillion's collapse to G4S failing us at the Olympics, from sky high rail fares to water companies pouring raw sewage into our rivers, privatisation is just not working. When shareholders are the priority, corners are cut, workers rights eroded, environmental standards ignored –

all in the pursuit of widening margins.

We pay more – in bills and tax – to get a worse service. We waste money on shareholder dividends, higher borrowing costs and expensive regulation of artificial markets where they don't belong. And when the private companies fail, we the public take the risk and pick up the pieces.

Privatisation means care workers having no time for a cup of tea with the vulnerable people they're caring for. It means communities cut off without a bus service. It means our children are educated in unaccountable academies. It means Richard Branson suing the NHS.

Public services – health and education, libraries, parks and prisons – are vital, they're not optional extras. They require democratic accountability. They are often natural monopolies, where competition doesn't make sense – you can't choose your water company.

We know that public ownership is already delivering. There are hundreds of examples, locally, regionally and nationally. Nine councils escaped Thatcher's reforms and run their own fantastic municipal bus services, like in Reading and Lothian, which win awards. Some councils are now setting up municipal energy companies, like Robin Hood Energy in Nottingham. Many are choosing to insource local services to improve quality, cut costs and increase flexibility.

At a larger scale, Scottish Water outperforms the privatised water companies in England, taking care of rivers, investing and lowering bills. Many unsung public sector organisations do a great job and make a profit for the public purse, like the Met Office, Ordnance Survey, the Royal Mint and Channel 4. The East Coast line from London to Edinburgh succeeds every time in public hands, and failed whenever it's privately run.

And of course, our NHS is a fantastic example of efficient, effective socialism in action – so good that Conservatives have cut, undermined and privatised it to within an inch of its life.

Internationally, the Transnational Institute has found 835 examples of cities taking control of services like water and energy. In Paris, publicly owned Eau de Paris delivers still and sparkling water fountains around the city!

Labour needs to be ready to build on these examples, by ending privatisation in our NHS, reinstating it as a fully public service, bringing academies into local democratic control, bringing all council services in house, taking vital water and energy assets into our hands (including serious investment in new public wind power), taking back the Royal Mail, creating a comprehensive publicly owned transport network that people can rely on.

In delivering this, we need to make sure that public ownership is efficient, effective, accountable, caring, green, innovative – and so wildly successful that no future Margaret Thatcher can ever dismantle it. And we need cultural change so that it really feels like ‘we own it’.

Our recent report ‘When We Own It: A model for public ownership in the 21st century’ suggests bringing the expertise, experience, input and views of everyone involved in a service to the table. Workers would provide their direct experience of how the service could be improved. Civil society organisations – like environmental organisations or disability groups – would hold the publicly owned company to account. Elected politicians and appointed experts would bring democratic oversight and sector expertise. Public service users would be represented by a new independent, democratic organisation, ‘Participate’. It would hold publicly owned companies to account, fight any threat of privatisation and maximise participation through open data, shopfronts, online and offline feedback and popular planning (helped along by a four day working week!) All of these would provide accountability for publicly owned companies managed day to day by industry professionals.

These publicly owned organisations would have new duties, for example to decarbonise, to ensure everyone has access to crucial services, to work closely with communities, to steward public assets and land. We could improve people’s lives and deliver fast on a Green New Deal.

This needs to go hand in hand with creating or recreating a new culture of pride in our public services. Austerity and cuts must end. Public services must be valued and properly funded.

Alongside a strong public sector running public services, we need many other new ownership initiatives – more cooperatives in the rest of the economy, public platforms owned and controlled by the people, community wealth building and redistribution of housing and land.

If we get this right, we can start to create a mixed economy that works for people and planet, not just for profit.

6

Claim Your Commute

Will Stronge

Commuting is a problem. Rail passenger satisfaction is at its lowest for over a decade, UK trains are regularly overcrowded across our cities and the number of cancelled or significantly late trains is consistently high. Rubbing salt into the wound, rail fares have been on the increase over the past 10 years, while real wages remain lower than they were before the financial crash of 2008. In January 2018 rail fares across all operators were 20 per cent higher in real terms than they were in January 1995. In January 2019, rail fares rose by another 3.1 per cent, outpacing the 2.6 per cent rise in the average wage of the previous year meaning that commuting costs are continuing to make further incursions into personal incomes. These rises continue year on year, in spite of regular outcry and protest. It's not just train commutes either: local bus fares in England increased by 71 per cent between March 2005 and March 2018.

The current policy debate around commuting in the UK predominantly revolves around the issue of ownership as well as the scandalous but steady rise in commuting fares that we've seen over the past ten years. While this is an essential discussion to be had, the debate has failed to seriously engage with the definition of commuting itself and with the question as to who should justifiably bear the burden of its costs. At Autonomy, we argue that the current situation requires not only a shift in thinking concerning the ownership of commuting infrastructure, but also a radical restructuring of its funding model.

What is commuting? It isn't employment strictly speaking – as we are not yet at our workplaces, on the job (although many of us do carry out work while on our commute). And yet, it isn't free time either – after all, we *have* to get to our work, we wouldn't choose to be on that packed train or bus if it was up to us. We can recognise that commuting is a utility for workers (it allows us to get to work and earn a wage) but also for employers – for whom our commuting is essential to the success of their business, as it gets their workforce to and from the site of production. Commuting is a process that keeps the economy ticking over.

Who bears the brunt of the cost for this essential activity? First and foremost it is the commuters themselves: they pay the fares (which make up just over half of rail and bus industry incomes), and they are the ones saddled with the health costs of stressful, overcrowded transport. Most striking of all is the time burden that commuters endure: on average the UK commuter spends 27 days a year commuting – roughly the same amount as their average annual holidays. On average, BAME workers commute for longer than their white counterparts and women have experienced the sharp rise in long commutes (more than 2 hours per day) the most. After commuters buy their fares, it is the state that makes up more or less the remainder of rail and bus industry income through grants and subsidies such as those from Network Rail. In contrast, employers – a major beneficiary of commuting – are effectively given a free ride, enjoying the utility of commuting for their businesses without paying a penny for its operation in most cases. This is an unjust distribution of costs and benefits, which requires a shift in policy.

We suggest that employers should meet their employees halfway and pay 50 per cent of the commuting fare. This could be in the form of subsidised season tickets, or through a simple, monthly receipts system of reimbursement. The scheme could apply exclusively to environmentally-friendly forms of travel such as buses and trains, in order to encourage commuters out of their cars and into public transport.

The effects could be huge. In some parts of the country, workers would receive an immediate income rise of 6 per cent, countering years of dismal wage growth. Many of those who previously avoided looking for jobs that were too far away due to the high cost of commuting would now have new opportunities opened up for them. Employers would be incentivised to allow employees to work from home – or even opt for four-day working weeks for their staff – as this would now be a cost-saving strategy. Finally, if firms across sectors have an interest in cheaper fares for their workforces, this will mean significant pressure – now coming from both commuters and their bosses – on private rail and bus companies to keep prices down; if these services are taken into public ownership, the pressure will then similarly be on public authorities to keep fares low. Commuters can therefore only gain from this distribution of stakeholders.

The idea of getting half of your fare paid for might sound radical, but employer-subsidised transport is already in place in different forms around the world. In Brazil, your company must pay for commuting costs that rise above 6 per cent of your annual salary; in Belgium, 75 per cent of your commute is subsidised by your employer; and in Slovenia your *entire* commute is paid for by your boss. The UK's commuting policy is so far behind in this respect. Employers might protest at the costs this policy would incur for them, but let's not forget that these costs are *already* being lumped on commuters, in a harsh, low-wage labour market.

If we want to bake equality into our economy and distribute the 'hidden tax' of commuting more evenly amongst those who benefit from it, we need to forge a contractual settlement directly between employer and employee. We need to recognise and remunerate the 'shadow work' of our daily travel to and from our jobs: it's time to claim our commute*.

* In a forthcoming report, we at Autonomy detail how this policy might work, why it is so urgent and who would benefit from a more equal sharing of the costs of commuting.

7

A Future for Workers

A Word from the CWU

Dave Ward

A number of the articles in this pamphlet, and so much of what we talk about on the left today, relate in some way to the huge imbalance of power in the economy – whether it's the power of landlords over tenants; private owners over the users of what were once public services; or employers (and ultimately shareholders) over their workers. As a trade union leader, it is the last of these that I want to focus on here – and in particular how we shift the balance of forces in the world of work.

Alongside power, the other common thread running through many of the problems we discuss is the contrast with the position in the late 1970s. Critics like to suggest that when trade unionists discuss this period we are wanting to "turn back the clock". But that couldn't be further from the truth. The reason we look to end of the 1970s is because the period offers a useful point of comparison to how things were before the introduction of Thatcher's failed neoliberal economic model in the 1980s.

Upon Thatcher's election in May 1979, trade union membership stood at its peak of over 13 million workers. When you look at the situation today, trade union membership has more than halved, to closer to 6 million. The collective bargaining power of workers has diminished alongside this. In the late 1970s three in four workers were covered by collective bargaining, whereas today just one in four workers are. This fall represents the largest collapse of workers covered by collective bargaining agreements amongst all modern developed economies.

This hasn't happened as a result of just one factor. The deliberate running down of industries like manufacturing and mining, the privatisation and liberalisation of whole sectors and trade unions being slow to adapt have all played a part. But it's also been a result of targeted attacks on workers' ability to organise collectively at work through a series of anti-trade union laws, most recently with the Trade Union Act 2016.

On the other side of the scales, shareholders have been given ever greater power. In particular, the changes to corporate governance, to give shareholders' financial interests – and the need to maximise profit – priority in directors' duties and decision making in companies, has changed the way businesses operate and given private shareholders a much larger say. It should be no surprise that this shift in power away from workers has left them worse off: there is a direct correlation between the decline in trade union membership, rising inequality and a fall in the share of the economy going to workers in wages.

Reversing the attack on workers' rights to organise themselves must therefore be front and centre of the agenda for the left – and the Labour manifesto from 2017 is the starting point for this. Crucially, it committed to rolling out sectoral collective bargaining across the economy, with unions and employers negotiating sector specific legal minimum standards on workers' terms and conditions.

The CWU knows how important this is from what has happened in our industries. The telecoms and postal sectors our trade union represent are still dominated by BT and Royal Mail respectively. Both have come out of public ownership and have seen the rise of non-unionised competitors which rely on low pay and insecure employment for workers. So outside of the two former public monopolists, in both these large industries collective bargaining is not taking place, and new competitors succeed by under-cutting them on working standards. Sectoral collective bargaining that is aimed at significantly raising the floor in these sectors, would therefore make a massive difference here.

If this is introduced, trade unions also need to be able grow membership in order to capitalise and ensure the connection with the workforce on the frontline. At the moment, we are only able to approach potential members and say "join a union and after years of recruiting and organising against a hostile management, you might be able to force an employer to negotiate”. The strengthening of sectoral collective bargaining would offer trade unions the opportunity to promote the powerful message that workers could make their voice heard now.

Alongside this, changing access rules is key. Too often union reps are shut out having to hold meetings in carparks, or away from an employers’ premises entirely. There are countless reports from trade unions of people being sacked for as much as daring to put a flyer on a notice board; stories of recruitment campaigns sound more like military operations than workers speaking to each other about their own workplaces – something that should not just be enabled but actively encouraged.

In pledging to roll-out sectoral collective bargaining and overhaul the draconian access rules that prevent workers from organising themselves it is no exaggeration to say that Labour will go into the next election promising the most significant enhancement of the trade union movement and both collective and individual employment rights we have ever seen in this country. In doing so, we will be taking power into our own hands as part of a radical transfer in the balance of power: away from landlords, owners and employers, into the hands of ordinary working people.

8

Maximum Pay Ratios

Luke Hildyard

We already have a minimum wage and we should have a maximum pay ratio too. People want to live in a fairer society without huge gaps between those at the top and everybody else. The vast sums of money that many big companies lavish on a handful of their senior staff (usually by pay committees stuffed with other executives, who all benefit from the same culture of unequal pay) could be used far more productively.

Levels of inequality in the UK are amongst the highest in the developed world. We are the eighth most unequal of 38 countries in the OECD group of advanced economies. In this sample, it is mostly much poorer countries like Turkey and Lithuania that are even more unequal than us. The countries that do better by most measures of prosperity, like Sweden or Denmark or Germany, also have a smaller gap between rich and poor, emphasising the link between equality and public health or levels of crime.

Though very high by international standards, overall levels of inequality (looking at gaps between the top, the middle and the bottom) have actually remained relatively stable since the early 1990s, after big increases in the 1980s. But those at the very top have continued to pull away from everybody else. After a slight fall during the financial crisis, the share of total incomes going to the richest 1 per cent has now begun to increase again. The 'one per cent' take nearly 15 per cent of total income, according to research from the University of Essex. It was only about 6 per cent in the late 1970s.

The difference between 6 per cent and 15 per cent of incomes amounts to billions of pounds. Getting that money off the 1 per cent and into the pockets of everybody else is critical to raising living standards. At the High Pay Centre, working on issues of top pay and inequality, we hear a lot of witless clichés about ‘the politics of envy’ or how ‘you don’t make the poor richer by making the rich poorer’. This is demonstrably false. Redistribution has always been an effective way of improving the incomes of those at the bottom. Successful historical examples of making the poor richer by making the rich poorer include the introduction of the minimum wage, progressive taxation or expansions of trade union rights.

A maximum pay ratio, preventing companies from hiking pay levels for their executives beyond a fixed multiple of their workers’ pay, would have a similar effect. It would ensure proportionate pay rises at all levels and incentivise bosses to do more for their colleagues.

The public recognise this. One recent poll found that when asked whether they’d prioritise faster growth or reduced inequality, 68 per cent of respondents chose the latter. Similarly, 77 per cent of respondents agree with the proposition that the pay of top executives should be capped versus 21 per cent who said companies should be free to pay what they want.

So while much of the media treat laissez faire economics and the lax regulation that accompanies it as an immutable and non-negotiable fact of life, people in the real world are much more open to government regulation of private companies in the wider public interest.

Therefore, a maximum pay ratio not only makes socio-economic sense, it is also politically popular. So how could it be implemented in practice?

Rather than a single fixed ratio applied across the entire economy, a more flexible solution might initially be preferable. This would involve addressing pay ratios as part of a broader industrial policy reform aimed at improving the UK’s lamentable record on productivity. Such policy would be overseen by a newly-created government department for employment or work. The issue of work quality is currently neglected by the Department for Work and Pensions, dealing mostly with social security, and by the frequently renamed Business department, which conflates the interests of ‘business’ with those of ‘business leaders’.

The key vehicle for resetting assumptions about high pay would be the creation of stakeholder governance councils. Council membership could be drawn from the relevant trade unions and employer associations, and from consumer and civil society representative groups. The councils would be given responsibility for setting pay ratio limits for each sector, alongside broader oversight of pay bands and training and qualification processes.

In addition to setting a maximum pay ratio in the sector, the stakeholder councils could outline expectations in terms of qualifications and pay levels throughout the industry, including for senior executives. It is striking how candidates for low and middle earning jobs in industries like construction, manufacturing, catering or retail (rightly) have to demonstrate recognised qualifications and certifications, whereas the executives overseeing them are appointed on subjective judgements regarding their 'experience', usually as part of a highly opaque recruitment process.

This is weirdly under-discussed, given the UK's poor productivity record and the likely effect that bad management has in exacerbating it.

Indeed, poor productivity is something of an inconvenience for the lobbyists hired to defend levels of high pay. The chief argument against a maximum pay ratio relates to the supposed difficulties of filling senior management roles that would result from lower remuneration. This assumes that the executive class responsible for a lamentable productivity record, flat economic growth, amongst the worst inequality in the developed world and countless corporate scandals are so uniquely talented and irreplaceable that the country would fall apart without them.

That is a dismally negative outlook, sadly hegemonic in business and the business media. It fails to countenance the possibility that, with the right support, training and opportunities, many people have the potential to fill these roles – never mind the notion that democratic, consensual, non-hierarchical alternatives to workplaces run by dictatorial management figures might exist.

The pace of change to this 19th century approach to business has been far too slow. A maximum pay ratio would help end this draconian mindset, sediment equality into the economy and give the UK a much needed pay rise. It's time to rethink income, not just at the bottom of the ladder, but at the top too.

9

An Income Floor for All

Howard Reed

A basic income (BI) is a tax-free, unconditional and non-contributory basic weekly income paid to individual as of right, irrespective of how much they earn or their work status. Aimed at guaranteeing a non-strings-attached minimum, secure income for all, whatever their circumstances, BI would supplement (and eventually replace at least part of) the existing national social security system and involve a profound revolution in the way income support is delivered.

By cushioning citizens from today's great winds of change, a BI would be an effective tool for tackling growing economic risk. With its built-in income guarantee, it would bring a more robust safety net in a much more precarious and fast-changing work environment and would lower the risk of poverty among those in work. It would boost the universal element of income support, reduce dependency on means-testing, and end much of the existing system of policing and sanctioning. On top of fixing a broken and highly-punitive system of social protection and a fragile labour market, BI can offer a new 'charter for choice' because it is non-prescriptive: it would offer greater personal autonomy between work, leisure, education and caring. Some might choose to work less or take longer breaks between jobs. A BI would help encourage entrepreneurialism and risk-taking, with some incentivised to start businesses. Some might take time to retrain, while others might devote more time to leisure, personal care or community support.

Such a boost to choice has the potential to produce more social value, if currently unrecognised, than some existing paid work. By providing an independent, if modest, income, a BI would provide financial support for the mass of unpaid work – from childcare to voluntary help – disproportionately undertaken by women. These are progressive changes with transformative potential.

Because of the potential benefits outlined above, BI schemes have been attracting a lot of recent interest and enthusiasm, but they are not without their critics. The central practical criticism is that payment levels for a universal BI are either too small to make much difference or too generous to be affordable. Recent research by Stewart Lansley and myself funded by the Friends Provident Foundation challenges that critique by showing how a meaningful BI of (for example) over £10,000 per year could be paid to a family of four. We modelled two options. In model 1 (the "fast track") route, the government would pay £60 per week to adults aged 18–64, £40 per week to mothers for each of their children (aged 0–17) and £175 to adults aged 65+. Eligibility would be based on residency. Child benefit and the state pension would be abolished, but other parts of the existing social security system, including means-tested benefits, would be retained. These sums would be guaranteed, with no questions asked, irrespective of work status.

This model would involve a number of integrated changes to the tax and benefit system. Each of these elements could either be phased in gradually over time, or be implemented in full at one go. It could therefore be implemented during the lifetime of a single parliament.

The model would have a net cost of £28bn, roughly the equivalent of the total real-terms cuts to benefits and tax credits since 2010. It would therefore take us back to the level of spending on social security in 2010, but with a much more progressive system in place.

Alternatively, model 2 (the "slow track" route) would boost the long-term funding for a BI scheme by creating a targeted citizens' wealth fund. This would take time to build, but once established the fund would become a permanent and growing source of finance. It could gradually improve BI payment levels over time, ensure the durability of a BI scheme, and within a generation help to deliver a more effective anti-poverty social security system. It could be created through a mix of funding: long-term borrowing, the allocation of some existing revenue-generating public sector assets, and modest levies on the UK's massive pool of corporate and private wealth.

The results of simulation modelling of the impacts of BI show that, contrary to the claims of some critics, a BI even at modest levels would be highly progressive, reduce poverty and inequality, and cut dependency on means-testing. The gains would be greatest among the poorest. The cost would be met by some increases in taxation concentrated among higher income groups. The schemes outlined would update the British system of social security for a 21st century economy and society. For the first time there would be a guaranteed income floor (initially modest, but not insignificant) below which no individual would fall, and a robust income base that would gradually rise over time.

Crucially, the proposals would give all households a greater degree of certainty about their future income and thereby help tackle the growing economic and social insecurity of the UK's economic model. These reforms would provide a new source of personal empowerment, providing all citizens with a greater degree of choice over work decisions leading ultimately to a better and more productive balance between work, education, training, leisure and caring. They offer a significant modification of the existing system of social security – creating one more suited to the new risks of insecurity, precarity and work-based poverty of the 21st century – but not a wholesale "big-bang" replacement.

10

A Sustainable Economy Act

Laurie Langton

We live in the age of environmental breakdown. Destruction of the natural world has reached a critical phase. Crucially, this isn't isolated to climate breakdown. Vast swathes of land are being lost to soil depletion, over-fertilisation is polluting rivers and oceans, and animal populations are collapsing as the sixth mass extinction tears across the world. Changes in one part of the natural world impact another. Take the Amazon; its destruction drives species extinction in Brazil and contributes to climate breakdown by felling trees that absorb greenhouse gas emissions. In turn, an overheating planet kills the Amazon's animals and trees, driving a vicious circle. All is connected.

A pressing implication of this litany of catastrophe is that the natural world is being pushed toward 'tipping points', after which it could change rapidly and destructively, a cascade of environmental collapse as the delicate web of life comes apart. The consequences of environmental breakdown are already testing societies to destruction and will drive greater economic instability, famine, large-scale involuntary migration, and war. The historical disregard of environmental considerations has been a catastrophic mistake.

Environmental breakdown is driven by the prevailing economic model: the rules that govern economic activity and the behaviours and dynamics that result. Institutional arrangements underpinning market dynamics are some of the most powerful forces driving destruction. In 2017, around US$1 trillion was invested in fossil fuels. This was partly the fault of short-termist decision-making encouraged by company law and valuation methods that neglect the environmental impact of investments. In turn, these arrangements are determined by the actions of policymakers in government, central banks and across the legal system. Lobbying and well-funded networks of think tanks and politicians keep the neoliberal dream alive, gifting us the living nightmare of environmental breakdown.

Economic progress is almost exclusively measured in terms of gross domestic product (GDP), a uniquely poor measure that helps perpetuate the myth that economic growth necessarily leads to higher levels of social, economic and environmental wellbeing. Some evidence suggests that it may not be possible to 'decouple' economic growth, as currently measured, from environmental degradation in the time remaining or even at all.

Overall, there is no country in the world that provides high social outcomes without destroying the natural preconditions upon which societies depend; that is, no country is a truly 'developed nation'. What's more, the consequences of environmental breakdown fall hardest on those most vulnerable to its effects and least responsible for the problem, both within and across countries. In the case of climate breakdown alone, wealthy nations have made the greatest contribution to emissions and are set to use a large proportion of the remaining carbon resources, condemning their former colonies to cascading destruction.

In response, we urgently need to rebuild our societies, to make them:

> *sustainable and just*: bringing the economy to within environmentally sustainable limits while tackling inequalities and injustice and providing a genuinely high quality of life to all.
>
> *prepared*: Increased levels of resilience to the impacts of environmental breakdown, covering all areas of society. Things will get worse and we need to be better prepared.

This is what a Green New Deal seeks to do, mobilising the resources of government and wider society to slow environmental breakdown and ameliorate injustice. We need a Green New Deal and we need it yesterday. But there are good and bad Green New Deals. Without consideration of the full picture of environmental breakdown, it is all too easy to imagine a scenario in which a globally-coordinated investment programme rapidly decarbonised nations across the world, but, in the process, sped up other environmental destruction, depleting the remaining fertile land and pushing more species to extinction.

So the first step is to ensure we have a clear road map for avoiding the worst of environmental breakdown and acting on injustice. This can be done by passing a Sustainable and Just Economy Act (SJEA). The SJEA would mandate 'targets' for the rapid reduction of a full range of environmental impacts and restoration of natural systems as well as those for improving social and economic wellbeing. Environmentally, the UK already does this in the case of climate breakdown, with its Climate Change Act and the new target of net-zero decarbonisation, which effectively places a greenhouse gas constraint on the economy. It is vital that this constraint is extended to cover all elements of environmental breakdown and explicitly linked to action to improve social and economic outcomes. Crucially, targets should encompass the environmental impact of goods and services imported to the UK; we can no longer export environmental destruction abroad.

The SEA should be overseen by two independent bodies: one to advise and another to enforce. The advisory body – potentially called the Committee on Sustainability and Justice – should be an independent, expert public body. It should advise the government on environmental breakdown, its causes and extent, long-term goals and targets, give policy advice on how to achieve these objectives while maximising social and economic justice, and assess potential and planned policies, including the impact of domestic sustainability action on ecosystems and societies around the world. The enforcement body should be independent from the Committee on Sustainability and Justice and have powers to hold the whole of government to account on meeting the legally-binding targets of the SJEA.

Most importantly, the Sustainable and Just Economy Act charts a course towards a new idea of abundance, allowing us to graduate from the current fixation on 'greening' an economic model that drives extreme inequality, mental and physical ill health and literally destroying the world. A more sustainable world can be a healthier, fairer world. Many of the other ideas in this booklet can help us get there.

11

Towards an Ageing Utopia

Julian Siravo

For years conservatives have used a looming ageing crisis – the silver wave, the grey hoard – to justify a crumbling NHS service, cuts to services and the privatisation of pension plans.

This narrative of an unsustainable dependency of older adults must be challenged.

The demographic changes underway are instead an opportunity to build a fair and high-value care sector, world class social services and to prepare our cities for a less work-centered future, built for care and a rich social life.

Support Community Based Practices and Local Initiatives

As the integration of welfare and neoliberal management breaks down – the UKs four largest privately owned care home operators have reportedly gathered debts of £40,000 per bed – the way is opened for new approaches to think about how we design services for ageing adults.

Though ideas like 'Ageing in Place' have often been co-opted by a project to privatise ageing, we should not renounce the aspiration to let everyone continue developing relations and roles built over a lifetime.

Instead we should develop protocols to re-center public provision of care, anchoring it in community practices and place-based logics.

There are a huge number of local, independent organisations providing care and carer support, ranging from religious congregations to radical solidarity groups. The relationship of these groups to the communities they serve cannot be dismissed. We need to develop routes through which they can collaborate with the public sector to access resources and facilities as well as professional support.

The recent work on Public Civic Partnerships published by our friends at Common Wealth are a much needed step in this direction, while our partners in the Valencian Government have developed a scheme allowing workers and volunteers in local charities and neighbourhood care associations to receive a salary directly from the region, as if they were public sector employees.

Community-led Care Infrastructure

In our report for the Comunitat Valenciana, we suggested taking their fine-grained support for civic initiatives one step further, setting up spaces for community organisations and practices – to meet, organise, rest and learn. We think there is a need – and indeed scope – to adopt a similar strategy in the UK.

The NHS ‘five year forward review’ calls for an expansion of out-of-hospital services and infrastructure, including an increase in ‘intermediate’ facilities with bed-based care, reablement services and crisis response facilities. This strategy, aimed at freeing hospital beds and containing costs, could go further. Intermediate Care Facilities and Step Down Convalescence Units could expand their functions to include community spaces as well as support and coordination hubs for care-workers and coops. They could be the backbone of a capillary network for prevention and continued treatment for us all, elderly and young.

Wages for Carers

With its ‘Family Care First’ model, the UK has seven million unpaid carers. As public funding keeps shrinking, they struggle to access professional help, training and adequate financial support. The desertion of family carers on behalf of the state isn’t only cruel, it buries an invaluable source of social wealth. As our society ages, finding ways to unlock it should be a priority.

A wage for carers – whether as part of a wider BI program or a more directed form of income – is a necessary step towards recognising their status as workers, expanding freedom and independence.

This is why such a program would necessarily go hand-in-hand with setting up an infrastructure that allows family carers and care-recipients to break free of domestic isolation, into a wider ecology of care-relations.

Make Care a High Value Profession

The steady increase in demand for care services, along with the disappearance of other, more routine jobs, makes the current demographic shift an opportunity to give care-work the value and social status it deserves. The fact that so much eldercare is carried out for free by female family members puts downward pressure on the wages of professional carers. Work in the private home-care sector is undervalued and precarious, with a relatively high incidence of abuse and mistreatment. We need an alternative model premised on worker ownership and participation. In our report for the Valencian Community we point to the *Buurtzorg* model of cooperative care, where workers set their own schedule and pay, developing community practices of care on a local basis.

Transforming the City

From state-backed swiss housing co-ops with 10 bedroom apartments, to the luxury co-living experience offered by We-Live, recent years have seen a rise in alternative living solutions. Whether co-living in the UK will be an inclusive project to re-invent the way we live together or an exclusionary practice for a globalized urban elite, could depend on the growing number of elderly citizens.

Projects like the Older Women's Co-Housing project in Barnet, north London, are building the case for how a nationwide strategy to encourage co-operative living can address the isolation and discrimination amongst ageing urban dwellers. It will require strong political support for housing cooperatives along with new forms of tenancy and ownership that reflect the changes in age and family structure in our society.

We need to work with our ageing communities to build identity and citizenship beyond not only traditional (Fordist) working patterns, but also the family model that was closely associated with it.

As we shift to new patterns of work (like shorter weeks) we need to re-think the way we design and use urban space. Addressing demographic challenges in the built environment will be integral in developing sustainable and social practices of everyday life.

12

A People's Asset Manager

Grace Blakeley

Since the financial crisis, capitalism in the rich world has entered an almost unprecedented period of stagnation. Productivity growth, which drives output over the long term, has slowed in Europe and the US. Global debt has ballooned, reaching three times the size of world GDP. Globalisation appears to have stalled – capital flows have fallen 65 per cent since 2007 and trade flows remain below pre-crisis peaks.

The British economy has fared particularly badly since 2008. Productivity has stagnated for the longest time since the invention of the lightbulb. The average worker is no better off today than they were in 2007. Unsecured consumer debt is the highest it has ever been.

Economists are at a loss to explain this malaise. Some claim that the western world has entered a period of secular (i.e. long-term) stagnation. The potential causes range from technological slowdown, demographic ageing to rising public debt. The solutions – tax cuts, deregulation and public spending cuts – amount to more of the same.

In *Stolen: How to Save the World from Financialisation*, I argue that the malaise into which the British crisis has sunk since 2008 is the result of the inevitable collapse of the economic model pursued in many advanced economies over the last forty years: finance-led growth.

Finance-led growth was a fix to the political economic problems that emerged from the contradictions of the post-war consensus in the 1970s. For a while, the model seemed to work well. The period between 1989 and 2007 was known as the Great Moderation – a period of high growth, low inflation and high employment.

But beneath the surface finance-led growth was transforming the economy, as the logic of finance seeped into every area of economic activity.

The removal of restrictions on capital mobility and the deregulation of financial markets increased the power of institutional investors, and a small number of large asset managers gained a stranglehold over the economy. 'Activist investors' encouraged firms to conform to focus on boosting their share prices, rather than investing or paying workers. Firms started to use their earnings – and often debt – to pay dividends, buy up their own shares, and merge with and acquire other corporations.

At the same time, freed from the constraints imposed by credit and exchange controls, banks created billions of pounds' worth of new money in the form of credit – primarily mortgage debt. Absent any increase in the housing stock, rising mortgage lending simply served to increase house prices. Many homeowners opted to release the equity from their increasingly valuable homes in order to finance their spending. As a result, many didn't notice that their wages weren't growing as fast as they once had.

Banks packaged up these loans into financial securities that could be traded on financial markets. The finance sector boomed, and the value of UK banks' assets increased to 500 per cent of GDP by 2007. International capital flowed into the UK's banking system and property market, raising the value of the currency and making it difficult for exporters to compete internationally. Manufacturing output – concentrated in the UK's regions – shrank and many areas of the country sank into deep decline.

Rather than attempting to constrain the influence of finance over the rest of the economy, the state actively encouraged these developments. Thatcher decimated the country's union movement in order to push through finance-led growth. As one striking miner put it, "[w]e knew from day one we were firmly in Thatcher's sights. What was stopping privatisation, what was stopping letting rip with profits, their philosophy of a free-market economy? The thing that was stood in the way was us".

Reliant on tax revenues produced by the ever-expanding City, New Labour continued with the political economy of finance-led growth whilst attempting to mute its impact on the worst off. Blair and Brown pursued a 'light-touch' approach to financial regulation, which allowed the Royal Bank of Scotland to become the largest company in the world on the eve of the financial crisis. Through the private financing initiatives, the state allowed investors to undertake spending on its behalf – creating opportunities for profit out of the rising state spending made necessary by the inequities created by finance-led growth.

The inherent contradictions of finance-led growth have been laid bare since 2008. Wages, productivity and investment are all flatlining and many people are struggling to make ends meet. Rather than addressing these issues, successive governments have prioritised banks and bond investors over working people. Absent the balm of constant increases in debt and asset prices, financial capitalism can no longer provide the majority with hope of a better life.

But it is far from clear that there is some other, less extractive form of capitalism that could take its place. Finance-led growth emerged out of the rubble of the post-war consensus, which had itself collapsed as a result of the inherent contradictions of social democracy. With the global economy in crisis, all our ecological systems collapsing around us, and liberal political institutions in crisis, a return to state-managed capitalism is no solution at all.

Today, socialists must learn how to use the contradictions of finance-led growth to move beyond capitalism altogether.

In *Stolen*, I argue that our movement must take on the banks the way Thatcher took on the unions. Small policy changes are not enough – history is driven forward by class struggle, not simply the progression of ideas, and the power relations that sustain finance led growth must be challenged for a new order to emerge.

Stolen argues that the logic of finance-led growth must be challenged from both the bottom-up and the top-down. But perhaps the most important recommendation in the book is the creation of a People's Asset Manager (PAM), which would use the tools provided by our highly developed finance sector to socialise ownership throughout the economy.

Mirroring the relationship between private investment banks and their in-house asset management firms, the PAM would work with the UK's National Investment Bank to purchase assets – like equities and bonds – in strategic sectors of the economy – like green energy and infrastructure. It would both manage the assets of a newly created Citizen's Wealth Fund, expanding public ownership of critical areas of the economy, and invest on behalf of pension and insurance funds, steadily socialising ownership.

As I argue in *Stolen*, “if institutional investors like Blackrock, who manage billions of dollars’ worth of other people’s assets, have become some of the most powerful entities in the international economy, then the creation of a democratically-owned and run alternative could be a revolutionary project for a socialist government.”