

Fabian Review

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Winter 2008/09

NOW

NEVER

NOW MORE THAN EVER
...FAIRNESS IN A RECESSION



INTERVIEW
Roger Liddle
interviews Vince
Cable



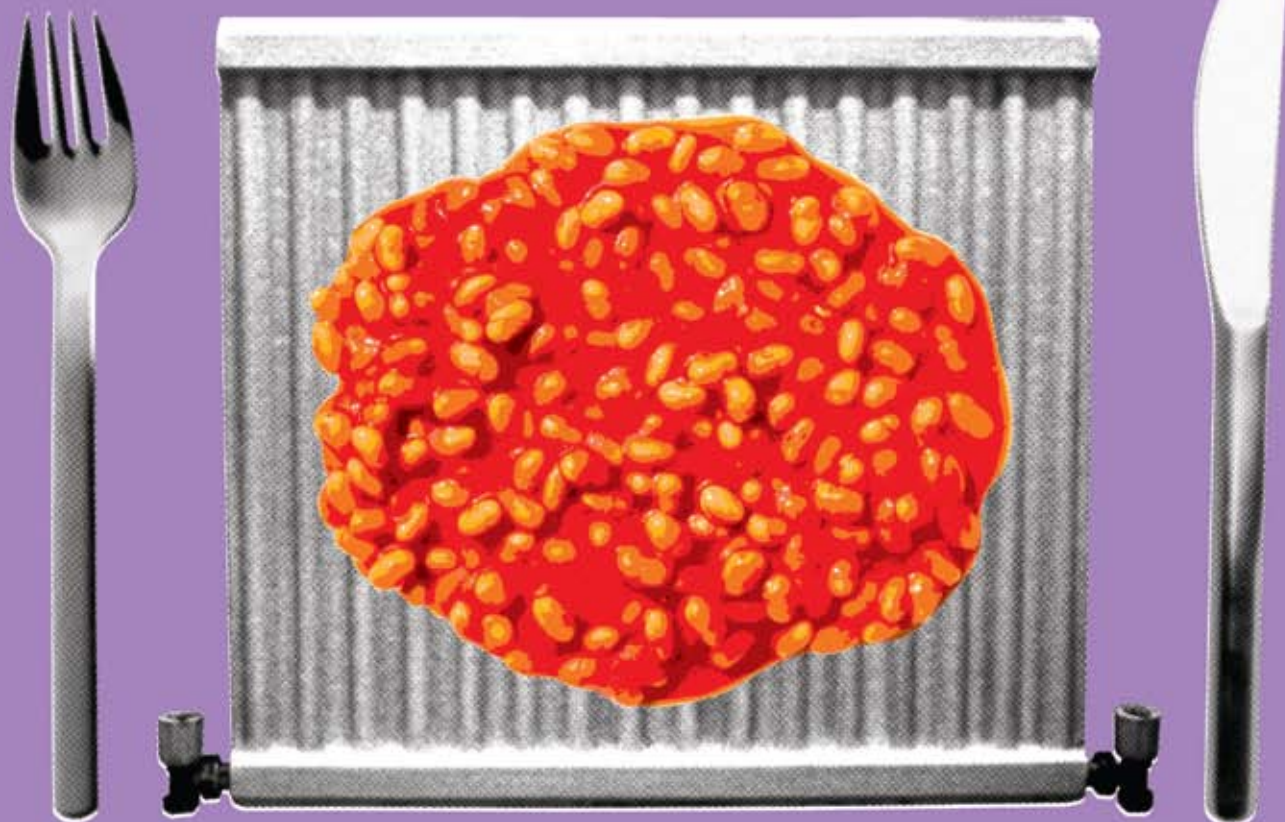
JOHN McFALL
We must not stand
idly by



CITY BONUSES
New data on what
the public thinks
about the rich

THEY

promised to stamp out
child poverty in the UK




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who still have to
choose between
decent eating
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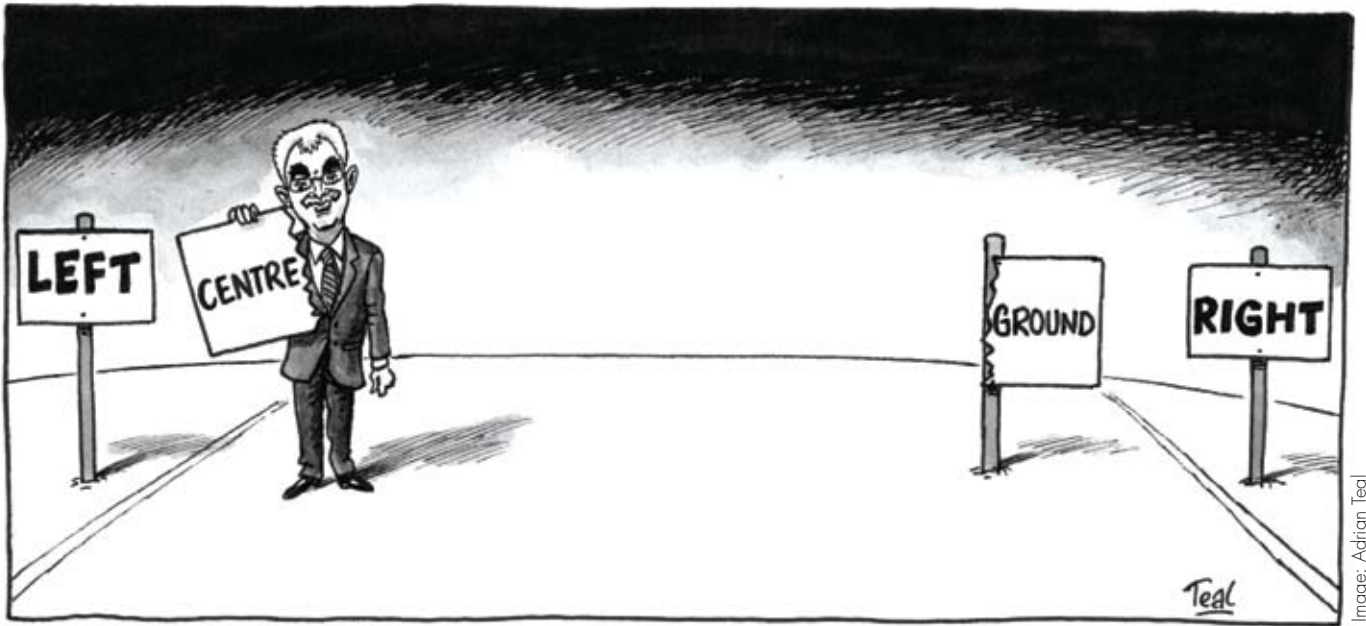


Image: Adrian Teal

It's the economy, Darling

The Government still risks underestimating the public's appetite for fairness. Neither ministers nor their Tory shadows seem to want to talk about the progressive new top rate of tax.

Shrill cries that the Government had "abandoned the centre-ground" with plans for a new 45p top rate of tax on earnings over £150,000 showed just how detached the media classes can be from the country about which they pontificate.

Indeed, only 17 per cent of the public occupy the mythical 'centre' which opposes the measure while 72 per cent support the new top rate. With clear majorities in favour in all regions, classes and income groups – and among Conservative voters too – it is difficult to identify many other policies with a broader 'one nation' public resonance.

Rumours of the death of New Labour are exaggerated. But New Labour was Labour too: the party of the windfall tax, anger at 'fat cats' and a penny on National Insurance to find billions for the NHS. To talk tax at all was taboo for some but Fabian gradualism kept open arguments about equality, redistribution and progressive taxation, helping to shape the fairness argument which could define Labour's public argument by what it is for, and not just by what it is not.

Political parties will naturally compete to occupy the centre-ground: the point is to shift it too. Like a flash of lightning on a dark night, the politics of the pre-budget report illuminated central choices in British politics. After a decade in which political cross-dressing has been in fashion, we had the novel sight of the main parties stealing back their own clothes, with clear differences over spending, whether to borrow in a recession, and what government should do to protect citizens.

Yet this greater willingness to articulate the big political arguments still faces a competing instinct, on both frontbenches, to blur the differences. How often did you hear any Cabinet Minister making a principled fairness argument for the new top rate, or any shadow Minister willing to express an opinion about it at all? (Tellingly, the Opposition have quietly briefed that they have no plans to reverse the move: another example – from the minimum wage to civil partnerships – of how Labour at its boldest does most to entrench change.)

Gordon Brown is making the political weather after a turbulent

year. 2009 will be a year of enormous challenges: the economic crisis will dominate while it is also the make-or-break moment for a global post-Kyoto deal on climate change.

Progressives, emboldened by the new Obama administration, can win the battle of ideas. But this will depend, above all, on more confidence in articulating the necessary case for government action.

'The state' is unpopular as an abstract idea. But, when it comes to the action which governments can take – such as protecting home-owners from repossession – the concrete calls are almost always for government to do more. That is why neither Margaret Thatcher or Ronald Reagan were ultimately able to significantly shrink the state. It is much less popular than it sounds.

Do not expect the right to concede the language of fairness. What must be tested is what – if anything – they want to do about it. This is a central argument to be won in the year ahead: that fairness doesn't happen by chance. SK

The Labour Party doesn't raise people's taxes any more, right? Not so, said the Chancellor in the Pre-Budget Report. Alastair Darling's dramatic announcement of a **new top rate** of income tax to pay for kick starting the economy boldly shattered the political consensus, leaving commentators queuing up to declare the 'death of New Labour'. Less remarked upon was that it also represented a triumph for Fabian gradualism. As long ago as 2000 the Fabian Tax Commission Report 'Paying for Progress' called for a new top rate, and successive Fabian General Secretaries have advised Downing Street to drop the pledge not to raise income tax from Labour's election manifestos. For years the Fabians have argued the public are ahead of the Government on the need for progressive taxation and now the onset of recession has caused this to be heeded. So, just like universal healthcare, the minimum wage and the penny on National Insurance to fund increased public investment, this Pre-Budget Report provided more reassurance that the tortoise gets there in the end.

.....

Party Conference season saw more Fabian events, attended by more people, in more places than ever before. In Manchester, the Town Hall was consistently packed and Conference's early opening gave the Fabian Fringe a head start in setting the agenda for the week. Highlights included: David Miliband discussing a progressive foreign policy; Iain Duncan Smith and Polly Toynbee debating



whether middle England cares about equality; David Lammy renewing his call to learn the lessons from the Obama campaign; and Jon Cruddas and Ed Balls appearing on the Fabian Question Time panel. This year's programme also included trips to the Lib Dems in Bournemouth and, for the first time ever, a well-received event at the Conservative Conference in Birmingham. All fringe events were reported instantaneously and extensively on the recently launched Fabian blog, Next Left (www.nextleft.org)

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The American election result gave the Fabian's long-term exploration of the 'World After Bush' a happy ending in the short term at least. The Fabians have led the way in examining what Labour might learn from Obama's success, publishing in the week of the election a Freethinking paper by Will Straw and Nick Anstead, called '**Yes We Can**', and holding the 'America Votes; Europe Responds' conference which provided an early opportunity to discuss the results with the likes of Shirley Williams and Denis MacShane. Next Left trafficked a huge amount of comment and analysis on events across the Atlantic as they unfolded, including regular ground-war updates from Young Fabians campaigning in the key swing states.



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NorW NEVER

AS WE MOVE FROM THE CREDIT CRUNCH, through the downturn and into a recession, it's clear that it will be the poor and the vulnerable who will feel the worst of it. Protecting people looks set to dominate the agenda of 2009.

The Fabian Review should be a place where people who believe in progressive politics can respond to the events of the last six months, take stock, debate, and put up new ideas on how to deal with such challenging times. In this special issue, which ties in with our New Year Conference, 'Fairness Doesn't Happen By Chance', we present a range of specific proposals for ensuring fairness is at the heart of government's response. Among others, the Chair of the Treasury Select Committee, John McFall, argues for tax allowances to take millions of low paid people out of the tax system; David Coats shows how to tackle City bonuses; Chris Lesley advocates local authority mortgages; from the City, Rachel Reeves argues that government should print more money; Cabinet Office Minister Liam Byrne says that we need to do far more on social mobility, and Rachel Briggs says we musn't forget the middle classes, who have been at the heart of New Labour's historic coalition.

On these pages we exclusively show some of the first UK data on how public attitudes to the very rich have changed since the financial crisis began. As the Fabian Review goes to press, 'The Daily Mail' is splashing on the story that Goldman Sachs - given a bail out by US taxpayers of £6.5billion - is paying its staff bonuses that total £4.3billion. That's an average of £142,000 each. The Mail is outraged and so is Middle England. Our polling and public attitudes work, which informs Louise Bamfield's Fabian Essay on page 28 and which has been funded by the Joseph Rowntree Foundation, suggests there is real anger about top rates of pay, at City bonuses and at the behaviour of the banks.

With the challenges so great, it is good to see that the public's appetite for fairness is as strong as ever. 2009 will be a crucial year for fairness in Britain. It's now or never.



Tom Hampson
is Editorial Director
of the Fabian
Society

87%

of respondents view City Bankers as overpaid, second only to premier league footballers at

96%

By comparison, the salaries of **lawyers 77%**, **MPs 71%** and **estate agents 55%** all attracted less disapproval.

70%

think that ordinary employees should be represented on the compensation committees which decide how much city executives get paid

56%

are in favour of making executives of failed companies *'pay back their bonuses from the last two years'*

55%

hold the banks in Britain and America most responsible for the credit crunch, *'for giving people money they couldn't possibly pay back'*

24%

blame the Government *'for letting it happen and allowing banks to lend out too much money'*

The new higher top rate of tax of

45%

for people earning over £150,000 – is supported by

76%

of the public.

70%

of respondents agree that *'Those at the top are failing to pay their fair share towards investment in public services'*

Just **19%** agree that taxes on high earners should be kept low so that *'British companies can attract the talent they need to succeed'*



Image: Adrian Teal

“A national emergency”

The Government has been decisive in the downturn, Vince Cable tells his former SDP colleague **Roger Liddle**, but a different and bigger response is needed in the economic equivalent of war.



Roger Liddle
is Vice Chair
(Policy) at Policy
Network and former
European Adviser to
Tony Blair

Vince Cable is not your typical modern politician: no smarmy charm; a conscious lack of superficial soundbites and exaggerated 'dividing lines'; in his dour unflashy manner, a walking triumph of substance over style, apart from his talent for deadly aphorisms and his proficiency at ballroom dancing.

We go to interview Vince in his Commons room, surrounded by books, pamphlets and press cuttings. Cable is clearly like his one time Scottish Labour intellectual collaborator, Gordon Brown – a politician, who likes to do his own thinking and research. Vince and I first came across each other at the tail end of the Callaghan Government when we were both Special Advisers, he to John Smith. We both joined the SDP in 1981, but Vince then spent fifteen years working through the wards in Twickenham to end up in 1997 Liberal Democrat MP for this previously banker Tory seat: one of the unsung victors of the great progressive coalition Tony Blair had put together.

I first ask Vince how much he thinks the global economic crisis represents a paradigm shifting event. His reply is at one level careful and qualified: but at another far more radical than any Labour figure has so far suggested.

RL: Will the crisis have similar consequences for the hegemony of market neo-liberalism to the Winter of Discontent's destruction in 1978 of post-war social democracy?

VC: The crisis is profoundly serious, and I suspect that we are only at the beginning of it. It's a particularly serious crisis for the UK because we have big structural problems which this government chose to overlook: the massive build up of the housing market bubble and personal debt; the fact that city of London financial services were allowed to grow disproportionately, exposing the British economy to bigger shocks than would otherwise have been the case.

Cable, however, doesn't play the George Osborne game: he offers a more profound critique of successive UK government policies.

"The problem is not, as the Tories put it, the hole in the roof while the sun was shining, but rather that the whole building was erected on very, very fragile foundations and swamps. We had a banking system that was made unstable by decisions made over the last twenty years. The Government was quite happy to let the City of London run without questioning too deeply many of the assumptions under which it operated."

RL: So this is as big a crisis as the 1930s?

VC: In the 1930s many people, except for Keynes, wanted to overthrow everything to do with capitalism. Instead we are talking fairly narrowly about the financial sector. In the short run, there is no alternative but to working with the banks in their current very messy structure. In the longer term the banking sector is going to have to be reconstructed on very different lines. I don't think it's going to be possible to have high street banks that are simultaneously operating like casino-type investment banks.

What is going to have to emerge is a system of domestic banking, which is either significantly more regulated or has a different ownership structure which sits alongside the internationally traded financial services industry. How we maintain a firewall between those two activities is very difficult in practice to define but is the issue we have to focus on.

RL: How does your focus on the distinctiveness of the financial sector determine your view of what the voters will regard as fair and unfair in future?

VC: When people look at what's happened over the last few years they see people making enormous fortunes and not through entrepreneurial activities. Not as Bill Gates introducing wonderful new innovative technologies – I don't think any sensible person in a capitalist society would question wealth creation based on genuine entrepreneurship and innovation.

But (what was happening in the financial sector), if it wasn't fraud, it was certainly sophisticated pyramid selling;

people making fortunes through bonuses which were not in any meaningful sense earned. The anger is because the tax payer is having to pick up the bills. It is not so much that the rich got richer, which may be understandable in a successful capitalist system, but that the losses have been effectively socialised.

RL: Surely you support the Government response to the recession?

VC: I don't dispute that in the last few weeks the Government has been decisive and hands on, and many of the things it has done in regards to the banking system, the capital injection and the fiscal stimulus, have been appropriate and I have publicly supported them.

But that doesn't mean he is giving the Government a blank cheque.

"The big failing in policy at present is the lack of clarity of what the government wants the banks, particularly the part nationalised banks, to do. Though I am in advance of the pack when it comes to kicking the banks, they have a genuine point that the Government is setting them very confused and contradictory objectives. They are being told to lend more to keeping the economy going, which is right and should be top priority. But then they are also being told to hold more liquidity, and to repay public loans as quickly as possible. The government preference shares were subscribed on very tough terms. All of this undermines their ability to lend."

RL: But surely you stand with the Government against the Tories on the big dividing line David Cameron has opened up with the government on fiscal policy in a recession?

VC: Cameron is trying to create a dividing line, and it may be tactically quite clever. But I'm not sure it is quite the divide that you imply, because even the Tories, I think, accept the necessity for the automatic stabilisers to work. And the Government's fiscal stimulus is pathetically small.

RL: So you think it should have been bigger?

VC: I think it should have been different and bigger. The emphasis should have been on long term public investment in projects that are sound in their own terms:

social housing, where the government is doing something but not very much; big transport projects, which are self-financing in the long-term; mass home insulation etc. Because I don't think this is going to be a short recession.

RL: *What about the VAT cut?*

VC: It's not completely useless, as it has got some money into the economy but it's based on the assumption that it is a short, sharp, relatively shallow recession. I feel it's much bigger and deeper. The Obama people understand that.

The second criticism I have of the Government's stimulus is that we think there is a bigger role for tax cuts concentrated on low paid workers, lifting them out of income tax, funded by people higher up the income scale...

RL: *But isn't that what the Government is doing?*

VC: Not really. It isn't doing much at the bottom: it corrected the 10p rate thing but at the other end, the 45p rate was only tokenism really.

RL: *What would the Lib Dems have done instead?*

VC: Two things would raise large amounts of money: abolishing tax relief on pension contributions at the top rate; and reforming capital gains tax, which is deeply inequitable.

Under the Alistair Darling reforms you pay top rate income tax at 40 and potentially at 45 per cent, but if you convert your income into a capital gain, you only pay 18 per cent. This is a nonsense that even Margaret Thatcher and Nigel Lawson recognised. Those two things together raise substantial amounts at the top end.

RL: *So what is the current Lib Dem policy on the top rate?*

VC: If you do those things then we think you don't have to do anything else. If the government brings in the 45p then we won't repeal it but we didn't think it was necessary.

Simultaneously, we are looking at public spending.

RL: *But surely any talk of public spending cuts has to be set in the context of the Government's November announcement of*

public spending real growth being held to 1 per cent a year? That's ferocious restraint by past standards.

VC: I think it's simultaneously ferocious but also wildly optimistic. I think the economy could get significantly worse than the Government is assuming, and all these sums will look a lot worse. What escaped everyone except the IFS is that the particularly ferocious cuts occurred in public investment. So that instead of having long term commitment to wonderful infrastructure, the Government are going to cut it to pieces.

RL: *On the other hand that there has been a lot of catch up investment in the last ten years in schools and hospitals, which it should now be possible to phase back?*

VC: Any party that gets back into government at the next election is going to have a horrendous public spending problem. Not least because there will be irreconcilable pressures between public sector workers who will feel they need more money and private sector people who are out of work and extremely angry at all these public sector workers with secure jobs and pensions and the rest of it.

RL: *Do you think what's happened brings back a strong case for the membership of the euro?*

VC: I think there is a strong case for British membership of the euro but I don't think it should be predicated on what's happened over the last few weeks. Of all the things we have to worry about the fact that the pound is flexible is actually a benefit in the current situation. But if the eurozone survives, as it is not totally clear it will, and in two or three years time the eurozone is clearly reviving and benefiting from its internal disciplines and unity and Britain is still struggling and floundering all over the place, then the whole national mood may change.

RL: *Everyone remembers your quip describing Gordon Brown as Mr Bean. What do you think of his performance now as Prime Minister?*

VC: I wouldn't use that image any more. If I was going to conjure up a colourful image of Gordon it would be King Canute: the man who ordered back the economic tide of Boom and Bust and is currently being made to eat humble pie.

RL: *But that refers to the past...don't you think that recent events have opened up a big divide between what I'd call the progressive alliance and the conservatives?*

VC: No. For self-serving reasons the Government and the Tories want to get back to that kind of polarised debate. I don't actually think that what they are doing in relation to fiscal stimulus is terribly radical. So I think that this division is a phony one and takes us away from other important issues such as civil liberties and the environment and the future of Europe.

It won't work with the public either. There is a sense that this is a very deep economic emergency: the economic equivalent of war. If you have the two leading parties behaving like ferrets in a sack, this will go very badly for both of them.

RL: *Surely the description of the Conservatives as the do nothing party is accurate?*

VC: Ok, but it's polarised and confrontational.

RL: *The present polling is suggesting a hung parliament. Do you think that the logic is that you could end up as a Chancellor in a Brown government?*

VC: No I certainly don't. I think it's rather improbable. You know our view on hung parliaments: if it happens, we would be willing to work with either party in the national interest. I know that sounds rather trite. But I think actually it will strike a chord in the way it wouldn't have done a few years ago, because in national emergency voters will respond to politicians who say what's the point of trench warfare.

RL: *Nick Clegg six months ago may have thought that he could work with a soft Conservative David Cameron. Is that the case any more?*

VC: If at the next election, the Conservatives appear to have won a moral victory, even if they don't have an overall majority, then we would feel we would have to sit down and talk.

It may be you are right that having sat down and talked, there is no common ground – but we would go into the election very clear that this would be one of the things we might have to do. ■

Cracks in the ceiling

There is a good news story to be told about women's success in parliament, but only an all-party pledge to boost numbers will make fair representation a reality, argues **Rebecca Lury**



Rebecca Lury
is an Assistant Account Executive
at Edelman

The history of women's representation paints a drab picture. Despite women winning the right to vote in 1918, it was not until Labour's landslide of 1997 that women truly started to have significant representation in parliament, with 120 being elected.

However, representation is still extremely low: only 19.8 per cent of MPs are women. The UK is 41st in the world, in a table topped by Rwanda, where 39 out of 80 National Parliament seats are held by women.

But despite the still somewhat disappointing proportion of women in parliament, received wisdom that suggests gender has a negative effect on chances of promotion in parliament is wrong.

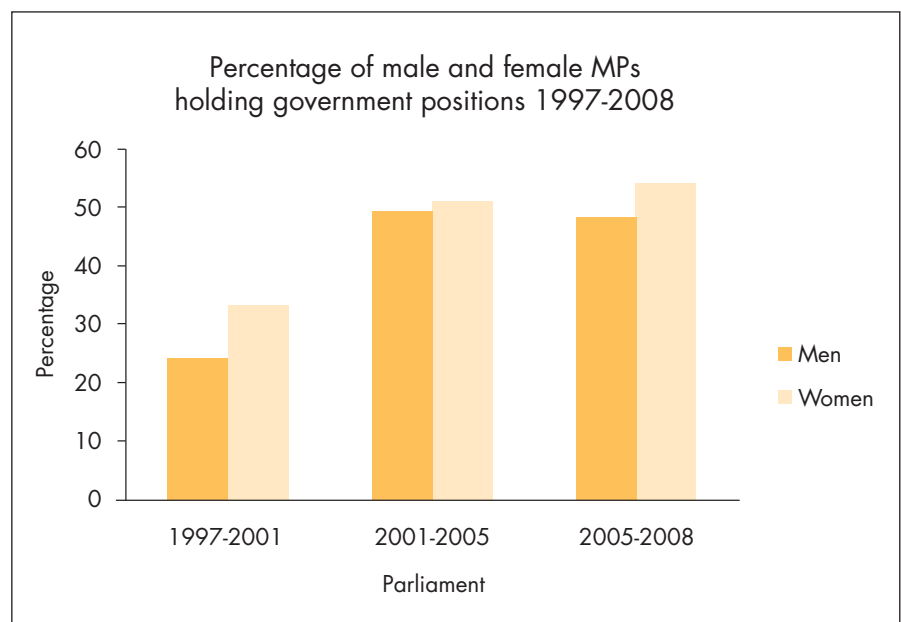
It is not actually the case that women are not being promoted as much as men.

Looking at the 1997 intake of MPs and charting their career to the last government reshuffle, we can see that the so-called 'Blair's Babes' have been more successful at holding governmental positions than their male counterparts.

These results show that women are in fact proportionally more likely to hold a governmental position. And as more women enter parliament, there will be even more women to choose from who

have the required talents and the drive to reach the top, and they should continue to exceed expectations.

This runs contrary to current thought which stresses the stifling effect of parliament on front-bench opportunities for women. This view is backed by women MPs themselves, who see the challenge they face to be promoted as much harder than that faced by men. Many women MPs feel that men look down on women as an inferior sex



and regard their promotion as merely tokenism. When there were fewer women in the House of Commons, the novelty of women was an argument often used by men when women had any successes: women MPs from the Labour Party have noted that they have been told their promotion is due to gender, rather than talent: "you are only on the front bench because you wear a skirt."

Many women also feel that they need to lose their 'feminine identity' in order to make their way up the parliamentary ladder. This means that many do not aspire to the top jobs. A number of women MPs pride themselves on being successful backbenchers, and many feel their work on select committees means they can raise women's issues more easily.

But a parity of women in the House of Commons is extremely important. The MP Jo Swinson put this well: "the representation of women is important in itself – for equality and fairness in a 21st century society. It is also important for the credibility of this Chamber in the eyes of our constituents. When they turn on the television to watch the goings-on here, as they may occasionally do, it does politics no service when they see such a lack of diversity in the House; that applies not only to gender, but to age, background, ethnicity and many other elements of diversity."

The Fawcett Society, which campaigns for a better representation of women in parliament, believes that having a more balanced group of representatives would lead to better decision-making that reflected voters' concerns more accurately. Women bring a different way of working and a host of new challenges to the table – and through their representation they can make a difference to the female population.

We are already seeing the product of more women in parliament; more legislation that looks at 'women's issues' like abortion, maternity pay and rape. Women have proven that they can make it into the top positions in the Government.

Without women gaining more seats in parliament, there can be less hope of making a real difference for women. Traditionally it is seen that women are prejudiced against at the selection stage;

Despite the still somewhat disappointing proportion of women in parliament, received wisdom that suggests gender has a negative effect on chances of promotion in parliament is wrong

the bias at this point means women do not even get the chance to stand for parliament. Discrimination by the selection committee is often cited as a key problem. There are many stories from women who have stood before selection committees, often made up of men saying "we do enjoy watching you speak; we always imagine what your knickers are like."

So whilst it has been proven that women are able to make it successfully in parliament, there is much more that needs to be done. Hopes were raised in 1997 with the success of all-women shortlists, but progress has now stagnated and this needs rectifying.

If Labour loses the next election, many women MPs will lose their seats and the Conservatives will not match their numbers. Whilst women are no longer treated as secondary citizens, they are still under-represented in parliament.

There needs to be an all-party pledge to take direct action to substantially increase the numbers of women in parliament. Positive discrimination is the easiest way to significantly increase the number of women MPs, but Labour going it alone cannot change parliament's composition. The Labour Party is taking the biggest steps towards achieving male and female equality in their party, having stuck by All-Women Shortlists despite their controversial nature. Now the Conservatives' A-List looks to be starting to make a move towards better representation of both gender and ethnicity – but this does not go far enough.

The future of representation looks like a long uphill struggle if a critical mass (defined as 30 per cent of those elected) is to be reached. In fact, the Fawcett Society has said that if Labour continues at the rate they are going, there will not be parity until sometime between 2025 and 2037. This may seem far off, but for the Conservatives the future is bleaker still, with predictions of the year 2309 unless they adopt positive discrimination. What can be said is that whilst the number of women in parliament has increased, there is still a long way to go before they are truly represented accordingly.

What we need is a commitment to ensuring a greater representation of women. They have proved that they are just as capable and up to the job, and it is now time to allow more of them to feel at home in the House. ■

FABIAN WOMEN'S NETWORK

The Fabian Women's Network was launched in January 2005. Part of the Fabian Society, it aims to bring together women from across the public, private and voluntary sectors to:

- create a thriving network for change;
- connect Fabian networks with Fabian Women Parliamentarians;
- advocate on issues affecting women; and to
- provide new ways in which women can engage in topical policy debates.

The Fabian Society has over 1500 women members, including over 70 women Members of Parliament, 15 Ministers and six Secretaries of State. We hold bi-monthly policy and networking events. For more details, please email fabianwomen@fabian-society.org.uk

Labour: good for women, bad for feminism

While Labour can boast of many improvements in the lives of women, its record on feminism isn't much to shout about. **Ellie Levenson** argues for the importance of gesture politics and shows that Gordon Brown could be good for women and good for feminism too



Ellie Levenson

is a member of the Fabian Executive Committee and the author of 'The Noughtie Girl's Guide to Feminism', to be published by Oneworld in July 2009

It is easy enough to remind ourselves of Labour's achievements for women since 1997 and give ourselves a pat on the back. Just think about the minimum wage, increased child benefit, the creation of SureStart, Working Family Tax Credit, free nursery places for 3 and 4 year olds, breast cancer screening, homework and breakfast clubs, extended maternity leave and the introduction of paid paternity leave, the right to flexible working for parents of children under 6 and disabled children, better pension provision for women and so on.

But while these things are good for women (and for society generally) whether they are good for feminism is a different question, and what Labour has done for feminism since 1997 is altogether less impressive.

If that sounds odd, then you need to start by reminding yourself what feminism is. Feminism, for me and

my generation of women at least, is a movement with two goals – equality and choice. In a feminist society women have equality with men, and women have real choices over how they live their lives.

Labour hasn't always helped us to achieve these two things. Take, for example, policies around getting mothers into work. As the Family and Parenting Institute makes clear in its July 2008 publication 'Listening to Mother', when it comes to parents and work, the Government has had just one policy – that parents should work. Work is the Government's solution to how families can be taken out of poverty, especially single parent families headed by women.

But these policies have not made most women more equal to men, or given them greater choice. According to the Family and Parenting Institute, the average hourly wage for a woman juggling childcare and work is just 67

per cent that of a man's. And after having children a woman's wages then stagnate for ten years, largely because many mothers move into part-time and badly paid work. What's more, these policies have taken away much of the element of choice for women over whether to stay at home with their children or go out to work.

What about the introduction of paid paternity leave? Is this a giant leap forward for feminism? Someone in the DWP may have thought so. But at £117.18 a week this does nothing for families relying on the male wage to pay the bills. Good for women – and great to have some help in those early weeks. Good for feminism? Not until men have paternity leave paid at proper rates for longer periods of time so that it is not just the rich who can afford to use it, or until employers are as likely to have a man take extended paternity leave as a woman. This

policy, which at first looks like it is good for women and good for feminism, turns out to be neither.

This distinction is not new. Indeed, while Margaret Thatcher was bad for women (indeed, bad for men too) she was good for feminism. As Natasha Walter wrote in her 1998 book 'The New Feminism':

"Women who complain that Margaret Thatcher was not a feminist because she didn't help other women or openly acknowledge her debt to feminism have a point, but they are also missing something vital. She normalised female success. She showed that although feminine power and masculine power may have different languages, different metaphors, different appearances, different gestures, different traditions, different ways of being glamorous or nasty, they are equally strong, equally valid... No one can ever question whether women are capable of single-minded vigour, or efficient leadership, after Margaret Thatcher. She is the great unsung heroine of British feminism."

I wouldn't necessarily go as far as Walter – hold your letters to the Editor decrying the fact that Fabian Review has heralded Thatcher as the great feminist – but Walter does make an important point, and one that Gordon Brown can learn from if he is to be both good for women and good for feminism, which is that when it comes to feminism it is not so much what one does policy-wise but what impressions one makes on culture. In other words, Brown may for other reasons wish to be seen as rejecting the spin machine of his immediate predecessor, but that is precisely what he needs if he is to be judged well when it comes to feminism.

For what Brown needs to do now is not the big stuff – much of that has been done – but the smaller gestures that show feminism is being taken seriously right at the heart of government. In every corridor of Whitehall and in every committee room of Westminster, he needs to ensure there is feminism in

action, and when it is he needs to shout about it. It's time for gesture politics to come back.

I want to see job-sharing as normal at all levels. A job-sharing Cabinet Minister, possibly more than one, would be a great start. This doesn't

A job-sharing Cabinet Minister, possibly more than one, would be a great start. This doesn't have to just be between two mothers. Fathers, as politicians know too well, also need to spend more time with their families

have to just be between two mothers. Fathers, as politicians know too well, also need to spend more time with their families. Women in government should be able to take proper paid maternity leave and new fathers in all areas of politics should be required to take paid paternity leave.

The Government has promised that by 2009/10 if a mother wants to return to work the father will be able to take some or all of the second half of the child's first year as paid paternity leave. Policy-wise, the Government should be looking at schemes that give men exactly the same parental leave and pay as women, so that neither gender is more attractive to employers. In the meantime though, an insistence that members of the Government, MPs and civil servants get longer paternity leave at a higher rate of pay would be an excellent gesture.

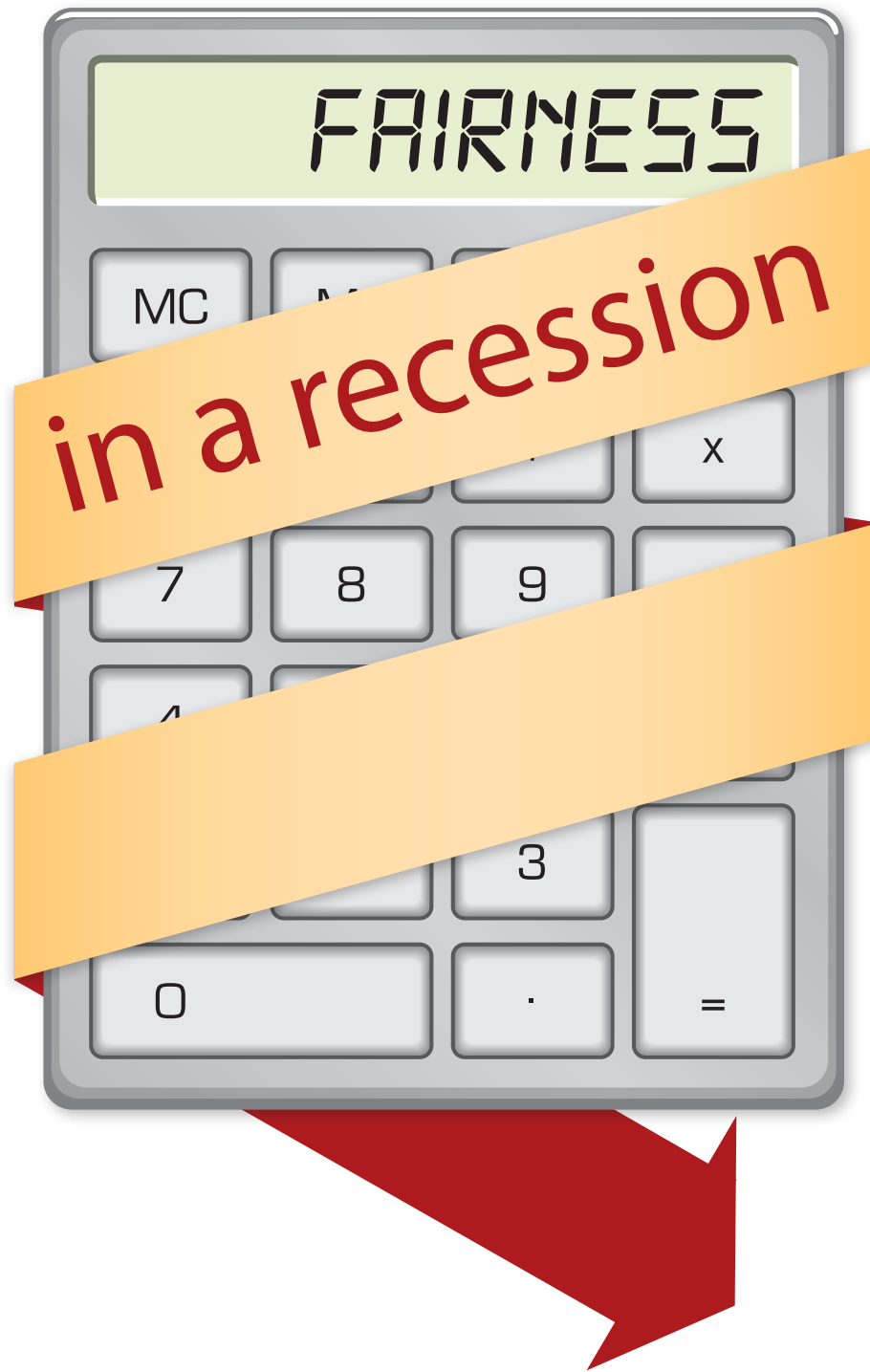
And if the Browns were to have a child in office as Tony and Cherie did, Gordon should take off six months paid and his deputy should stand in. As things currently stand this would lead to the double whammy of having a Prime Minister on paid paternity leave thus normalising this idea just as Thatcher normalised the idea of women at the top, and of having a woman, Harriet

Harman, as Acting Prime Minister, showing that not all female Prime Ministers are society hating monsters.

What other gestures could Brown make when it comes to feminism? He could start by publicly criticising politicians who make outrageous comments such as Hilary Benn did during the Labour Deputy Leadership campaign when he suggested that women are less confrontational than men. He could swear that never again will the Minister for Women be unpaid. And while it's great that women in the Cabinet are not seen as an anomaly but as normal, and I am delighted women have been entrusted with the Home Office and Transport, how about a woman heading up the ultimate 'boys toys' department and being in charge at the Ministry of Defence? And the Treasury while you're at it please.

Perhaps this all seems a bit much. But it really is just an extra step on from what Brown has done already. After all, most of the women-friendly policies in the Blair years emanated from the Treasury and Blair's achievements for women, listed at the beginning of this article, are really Brown's achievements – just think of the literally billions of pounds redistributed through tax credits and benefits not to mention the debt dropped for developing countries which has helped women (and men) across the world. Whereas politicians are often accused of gestures and not substance, when it comes to feminism Brown's problem has been the opposite.

But if what Brown is looking for is 'legacy' then, alongside the job sharing Cabinet Ministers and time off for male politicians to change nappies, there is something that would make a huge difference to the lives of many women. 2009 will be the ten year anniversary of the minimum wage, perhaps the single greatest achievement for Labour, and for women. Brown needs a new minimum wage moment, something that will help women and the low paid as much as introducing the minimum wage did. He should bring in a Part-time Work Act to ensure that part time work is paid at the same rate as full time work, and with the same parental rights. This really would be good for women, and good for feminism. ■



Policy proposals >>

We need Local Authority mortgages



The current economic downturn is not a 'classic' recession: it is heightened by the collapse of trust in the private banking sector that places otherwise viable businesses and homeowners in a credit squeeze not of their making. Mortgage borrowers are not being passed on Bank of England base rate reductions and many homeowners approach the end of fixed mortgage facing punitive rates.

Such mortgage dire straits are undermining the wider housing market and the private banks are stifling its recovery because of their unwillingness to lend on reasonable terms again.

It is for this reason that we need to revive concepts of public sector banking once more. Not only is it right to have taken a stake in RBS, Northern Rock and Bradford & Bingley, but the Government should consider using these and other agencies in its ownership far more actively than is currently the case. The Post Office already offers savings and loan facilities, which could be extended to partial or full mortgage offers.

But the real opportunities for active public banking agency comes from those bodies closest to the customers, located in neighbourhoods and cities with which they are most familiar – local authorities.

Local councils were once in the business of mortgage lending on a considerable scale – 600,000 mortgages were in operation as recently as 1980. During the 80s the competitiveness of banks and building societies overtook the ability of councils to lend, who were simultaneously squeezed by a Conservative government crackdown

which ideologically disliked public intervention in what it felt should be a reserved private market, together with a tightening on capital borrowing facilities.

While councils technically are still free to offer home loan mortgages, there are several obstacles. First, the 1985 Housing Act forces all councils to offer any mortgages it enters at a 'standard national interest rate', to be determined by the Secretary of State. This rigid anachronism assumes an inability on the part of councils to think through for themselves competitive terms of benefit to their residents – and it should be abolished. Second, councils should be actively encouraged by the Treasury to revive their mortgage role. Orthodoxy has accrued a reluctance to innovate in some local authorities and a government green-light would give cover to the more conservative town hall treasurers.

The council tax payer could benefit in the long run if these loans – secured against the collateral of the property – saw the interest payments reverting to the council budget rather than the profit margins of the big banks. And critically, local homeowners and prospective purchasers could see mortgages available and on competitive terms from agencies who would take care to invest wisely in areas which they have a clear interest in seeing thrive.

This initiative will diversify a mortgage market in desperate need of new energy and confidence. If we can get prime lending moving again, the downturn will be far less severe. ■





Stop premium rate rip offs



Image: Nicholas Bailey/Rex Features



Dave Anderson is Labour Member of Parliament for Blaydon

Many of you will have had this soul-destroying experience. A product or service goes wrong and you have to phone the supplier at a premium rate number starting with 087. The cost of the call increases along with your blood pressure as you are connected and wait in line whilst a robotic voice tells you between snatches of muzak how important you are to them.

It's difficult to avoid the suspicion that some companies are content with customers queuing for long periods to reduce staff numbers and make money from the stressed customer

Or you have to navigate a thicket of often irrelevant options before reaching a call centre worker. They can sometimes sort out the problem there and then. But most are under pressure and some have neither the time nor the expertise nor the authority to deal with it.

It's difficult to avoid the suspicion that some companies are content with customers queuing for long periods to reduce staff numbers and make money from the stressed customer who wishes to complain about a faulty product. So much the better if this deters some from bothering to pursue the issue.

Many people are exploited by having to use premium rate numbers. They cost even more if you use your

mobile, which is the only option for some of the poorest people who cannot afford BT line rental charges.

As times get tougher, action to curb this is necessary to protect households from the recession and in the interest of fairness. The scale of this practice needs to be exposed to shame companies that fleece their customers.

So, the Government and Ofcom should seek a voluntary deal with the private sector to stop the use of premium rate numbers – and be prepared to legislate if necessary.

Dearer numbers are also used in the public sector, including NHS Direct, some benefit helplines and even the parliamentary ombudsman.

Ministers are moving on this, and the government and Ofcom are developing guidelines for 'numbering policy in public sector delivery organisations.' But it is clear that premium rate and lo-call numbers need to be scrapped as the norm in the public sector.

MPs are also concerned about the growing use by GPs' surgeries of 084 numbers, which cost more to call from both a standard BT line and a mobile. The Government says that 'patients should not be expected to pay more than the equivalent of a local call' and is gathering evidence.

The Government needs to act on this: the use of expensive numbers by GPs should be explicitly forbidden.

In the meantime, a tip: visit www.saynoto0870.com which lists many non-premium geographical numbers or even freephone numbers for expensive 087 and 084 numbers. ■

A national broadband company



Derek Wyatt
is Labour Member
of Parliament for
Sittingbourne and
Sheppey



The mantra of the 90s and the noughties was market, market, market. My, look where that has got us...

We need to learn from the past and learn how to do things differently. President Roosevelt used his weekly fire-side chats to explain his New Deal, and we need to re-visit his simple but effective communications packet. In the 1930s he concentrated on huge infrastructure projects like the Tennessee Valley Authority: we need now to be as brave in creating a new model for the 21st century.

We need a not-for-profit company to re-build our infrastructure. Many of those companies privatised in the 1980s – rail, water, BT, gas and electricity – have used and abused their monopolistic positions and still fail to put the customer at the heart of their business. Let's do it differently.

We need a faster broadband infrastructure, so let's create a national broadband company to do it. Let its shareholders be one third state, one third market and one third drawn from the not-for-profit sector. The Government should provide the funding and as it

develops its network it should allow the major cities to buy into it with capital raised either from local tax payers and/or the market. Municipal socialism is not yet dead.

There will come a point when the socially excluded will either not be able to afford broadband or not take it up

But there will come a point when the socially excluded will either not be able to afford broadband or not take it up. We must therefore ensure that at its outset this new company is also charged with providing a solution to the 30 per cent who will not take it up. Water, gas and electricity did not start off as being public utilities in the late 19th century but national and local government soon ensured that they were. So should fast broadband.

Cable in Florida was sold into homes in the 1980s as a '3-2 package'. This means that the first year was free but if you wanted to continue with the package then the cost of the first year were amortised over the next two. We could do this with our public service fast broadband offer. We should create, through the Inclusion Minister, monthly digital days using the BBC and building on the good works of our UK online centre's 'Get Online' day. We should be creative in how we market it.

Nicholas Negroponte (through his One Laptop Per Child project), Intel and possibly Apple have launched or are about to launch \$150 to \$230 laptops. But these are an answer to a Web 1.0 world. What we need is an iPhone or Blackberry at \$50 with fast broadband access. If the market won't provide it, let the Department for Innovation, Universities and Skills offer a £1 million prize to the company that can provide a Web 3.0 solution.

A faster broadband service will bring great benefits to the whole of society and put us ahead of the game when the economic tide turns. ■



Put top rate change into the back pockets of the poorest



Kate Green
is Chief Executive
of Child Poverty
Action Group

In a recession, more families face the risk of child poverty. With more children at risk, the moral case for action is more compelling than ever.

At the same time, the economy needs successful fiscal stimulus. The Chancellor has already warned that the VAT cut may not be sufficient and that further stimulus could be needed in the budget in March. Targeting fiscal stimulus through the poorest families makes sense because they will go straight out and spend on the things their children need in their local businesses. This will help support the local economy and give the banks more confidence to lend to those businesses again.

So the recession makes the likelihood of resources being found more feasible. Failure to meet the 2010 target to half child poverty would therefore not be the result of lack of resources, but a failure of political leadership of the Government's principal domestic mission.

Of course the resources still need to come from somewhere though, and while greater borrowing is undoubtedly needed at this time, we should beware rebalancing the budget by cutting essential public services.

This means the Government must look towards those with the broadest shoulders who did best out of the boom years to support fiscal stimulus and family security in poor communities.

There are two revenue actions that, taken together, would quickly improve the Government's chance of keeping

their promise to poor families in 2010: suspending the inheritance tax breaks for the wealthiest estates announced in 2007 – saving £1.2 billion – and bringing forward already announced measures for a 45 per cent top rate of tax and phasing out of the personal allowance for high earners to April 2009, which would raise up to £1.5 billion.

Together, these two measures could bring in £2.7 billion of annual revenue. The Government should spend this on raising child benefit for the younger

Protecting family security by ensuring that the nation stays on track to eradicate child poverty during the economic downturn is both a moral and economic necessity

children in a family from £13.20 to match the £20 received for a family's eldest child, and raise the child element of child tax credit by £100 a year. This would put money directly into the pockets of those who need it most.

The recession and mass unemployment of the early 1980's left a terrible trail of damaged lives, economically moribund communities, and intergenerational poverty. We cannot afford the social and economic costs of this kind of failure again. Protecting family security by ensuring that the nation stays on track to eradicate child poverty during the economic downturn is both a moral and economic necessity and these policies would be the surest and fairest way to keep the child poverty promise. ■

An open letter to Gordon Brown



Ken Livingstone
is the former Mayor
of London

Dear Gordon

Firstly, we need a fairer tax system. Ever since the start of the Thatcher/Reagan era of free capital movement and deregulation we have been warned that if we put in place a progressive tax structure rich people will just slope off somewhere else. What's more we have been involved in a race to the bottom with other countries to see who can reduce corporation tax the most. The end result has been to shift the burden of taxation to working and middle class families which has encouraged reactionary attitudes to taxation amongst many people.

Even George W Bush railed against American corporations and billionaires using tax havens to avoid paying their fair share towards society. The financial crisis, the advent of President Obama and the strengthened Democratic Party in the US Congress gives us a chance to put in place a fairer system. As the US and the EU start to create new international financial structures we have the chance to squeeze these squalid little tax havens out of existence.

Two principles should guide us:

- that everybody should pay tax on the money they earn in the country in which they earn it; and
- corporations should pay tax on the profits they make in the country that they make them.

Tax avoidance and evasion have reached catastrophic proportions, depriving developing nations of hundreds of billions of dollars in tax income. They have the right to expect there would be world wide support for a US/EU initiative along these lines. It would also mean that the tax burden on ordinary middle class and working class families in this country could be eased.

Secondly, we must go local. One of the reasons British government doesn't seem to work is that it has easily the most centralised state amongst the world's democracies. Although public services have improved, too much of the Government's extra spending has been absorbed by bureaucracy as central government has tried to control everything through a new industry of targets and regulation. The tragic death of Baby P in Haringey is just one example of how this system fails. The more power that is sucked to the centre, the more it prevents local decision makers developing the confidence and competence to manage.

Finally, we must get serious about carbon emissions. Since the beginning of the Labour Government we have made all the right speeches and now have put in place a wonderful set of targets. What we haven't done is ever bite the bullet and take a decision which actually reduces carbon emissions. At the first whiff of protest from the car lobby we reduce the cost of driving whilst forcing up the cost of public transport. Year after year we fail to change the regulations that control power generation to encourage the growth of renewable energy. This is because, cynically, the Government knows that a real growth of renewable energy would undermine the case for nuclear power stations. On issues such as air travel and a third runway at Heathrow I honestly don't know whether the Government's behaviour is based on ignorance or cowardice. But the result is that it will be Europe and China and most probably Obama's America that see the creation of massive numbers of new jobs in the green industries and we will end up importing what they produce. Britain needs to stop talking and start doing if we are to tackle climate change.

Ken Livingstone

Ken Livingstone

Fair play on top pay

There is no reason the public should have to put up with the greed of the very rich, says **David Coats**



David Coats
is Associate
Director at the
Work Foundation



David Cameron with wife Samantha and Joan Collins at Spectator magazine's 180th anniversary party

Photo: Richard Young/Rex Features

The last three months have been remarkable. Investment bankers, after an orgy of self-destructive lending, have seen the citadels of capitalism crumble around them. Politicians who have lived in fear of the 'n' word for almost thirty years suddenly find themselves making the case for public ownership. And the Conservative Party, which has strained every sinew to escape the bonds of Thatcherism, now finds itself unavoidably bound to the tired orthodoxies of sound money, tax cuts and reductions in public spending. These are strange times.

The consequence of all this turmoil in the financial system is the certainty of global recession and the possibility of a prolonged slump. Of course, with the exception of the Conservative Party (and perhaps Chancellor Merkel in Germany), policymakers do seem to have learned something from the experience of the 1930s. As Robert Skidelsky recently argued, most contemporary economists have resisted the temptations of depression economics: they have rejected the belief that nothing can be done, that the system will restore itself to equilibrium, that the best thing ministers can do is get out of the way, act prudently, shrink the

welfare state and instruct the public that now is the time to wear a hair shirt.

John Maynard Keynes was confronted by determined and articulate opponents who refused to accept any of the premises of his arguments; they completely rejected the notions that markets have an inherent tendency to instability, that recession and unemployment are caused by an insufficiency of effective demand, and that the remedy must lie in public spending and investment. Lionel Robbins and Friedrich Hayek may have been wrong, but they were subtle thinkers with formidable intellects. Nobody of similar stature is making the same case today.

It is difficult to not succumb to *schadenfreude* when investment bankers are suffering and centre-right politicians struggling. Why shouldn't we all take pleasure in the misfortunes of those who for almost thirty years proclaimed themselves masters of the universe? This would be acceptable perhaps if only the super-rich were affected, but the catastrophic consequences of unconstrained markets have real and devastating effects on the incomes and life chances of everyone in Britain. Unemployment is rising,

consumer confidence is falling and many people are feeling justifiably insecure. These are not just strange times but dangerous times for the centre-left: right-wing populism can sound very appealing to people who believe that their homes, jobs, pensions and living standards are under threat.

An effective political response must do two things.

First, the Government must create a sense of moderate optimism, without sounding completely disconnected from practical experience. Action has to be taken which is rooted in the principle that the economy will recover and that the downturn is a temporary phenomenon.

Second, the principles of fairness have to be reinforced rather than abandoned during the recession. The Government must make it equally clear that it will not be deflected from its fundamental objectives—the elimination of child poverty, the promotion of employment opportunities for the most disadvantaged and the effort to reduce the number of poor low quality jobs in the UK.

We might say that the Pre-Budget Report was deliberately designed to take forward the first element of this

political strategy. The cut in VAT was all about giving consumers the confidence to spend; rising public borrowing showed the Government's willingness to maintain demand in the economy as private consumption and investment falls; and the recent announcement that the unemployed will be entitled to extra help to pay their mortgages is a very important measure to stop the rising tide of repossessions.

The commitment to legislate for more extensive rights to request reduced hours of work demonstrates the Government's commitment to the second element of this strategy. Some business representatives and conservative commentators have suggested that to implement these provisions now will impose an intolerable burden on the economy. These are the same tired arguments that were used against the national minimum wage and almost every other expansion of employment protection since 1997. In reality, of course, employer demand for labour will fall as the economy slows down. Any rational business ought to embrace the right to request with both hands, as an instrument that allows for a degree of labour flexibility that matches the changing pattern of demand in the recession. This can hardly be described as a burden on business and, in any event, the UK will continue to have one of the most lightly regulated labour markets in the developed world. It often appears that business advocates are unaware of these rather straightforward facts. The government should resist any weakening of employment rights with the utmost vigour.

The question now is whether the Government should go beyond the limits of current policy and make the case for more intervention or more decisive action.

There are three areas where more can be done.

...there is no reason why the Government should do business with organisations that tolerate wide gaps between the highest paid and the lowest paid

Firstly, the justification offered for growing income inequality has been comprehensively discredited. Given the disastrous decisions made in the City of London it is difficult to argue that big incentives in the form of bonuses are needed at the top to recruit the most talented people and sustain high performance. We could argue further that the annual bonus culture has been positively pernicious, encouraging the worst of short-term thinking and the most reckless forms of financial innovation. That is why The Work Foundation has argued for annual bonuses to be taxed at a marginal rate of 75 per cent, with a progressive taper towards the normal tax regime for bonuses paid over five years.

Secondly, there is no reason why the Government should do business with organisations that tolerate wide gaps between the highest paid and the lowest paid. It is entirely legitimate to ask this question and to encourage these

employers both to end their reliance on low pay and reinstate the principle of felt-fair differentials. The prospect of losing lucrative government contracts will no doubt concentrate the minds of senior executives.

Thirdly, the UK needs a much more developed national conversation about rewards at the bottom and the top of the earnings distribution. A first step would be to expand the remit of the Low Pay Commission so that it has powers to investigate the causes, consequences and cures of low pay. Their reports would then be much more in the nature of an annual low pay audit, with clear recommendations for changes to employer practice that could lead to higher productivity and higher wages. And while it may be a step too far to place a ceiling on pay at the top, at the very least government could establish an Executive Pay Commission, which would report on movements in top pay and consider whether there is any linkage between top pay and organisational performance, measured over the medium term rather than annual movements in the share price.

These may sound like radical measures, but now is the time for boldness. Policy must act to restrain the perverse incentives that existed in the financial sector and re-establish the norms of self-restraint that imposed a limit on the growth of wage inequality. Government has already shown real political courage by introducing the 45 per cent marginal rate of income tax, but more must be done to ensure fairness both during and beyond the recession. Living up to our values demands nothing less. ■



RAISING LAZURUS: THE FUTURE OF ORGANISED LABOUR

In 2006, the Fabian Society published David Coats' pamphlet, 'Raising Lazurus'. In it he argues that the unions have a vital role to play in the labour market, but must reform to reverse their declining fortunes. While support remains high for collective action, unions must alter their rhetoric and widen their appeal to respond to the realities of the new economy. You can read more about this pamphlet, and find out the easiest ways to buy all our publication at www.fabians.org.uk.

to bring the budget back to neutral, the government can raise the money.

Having dismissed the dangerous and irresponsible Tory claim that the Government should not be borrowing, what impact will the PBR have? Well, it certainly picked up the right themes.

Quantitative easing is a policy tool used when conventional monetary policy no longer works – as the nominal interest rate approaches zero. The Bank of England can either print more money or buy government and corporate debt so that long term interest rates fall

The cut in VAT is immediate. Reducing the tax on consumer spending by over £12bn will put more money in the hands of shops, restaurants, bars and consumers. And, because taxes on spending is regressive – the poor spend a higher proportion of their earnings than the rich, the cut will help those who need most help. Critics argue that £2.50 for every £100 spent won't make a difference, but that's not true. If you add up spending over the year this makes the average family almost £300 better off. A big boost to incomes and spending power.

Bringing forward public spending is also beneficial as it boosts employment and ensures that we build public services for the future. In the US public works will form the basis of Obama's stimulus package.

So far, the Labour Government has followed a path that has been both pragmatic and radical. As events have developed, plans have been revised in new directions, and more help has been offered to re-start our faltering economy.

But over the coming months, the stimulus provided by the PBR will

not be enough. Here are four new and additional ways to support the recovery.

1 Get banks to lend again

The government-sponsored bank re-capitalisation was supposed to have two effects – to give banks the liquid capital to help them deal with further write-downs and to get them lending again. The latter is not happening. The Government should not choose who banks lend to, but banks' individual decisions to restrict lending because they are fearful of losses are collectively starving the economy of credit. So, the banks are re-enforcing economic contraction, making it more likely that businesses fail and families find themselves unable to pay back loans. A self-fulfilling prophecy. The Government needs to play a co-ordinating role so that all banks act to support business and families by extending the provision of credit. This will ultimately help reduce bank losses and help struggling families and businesses.

Announcements by some banks that they will not start repossessions for six months from when customers get in to arrears are welcome. But such action is piecemeal. The Government must be very clear – in return for state aid banks must demonstrate they are doing all they can to treat customers with respect and dignity. Government support must hinge on this.

2 Support the mortgage market

Sir James Crosby's review of the mortgage market recommended that the Government support the mortgage market by providing guarantees for securities backed by new mortgages. The Council of Mortgage Lenders forecasts that more will be paid back on mortgages than will be taken out in new loans during 2009. To give first time buyers a chance of getting a mortgage, and to reduce the cost of a mortgage for existing home-owners, the Treasury must quickly come up with a way of turning Crosby's recommendations in to action.

3 Reform the financial markets and global structures

Working with their international counterparts, Brown and Darling must ensure that banks and financial institutions are not allowed to bring us to our knees again. Reform of our global economic structures is also needed, including a new Bretton Woods settlement to alert us to risks, and oversee and support the global economy. Commitments to the Millennium Development Goals and free trade are crucial to ensure it is not the poor and future generations who end up the biggest losers. Gordon Brown must push for this during our Presidency of the G20 in 2009.

4 Print more money

Quantitative easing, a radical policy option which was used in Japan in 2005 to end their 15 year recession, could be used now in the UK. Quantitative easing is a policy tool used when conventional monetary policy no longer works – as the nominal interest rate approaches zero. The Bank of England can either print more money or buy government and corporate debt so that long term interest rates fall. Quantitative easing is not without risks (it can push up inflation), but the potential benefits now outweigh these risks. Such a strategy is increasingly seen as a way to kick-start the economy and should be adopted.

The downturn has put clear blue water between the main political parties. Osborne and the Tories just don't get it. They don't get the need for temporary fiscal stimulus to support the short and long term interests of the economy. They don't get the pressure that families and businesses are under. They have no prescription for the challenges we face. What we're doing is right, it's fair, and it's the best chance we have of getting the economy going again. If £20bn is not enough – and it almost certainly is not, Brown and Darling must move further and faster. Action to date suggests that they will do just that. ■



A new deal for Middle England

In times like these the middle classes need protecting too, says **Rachel Briggs**

Rachel Briggs

is Senior Research Fellow, RUSI and Honorary Senior Research Associate, UCL

Who are the middle classes? Who is Middle England? If the Daily Mail is to be believed, they are suburban and affluent, highly aspirational, and put their children through private schools. They may no longer automatically swing to the right politically – New Labour’s great triumph – but they continue to live by a conservative moral code. When Angus Maude wrote, “it might perhaps have been held that the middle classes were composed of all those who used napkin rings”, it was to this vision of Middle England that he was referring.

This description is out of step with today’s reality. If the middle class continues to be defined by the indicators we have traditionally used (ownership of wealth, property or professional qualifications; the distinction between manual and mental labour; and the ability to wield power over others) around 70 per cent of the British population falls into this group. Most of its members are far from affluent; they may own their own homes, wear a suit to work, and go on foreign holidays, but they no longer have the financial security that their predecessors enjoyed.

William Higham’s piece in the last Fabian Review contained a sobering array of statistics that served to remind us just how vulnerable the middle class is: 36 per cent of people have less than £500 in savings, meaning that they could only survive for 11 days before running out of money; an average family now has less than 20 per cent of its gross income left after bills and tax; and UK families now owe 173 per cent of their incomes

in debt. For these kinds of families, even quite short periods of unemployment would be catastrophic.

It is not surprising that the Government has focused its attention on protecting these non-napkin ring owning middle classes. Large-scale unemployment now looks inevitable; there are already 1.82 million people (or 5.8 per cent) out of work, the highest level for 11 years, and 156,000 workers lost their jobs between July and September. The Council of Mortgage Lenders reported a 12 per cent rise in repossessions during the same period, and anticipates that 45,000 homes will be repossessed by the end of the year, rising to 75,000 in 2009. That’s almost as many as during the peak of the last recession in 1991. The Government looks set to announce plans to allow home owners to defer part of their mortgage interest payments for up to two years to provide relief for these people.

Initiatives such as this will undoubtedly keep many families in their homes who would otherwise be out on the streets. But if we are to emerge from the recession stronger and better equipped to deal with the new financial challenges, our interventions need to take account of the psychological as well as economic impacts of the downturn. Recessions are not just felt in a nation’s pockets, but in the hearts and minds of its citizens, too. To lose one’s job is not just to lose one’s income, but sense of purpose and dignity, too.

By the Chancellor’s own admission, this recession may be long and hard, and may leave some people out of work

for months or even years. In previous recessions, the impact of long-term unemployment has been devastating, leaving not just individuals but whole communities scarred by depression, low self-esteem and profound psychological effects. Once these problems set in, it becomes harder for that person or place to recover and so a vicious cycle is created which can be difficult to break.

To combat this, the Government should launch a scheme that mobilises these people and gives them a sense of purpose. Finding a job is not a full-time occupation, and a shrinking economy can only accommodate so many new start ups. It is also important for long-term national productivity that people are not forced to take the first job that comes along; we want them to re-enter the workforce at a level commensurate with their qualifications and experience.

Organisations such as Time Bank provide a readymade conduit for such a scheme. They act as a dating service that matches those who want to volunteer with third sector organisations looking for those skills. Charities need accountants, marketers, and strategists but they struggle to compete with the private sector on pay. For small charities, they may only need a couple of days a month so cannot justify creating a specific role.

Getting people into part-time jobs where they can use their skills to good effect could help to reduce the risk of a national psychological recession that would be a major inhibitor to long term economic recovery. Job seekers would gain new skills, extend their professional networks and discover new opportunities opening up for them. It would also be an excellent way to demonstrate commitment and a strong work ethic to potential new employers.

The scheme would need to be launched publicly and could be promoted through Job Centres, recruitment consultants and head hunters. The Government should offer incentives to those who volunteer, perhaps through additional benefits, future tax breaks or preferential rate loans (similar to student

loans) for those volunteering more than a certain number of hours each week.

The current economic downturn has been described as the worst in living memory, with the potential to be as damaging as the Great Depression of 1929. It is impossible to know whether these gloomy predictions are accurate;

all we can do is put in place the safeguards which we hope will save us from the worst effects. The Government has made good progress on the financial side of things, but the other danger of a recession is that it leaves whole communities psychologically broken. The professional middle classes are

particularly vulnerable to this risk, as they go into the recession already anxious and financially fragile.

Economies are created and destroyed by people. Only people – strong, optimistic and confident – will rebuild them again. Jobs or no jobs, we must keep Britain working. ■

A new settlement

We can win the case for fairness in hard times and we can do better on improving social mobility, says **Liam Byrne**. But only if everyone plays by the rules.



Liam Byrne MP
is Minister for the
Cabinet Office

Before Christmas, I published research about social mobility in Britain. There were striking conclusions. For all the seismic size of the economic, political and social changes of the 1970s, 80s and 90s, social mobility did not change. It was the same at the end of the 1990s as it was in the 1970s. That tells us something powerful about Labour's approach to government in the 1970s; and it tells us once-and-for-all that the trickle-down economics of the Thatcher-Reagan era – to which David Cameron has now returned – failed completely.

As 2009 unfolds, our political debate is going to widen beyond the sharp focus on putting real help on the table for families and businesses. It will move to the much bigger question of what kind of country we want to emerge from this first great crisis of the global market. It will move towards how we can help make sure everyone, no matter their background, has the chance to earn a good life. We have to equip every parents' child to go and do better than them.

We are making progress. The OECD – the club of rich nations – published a ground-breaking study at the end of last year that examined income inequality, which has grown sharply in rich countries across the last 20 years. It showed that six countries found a way of reversing the trend in the last decade. Britain was one of them. Indeed, only Turkey, Mexico

and Ireland did a better job than Britain at reversing income inequality.

In exam results, the gap between children living in New Deal for Communities areas and the national average has dramatically narrowed. New research from Bristol University shows that the background of children born in 1990 had less of an effect on their exam results than for those born in 1970. Research from Alan Johnson shows life expectancy now rising markedly for those living in deprived areas.

But this is against a backdrop of unprecedented global change. World wealth is projected to double by 2035. Even pessimists put economic growth ahead of population growth – and this means that wealth per head is forecast to rise. A huge new middle class is being born in India and China from which something like a billion skilled jobs may result.

We are at a fork in the road. One path takes us to a place where this new wealth is concentrated in the hands of the few. That's a world of inequality that would dwarf anything we've seen to date.

A second path would see us create an economy here in Britain with much more 'room at the top' – a new supply of better jobs with better wages, akin to the economic changes that encouraged much greater social mobility in Britain after the second world war. Plus



Photo: Rex Features

Sir William Beveridge

Beveridge didn't say much about early years or skills training for life

this could provide the investment in a new arc of support that lasts a person's lifetime and which transforms an individual's ability to lead, as Amartya Sen puts it, "a life they have reason to value".

I know what people in this country want. And it is not the divided world that the chairman of Ipsos MORI Ben Page calls "haves, have-nots, and have-yachts". We want a country of fair shots where your background does not determine how far you can rise.

So, if fairness is to happen by design, what are the patterns we want?

Most importantly, Labour has to take a lead in creating the British jobs of the future – in digital industries, in low carbon and green collar jobs, in science and innovation-based growth. That won't happen by accident either. Last

year, I led a policy debate in the West Midlands about our future economy. Hundreds of party members were crystal clear about what we needed to do. Put science at the heart of growth, harnessing the creative power of our universities – and starting some new ones – to revolutionise skills.

The regions will be key to this. Globalisation is driving a great narrowing between what happens internationally and what happens outside your front door. The regions are the unique places in the middle – small enough to react to new shocks and opportunities quickly and big enough to act with scale.

But, new jobs are not enough. We have to give people in this country a much fairer chance to get those jobs and earn a good life. The truth is that the Beveridge Report was never really 'cradle to grave'. It didn't say much about early years or skills training for life. We need to finish that story if we want to dramatically improve social mobility in the next decade.

And we will need to win an emotional case too. Change is difficult; it is unsettling. And it remains quite possible that the British public simply wants to turn its back on the global economy. To vote for a bit less 'open'. For fewer newcomers. For a bit less foreign aid, and a bit more 'anti-Europe'. To make change work at an emotional level we have to say that the best of the old rules still apply.

Strong communities are tied together by fair rules. As Hazel Blears said recently, "people want to see fair rules that apply to everyone; rights matched by responsibilities: that's the fair way". And that means rules that bite on business too. It was – of all people – Richard Fuld, of Lehman Brothers who said, "we need a single set of transparent rules for all of the participants in order to have a fair and orderly market." Markets need fair rules too. That, when I last checked, is not a Tory instinct.

This new agenda for fairness cannot be delivered by public services or political parties that look identical to those of the past. I think both will have to change. At its inception, new Labour was accused – fairly at times – of being something of a command and control operation. That has to change. In the future, our party has to be the place that builds, leads, mobilises the 'passion power' that lives in all communities and hungers for social change where it matters most, outside people's front doors.

For public services too, we can afford to be radical. We have to harness the digital revolution to move from a consultation-culture to a conversation, where citizens shape far more dynamically what's on offer. And that can't happen unless we equip front-line professionals and leaders with far more freedom and flexibility to re-shape local institutions into local networks offering different kinds of services with a new reach and power.

In the only book he ever wrote, Nye Bevan said "progress is not the elimination of struggle but rather a change in its terms." Events of 2008 changed those terms in a dramatic way. Our ambition for the downturn is matched by our vision for the upturn. The Prime Minister is right to say this is a new age. It needs a new settlement. ■

We must not stand by

As families struggle and repossessions rise, this Government must take measures to show that they are on the side of the middle class and the most vulnerable, says **John McFall**



John McFall MP is MP for West Dunbartonshire and Chairman of the House of Commons Treasury Committee.

When the Labour Party came to power in 1997 it set out to create a new Britain where power, wealth and opportunity are placed in the hands of the many, not the few. We can be very proud that since then, the introduction of the minimum wage, massive investment in combating child poverty, the establishment of a financial inclusion fund and ten years of uninterrupted economic growth have meant that this vision has been realised for millions of people.

But inclusion, fairness and opportunity are not fair-weather principles to be abandoned the moment a chill wind blows. We are now facing a globally dire situation. International financial markets have frozen and growth in most advanced economies has stagnated. For millions of ordinary people and businesses this means the threat of tightened budgets, unemployment and home repossession. In developing countries, 100 million people have been pushed into dire poverty since the onset of the global financial crisis.

Now more than ever, our commitment to Labour's aims and values can make a real difference to people's lives, because now it is clear that Labour is the only party which recognises the Government's responsibility to support people through this economic downturn.

It has been internationally recognised that central to economic recovery is a 'fiscal stimulus' plan involving higher spending and lower taxes. The Chancellor spelled out his commitment to this model in his recent announcement on the pre-budget report.

But to help the hardest hit families and to protect small businesses, the Government may need to go further.



Demonstrators protest against greedy bankers and the credit crunch outside the Bank of England

In particular, the Government should consider putting money in to the pockets of those with the lowest incomes. They are the people who need the most support during these tough times. This would also be a fiscal stimulus, since this group is most likely to spend rather than save any extra money they receive, and therefore provide the kick start the economy needs. It is the defining feature of any Labour Government economic plan that it is informed by the principles of fairness. A generalised, one-size-fits-all plan would disproportionately benefit the richest elements of society. So, it is appropriate that the Government has introduced a 45 per cent tax rate on the highest earners whilst making permanent those measures taken earlier in the year to compensate people who were disadvantaged by the abolition of the 10p tax rate.

However, as job cuts continue and the banks remain reluctant to lend, the Government may need to consider doing even more to restore confidence and stimulate the economy. If we are to stay true to the principle of supporting the many, not the few, then any further public money spent must first go to those who are worst hit by the coming economic downturn, and those who are least able to help themselves.

A good start would be to sort out the '10p tax' debacle once and for all.



Photo: Roy Tang/Rex Features

Welcome as it was, the £2.7bn tax cut that the Government announced last May and has now made permanent, did not go solely, or even mostly, to the 10p losers. According to the Treasury's own figures, there are still half a million low-paid workers who are paying higher taxes than before the 10p tax was abolished, despite increases to personal allowances.

These are the very people who are worst affected by higher energy bills, food prices and mortgage payments.

There is a need for a focused approach to reduce the tax burden of the lowest paid working people. Now is the time for further reform of tax allowances to take millions of low-paid people out of income tax altogether and to benefit many millions more basic-rate taxpayers.

There is no doubt that it is easier to promote social mobility and reduce poverty when the economy is growing. It is absolutely central to realising the Labour vision that we restore economic growth.

When Bank of England Governor Mervyn King appeared before the Treasury Select Committee, he said: "I am in no doubt that the single most pressing challenge to domestic economic policy is to get the banking system to get lending in any normal

sense. That is more important than anything else at present."

I, too, would like to see the banks resume lending, but if they cannot be encouraged to do so, then the Government may need to consider legislation which will force them to – or even look more closely at nationalisation.

...the Government should consider putting money in to the pockets of those with the lowest incomes

Essex County Council is taking a pragmatic approach. Lord Hanningfield, the Tory leader of the council, said: "We want to try to support businesses in difficult times ... if the banks won't help them, someone has to." So they have created a 'community bank', which will use European funding to provide credit directly to small businesses. The Labour party should not be outflanked by the Tories in the field of creative public sector solutions.

We must not get into a situation where only a minority can aspire to own a home, start a business or accumulate savings. But neither can we sustain a model where people are sold financial products far beyond what they can afford. The financial sector and the public sector need to work creatively together to promote financial inclusion and ensure the number of people who can access necessary financial services does not now go in to reverse after the gains of the last ten years. Let us not forget that in today's society, those who are financially excluded are also socially excluded.

Nowhere are creative solutions needed more urgently than in the area of housing finance. House sales have collapsed, and we should recognise that first-time buyers are the key to reinvigorating the market. Affordable mortgages for those trying to gain a foothold on the housing ladder are simply not there at present. Once again, if the banks cannot be persuaded to fill this gap then public sector solutions may need to be considered. As well as

the "community bank", Essex County Council plans to create a credit union which will provide mortgages and savings for those on low incomes.

As the number of home owners facing repossession rises, a Labour Government will not stand by and leave families out there struggling on their own. The Government's announcement that homeowners who have been made redundant or have lost significant income can defer some of their mortgage interest payments is timely and welcome. If we want to further reduce the number of people faced with losing their home, lenders must also play their part, and take a long-term, sensible approach to maintaining lending and dealing with borrowers in arrears – rather than the short-termist approach which has seen many lenders rush to repossess homes and to shrink their loan books. That short-termist approach benefits neither the banks, nor the homeowners, nor society at large.

Whatever measures are put in place to support those struggling to buy their home the massive demand for affordable housing across the whole of the UK must be met. Social housing associations have already warned that the Government's house-building targets, which looked challenging even before the Credit Crunch, now seem impossible to reach. The construction industry has all but ground to a halt as many house-building firms are making workers redundant or shutting down altogether. If the Government wants to create jobs, stimulating house building by providing funding to local authorities, would be a good place to start.

As the economic downturn progresses, more and more people's homes and jobs will rely on the Government's commitment to calming the economic storm. Labour must not be afraid to hold on to its dedication to fairness and inclusion. We must allow this ambition to be swamped by the financial crisis – it is more important now than ever.

At this year's Labour Party Conference, Gordon Brown said that we are at our best when we are boldest. We must implement this rhetoric in policy—before it is too late. ■



The undeserving rich



Louise Bamfield
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Fabian Society

Fairness and economic inequality: Have public attitudes been credit crunched?

In recent months there has been much speculation about the impact of the economic downturn on public opinion. In the face of massive turbulence on the world's financial markets and the unprecedented scale of government intervention in the banking system, there are signs of growing public impatience with corporate excess. But how and in what ways have public attitudes been credit crunched? What has the impact actually been on people's views about the fairness and justifiability of rewards at the top, and how much public appetite is there for measures to lessen the income divide?

As part of the Joseph Rowntree Foundation's Public Interest in Poverty Issues programme, the Fabian Society is currently conducting research exploring attitudes to inequality, and related policy responses. What follows are emerging findings from the research so far.¹ Early findings of the research indicate that media coverage of the credit crunch may be challenging certain taken-for-granted assumptions about the deservingness of high rewards, opening up space to talk about measures to curb perceived excessive and undeserved rewards at the top. But while the research so far suggests that people are

expressing greater empathy for those affected by the economic downturn, there is still a need to broaden the debate on how we value different types of contribution, both paid and unpaid forms of work, and to challenge judgemental attitudes towards people on lowest income.

Pre-credit crunch: justified rewards at the top

In focus groups conducted over the last five months, we have seen how straightforward questions about the income gap generate strong expressions of disquiet: the gap is described as 'too big', 'way too big' or 'ridiculous'. Participants have tended to think that the amount that some high earners are paid is excessive, with the 'silly money' earned by footballers and 'fat cat bosses' being singled out for particular approbation. But while some jobs have been described as overpaid, participants have not generally been opposed to high rewards and by no means think a limit should be set on how much people earn.

When we explore these views further, we see a strong tendency for participants to assume that people at the top generally deserve their high pay. Participants widely assumed that high pay is earned through hard work and effort, reflects talent, ability and performance, or is justified because of the contribution high earners make to economic productivity, by creating wealth, jobs and opportunity for others. High salaries also tend to be seen as compensation for the time, stress and worry that extra responsibility entails.

If anything, participants in our focus groups (particularly the early groups held before September), have tended to exaggerate the social and economic contribution made by high earners in the City. There has been a common assumption amongst participants that high earners invariably create wealth and opportunity for others, with less understanding of how limited and concentrated the rewards can be. Participants have tended to think that high rewards create a necessary incentive to work harder and be more productive – though interestingly they say this applies to other people, rather than themselves.

Exaggerations at both ends of the income spectrum

Early findings from the research suggest that a different and more demanding set of expectations is applied to those at the bottom end of the income spectrum. The key difference is that while participants have shown a tendency to exaggerate the number of 'poor' people who fall into the undeserving camp, they have appeared more willing to give the benefit of the doubt to rich people at the top. Asked to guess the numbers of false benefit claimants at the bottom and the numbers of tax-dodgers at the top, participants have tended to massively over-estimate the former, while significantly underestimating the number of 'rich' people who cheat or play the system. At the same time, if anyone is thought to be to blame for tax avoidance, participants have said it is the government for not closing the loopholes, rather than the wealthy individual concerned. By contrast, participants have viewed the fault at the bottom end as lying squarely with the individual: they have blamed 'poor' people for not having the wherewithal to 'pick themselves up' and 'lift themselves' off the breadline.

Thus, while focus group participants have tended to think that the income gap between top and bottom is 'too big', it does not follow that they necessarily want the gap to be narrowed. Indeed, surveys over the last twenty-five years have shown an enduring pattern in attitudes towards the income gap. In the British Social Attitudes survey, a consistent majority describe the gap between top and bottom as too big, but a far smaller – and diminishing – proportion want government to do anything about it via redistribution. The question of why people are reluctant to redistribute is one of the key questions to be addressed in the research. There is some indication from emerging findings that people are hesitant about redistribution when they interpret it as taking money away from 'deserving' groups and giving it to people who are viewed as 'undeserving' – assumptions that we will continue to explore as the research progresses.

Post-credit crunch: excessive rewards for undue risk and irresponsibility

What has changed, post-credit crunch, is that the size of the 'undeserving rich' has expanded in the public's mind. Bankers and traders have joined footballers and socialites at the bottom of the public's deservingness list. Asked to assess the pay of people in different jobs and professions, 87 per cent of respondents in our poll view City Bankers as overpaid, second only to premier league footballers at 96 per cent. By comparison, the salaries of lawyers (77 per cent), MPs (71 per cent) and estate agents (55 per cent) all attracted less disapproval.

Intense media scrutiny of the financial sector has left bankers exposed on at least two accounts. In the first place, participants in the later focus groups (conducted since mid-September 08) have referred to evidence of underperformance and, in some cases, blatant mismanagement within banking through reckless, irresponsible lending:

"They were giving people an amount of money that they couldn't possibly pay back"

"The banks were lending to people five times their income, or six times. In the end, the banks weren't checking up."

"And they're still trying to give people store cards."

And they have also highlighted excessive rewards given for market failure, viewing banking executives as profiteering at the expense of ordinary people:

"And that's where it's the rich people who are getting richer from it, because it's all the financial, you know, the advisors, all them. They're going, 'aye, spend, it's no bother', and they're the ones that are going home with the big fat pay check."

"It was the financial advisors, the ones selling insurance, the endowment policies – the ones selling endowments twenty years ago – they'll have made a fortune".

These responses indicate that while members of the public disapprove of excessive greed, they are even more agitated to see bankers being rewarded for failure. In such cases, the distributive norm that people typically use to evaluate the fairness of pay and rewards – a norm of results – is thought to have been violated. By contrast, focus group participants singled out a few exceptional bank employees or managers for

praise for their sound advice and cautious lending practices:

"I remember going for my first mortgage, and being told that you don't realise that, you know, the amount that goes towards the house, that's the amount that you don't have for your shopping, for your bills, and all the rest of it. And my bank manager was really good with that, explaining to us what it meant".

"The bank manager, he'd say, no, because on paper you can't afford that. And he said, people walk through the door and I tell them the truth about their financial situation."

By being seen as violating a basic rule of fair reward, bankers have exposed the vagaries in pay and remuneration processes at the top. As a result, a clear majority of the public want to see tighter rules on corporate pay: 80 per cent agree that bonuses should 'reward long-term success rather than short-term performance'; 70 per cent think that ordinary employees should be represented on the compensation committees which decide how much city executives get paid; while a small majority (56 per cent) are even in favour of a more radical proposal, to make executives of failed companies 'pay back their bonuses from the last two years'.

There is also some indication of a shift in public mood in the fact that the banks, rather than the government, are seen as most responsible for the economic downturn. In the case of tax avoidance, responsibility is generally held to lie with the government for not closing the loopholes, rather than the individual concerned. Asked about culpability for the credit crunch, 55 per cent of poll respondents hold the banks in Britain and America most responsible, 'for giving people money they couldn't possibly pay back', as compared to 24 per cent who blame the government 'for letting it happen and allowing banks to lend out too much money'. From the point of view of trying to understand public attitudes towards inequality, this finding is interesting because it helps explain why attitudes may have shifted towards one group of high earners, namely bankers and those working in the financial sector. There is disquiet both about the greed that is seen as pervasive in the City bonus culture and the irresponsible lending practices that have contributed to the recent problems in the banking industry. As a result, it appears that people are more in favour of seeing changes to remuneration processes than they would have been if 'government' had been held most responsible for the credit crunch.

Meanwhile 17 per cent consider that all of us have a shared responsibility 'for not exercising enough self-restraint'. Thus, as well as looking for tighter application of rules on remuneration at the top, there is also a sense that the public at large has been too gullible or credulous; too easily persuaded to take up huge loans they could not afford. As one female participant in Glasgow expressed it:

"You see, I think it just wouldn't have happened to our mums and dads, our grandparents' generation, because I don't care what anyone says, the financial advisors, we've all sat there and believed every utter word that's come out of their mouth... Whereas my Mum and Dad, my grandparents, they've had said, ooh, there's something shifty about him. ...and I think actually people have to get back to that, and say, hang on a minute, the money didn't exist in the first place."

Fair pay and fair taxation

There are signs, then, that media exposure of corporate excess and rewards for failure has started to shift the public mood, opening up space for political action that even three months ago would have looked untenable. The government appears to have captured this popular mood by introducing a new higher top rate of tax of 45 per cent for people earning over £150,000 – a move supported by 76 per cent of the public (including strong support from almost half, at 46 per cent). There is some evidence that the government could have gone further, with support both for the idea of the new top rate of 45 per cent kicking in earlier, at £100,000, and for a higher top rate of 50 per cent for people earning over £150,000. While small majorities of 59 per cent and 52 per cent respectively were in favour of these proposals, almost seven in ten respondents (69 per cent) expressed support for a new top rate of 50 per cent for people earning over £250,000.

Poll data also gives some clues as to people's reasons for thinking the rich should contribute more, with 70 per cent of respondents agreeing that 'Those at the top are failing to pay their fair share towards investment in public services'. There was also astonishingly low support for the business case for low taxation, with only 19 per cent of respondents agreeing that taxes on high earners should be kept low so that 'British companies can attract the talent they need to succeed'.

Harder to change: judgemental attitudes towards the bottom

As yet, the extraordinary events on global financial markets have focused attention on people working in banking and related financial sectors, but have not resulted in a wider debate about economic inequality. Despite the upheavals of the last few months, attitudes towards those on lowest incomes look harder to shift. As the threat of unemployment spreads more widely than at any point over the last decade, focus group participants have expressed sympathy and support for people affected by the downturn, and temporarily at least, greater empathy and understanding towards people who have been laid off. But despite this shift, we still see the same expectation as before, that anyone who is out of work will pick themselves up and get back into work as soon as possible. It may be that the barriers to re-entering employment are not fully understood and that more information is needed about the obstacles facing people who are out of work. The final stage of research will be exploring these issues in greater depth, exploring how different types of work and different types of contribution, both paid and unpaid, are valued in Britain today.

1 The findings are based on initial analysis of research conducted by the Fabian Society: an opinion poll of 2,044 people conducted by YouGov from 28 November to 1 December 2008, and qualitative research consisting of focus groups with 70 people from a range of income groups, social and ethnic backgrounds, and representing a cross-spectrum of political beliefs and opinions, conducted in London, Bristol, Sheffield and Glasgow, between July and December 2008. The final stage of the research, to be completed over the next two months, will consist of deliberative workshops in three parts of the country as well as a further opinion poll. The research is funded by the Joseph Rowntree Foundation (JRF) and is part of the JRF's Public Interest in Poverty Issues programme. The final report will be published by the JRF in 2009.

Hard times

A century old, but still just as relevant, Maud Pember Reeves' great work of social investigation is being republished. As economic uncertainty comes round again **Rachael Jolley** finds new insights from the daily lives of the women of Lambeth.



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The threat of a deep, dark recession hangs like a leaden cloud over all but the super-rich, leaving most of us worrying about what the next 12 months hold and whether we will struggle to pay the bills.

While these are all valid concerns, it's only when we look back at the lives of others that it's clear how far the state has come in just a few generations – offering some protection against the worst excesses of unemployment and poverty. The daily details of families struggling to get by 100 years ago bring that home far more clearly than any history textbook or a flick through the DWP website.

And that's the strength of 'Round About a Pound a Week', first published in 1913 and just republished by Persephone Books. It opens up a historical window into the lives of a group of 42 families in inner-city Edwardian London.

The book is based on the research of volunteers from the Fabian Women's Group, who studied the weekly budgets of a set of Lambeth families living on a low wage.

The title itself sets down a challenge: is it possible to live healthily on one pound per week? The conclusion quickly becomes apparent: it is not.

Pember Reeves, an early poverty and women's rights campaigner, chronicles with incredible detail how the Lambeth wives (and generally it was the women of the family) struggled to keep their

families clothed, housed and fed on their meagre weekly allowance.

So here is a record of how much Mrs U spent on rent one week (7s, 6d) and gas (1s) and soap and soda (3.5d), while another family has a weekly income of 20 shillings, of this 8s goes into rent, other costs – coal, wood, soap, gas and burial insurance – bring the total up to 12s 11.5d, leaving just 7.5s for food for a family with six children.

The researchers talk to women about how they balance the books, and how they balance their spending between rent (more expensive rooms have better light, and need less heating, leaving children in better health) and food (more expensive accommodation means a smaller food budget).

The book produces evidence that families who live in first floor rooms experience better health than those who live on the ground floor, while those that live in basements suffer most illness. Researchers compile a table showing that room rent is inversely proportional to the death rate of the family: "the death rate rises from 12 per cent to 40 per cent as the rent gets less".

The devil is in the painstaking detail of conditions and costs of living. "Two pennyworth (of soap) may have to wash the clothes, scrub the floors and wash the people of a family for a week," it records.

"Before their confinements some women go to the trouble of having the rooms they are to lie in fumigated. In spite of such precautions, bugs have dropped on to the pillow of the sick woman before the visitor's eyes." Basement rooms particularly are infested with bugs, and women complain of bugs falling in their ears as they sleep, the book reports.

The discoveries of these Fabian researchers are powerful. While many children of the Lambeth families are born at a reasonable weight and level of health, this declines as every month goes by because of shortages of light, of exercise, of vitamins; and because of the likelihood of picking up an illness from their siblings sharing a room, and often a bed.

Fathers bear a heavy responsibility to continue in work as the fate of the whole family hangs upon this wage. For this reason they receive slightly more food than other family members. These little additions to the father's diet are called 'relishes' and include the odd egg or pickle to make their meals slightly more substantial.

Job security is non-existent. They could be laid off without any redundancy pay at the drop of a hat and others without regular employment must turn up every day at a yard where they may find work just to show interest. If on the one day that the yard foreman chooses to offer them a shift, they are not available, they are unlikely to be offered work again.

The toughness, challenges and all-encompassing monotony of life is made clear to the modern reader through the minutiae of these daily struggles to stay alive. Within the pages of this little book, the reader realises how fragile the health of the father could be, how easy it was to lose a job, and how even a week out of work would leave the family spiralling instantly into debt, fighting to avoid the spectre of the workhouse.

Men walk miles and miles every day to get to their jobs because they can't afford the bus fare and they fear moving to a part of the city where they know no one, because who would come to their aid if the worst happened?

Stories show how Lambeth neighbours band together to help those who suffer sudden deprivation, chipping in to help families get by, despite their own poverty.

This book is heavy on detail, and light on narrative. We don't engage enough with the specific families to have a sense of who they are, over and above their weekly budgeting, although the author does introduce occasional descriptions. But the wealth of intricate details and

the opinions based on the findings are compelling. It is simply and clearly written, and all the better for it. And it exposes the preconceptions of the middle class Fabian women, their expectations that they can show the Lambeth families how to shop better, and their realisation that they can't.

And it shows how, as the work goes on, the researchers realise that there are carefully budgeted reasons for every decision. The Lambeth wives do not avoid buying milk out of ignorance of its value for their children's health, rather because of the cost. They do not buy in bulk because there is nowhere to store food. They are not going for walks in the fresh air, because sometimes women have no boots to walk in.

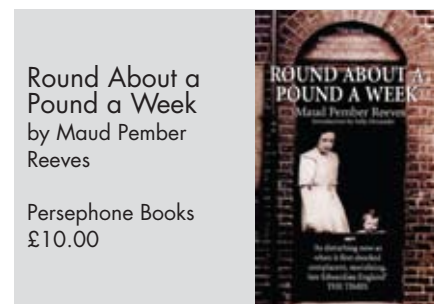
'Round About a Pound a Week' gives us a sense of what a struggle it was to live in Britain in a different age, where there was little protection by the state, and how people's lives swung in a balance between struggling and surviving, and succumbing to disease.

Early arguments for more state protection – for a minimum wage, for greater job security and for child benefit – are already to be found here.

Pember Reeves, one of the founders of the Fabian Women's Group, is not afraid to tackle the middle class prejudices trotted out in the newspapers of the time, about those uneducated lower classes wasting their money on alcohol and excess, while failing to do the best for their children. As Polly Toynbee points

out in her introduction, those stereotypes can still be found in the headlines of the tabloid press today.

In times of economic crisis arguments for greater state support gain currency, and the value of a national safety net is clearer to a wider group of people. This book helps us understand why.



Uneasy allies

The Fabians may be caricatured as the villains of David Marquand's new history of British democracy but **Sunder Katwala** finds much to engage with.



Sunder Katwala
is General Secretary
at the Fabian Society

Historians seeking the threads of 20th century British political history ought to have as much, and probably more, to say about the right as the left. Property's fear of democracy did much to shape politics from 1789 to 1918. But it was the Conservatives who dominated electoral politics in Britain after mass enfranchisement, though rarely on their own terms.

David Marquand's illuminating and original thesis is that the history of British democracy is best understood as an argument between the four 'grand stories' of Whig imperialism, Tory nationalism, democratic collectivism and democratic republicanism. His regret is that the nobler traditions were too often snuffed out.

Stanley Baldwin's accommodation of the rising Labour movement dominates the inter-war chapters and Harold Macmillan dominates the middle of the century. Knowing how and when to retreat was in large part the Whig secret of Tory political success. Yet, despite the self-destruction of both Enoch Powell and Keith Joseph, it turned out that the Tory nationalist drum could reverse the 'ratchet effect' leftwards after all. Casting Ted Heath as a flawed, tragic hero Marquand declares Margaret Thatcher by far the most radical prime minister of the century.

But it is worth also remembering what Thatcher did not change. With so few defenders of the post-war welfare settlement – as the Thatcherite right,

Bennite left and SDP centre offered competing prescriptions for a clean break – what is striking is how much of it endured: public spending was 43 per cent of GDP in 1980 and 41.9 per cent in 1996. Marquand perhaps underestimates how far democratic collectivism entrenched its vision in public attitudes, not just in welfare institutions. He acknowledges that the Attlee Government "did more good to more people than any previous or subsequent British government" while emphasising that Government's intellectual, political and often physical exhaustion by 1951.

In renewing the author's long-standing critique of Labourism, 'Britain after 1918' at times ventures close to the caricature of Fabianism as a 'poisoned

well' offered by Phil Collins and Richard Reeves in *Prospect* last year, though Marquand's is an infinitely more informed and somewhat more nuanced critique. That Collins and Reeves nominated as their anti-Fabian hero, GDH Cole – among the most active Fabians of the century, and President of the Society – showed an inability to distinguish at all between baby and bathwater. By contrast, Marquand stresses the interplay of competing and overlapping traditions. Still, he pulls a similar trick in making RH Tawney the icon of his democratic republican challenge to collectivist Fabian egalitarians. Many fair-minded Fabians would be willing to concede half of the critique, but Fabianism is a plural tradition too, combining moral and mechanical reform.

The attractions of democratic republicanism – its open-ended discursiveness – have also often proved political weaknesses. The best may lack the conviction and passionate intensity of their rivals but even an inherently plural politics must have some sense of what it wants to achieve. Energy courses through a prologue telling the story – often of glorious defeat – of the demands for democracy from below from the English Civil War to 1848. Yet the extension of the franchise between 1867 and 1918 came largely from above, with the partial exception of votes for women. The democratic republican tradition was missing in action for most of the next half century. If it was revived in the late 1960s, it was not clear to what ends. What did the 1968ers ever do for us? (Those of us who weren't there – perhaps many who were – have never been quite sure).

The principal agent of its revival was Margaret Thatcher – an unintended consequence of her testing the unwritten assumptions of British politics to destruction. Pressure from below now changed not just political possibilities but outcomes too, perhaps most strikingly with the Scottish Claim of Right and the Constitutional Convention, and the broader democratic reform agenda of Charter '88. It did so where it could successfully create alliances between civic pressure and traditional institutions and parties. Crucially, Thatcher did not just provoke a civic counter-mobilisation but

also converted her Labour opponents to a much more pluralist idea of democracy than it had held for its first nine decades, or had needed in the age of Baldwin and Macmillan.

Having begun the book arguing that Tony Blair "held essentially the same centralist vision of the democratic state as Sidney Webb in the 1880s", Marquand acknowledges that New Labour's first term from 1997 to 2001 was the closest we have come to a period of pluralist democratic advance. This, he says, was squandered after 2001. Marquand finds republican instincts creeping out behind Gordon Brown's collectivist soul but the promise of a new constitutional settlement which would have challenged New Labour's authoritarian reputation now risks slipping from view.

Marquand believes that David Cameron would return to the Tory Whig tradition of Edmund Burke. There is a strong strand of dispositional conservatism in Cameron who, despite his wariness at acknowledging the lineage, is a recognisable throwback to the Macmillan and Douglas-Home élite. Yet his post-Thatcherite party has inherited a liberal, small-state ideology which is often profoundly un-Conservative in its implications.

The perils of writing history up to the present day are shown by Cameron having ditched, not long after publication, his Whiggish strategy of 'Tory men and Labour spending plans'. It offers a reminder that Macmillan's self-proclaimed 'progressive Toryism' was not motivated only by the political desire to lay the ghost of the 1930s. Macmillan's 'Middle Way' was deeply rooted in the 1930s experience of Stockton, the promises made in wartime solidarity, and an intellectual commitment to Keynesianism. Marquand cites the rejection of the plan to float the pound in 1952, which would have broken with full employment, as the moment the 'post-war consensus' was settled. So Macmillan felt bound to reject serious pressure for traditional fiscal conservatism – accepting the resignation of his Chancellor and Treasury team (including Enoch) in 1958. David Cameron seemed to begin

that argument with his party, but changed his mind.

For all its great merits, this is a somewhat uneven book. It is a brilliant history of ideas in politics, provoking both old and new arguments. But the post-war chapters sometimes fall into a more conventional run through the textbook turning points than the distinctive thesis promises. Given how much the personal pen portraits brought to 'The Progressive Dilemma', I regretted the author's decision to distance himself from his own role as participant and observer. (One sparse footnote sources the author's judgement that anti-Wilson plotting, though constant, was often fantastical: "I write as a former plotter".)

Marquand's 'Progressive Dilemma' concluded that Labour would be necessary, but not sufficient, to a successful, sustained challenge to Tory dominance. That argument may now be both more difficult and as important as ever.

This may depend on understanding the republican and collectivist traditions not as opposing armies but as potential, if uneasy, allies. Their on-going, mutual interrogation which could fuse social democratic and liberal thought. There would be several tensions: a thin, majoritarian idea of democracy would be one barrier; a left-libertarian allergy to the necessary role of government in dismantling class disadvantage could prove another. Still, this offers the best hope of creating a politics which could speak in the causes of equality and democracy to the spirit of Lloyd George, Tawney, Orwell and Amartya Sen, and seek to link mobilisation from below with progressive state action. It would not be easy, but the history of British democracy suggests it could also do much to determine which type of Conservatism we face.

Britain Since 1918: the strange career of British democracy by David Marquand

Weidenfeld & Nicolson
£25



America's secret hate

Jemima Olchawski
reviews an imperfect
book that raises some
uncomfortable questions
about being Arab in
America



Jemima
Olchawski
is Events Director at
the Fabian Society

When Gayle Quinnell stood up at a McCain rally in Minnesota and exclaimed she feared an Obama presidency because “he’s an Arab” the Republican candidate was quick to set the record straight: “no Ma’am he’s a decent family man and citizen”

Many column inches were dedicated to progressives’ anger and disgust at the under- the-radar (and often clearly on-the-radar) attempts to ‘smear’ Obama as a Muslim or Arab. But far less energy was devoted to challenging the oblique but shocking racism in McCain’s response to Quinnell. Throughout the US presidential election there was, on the left, an acceptance that whilst it might now be possible for a black man to become president, for him to also be Muslim would just be too much for most Americans to bear. Perhaps there was a decision to fight one battle at a time. Maybe it was assumed that the chance to challenge prejudice and change minds would come later. Or, worse, was there a strategic choice to go along with people’s racist sensibilities?

Perhaps these assumptions sit more comfortably with mainstream liberal America than it cares to admit. So says Steven Salaita in his new book ‘The Uncultured Wars’. In 12 essays with titles

ranging from “‘I was called up to commit genocide’ to ‘Is Jackass unjustifiable?’ Salaita finds different routes to return his thesis that Islamophobia and anti-Arab racism continue to exist unnoticed amongst the chattering classes of white, liberal America.

Citing examples from left wing journalism and academia he builds a picture of a liberal America that persistently refuses to acknowledge the complexity of Arab groups, cultures and beliefs. During the 2006 war between Israel and Lebanon, liberals, he argues, were too quick to accept and adopt the description ‘terrorists’ for Hizbullah and ignore the more complex elements of the group’s identity as a political movement and provider of social services to Lebanese Shia. Salaita attributes this unthinking labeling of Arabs, to “a profound anti-Arab racism in the United States that inspires the dehumanization of Arabs and reduces complex social and cultural phenomena in the Arab world to irrational barbarism.”

He highlights the tendency for criticism of Israeli violence and human rights abuses in Palestine to be couched in terms of the damage it does to the Israeli cause. Why do commentators not instead invoke moral outrage at the abuse of Palestinians as humans with equal moral worth? The same charge could equally be leveled at critics of the Iraq war who complain it has done nothing to make the UK or US safer. Salaita argues these kinds of strategic criticisms from liberals fail to engage with the immorality of injuring and killing thousands of Muslim civilians and prioritise the needs of those in the West.

It is, of course, important to be vigilant and careful about language and not to allow someone’s self-description as a ‘liberal’ or ‘progressive’ to shield them from challenge about deeply held and perhaps unconscious views and Salaita is convincing on the need to “ask hard questions of liberals and challenge their self made authority.”

Less convincing however, are his claims that the American left has failed to humanise Palestinian suffering. Examples from Zionists and Christian fundamentalists who conflate Palestinian civilians with terrorists or who fail to acknowledge the depth of their suffering will come as no surprise to most readers.

Salaita does not acknowledge the rich vein of work by liberals from America and across the world that endeavours to highlight the intolerable circumstances endured by Palestinian civilians.

And it is with his sweeping generalities that Salaita most weakens his argument and alienates his reader. His criticism of any thinker who he believes is making a generalist statement about Arabs or Muslims is searing and at times well warranted, but this sets a high standard that he himself fails to reach. Claims such as “according to American media all Arab violence is terrorism” because the media “assume that Arabs never have good reason to commit violence and are thus irrational” are clearly gross generalisations that do a disservice to the many voices on the left who have criticised and argued against the lazy (and often racist) use of stereotypes and phrases like the ‘war on terror’.

He often fails to read the irony or satire in his target’s words. He condemns the feminist and socialist political activist and writer Barbara Ehrenreich as racist for writing “Unknown numbers of civilians – somewhere between 500 and 3000 – managed to get in the way of the bombs and bullets.” Sure, it is possible to identify the passive claim that Arab civilians are to blame for their own deaths, and such a claim is clearly profoundly offensive. But it seems willfully misleading to read this extract from her article “Not the War We Needed” in such a literal way. Ehrenreich’s article works to combat many of the racist stereotypes of Arabs and Muslims that Salaita rails against. His interpretation is ungenerous and unfair.

There are many examples of this kind of misplaced ire throughout ‘The Uncultured Wars’. Whilst Salaita is right to challenge an unwillingness to address anti-Arab sentiment of the type Quinnell and McCain exhibited on the campaign trail, I can’t help but feel there are targets more deserving of exposition and condemnation than those he has chosen to pursue here.

The Uncultured Wars
by Steven Salaita

Zed Books
£19.99



Listings

A note from Local Societies Officer, Deborah Stoa



Looking at the meetings and events advertised in the listings, the diversity of subjects and events happening throughout the country is striking: from 'The Slow Food Movement' in East Lothian, via Lord Healy toasting 125 Years of Fabian Socialism at Brighton's New Year Party, to Polly Toynbee in Finchley on 'Social Justice and Inequality'. Is this what the members of the 'Socialist Propaganda Committee,' who in the 1940s, sent members to inspect local societies, persuading them to inject a more serious socialist content and thus influence the minds of the masses.

The local societies of the 1880s however are recorded as

being just as diverse in their activities as today's, although much more involved in direct action and practical work. The Liverpool Local Society of 1893 started a bureau for the unemployed which the local authority took over as a municipal labour department. The East London Group of 1892 raised money for two bronze shields as swimming trophies for the boys and girls of London's School Boards. On the other hand, it appears that the North West London Group were most concerned with social activities and Hampstead made toys for Board school children.

From swimming trophies to social injustice; slow food to socialist propaganda. *Plus ça change.*

BIRMINGHAM

All meetings at 7.00 in the Birmingham and Midland Institute, Margaret Street, Birmingham. For details and information contact Andrew Coulson on 0121 414 4966 email a.c.coulson@bham.ac.uk or Rosa Birch on 0121 426 4505 or rosabirch@hotmail.co.uk

BOURNEMOUTH & DISTRICT

11 December. Christmas Party. Details and tickets from Chris Hampton on 01202 874601
30 January 2009 Fiona MacTaggart MP on 'Democracy: How it is Changing and the Lessons we should Learn'
27 February. Baroness Estelle Morris 'How Can the Labour Party Re-engage with the Public?'
27 March. Glyn Ford MEP
 All meetings at The Friends Meeting House, Wharncliffe Rd, Boscombe, Bournemouth at 7.30.
 Contact Ian Taylor on 01202 396634 for details.

BRIGHTON & HOVE

10 January. New Year Party with guests Lord and Lady Healey. Lord Healey will propose the toast to 125 years of Fabian Socialism. To be held at the White Hart Hotel, High Street, Lewes. Tickets £20.
 Regular meetings 8.00 at Friends Meeting House, Ship Street, Brighton
 Details from Maire McQueeney on 01273 607910 email mairemcqueeney@waitrose.com

BRISTOL

For details of meetings, please contact Christine Webb on christine.webb9@btinternet.com

CANTERBURY

New Society forming. Please contact Ian Leslie on 01227 265570 or 07973 681 451 or email i.leslie@btinternet.com

CARDIFF

Details of all meetings from Steve Tarbet on 02920 591 458 or stevetarbet@talktalk.net

CENTRAL LONDON

Regular meetings at 7.30 in the Cole Room, 11 Dartmouth Street, London

SW1A 9BN. Details from Ian Leslie on 01227 265570 or 07973 681451

CHELMSFORD AND MID ESSEX

New Society forming, for details of membership and future events, please contact Barrie Wickerson on 01277 824452 email barrieew@laterre.wanadoo.co.uk

CHESHIRE

New Society forming in Northwich area. Contact Mandy Griffiths on mgriffiths@valeroyal.gov.uk

CHISWICK & WEST LONDON

4 December. AGM followed by Ann Keen MP, Parliamentary Under-Secretary for Health Services 8.00 in the Committee room at Chiswick Town Hall.
 Details from Monty Bogard on 0208 994 1780, email mb014fl362@blueyonder.co.uk

CITY OF LONDON

For details contact Alan Millington on amillington@orrick.com

COLCHESTER

Details from John Wood on 01206 212100 or woodj@fish.co.uk

CORNWALL

Helston area. New Society forming. For details contact Maria Tierney at maria@disabilitycornwall.org.uk

DARTFORD & GRAVESHAM

Regular meetings at 8.00 at the Chequers, Darenth Road South at 8.00. Details from Deborah Stoa on 0207 227 4904 email debstoa@btinternet.com

DERBY

Regular monthly meetings. Details from Rosemary Key on 01332 573169

DONCASTER AND DISTRICT

New Society forming, for details and information contact Kevin Rodgers on 07962 019168 email k.t.rodgers@gmail.com

EAST LOTHIAN

16 December. John Tiller of the Slow Food Movement. 7.30 at The Trinity Centre, Church Street, Haddington.
29 January. Suzie Vestri, Director of

the 'See Me' Campaign (and AGM)

26 February. Daniel Gray, author of 'Homage to Caledonia' – Scots involvement in the Spanish Civil War
25 March. Douglas Hamilton, Head of Policy and Research, Save the Children in Scotland.
 Details of all meetings from Noel Foy on 01620 824386 email noel.foy@tesco.net

FINCHLEY

29 January. Polly Toynbee on 'Social Justice and Inequality in the UK'. If you're interested going to this meeting or in joining this new society, please contact Brian Watkins on 0208 346 6922 email brian.watkins60@ntlworld.com

GLASGOW

New holding regular meetings. Contact Martin Hutchinson on mail@liathach.net

GLOUCESTER

Regular meetings at TGWU, 1 Pullman Court, Great Western Rd, Gloucester. Details from Roy Ansley on 01452 713094 email roybrendachd@yahoo.co.uk

HARROW

Regular monthly meetings. Details from June Solomon on 0208 428 2623. Fabians from other areas where there are no local Fabian Societies are very welcome to join us.

HAVERING

16 January. Claud Moraes MEP talking about the EU. 8.00. Friends meeting House, Balgore Crescent, Gidea Park
6 February. 7.30, AGM. 8.00 Darren Wise, PPC for Upminster and Hornchurch on Working in the Finance Industry'
17 March. Seema Malhotra Fairbytes Arts Centre, Billet Lane, Hornchurch
 Details of all meetings from David Marshall email david.c.marshall.t21@btinternet.com

HERTFORDSHIRE

Regular meetings. Details from Robin Cherney at RCher24@aol.com

HUDDERSFIELD AREA

New Society forming. Contact Jo Coles at jcoles@yahoo.com if you are interested.

ISLINGTON

10 December. Christmas Social. For details of all meetings contact Pat Haynes on 0207 249 3679

L.S.E.

For details contact Joe Coney at j.n.coney@lse.ac.uk or su.soc.fabian@lse.ac.uk

MANCHESTER

Details from Graham Whitham on 079176 44435 email manchesterfabians@googlemail.com and a blog at <http://gtmancfabians.blogspot.com>

MARCHES

New Society formed in Shrewsbury area. Details on www.MarchesFabians.org.uk or contact Kay Thornton on Secretary@marchesfabians.org.uk

MIDDLESBOROUGH

New Society hoping to get established. Please contact Andrew Maloney on 07757 952784 or email andrewmaloney@hotmail.co.uk for details

NEWHAM

For details of meetings, contact Anita Pollack on 0208 471 1637 or Anita_Pollack@btopenworld.com

NORTH EAST WALES

Further details from Joe Wilson on 01978 352820

NORTHUMBRIA AREA

For details and booking contact Pat Hobson at pat.hobson@hotmail.com

NORWICH

Anyone interested in helping to reform Norwich Fabian Society, please contact Andreas Paterson andreas@headswitch.co.uk

PETERBOROUGH

Meetings at 8.00 at the Ramada Hotel, Thorpe Meadows, Peterborough. Details from Brian Keegan on 01733 265769, email brian@briankeegan.demon.co.uk

PORTSMOUTH

Regular monthly meetings, details from June Clarkson on 02392 874293 email jclarkson1006@hotmail.com

READING & DISTRICT

For details of all meetings, contact Tony Skuse on 0118 978 5829 email tony@skuse.net

SHEFFIELD

Regular meetings on the 4th Thursday of the month, 7.30 at the Quaker Meeting Room, 10 St James Street, Sheffield S1. Details and information from Rob Murray on 0114 2558341 or Tony Ellingham on 0114 274 5814 email tony.ellingham@virgin.net

SOUTH EAST LONDON

Meet at 8.00 at 105 Court Lane, Dulwich London SE21 7EE. For details of all future meetings, please visit our website at <http://mysite.wanadoo-members.co.uk/selfs/>. Regular meetings; contact

Duncan Bowie on 020 8693 2709 or email duncanbowie@yahoo.co.uk

SOUTHAMPTON AREA

9 January. Colin McDougal 'Political Implications of the Financial Crisis' 13 February. Professor Gabrielle Gans on 'A Critique of Labour's Record on Civil Liberties' 13 March AGM For details of venues and all meetings, contact Frank Billett on 023 8077 9536

SOUTH TYNESIDE

For information about this Society please contact Paul Freeman on 0191 5367 633 or at freemanpsmb@blueyonder.co.uk

SUFFOLK

19 February. Sunder Katwala, General Secretary, Fabian Society. 12 March. AGM Both meetings at 7.30 at 9, Constitution Hill, Ipswich. For details of other meetings, contact Peter Coghill on 01986 873203

SURREY

Regular meetings at Guildford Cathedral Education Centre Details from Maureen Swage on 01252 733481 or maureen.swage@btinternet.com

TONBRIDGE and TUNBRIDGE WELLS

All meetings at 8.00 at 71a St Johns Rd. Details from John Champneys on 01892 523429

TYNEMOUTH

Monthly supper meetings, details from Brian Flood on 0191 258 3949

WATERSHEAD

A new Local Society in the Rugby area, details from Mike Howkins email mgh@dmu.ac.uk or J David Morgan on 07789 485621 email jdavidmorgan@excite.com. All meetings at 7.30 at the Indian Centre, Edward Street Rugby CV21 2EZ. For further information contact David Morgan on 01788 553277 email jdavidmorgan@excite.com

WEST DURHAM

The West Durham Fabian Society welcomes new members from all areas of the North East not served by other Fabian Societies. It has a regular programme of speakers from the public, community and voluntary sectors. It meets normally on the last Saturday of alternate months at the Joiners Arms, Hunwick between 12.15 and 2.00pm – light lunch £2.00. Contact the Secretary Cllr Professor Alan Townsend, 62A Low Willington, Crook, Durham DL15 0BG, tel, 01388 746479 email alan.townsend@wearvalley.gov.uk

WEST WALES

Regular meetings at Swansea Guildhall, details from Roger Warren Evans on roger@warrenevans.net

WIMBLEDON

New Society forming. Please contact Andy Ray on 07944 545161 or andyray@blueyonder.co.uk if you are interested.

NOTICEBOARD

These pages are your forum and we're open to your ideas. Please email Tom Hampson, Editorial Director of the Fabian Society at tom.hampson@fabians.org.uk

NEW YEAR CONFERENCE

The politics of fairness and equality are back. But for the Fabians social justice, inequality and tackling poverty have always been firmly at the centre of our work. Join us as we take the debate forward at our New Year Conference Fairness Doesn't Happen By Chance on Saturday 17th January 2009.

Hear over 50 influential speakers including Ken Livingstone; Ed Miliband MP; Trevor Phillips; James Purnell MP; Polly Toynbee; and Zoe Williams advocate an equalities agenda that is inspiring, ambitious and achievable.

For tickets and recently announced speakers please visit: http://fabians.org.uk/events/events/fabian_nyc-2009

The Fabian New Year Conference is kindly supported by TU Fund Managers and TUC

FABIAN FORTUNE FUND

WINNERS:

John Carrier £100
C.T. Boam £100

Half the income from the Fabian Fortune Fund goes to support our research programme.

Forms available from Giles Wright, giles.wright@fabian-society.org.uk

WEBB CENTENARY CONFERENCE

As part of the research project Fighting Poverty and Inequality in an Age of Affluence, the Fabian Society and Webb Memorial Trust will hold a public conference in London on **Saturday 21st February 2009** at the LSE.

With a keynote lecture from Roy Hattersley this one-day conference will mark the centenary of Beatrice Webb's Poor Law Minority Report and will ask what the report's lessons are for modern anti-poverty campaigners. Further details will be announced soon. To register to receive more information as it is confirmed send your name and email address to jemima.olchawski@fabian-society.org.uk

STOP VIOLENCE AGAINST WOMEN

'Anita' married a UK national and he brought her to the UK, legally, as his wife:

- He started to beat her.
- He forced her to abort their baby.
- He threw petrol on her and threatened to set her alight.

The refuge she fled to said 'We'd like to help but we can't – you have "no recourse to public funds"'.
(Note: The original image contains a typo "fled" which has been corrected to "fled".)



This is not equal access to safety and justice. This is **discrimination**.
This is in breach of UN human rights standards

Take action for equal access to safety from violence for all women www.amnesty.org.uk/svaw

Amnesty International
PROTECT THE HUMAN

FABIAN SOCIETY

Webb Memorial Trust

Fighting poverty and inequality in an age of affluence

100 years on from the Poor Law Minority Report



Beatrice Webb's 1909 Minority Report to the Poor Law Reform Commission first set out the vision, arguments and values of social justice that were to become the foundations of the modern welfare state. It challenged the dominant assumption that the poor were solely to blame for their own poverty, demonstrating that the causes of poverty are structural as well as individual, and argued that society has a collective responsibility to prevent poverty, not merely alleviate it.

Culminating in 2009, **Fighting poverty and inequality in an age of affluence**, a major Fabian Society and Webb Memorial Trust research project, will commemorate the centenary of the Minority Report by making a major contemporary contribution to the strategy for fighting poverty and inequality in today's Britain.

The 1909 Minority Report Conference will take place on **Saturday 21st February 2009**.



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