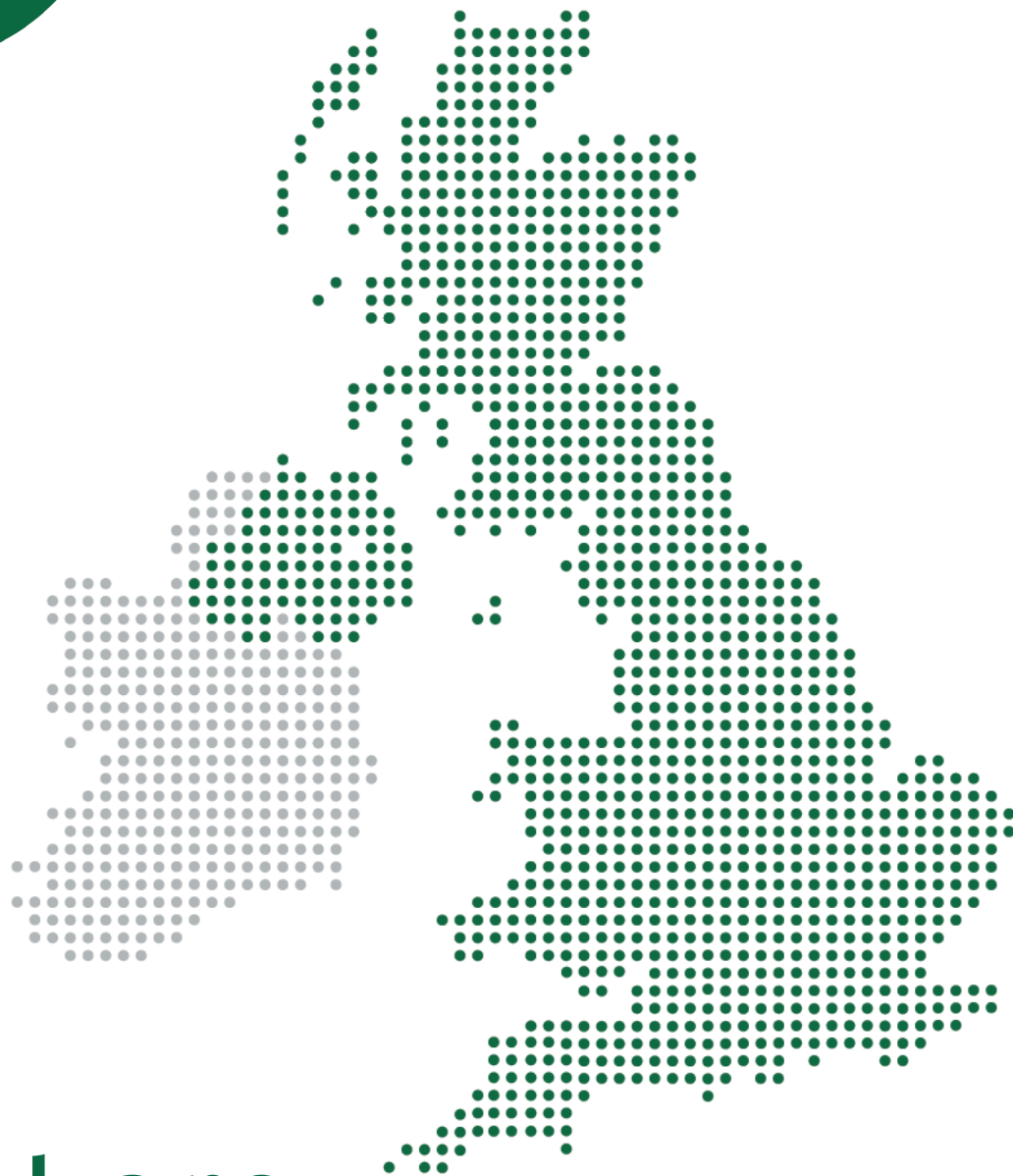


**Progressive
CentreUK**



What are progressives for?

Chuka Umunna MP

March 2019

"Britain in 2019 is divided, lacking direction, leadership and hope. It doesn't have to be this way. We can change our politics. The response must be a progressive one."

About the author



Chuka Umunna is chair of the advisory board of the Progressive Centre UK. He has been the member of parliament for Streatham since 2010. He is the spokesperson for The Independent Group of MPs in the UK parliament, a group he co-founded with ten other MPs who were formerly members of the Labour and Conservative parties. He chairs the all-party parliamentary groups on social integration and on EU relations. He is a leading figure in the cross-party People's Vote campaign for a referendum on the final Brexit deal. From 2011 to 2015 he served as the Labour Party's shadow secretary of state for business, innovation and skills, and he has been a member of the home affairs and treasury select committees. Before his election he practiced as a solicitor specialising in employment law.

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Foreword

In February 2019, along with ten other members of parliament, I resigned my membership of one of the established political parties in the UK. We left to co-found The Independent Group of MPs (TIG) which seeks to fix our broken politics and build an alternative the country can vote for.

We believe it is time to dump this country's old-fashioned politics and create a new politics that does justice to who we are today and gives this country a politics fit for the 21st century not the last one. Our departure from the status quo parties was in part framed by reference to what we were against and what we disliked both about the policies and the cultures of what we had left. This pamphlet sets out what I think those who subscribe to progressive politics are actually for.

This pamphlet is written in a personal capacity and deliberately so. Though all members of TIG share the same values and principles I have set out, and agree with much of what I have written, the ideas contained herein should not be considered a manifesto or the official policies of our group. The suggestions made are from me and should not be attributed to the group. We are, after all, not yet a party, though our goal is to create one. As I explain, I do not claim authorship of any of the ideas mentioned – they are shared by many progressives. So this pamphlet should be considered more a contribution to provoke a discussion because I believe we need a proper debate. I have sought to put forward an agenda around which a new progressive consensus in our country could be forged.

The conversation I hope this pamphlet will stimulate may lead to different avenues being pursued to those described herein. Perhaps some will feel the ideas are too radical, too timid or that in practice they might not have the intended affect. This does not matter. Any politician that tells the voter on the doorstep that she or he can solve their every problem is lying. It's notable that those on the extremes of our politics – be they Brexiters on their bus or the internet trolls of the hard-left – are convinced they have all the answers and that to even listen to anyone else is a "thought-crime". Let them. That is not how people outside the Westminster bubble generally see it or approach life's problems. Most Britons expect policy-makers to listen, pay attention, consider the evidence, ask questions and take the knowledge of our constituents' lot to parliament with a rigorous commitment to improving it through the tools and instruments of the legislature and the executive. This way they reach the right decision.

Whether readers agree or disagree with what is presented in this pamphlet, I hope it will assist in encouraging people to engage with the deliberative exercise that TIG will be undertaking over the coming months to chart a better future for our country and build a new politics.

I am very grateful to the Progressive Centre UK for giving me the opportunity to write and publish this work. I am eternally grateful to all members of TIG, several members of the Parliamentary Labour Party, Liberal Democrat MP Norman Lamb, Matt Browne, Jeremy Cliffe, Maurice Glasman, Paul Hofhienz, Gabriel Huntley, Will Hutton, Jim Kessler, Matthew Laza, Jeff Masters, Jane Merrick, Alex Mitchell, Juan Moscoso del Prado, Glen O'Hara, Jonathan Rutherford, Sonia Sodha, Jamie Susskind, Shahin Vallee and Jermain Zettelmeyer – all of whom provided valuable feedback on this pamphlet.

Chuka

Executive summary

"Britain in 2019 is divided, lacking direction, leadership and hope. It doesn't have to be this way. We can change our politics. The response must be a progressive one."

– Chuka Umunna

Today, Britain is more unequal and more divided than in living memory. Absolutism and tribalism predominate in the established parties. This stands in the way of healing social divides and building a more equal and sustainable economy. Whatever happens with Brexit, it is hard to imagine the return of politics as usual. The most important questions now are: who has answers for the future and who can bring the country together?

This pamphlet draws on a rich and diverse progressive discourse across the UK. Based around six key values and principles – Unity, Reciprocity, Work, Family and Community, Democracy, and Patriotic Internationalism. It sketches out a vision modern British progressives could coalesce around.

These principles underpin a new approach to the economic renewal of Britain – a "British Model" – that combines the strengths of the economic approach elsewhere in northern Europe with the best of our current Anglo-Saxon model. An economy where results will supersede ideology, where society and different economic actors work to strengthen each other, where we embrace enterprise and promote fair competition, where we lock in long-term thinking, support the regions and focus on productivity.

These same principles also underpin the approach to renewing the social contract in Britain. Drawing on lessons from across Europe we need to tackle insecurity and drawing on our own history we must resolve to properly fund the NHS and social care – potentially through a hypothecated tax. When it comes to education we need to invest where the most impact can be made – the early years – a policy we could fund by equalising tax on income and dividends. We need a high-quality system of vocational education which not only helps the young but reskills adults changing jobs mid career. We should tackle housing market failures and be prepared to rethink how we use our land.

Now is also the time for an honest debate about immigration. Lags in public funds can cause legitimate concerns about pressure on public services. We need to reinstitute the Migration Impact Fund, and ensure resources given to local authorities keep pace, in real time, with local population change. We need to do more to stop undercutting in the labour market by raising the minimum wage, and we need to invest in domestic skills so firms are not dependent on migrant labour. Above all, though, we must

better integrate newcomers and our wider communities. A good starting point would be through the introduction of national citizens service for young people where they would mix with others from different backgrounds.

Britain is becoming and will continue to be an ever more diverse nation. Younger Brits are increasingly relaxed about how open our country is to the world. With the right policy mix, we can ensure the UK continues to be an open and global-facing nation, as well as more socially cohesive.

Technology can help us meet these challenges, and we must make the most of the opportunities technological change presents by investing far more in R&D and incentivising the adoption of new technologies. In the future we should bind public and private investors through new tax credits, and better link universities, firms and local authorities together. We also need to focus on using these new technologies to improve public service delivery.

Despite the opportunities it presents, we must be conscious to set the right limits on this new technology. Old regulatory models, built for a world of relatively slow-moving technology, simply haven't kept up. New systems of regulation must be built to address constantly evolving new technologies. "Technopolists" need to be challenged and competition policy needs to be pre-emptive, anticipating centres of technological power rather than acting after the event. Too many of the rewards of these new technologies accrue to a relatively small number of individuals, exacerbating inequalities. New ownership structures must be developed to ensure greater distribution of the benefits.

To help us achieve all of this, we will need to renew our democracy. Our first-past-the-post system is undemocratic and deprives the voter of choice and impact. We should adopt the additional member system, a type of proportional representation. Our country is still too centralised, so we should devolve power to English regional bodies in the same way that it has been to the Scottish parliament and Welsh assembly. Parliament's culture and ways of working need to be overhauled. PMQs is a circus which does a disservice to public debate, it should be abolished and replaced with a more meaningful and effective way of holding the prime minister to account.

We should take the opportunity of the scheduled renovation of the Houses of Parliament to permanently move both the Commons and Lords to a modern building with horseshoe chambers, and the House of Lords should immediately be transformed into an elected chamber. We should experiment with Citizens' Assemblies, so that those who are impacted by policy have a role in shaping it. And, to ensure our politics isn't tainted by big money, whether from big trade unions, big business, or the wealthy, we should look at state funding for political parties.

If we can renew our country and democracy in this way, we can once again become a confident and outward looking nation with European and global ambitions. In or out of the EU we are a major European power and need to strengthen our commitment to the security and defence of Europe. We need a long-term strategic response to terrorism

that must include standing by our global commitment to the UN's "responsibility to protect" and supporting the development of the weaker states to the east and to the south.

Britain's unique history requires us to remain a global power. Britain still retains considerable global influence. We are a big country but sometimes we can act and behave as if we are small. The ideas in this pamphlet will help us to be a more united and confident nation once again, one capable of thinking big at home and abroad.

What are progressives for?

Remember the opening ceremony of the London 2012 Olympics. Britain had a unique chance to tell the world who we were and what mattered to us. And we absolutely nailed it. There was the lyrical opening scene inspired by Shakespeare. The Queen parachuted in with James Bond. Mr Bean made an appearance. We celebrated the National Health Service. Tim Berners-Lee, the British inventor of the world wide web, sent a tweet live from the stage. Dizzee Rascal provided the soundtrack to a house party, there, in an actual house erected in the middle of the stadium with the world watching. It takes quite a wonderful and remarkable country to pull off such a show. The vision we sought to present to the world: a country not only proud of our history but proud of what we have become – open, humorous, decent, confident and modern. What a people. That is the Britain I love. I feel and see it in Streatham, southwest London, where I grew up and which I now have the privilege of representing in parliament.

However, we are a deeply divided country. A truly “United” Kingdom right now is an aspiration, not a reality. We are diverse but we are divided in different ways, and our politics is broken, as the fallout from the 2016 vote to leave the European Union has illustrated. Britain is crying out for change. Yet, as I argued just before that referendum, there is a real risk that instead of coming together as we have done in the past and rebuilding, that the UK responds to the challenges of the next century not by asking "how can we solve these problems together?" but by asking "Who can we blame?" So how do we build a new consensus and fix our broken politics? What are our values? What is the political agenda around which we can once again unify and heal our divided nation? The response can and must be a progressive one.

Britain in the late 2010s

At the time of writing Brexit still weighs everything down. Many readers will be familiar with the causes. Globalisation – the amalgamation of countries’ economies, the flow of people, capital, goods, services and ideas across borders – has raised the standard of living of countless millions of poor people around the world. But in Britain it has brought wealth to too few and insecurity to millions on low and middle incomes. Jobs have disappeared as new technologies have transformed work, and factories were shut down or moved overseas. According to the Resolution Foundation¹, wages in real terms will not return to pre-crisis levels until 2025 and most regions have yet to recover from the Great Recession of 2008-09. The long-term trend towards each citizen enjoying a more equal share of the national wealth has gone into reverse. Too often employers took the easy option of cheap immigration over investment in skills and training. The organisations created by workers to protect themselves and their families from the power of finance capital – trade unions and community groups – have disappeared or been weakened. Rapid and extraordinary demographic change has

1. Freshly Squeezed: Autumn Budget 2017 response, Resolution Foundation, 2017, <https://www.resolutionfoundation.org/app/uploads/2017/11/Budget-response.pdf>

transformed the country. This has all seemed like a whirlwind threatening livelihoods, ways of life and, for millions, their sense of a national and local identity – something over which they felt they had little control. In summary: people have been subject to all this disruption but don't see enough of the benefits.

So in June 2016 the country narrowly voted to leave the EU, largely as a consequence. It was a referendum that exposed the political and cultural divides² between the urban and the rural, our cities and our towns, the young and the old, those with varying levels of education, different ethnicities and classes. My borough of Lambeth scored the highest Remain vote (78.6%), yet in the 2020s and beyond it has many of the same problems to overcome as Boston and Skegness, in Lincolnshire, which scored the highest Leave vote (75.6%). As I travelled around the country in that referendum and in the 2017 general election which followed, I was confronted time and time again with the reality that people are losing faith in the idea that politics can make a difference to their lives and realised we are a fractured country. I met those who were hopeful and optimistic for the future, but so many who were afraid and angry about a world which is changing in ways that feel beyond their control and which threaten their security. It has led to division, blame and recrimination – all of which have achieved nothing. Leaving the EU will clearly not solve any of these problems. So it is now beholden on all of us to seek to produce an agenda that can bring us together to collectively take steps to address the problems which caused many to vote for Brexit. The irony is that so consuming has Brexit been, that these problems have not received the attention they deserve.

A broken politics

Political parties that cannot unify themselves cannot unify the country. A political agenda that cannot forge a degree of consensus is unlikely to be one that is capable of enduring or bringing together such a diverse nation as modern Britain. The last time such a consensus was forged was in the wake of the 1930s. Leaders and activists across political divides came together in the Coalition government during the Second World War to defeat fascism. The subsequent 1945-1951 Attlee administration saw a Labour government implement economic and social policies inspired by the Liberals John Maynard Keynes and William Beveridge, with a welfare settlement which was – in the main – preserved by Conservative administrations in that era until the advent of Thatcherism (a period often referred to as the Post-War Consensus). That consensus vastly improved the material economic and social conditions of all people with the welfare state, educational provision for all and substantially reduced inequality³. Our politics not only seems incapable of forging such a new consensus today but both main parties are beset by internal divisions. The very notion of building a consensus across political traditions is often dismissed as “centrist” (on which, more below).

The Conservatives are in power. Having started by promising to “tackle the burning injustices” facing our country, Theresa May's premiership has been hijacked by Britain's answer to Donald Trump: hard-right ideologues determined to turn the clock back to the 1950s. The governing party increasingly seems to be consumed by a battle

2. How the United Kingdom voted on Thursday... and why, Lord Ashcroft, 2016, <https://lordashcrofthpolls.com/2016/06/how-the-united-kingdom-voted-and-why/>

3. Top 10% experienced a 13.2% drop in the share of British income between 1938 and 1972, A more unequal country?, Stewart Lansley and Joanna Mack, 2013, <http://www.poverty.ac.uk/editorial/more-unequal-country>

between small-minded nationalists and small-state libertarians. Ungenerous, unfair and unimaginative. There is a progressive tradition within parts of the Conservative electorate which has been overwhelmed by the hard-right within the party they used to call home. Labour, though in opposition, deserves its share of the blame. The party should be soaring ahead in the polls against an incompetent, chaotic Conservative administration. However, the official opposition is neck-and-neck with it. Though both main parties on the surface appear to be polling relatively well, there seems little enthusiasm for either, with “not sure” being the most popular answer to who would make the best prime minister⁴. Having outperformed expectations in 2017, the party had the chance to advance. But, in the eyes of the public⁵, it has seemed equally as split as the Tories, with the disgraceful scandal of antisemitism in Labour’s ranks and the demonisation and ostracisation of the centre-left tradition in the party. Above all, throughout the course of the Brexit negotiations Labour has failed to take a lead and provide sufficiently coherent, strong opposition to the Conservatives’ approach, with all the adverse implications that brings for British jobs and businesses.

This points to a broader reality – the culture of our politics is not up to the challenge. The absolutism and tribalism which predominates in both of Britain’s main parties stands in the way of healing these divisions and building a new national consensus. It is a binary politics that dictates that you’re either with us or against us, where true believers are arrayed against an “other”, where people are put into neat categories of the oppressed or the oppressors. Those who indulge in this kind of politics revel in conspiracy theories about the forces ranged against them and indulge in or tolerate ugly abuse, indignity or brutishness on and offline in the pursuit of purity. The targets on the right are pro-Europeans, immigrants and other minorities; on the left anyone who dares to be even a critical supporter of the last Labour government, businesses large and small, and, of course, “the West”.

This one-dimensional politics is particularly objectionable as it simply does not reflect the realities of modern Britain or how most Britons see things. Consider that Olympic opening ceremony, which captured the contradictions and complexities of today’s Britain: individualistic but in love with the NHS, proud of its traditions but capable of wearing them lightly and welcoming others into them, united by values and institutions but more fragmented than in the past, homely but worldly.

Millions of Tory voters are more open-minded and compassionate than the party that represents them⁶. They care about the NHS, are troubled by the rise of homelessness, they see immigrants as sources of new ideas and energy, take pride in the social contract between the individual and society, accept paying taxes as the membership fee of a civilised society and are angry at those who don’t, or who break the rules in other ways. Meanwhile, millions of Labour voters recognise the hard work that goes into building up a business, admire entrepreneurship and value the taxes that such firms pay; they see the closest possible cooperation with our EU and Nato partners not as an affront to their values but as integral to them; they judge policies by their effects. They are proud of their country and believe in a strong national defence.

4. Theresa May 36% Jeremy Corbyn 20% Don’t Know 41%. Best Prime Minister poll, YouGov, 13 - 14 January 2019, <https://yougov.co.uk/topics/political-trackers/survey-results>

5. 57% of the public think the Conservative and Labour are divided, Political Polling, Opinium, 11 September 2018, <https://www.opinium.co.uk/political-polling-11th-september-2018/>

6. Issues Index, Ipsos Mori, January 2019, https://www.ipsos.com/sites/default/files/ct/news/documents/2019-02/issues_index_jan19_v1_tabs.pdf

So ours is a multifaceted, diverse, country and generally the stronger for it but, because of the dysfunction of UK politics, such nuances rarely make it into Westminster debates nor into the policies that Westminster devises for a country it often seems to poorly understand. Under our unwritten constitution, in which simple majorities win due to an unfair first-past-the-post electoral system, the winner takes all and this allows small coteries to capture the leadership of both main parties. Those in charge dismiss others views. An appreciation of the complexities of modern Britain are rejected as “centrism” – a term which is thrown around as an insult. “Centrists” stand accused of seeking to maintain the status quo and being blind to the urgency for change when the opposite is true. The device is often used to suggest attitudes that do not sit within a populist left or populist right framework do not exist or are without legitimacy. This does Britain a sore disservice. Instead of dismissing such views, our politics should engage with and better reflect them. Until this happens many will continue to feel politically homeless.

A new political sociology

In any event, the changing nature of Britain means different factors now drive how Brits respond to globalisation and consequently how we vote. Politics in Westminster may still play out along left-right lines, but it no longer plays out on traditional class lines. The general election of 2017 underlined how class is no longer the strong driver of voting intention that it once was with a swing towards Labour among better off Britons and shift towards the Conservatives among some lower-income groups⁷. Whether one’s values are socially liberal or conservative, internationalist or nationalist, the politics of identity, education and age are all increasingly important. One specific trend is especially important: demographic and attitudinal shifts point to a country becoming more progressive in both social and economic terms. Escape from Westminster, look beyond the political battles, and Britain is becoming more diverse and more open: surprising given that the regressive populism of the left and the right is frequently painted as insurgent⁸. By way of example, by 2050 the proportion of British residents who are of an ethnic minority group will double in part due to increasing numbers of interracial relationships. British Social Attitudes Survey⁹ data shows public support for an active state increasing, people less cynical about benefit claimants, and traditional views on the roles of gender in flux.

That the left-right framework remains inadequate as a tool to understand our times is brought home by the overlapping crises facing our country. The dysfunction in our economy continues. So the root causes of the banking meltdown of a decade ago are not yet resolved. Wages and productivity are still stagnant, with living standards way below where they should be. Our public services are fraying before our eyes. The NHS in particular is surviving on handouts. There is no political consensus on how to fund the social care of an ageing population. Child poverty¹⁰ and homelessness continue to rise¹¹. We are failing to combat the threat of climate change. Faith in politics continues to fall¹². The primary responsibility for all this naturally lies with the current government, but Britain’s crisis also speaks to failures going back many years and crossing the Labour-Conservative divide.

7. 3% swing to the Conservatives from Labour among DEs, 4.5% swing to Labour from the Conservatives among ABs, How the voters voted in the 2017 election, Ipsos Mori, 2017, https://www.ipsos.com/sites/default/files/2017-06/how-britain-voted-in-the-2017-election_2.pdf

8. Ridiculed, reviled, resurgent, Dan Roberts, 2017, <https://www.theguardian.com/politics/2017/may/30/ridiculed-reviled-resurgent-jeremy-corbyn-bernie-sanders-campaign>

9. British Social Attitudes Survey 35, National Centre for Social Research, 2018, http://www.bsa.natcen.ac.uk/media/39285/bsa35_key-findings.pdf

10. Child poverty has risen consistently since 2011/12, UK Poverty 2018, Joseph Rowntree Foundation, 2018, <https://www.jrf.org.uk/report-uk-poverty-2018>

11. 15% increase in people who bedded outside overnight in 2017 from 2016, Rough sleeper numbers in England rise for the seventh year running, The Guardian, 2018, <https://www.theguardian.com/society/2018/jan/25/rough-sleeper-numbers-in-england-rise-for-seventh-year-running>

12. A Crisis of Mistrust, Deepening Divides, Hope Not Hate, 2019, http://www.hopenothate.org.uk/wp-content/uploads/2019/01/Proofed_HNH-brexit-report-2019-01-v5.pdf

And then there is the growing impact of technology on the way we live, our work and family lives, where ownership and power lies and the implications for geopolitics between nation states. The writer and lawyer Jamie Susskind puts it well in his seminal book “Future Politics” when he says: “Politics in the twentieth century was dominated by a central question: how much of our collective life should be determined by the state and what should be left to the market and civil society? For the generation now approaching political maturity, the debate will be different: to what extent should our lives be directed and controlled by powerful digital systems and on what terms?”

On the one hand, the advent of new technologies, the rise of automation, artificial intelligence and digitisation has brought many benefits, facilitating better and more efficient methods of communication, knowledge acquisition, working, shopping, spending our leisure time, travelling and generally organising our lives. It has the potential to revolutionise public services. On the other hand, the advent of the new super tech platforms in particular has concentrated power and wealth in the hands of small number of people, new technologies are being used to facilitate abuse, crime and terrorism and to enable foreign powers to challenge our democratic processes and national security. Vast quantities of our personal data is now held by others, not necessarily within our control, and public policy and legal frameworks are struggling to keep pace. We want our data privacy respected as a core property right – a right wing proposition – but to get the best rewards from the data revolution we need universal access to data, public platforms, and high accountability and transparency – left-wing propositions. This all goes to illustrate how, again, the complexity and ferocity of such change does not sit well with old left-right ideologies that speak to an altogether different era.

Add together the phenomena set out over the past three paragraphs—a long-term shift in what drives people’s voting behaviour, a continuing dysfunctional economy and a polity struggling to keep up with the challenges posed by a new and different world – and you end up with a broken outdated politics. Our country’s decision of June 2016 to leave the EU was a symptom, not a cause, of the the political mess we find ourselves in – and it could be the first tremor in a much larger upheaval, emerging over a generation. A new values axis is emerging and with it new political categories. The old politics is simply not up to the job and—whatever happens with Brexit—it is hard to imagine politics as usual returning. So the most important questions now are: who has answers for the future and who can bring the country together?

There is a rich and diverse progressive discourse out in the country and in our politics which is capable of meeting today’s challenges and uniting our country. The move away from the left-right dichotomy built around the two main parties started before I entered parliament in 2010. The populist left and right find their homes in different parties: with the former straddling Jeremy Corbyn’s Labour Party, the Greens and other groups; and the latter taking in Ukip and the Tory right. Similarly, progressive politics does not at present exclusively reside in any one party. It is rooted in the social democratic centre left in Labour, in the Liberal Democrats and in the Tory centre right with its One Nation tradition, all of which have successfully worked together in

times past to see our country through troubled waters. Old style, two party tribalism will deny that this has happened in the past or is occurring now – honesty requires we acknowledge it and the need to work together across political traditions, as progressive politicians on both sides of the Brexit debate have been doing over the past three years. The truth is that too many progressive people are sitting in parties which, through those parties' words and deeds, are no longer true to their values. This leads to the inescapable conclusion that our politics needs to be reconfigured to better reflect modern Britain and that it is time for the different progressive political traditions to come together under one roof – a new progressive party.

Splitting the difference between the old approaches of the left and the right is not the purpose of progressive politics. Our politics is neither “moderate”, nor “centrist”, but it seeks to radically change our country. It is “progressive” in the true sense of the word, in that instinctively it understands that as the world changes our politics must change and adapt too. It is out of this politics that we must give birth to a new and different agenda that will do justice to modern Britain – to that complicated, progressive nation that was captured in the Olympic opening ceremony, but which has evolved further since then and will continue getting more complicated in the coming decades. A Britain that, particularly judging by studies of young voters' attitudes¹³, is more comfortable with diversity and openness, and less comfortable with economic inequality and other injustices than the right; but is also less dogmatic, more willing to defend liberal democracy in the world, is sceptical about the state running their lives and more open to enterprise than the populist left. This is a movement that recognises Britain is generally more generous spirited, tolerant and ambitious for its future than the absolutists would have you believe. It is a movement that may regret Brexit, but also regrets the circumstances that made Brexit possible and is determined to tackle them.

It would not just be “nice” to work on this sort of radical, transformative agenda that would reflect and unite this Britain. It should be the patriotic mission of all progressives who want to bring our country back together, care about the future of the next generation and who want to end this period of polarisation and division because such an agenda would make us happier, wealthier, more secure and safeguard our planet for our children and grandchildren. If tactics and dogma define the dominant forces in today's politics, our answer must be the opposite of those traits. And for that, you need a bedrock of values and principles to return to – a political north star by which to set the national compass.

13. British Social Attitudes Survey 35, National Centre for Social Research, 2018, http://www.bsa.natcen.ac.uk/media/39285/bsa35_key-findings.pdf

What it is to be progressive

Here are six key values and principles around which I believe modern, British progressives coalesce:

1. A “United” Kingdom

We believe that individual freedom and the ability to lead happy, fulfilling lives relies on a strong society. So collectively we seek to ensure everyone is provided with the tools to reach their full potential to live a life they have reason to value, and where those who cannot provide for themselves are properly supported. This demands a social contract underpinned by the values of sticking together and looking out for your fellow citizens. We avoid at all costs what Benjamin Disraeli described in his novel *Sybil*: “Two nations; between whom there is no intercourse and no sympathy; who are as ignorant of each other’s habits, thoughts, and feelings, as if they were dwellers in different zones, or inhabitants of different planets.” This is the core of an ongoing British social contract.

2. Reciprocity

If you work hard and play by the rules, the economy should ensure you are rewarded. Every actor in the economy – companies, banks, trade unions etc – understands they stand in a reciprocal relationship with others. They should be driven by a purpose, and the goods and services they produce acknowledge this truth and so aim to better society through what they do. It also means that in return for the support we enjoy from society through the state, we all have individual responsibilities. The moral practice of give and take dictates that as individuals we don’t do to others what we would not want done to ourselves.

3. Work

At the core of our beliefs is the value of work. Work not only provides us with the means to prosper economically but it has a value in and of itself that gives purpose, identity and mission in life. It is our mission to ensure work pays and provides a level of security in a fast-changing world, in which the nature of work is constantly evolving as a result of technological advance and when more people are working for themselves. Core to the progressive agenda is the repurposing of capitalism and the relationship between capital and labour.

4. Family and community

Of course, there is more to life than work. Family life, in all its forms, is the building block of every community, one which motivates people, connects them to each other and gives life meaning. We seek to ensure a secure start in life for our children and dignity and security for our parents in old age. We want our communities to be open, free and diverse, where our differences are celebrated and respected. As communitarians, we recognise that belonging to a place and a community fulfils our need to be part of something common, neighbourly and British. However it is expressed, this common feeling builds trust and life satisfaction. This is vital to healing divides, trusting one another and building a socially cohesive Britain.

5. Democracy

Everyone should have an equal voice and a say in how society is run, and control over the decisions that affect them. In essence this is about giving each an equal degree of power over her or his life and community. That requires decisions to be taken at the lowest possible level. The default should always be devolution. And it is not good enough for the majority of “the people” to get what they want. There must also be protections for minorities and curbs on concentrations of power. That means the introduction of a constitution in which the country settles how it wants to practice democracy, viewing the rule of law, a free press and an independent judiciary not as supplements to democracy, but integral parts of it. Above all we have to create the notion of a live public realm that represents the public interest.

6. Patriotic internationalism

As progressives we are unapologetically patriotic. We respect the history and traditions of this country and will always do what it takes to safeguard Britain’s national security. We will protect the sovereignty of the nation state which is the UK but we are resolutely internationalist too because we cannot build a good society at home in isolation from the global forces that are buffeting our people around. Where appropriate, we should pool power and work closely with other nation states which share our values to shape the world we live in and protect the environment and our planet.

The overall goal should be one nation where each citizen is free to live a good life in a fair society. “Freedom” is often thought of in positive (entitlement) or negative (absence of interference) terms. But neither is quite satisfactory. Entitlement can exist without responsibility. The lack of interference can preclude necessary interventions to make society more human. There’s an alternative, better theory of freedom that ought to guide progressives in British politics: freedom from domination. This draws on the work of the Irish political theorist, Philip Pettit¹⁴. The goal should be the non-dominated citizen, embedded in her or his community, but free from the domination of the state, the market and global forces. This way we empower each citizen to actively engage with the world around them with trust and confidence.

14. Freedom as Antipower, Ethics, Philip Pettit, 1996, <https://www.jstor.org/stable/2382272>

A progressive agenda for the future

The outline of a progressive, transformative agenda that can heal the divides and change Britain is made up of five parts: economy, society, technology, democracy and international engagement. Each supports the others. Without any one of them, the overall structure becomes unstable and it is impossible to provide the platform on which every person can thrive in an era of globalisation.

Economy

The aim is not simply, in a technocratic fashion, to competently manage the economy – it is to transform it so every citizen, regardless of circumstance, background or where they live, can lead a happy, prosperous and secure life. This is not the case in Britain today. Capitalism is dysfunctional and needs to be repurposed so it is more inclusive and responsible. This will require greater equality of opportunity and outcome, harnessing the power of enterprise to spur inclusive prosperity and growth. The state and the market, working in partnership, have a role: there should be an even balance between the two. The method is a social market economy.

“The British model”

To grasp the immense economic potential of Britain you only have to visit one of its great innovative companies or research institutions, like Jaguar Land Rover in the West Midlands or the Bristol Robotics Laboratory. This country has four of the ten best universities in the world¹⁵. It has well-defined high-end sectors and manufacturing niches such as aerospace, automotive, the creative industries, legal and financial services, life sciences, pharmaceuticals and precision engineering. It combines the ideal time-zone – between the American east coast and Asia’s Far East – with the world’s language, a widely respected legal system, tight cultural links to continental Europe, America and growth markets like India. We have a huge amount of soft power and a natural ability to produce the goods and services the world needs. So we have all the tools to generate superb living standards. We have every reason to be an unqualified success story.

So what has gone wrong? Today’s economy – for all its successes – is dysfunctional and puts us to shame. The economic potential of too many is not realised and too few can access the upsides of all of this change. Where you end up in life is still dictated by the circumstances of your birth¹⁶. According to the latest figures, over 14 million people are living in relative poverty including 4.1 million children. The Institute for Fiscal Studies¹⁷ estimates that median real earnings for employees are still 3% below where they were in 2008 and are 13% (or £3,500 per year) below where we might reasonably have expected based on rates of growth seen in the years prior to the global financial crisis (of around 1.4% per year) – an unprecedented squeeze.

15. QS World University Rankings, 2019, <https://www.qs.com/qs-have-released-the-world-university-rankings-2019/>

16. How do childhood circumstances affect your chances of poverty as an adult?, Office for National Statistics, 2016, <https://www.ons.gov.uk/>

17. 10 years on - have we recovered from the financial crisis?, Jonathan Cribb and Paul Johnson, 2018, <https://www.ifs.org.uk/publications/1330/how-do-childhood-circumstances-affect-your-chances-of-poverty-as-an-adult/> 2016-05-16

To raise wages, we must increase productivity because the British economy is too unproductive: the average worker here takes five days to produce what his or her German or French counterpart does in four¹⁸. This is not the fault of workers collectively but a failure of business to invest and government to provide them with the requisite skills. We may be the sixth largest economy in the world but our regional cities drastically underperform their continental counterparts and our least successful regions are among the poorest in western Europe. Short-termism plagues the economy: promising firms are too easily bought up and asset-stripped. We ought to have all the conditions to generate a world-changing tech giant and so should be more alarmed about our failure to generate a home-grown Apple, Google or Samsung.

The explanations for this dysfunction, like so much in our fragmented country, are divided. For some on the right it's all about a smaller state; for some on the left it's about a bigger one. In a democratic society reciprocity – give and take – should ensure a fair balance of interest between finance, capital and labour, and between parties in market transactions. But in the last few decades the super-rich and some powerful multinational companies have been pulling away from the rest of society – writing their own rules and heavily influencing the levers of the state. Britain's leaders are simply not engaging strategically with our lagging competitiveness and productivity. Theresa May talks about “burning injustices”¹⁹ but does little to solve them. Labour's leadership has talked about rewriting the rules of British capitalism²⁰ and in the past has referred admiringly to the economic approaches of, for example, Bolivia, Cuba and Venezuela. But none of those models is appropriate for our economy nor is it clear that they would increase opportunity, reduce poverty and inequality in Britain today. This is unsatisfactory because a strong economy is the main prerequisite for the quality of life experienced by the people we represent.

As has been said by many, the closest comparable success stories are those in Scandinavia and Germany, where taking the long-term view is embedded in their business culture and an active state works hand in glove with a vibrant private sector. Arguably no cultures in the world are as close to that of Britain as these countries. And none is quite as successful at combining collectivism and individualism. These countries are not only happier but have far greater levels of income equality than the UK²¹. We should look more closely at these case studies—not to copy everything, but to adapt their success stories to British successes and forge a new variety of capitalism marked by high levels of dynamism, opportunity for all and fairness. In the long term, I would like to see British progressives talking less about the “Scandinavian model” and progressives elsewhere talking more about the “British model”.

What would this “British model” look like? It could take as its foundation northern European elements: employee ownership trusts; workers on boards and public-spirited non-executive directors, moving towards a form of co-determination as a way of decision-making in the workplace; trade unions; incentives for innovation within firms; long-term financing; and a National Investment Bank with a network of regional banks driving Britain's public investment rate to the G7 average of 3.5%. Boosting pay in low-productivity sectors means creating skills and training in a high-quality system

18. International comparisons of UK productivity, Office for National Statistics, 2018, <https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/bulletins/internationalcomparisonsofproductivityfinal estimates/2016#uk-productivity-shortfall-with-the-g7-stable-in-2016>

19. Statement from the new Prime Minister, Theresa May, 2016, <https://www.gov.uk/government/speeches/statement-from-the-new-prime-minister-theresa-may>

20. John McDonnell to urge Davos elite to rewrite global economy rules, Heather Stewart, 2018, <https://www.theguardian.com/business/2018/jan/10/john-mcdonnell-to-urge-davos-elite-rewrite-global-economy-rules>

21. Gini Coefficient Data, World Factbook, 2019, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2172rank.html>

of vocational education, which must be a key element of the model helping younger people to progress through the skills system more effectively, up-skilling adults on low pay and re-skilling those whose jobs are at risk of displacement²².

On to this foundation it would build Anglo-Saxon strengths: a major economic role for our world-beating universities, a dynamic and open labour market and radical technological innovation. It would finish off the formula with classic progressive British traits: innovative hybrids of state and market, of profit motive and social good (a tradition ranging from John Lewis to Innocent Smoothies). The defining characteristics of this hybrid model would be: collaborative workplaces and competitive practices in innovative firms that pay a decent wage, share profits with workers, and give security to those who work within them.

Guiding principles

Progressives' six key values can be translated into six guiding economic principles to achieve greater opportunity and prosperity for all citizens and regions.

One: results should supersede ideology. For example, the “British model” could create new tax incentives and legal certainty for mutuals and a vast roll-out of employee ownership because the evidence shows this would encourage long-term ownership and diversify ownership of capital. It would forgo the automatic assumption that nationalisation improves performance in favour of taking a “foundation” share in privatised utilities to force them to serve public good. It would incentivise widespread membership of collaborative unions and employee representatives on remuneration committees. None of these actions are innately pro-state or pro-market; the goal would be to judge interventions by effects. Building an economy fit for the Britain of the 2020s and beyond, means we cannot be held prisoner by the ideologies and slogans of the last century.

22. Skills for Inclusive Growth, Centre for Progressive Policy, October 2018 <https://www.progressive-policy.net/downloads/files/Skills-for-Inclusive-Growth.pdf>

Let's look at...

Putting public benefit at the heart of utilities

Public dissatisfaction with many of the state-owned services sold off by the Thatcher government of the 1980s is running high. Polls regularly show that three quarters of the electorate favour "public ownership". With chaos on the railways and an energy market that seems rigged in favour of a few big firms, who can blame them.

But what does public ownership mean in the 21st century?

Labour's 2017 manifesto committed to an old-school renationalisation of the water industry and hinted at the same for the National Grid and Royal Mail. The bill was excluded as "capital spending" from the costings that went alongside the manifesto but, for water alone, these are estimated at £60 billion. Not only is the price tag for traditional renationalisation huge, but those industries' borrowings would become part of the national balance sheet – restricting a progressive government's ability to borrow for priorities like infrastructure investment.

A radical alternative would be to pioneer an entirely new form of company. The Big Innovation Centre has launched a debate on "Public Benefit Companies". This model could achieve the goal of public purpose, without costing the public purse a penny. An incoming progressive government could legislate to force companies providing key public services to write the provision of public benefit into their constitution, taking precedence over profit-making. It can then insist on taking a "foundation share" in each company as a condition of its operating licence. This share can be used to install non-executive directors tasked with seeing that the company delivers its newly enshrined public purpose.

This would be a smart use of government power for the common good – with shareholders retaining their shares, though now constrained by the primacy of public benefit over shareholder return. There would be no need to write cheques for tens of billions to buy back shares. The system can be designed with serious sticks – ever increasing penalties in place for failure to deliver on the promised public purpose. In addition, these companies' borrowings would remain off the public balance sheet, and therefore would not hinder the government's ability to borrow for other priorities.

Two: a strong society requires a strong economy; a strong economy is underpinned by a strong society. So, without enterprise and a thriving private sector, there will not be the growth and consequent tax revenue the Treasury needs to fund our public services. This requires a business environment that nurtures productive, innovative enterprise that delivers shared value for our country – long term, sustainable profitability for the business and its shareholders, but with a much broader view of value creation serving the interests of all major stakeholders – employees, suppliers, customers, creditors, communities, the environment etc. This is not at odds with the goal of maximising corporate value but essential to achieving that goal because business and society are mutually dependent: business needs society to buy its products, staff its workplaces and provide a supportive environment, infrastructure and so on; society needs business to provide the jobs, wealth and opportunity for its citizens, and tax revenue to help fund public services. This approach is distinct from the left which has an instinctive suspicion of all forms of enterprise and the right which refuses to acknowledge, as the IPPR’s Economic Justice Commission²³ has argued, that there is no such thing as a “free” market given that the private sector relies on the state to maintain our roads, provide a digital infrastructure, and a health service to treat their workers etc.

Three: there need be no tension between embracing and encouraging enterprise and using the levers of state to the full, particularly to ensure fair competition.

This is necessary to ensure a rebalancing of power between capital, labour and the consumer, and to foster an innovation economy. In particular, for enterprise and innovation to thrive there must be vigorous market competition but the economy is becoming less competitive and more concentrated²⁴, especially in big tech, where platforms collect vast quantities of data and whose use of algorithms is subject to a lack of transparency and oversight. This requires state intervention and an overhaul of the UK’s competition regime. Too often our tax and regulation policies are blind to the way a company acts; blind to whether it passes off its externalities – such as training costs – on to society and the state or takes social responsibility; blind to whether executives in large companies are paid according to performance or according to who knows who. Meanwhile the state does too little to support genuine innovation and entrepreneurs, who have so many obstacles put in their way by the system. The labour market must be better regulated, the minimum wage raised to a proper living wage and trade union membership must be increased, including by giving unions a right to access to workplaces physically and remotely.

23. Prosperity and justice: A plan for the new economy, IPPR Economic Justice Commission, 2018, <https://www.ippr.org/research/publications/prosperity-and-justice>

24. The British economy is becoming more concentrated and less competitive, The Economist, 2018, <https://www.economist.com/britain/2018/07/26/the-british-economy-is-becoming-more-concentrated-and-less-competitive>

Let's look at...

Ending excessive pay in the board room

Excessive pay in the boardrooms of the biggest companies in the UK has become a symbol of an economy many feel favours an elite that seeks to extract rather than make wealth for the whole country. Not only is this bad for society but it is bad for business because it undermines trust and incentivises the wrong behaviours.

Today, the chief executives of FTSE 100 companies earn on average 120 times the median total salary of full-time employees in the UK, taking home £3.45 million, compared with £28,758. This presents both a moral and an economic dilemma. A solution to excessive pay can be found that allows the best aspects of the market to flourish without having mandarins or ministers setting pay levels, that links pay to the contribution made and helps raise wages for all workers.

Radical action has been taken in other EU countries. In the Netherlands, for example, the Dutch Liberal/Labour government of 2015 introduced a law capping bonuses across the financial sector to 20% of salary. Other rules also guard against the pernicious growth of "golden handshakes" – firms which grant anyone earning over €538,000 a year a pay-out higher than that annual salary can face a levy of up to 75 per cent on the excess amount. The Dutch state has also used its influence to curb executive pay at enterprises where it retains a stake, including national airline KLM. Pay policies must now also be shared with employee councils, who can express any concerns at general meetings. Following the changes, shareholders are also able to claim back performance-based pay if it turns out that it was erroneously awarded.

In the UK, it is scandalous that seven years on only half the recommendations in the High Pay Centre's landmark report have been enacted. We urgently need to put in place a regulatory framework to incentivise companies to adopt pay structures for senior executives based on long-term equity and debt holdings: linking pay packages to the long-term fortunes of the company, with shares vesting over periods of at least five years, will encourage company leaders to take a longer-term view.

We could also move towards a system of Swedish-style nomination committees. In the UK other board members lead on appointing new members of the board, whereas in Sweden the nomination committees are composed of the four or five biggest shareholders in the company along with the non-executive chair of the board. That same committee also recommends

the structure and amount of remuneration. This creates far stronger lines of accountability to those who ultimately own the business and would promote shareholder activism and engagement, which is key. The Institute of Directors has recommended that if at least 30% of shareholders oppose a company's remuneration report at the AGM, the company should have to reconsider their pay policy and give shareholders another vote.

None of this can happen if we don't tackle the problem of "absentee" shareholders. Much of UK company law relies on shareholders to exercise their rights to police the way in which their company is run. But that can only work when that check and balance is actually exercised. Shockingly, an average of 28% of shareholders of FTSE 100 companies choose to avoid expressing an opinion on the executive pay arrangements of the company they hold a stake in.

A dynamic, progressive government would expand the promising but under-powered Catapult network to link universities, business and government closer together and bridge the "valley of death" between research and commercialisation. It would also create a British version of America's Defence Advanced Research Projects Agency (Darpa) to invest in mould-breaking technology, or develop an equivalent to Israel's Innovation Authority, which I once visited and which assists Israel's knowledge-based science and technology industries to encourage innovation and entrepreneurship while stimulating economic growth through various funds and grants. This approach will require a rewiring of government because the prosecution of this approach and proper, wholehearted implementation of industrial strategies is too often stifled by the Treasury. Indeed, I would argue that the Treasury should be transformed into a traditional Finance Ministry along European lines, and the Business department beefed up to serve as a powerful Ministry of the Economy.

Four: Britain needs to lock in long-termism and sustainability. It is simply a reality that Britain's industrial structure and traditions tend not to lend themselves as naturally to long-termism as counterparts in northern European economies like Germany. The financial ecosystem needs to be recast in order to incentivise investment for the long term. This requires rethinking the role and purpose of the company, and recognising that different stakeholders contribute to value creation including employees, customers, suppliers and the public. This also demands a new role for the state: encouraging long-term financing and underwriting it if necessary, supporting apprenticeships and training programmes whose benefits will be spread throughout the economy as a whole, rather than accruing automatically to the company that funds them. For this, the British state needs greater capacity to invest and reap dividends over the long term. We should consider using the remaining stakes of bailed-out banks, taxes from North Sea oil, a hypothecated wealth tax and long-term investment bonds to create a British Sovereign Wealth Fund along the lines of that in Norway. No country can take a long term view without baking in measures to reduce our

carbon emissions and reduce climate change in every policy area. This should not be viewed as a burden but an opportunity to transform Britain into a leader in the green economy and create jobs. The Green Alliance²⁵ rightly argues that we must build our manufacturing competitiveness by using product and process innovation to improve energy and resource efficiency, and that we should aim to ensure the UK is a world leader in developing the goods and services that will be in high demand in a low carbon, resource efficient world.

25. Why a successful industrial strategy will be low carbon and resource efficient, Green Alliance, 2017, https://www.green-alliance.org.uk/resources/a_successful_industrial_strategy.pdf

Let's look at...

Abolishing tuition fees only for the students who need most support would allow a "Marshall Plan for Skills"

As the participation rate in higher education has continued to rise, so has the political row about how to meet the consequently increasing bill. Now that one in two young people are entering university, the issue is a concrete concern for millions of families planning their finances and their children's futures.

There is almost universal agreement that the system is broken. While wilder predictions of a cliff edge for participation from school-leavers from lower socioeconomic backgrounds as a result of the trebling of university tuition fees have not materialised, there is clear evidence that the prospect of debt is having a deterrent effect. The Sutton Trust has found that "the gap in attendance rates between those from less well-off and better-off backgrounds is not improving".

The OECD believes English students are now paying the highest average fees in the developed world for state-dependent universities. The debt burden that produces hits young people from the poorest households hardest, leaving them with "almost double the level of debt which American graduates leave university with".

The Tories and Labour have both responded to growing public disquiet.

The Conservative government has taken a very limited approach to reform of fees, with the Augar Review currently underway, driven more by frustration at the perceived lack of a competitive market and the desire to see tuition fees vary more according to course length, cost and quality. There seems little chance this review will bring much relief to Britain's hardest-pressed students.

Labour's manifesto in 2017 pledged to scrap all fees – a superficially attractive policy and certainly an easy sell but clearly one that comes with a huge price tag. Labour's own costings document put the bill for their whole HE funding package at £11.2 billion, but the IFS prices scrapping fees alone at £11 billion.

When public finances are very tight and there are many competing priorities, abolishing all tuition fees is not progressive. Scrapping all fees, for all students may be an easy vote getter but implementing it would not produce the progressive outcomes of attracting and supporting more poorer students into our universities.

The experts are clear. The IFS concluded that “graduates who earn most in future would benefit most”. Spending this much money to benefit those set to be the richest in our society is simply not defensible. We can also look to Scotland to see how the blanket removal of tuition fees (Scottish students studying in Scotland do not pay tuition fees) has the exact opposite effect to that which progressives should be aiming for. Lucy Hunter Blackburn, author of a study for the Centre for Research in Education Inclusion and the Economic and Social Research Council comparing student funding across the UK, was stark: “Free tuition in Scotland is the perfect middle-class, feel-good policy. It’s superficially universal, but in fact it benefits the better-off most, and is funded by pushing the poorest students further and further into debt. The Scottish system for financing full-time students in higher education does not have the egalitarian, progressive effects commonly claimed for it.”

Rejecting the simplistic policy of scrapping all fees does not mean that we should put up with the status quo. Far from it. But progressives must be prepared to say where we think a policy, no matter how popular, is not the best use of public money. In this case a more targeted approach would achieve significantly better social mobility outcomes for the same cost.

Which is why, rather than scrapping fees altogether, we should favour means-testing fees and reinstating maintenance grants. The Sutton Trust has found that doing this would cut average student debt in half, “(from £46,000 to £23,300), at a cost of up to £3.2 billion per year. In particular, it would slash debt among the 40% poorest students by 75%, from £51,600 down to £12,700, and mean those from the poorest backgrounds emerged with two thirds less debt than their better-off counterparts, whereas under the current regime they emerge with 34% more debt.”

It may not make such a placard-friendly slogan but such a policy makes a lot more sense than scrapping fees in their entirety, putting social justice and not electoral expediency at the heart of paying for higher education.

It is also a lot cheaper, ensuring that rather than wasting money on the richest students there would be serious money left over to devote to righting one of our society’s great failures: our neglect of vocational education.

For too long governments of all parties have paid lip service to solving the nation’s skills crisis. We cannot allow educational apartheid to continue. Hitting 50% participation in higher education has been a significant achievement but now energy must be turned to the half of our young people who do not go to university.

To spend such a disproportionate amount of money on university students is not defensible for progressives. In 2017 Labour proposed spending less than a

quarter on skills compared to that tuition fee pledge. Progressives can and must do better than that. The money that would be saved by targeting support at the university students who need it most and not scrapping all fees should be spent on a "Marshall Plan for Skills". Potentially this could be backed by more than £5 billion of money that would no longer be going to the most prosperous families in HE.

The case for a skills revolution is overwhelming. Barely a week goes by without employers crying that they can't find the skilled workers they need, an economic drag that Brexit (if it happens) is only set to exacerbate. The neglect of skills puts Britain at a serious competitive disadvantage, both to European competitors but also to burgeoning economies in Asia and beyond.

Our national skills weakness not only translates into economic weakness, it is also the source of so many social divisions. The huge divide between graduates and non-graduates that the Brexit referendum exposed is simply not sustainable. Any non-graduate would be forgiven for thinking that the past two decades have seen their needs neglected, just at the moment when globalisation has transformed the world of work they operate in. Any progressive should want to harness the power of government, bringing together employers and unions, to transform the opportunities for those who understandably feel "left behind". If we do not do this the fourth industrial revolution will only sow more divisions in our already fractured social contract.

The "Marshall Plan for Skills" would not only have serious money behind it, it should be overseen by a minister for skills, attending cabinet and working across departments.

Five: we need to more confidently recognise the role of space and place – the aim should be for every region to prosper. Economic debate often presumes that people will move to wherever there is opportunity but disregards the importance of where people are from and their need to be anchored where they have roots. It is vital every region can prosper and that no area is left behind. It is no good that London is booming if other cities are failing. No matter, say, how many school places in other areas London's larger tax take funds. Each region will only thrive in the long term if it has its own dynamic private sector. Fixing this problem means building up Britain's other great cities and making them more confident. America's surfeit of dynamic and self-governing urban areas is the single most significant explanation for its large GDP/capital advantage over Britain²⁶. So let's have the faith in our urban leaders to stop prevaricating and devolve most powers to Britain's conurbations, making them semi-independent city states capable of growing and developing their own specialisms. In the long term, all of our cities should become confident, collaborative places capable of functioning as a single economy for the purposes of infrastructure and international investment.

26. Urban America: US cities in the global economy, McKinsey Global Institute, 2012, https://www.mckinsey.com/~media/McKinsey/Featured%20Insights/Urbanization/US%20cities%20in%20the%20global%20economy/MGI_Urban_America_Full_Report.aspx

However, industrial strategies which concentrate only on cities as engines of growth, on property development, technological innovation and high-value sectors for trade, are not enough. While these are necessary, they ignore the middle and low paid in the non-traded sectors and can exclude the suburbs, the towns on the periphery of major cities, coastal communities and the rural economy. This bias reinforces the class and cultural fault lines dividing the nation, and it was in these places where the discontent that led people to vote for Brexit was so often manifested. Many of our coastal towns have a long history of tourism and are cultural hubs but need targeted support to regenerate and diversify, update transport infrastructure and digital connectivity, and to provide not only seasonal but year-round employment.

Six: a productivity strategy for the foundational economy. The foundational economy is made up of the services, production and social goods that sustain all our daily lives. This could provide the basis for the economic regeneration of regions and the more equitable distribution of income and wealth, not only across the UK's cities but across our towns and villages too. The academics at the Centre for Research on Socio-Cultural Change at Manchester University²⁷ who came up with the idea estimate that it employs up to one third of the workforce in England and Wales across the private, public and social sectors. Its activities include transport, childcare and social care, health, education, utilities, broadband, social benefits, and the low productivity, low wage sectors of retail, hospitality and food processing. Everyone, regardless of income, participates in this foundational economy and it is distributed across all regions of the country.

Applying these principles will spread opportunities to all people and all regions in a way not seen at present. Above all, it will address the root causes of Brexit, give everyone a stake in the economy and help tackle the disillusion with our political system.

Society

The overhaul of Britain's economy must serve just one imperative: strengthening our society. But here too the country is underperforming because the social contract between the individual and the state is all too often broken, and we are becoming increasingly divided.

We have all the ingredients to be one of the happiest and most socially harmonious nations in the world: we have universal health care, world-admired schools and other educational traditions, an internationally admired justice system and a more open and comfortably pluralistic society than most other Western countries. These are the societal foundations of a truly united Kingdom: solidarity, diversity, openness and fairness. However, inequality in Britain is still higher than in other European economies²⁸ despite successive governments that have called it a major priority; and we know from research by the likes of Richard Wilkinson and Kate Pickett²⁹, and Sir Michael Marmot³⁰ in the area of health, that inequality drives almost all social ills.

27. Manifesto for the Foundational Economy, Centre for Research on Socio-Cultural Change at Manchester University, 2013, <http://hummedia.manchester.ac.uk/institutes/cresc/workingpapers/wp131.pdf>

28. Income inequality in the EU, 2018, <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/EDN-20180426-1>

29. The Spirit Level, Richard Wilkinson and Kate Pickett, 2010, <https://www.penguin.co.uk/books/179/179241/the-spirit-level/9780241954294.html>

30. The Health Gap, Michael Marmot, 2015, <https://www.bloomsbury.com/uk/the-health-gap-9781408857991/>

Sickness abounds. Crime, homelessness and child poverty are all rising, our prisons are in meltdown, our social services are threadbare, the use of payday lenders and food banks is soaring. Our NHS is lurching from crisis to crisis. The numbers of people with severe mental health problems is on the rise. Local government is starved of resources.

Recent research has drawn attention to the confluence of social challenges particularly affecting parts of country that have experienced the downside of globalisation³¹: automation, new competitive pressures, the dislocation of technology, concentrations of low social mobility, angst about immigration, poor health, educational underperformance and other problems. And in an uncertain and changing world, it is all too easy to imagine that our problems are the fault of those who are different from us. This poses a threat to our social cohesion, particularly given that too often, people from different ethnic, religious, class and age groups are living side-by-side but aren't actually mixing with one another or leading interconnected lives. As we have become less familiar with one another, it has become harder for us to understand where people who come from a different background are coming from on the big issues, and easier to blame one another than work together to address common challenges we face. On this trajectory, our society will be far from united in the future unless we act.

So we need to do more than simply provide a safety net to those who have fallen on hard times. We need **a social support system to help each individual to deal with the stresses and strains of modern life, and measures to help strengthen community cohesion so it is more resilient in the face of the forces of division.**

The adverse impact of austerity

Addressing social challenges requires efficient public services that treat individuals as humans and put them at the centre of decision-making. This is impossible to achieve without a wellfunded public realm.

Though many of Britain's social ills predate the austerity imposed since the 2008 crash, the extreme fiscal consolidation embarked upon prolonged the downturn after the financial crisis and has exacerbated these social problems. **On its own terms, Tory austerity has failed.** It has caused untold stress and misery for millions but was imposed in the name of higher growth and lower debt. However, because this extreme fiscal retrenchment helped choke off demand when the economy needed stimulus, it has achieved the precise opposite of what we were told it would do and deprived the Treasury of much needed revenue to pay for essential services. In five out of the Conservatives' nine years in office, GDP growth has come in at less than 2%; between now and 2023 it is not currently forecast by the Office for Budget Responsibility to go beyond 1.6% in any year³². This comes at a time when world GDP growth has been revised up, and we should be growing at a far faster rate. On top of all of this, government policies have failed to reduce our debts in the way the Tories promised. The debt to GDP ratio when Labour left government was 57.1%. It was forecast to be 83.7% in 2018, higher than the EU average. Brexit has, of course, exacerbated matters.

31. Globalisation, UK poverty and communities, Teresa Hanley, Joseph Rowntree Foundation, 2011, <https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/poverty-community-globalisation-summary.pdf>

32. Overview of the October 2018 Economic and fiscal outlook, Office for Budget Responsibility, 2018, <https://obr.uk/overview-october-2018-economic-fiscal-outlook/>

The slow recovery has shown how right the Keynesians were: the British government should have spent more to raise demand in the times of slow growth. Now the (too high) cost of austerity has been paid and the deficit has been cut. **The next downturn is only a matter of time. This will be exacerbated if Brexit takes place** with the government's most recent official economic impact assessments forecasting that in every Brexit scenario growth will be slower if we cease to be an EU member. Already, our economy is 1.2% smaller today than the OBR projected it would be before the 2016 vote to leave the EU – £24 billion, or £800 a year for every household³³. This will have a huge impact on investment in public services.

So this is the moment to ask: how should we fund the British state on which so many in our society rely for a basic level of security and a safety net? A strong social support system comprising things like a world-class health system, new childcare and retraining schemes and affordable housing will all cost money. Part of answer is to spend less on things like prison spaces by reforming the criminal justice system to focus more on rehabilitation to cut reoffending, massively reducing costs as other European countries have done³⁴. But there should be no political shame in raising additional money for valid and efficient public endeavours and for reducing forms of taxation that hit the poorest hardest and create the wrong incentives.

The British state raises too much tax from those who cannot afford it, too little from those who can, while tax avoidance by the super-rich and big business is rife, and monies which are collected are not channelled to the needs of ordinary people as efficiently and effectively as possible. Moreover, the state can still be too distant and unresponsive to taxpayers, particularly those outside London. So any future progressive programme has to **reform the tax system and ensure good value for money is secured in the support services provided**. The state needs to shift the burden of its funding towards unearned wealth and unproductive asset accumulation and away from taxes on work and productive investment. New technologies can help reform the tax system and the process of applying tax so that taxes that were thought previously too complex to administer can now be applied to shift the burden away from taxes that act as a disincentive to work.

33. Counting the cost: UK living standards since the 2016 referendum, Resolution Foundation, James Smith, 11 February 2019, <https://www.resolutionfoundation.org/publications/counting-the-cost/>

34. Here's how we can spend less on prisons and still cut crime, The Independent, Ben Chu, 2017, <https://www.independent.co.uk/voices/prisons-hmp-overcrowding-too-expensive-rehabilitation-reoffending-a7993286.html>

Let's look at...

Equalising rates of tax on income and dividends – using the proceeds to fund universal childcare

The value of work is at the heart of a healthy society, yet our tax system treats unearned income more generously than earned income.

At present, the rate paid on earnings is currently 20% basic rate, then 40% higher and 45% additional rate. On dividend income, this is 7.5%; 32.5% and 38.1% respectively. Instantly the tax system is sending out the message that if you work and earn you pay more tax than if you sit back and collect your dividends. Moreover, 95% of adults in the UK already don't pay tax on their savings because of ISAs and the tax-free first £1000 savings allowance. The lower rates on dividend income are a tax break for the top 5%.

It's simply wrong that those with the most resources are benefiting from lower rates of tax than the tens of millions of hard-working families. And they are doing so at huge cost to the Treasury. If the simple move was made to equalise tax rates on dividends with those on earned income the House of Commons Library estimates that an additional £5.9 billion would be raised³⁵.

These funds could then be spent on a properly funded programme of universal childcare and early years education. Time and again studies show that high-quality early years support is vital in improving educational outcomes and boosting social mobility. It is also essential for increasing participation rates in the workforce, an imperative that will only increase with any post-Brexit labour shortages.

Here too **the point is not the size of government but how it acts to support people and the quality of the services provided.** (Scandinavian countries have proportionally much larger states than Italy, but are much more dynamically enterprising). The Estonian model—under whose “e-citizenship” scheme it takes five minutes to file your tax return—is the example to follow here. Likewise, the NHS has been through too many disruptive overhauls in recent years, but it must be possible at least to make patient's records fully digitally accessible. If Spotify can do it for your music collection, the state can surely do it for your health.

³⁵. Centre Ground: Six Values of mainstream Britain, Chris Leslie MP, 2018, <http://www.smf.co.uk/wp-content/uploads/2018/06/Centre-Ground-150618.pdf>

Renewing the social contract

At the heart of the problems facing our society is one particular evil: insecurity.

Increasingly in Britain today a lack of basic security and stability cripples lives: the lack of a secure tenancy, employees placed on short-term contracts so employers can avoid their social responsibilities, the high cost of childcare, the bank that charges customers on low pay unfair interest on their debts and so on. In the long term this demands a new compact between citizen and state based on the insurance principle, the foundation of the northern European social states that offer their citizens drastically better protections than Britain. That principle aims to pool and thus minimise the risk to any one citizen, so they can live more secure lives. If people feel more secure, there will be less anger and resentment.

In healthcare, a hypothecated NHS tax is a sensible answer to the service's short-term crisis and in the long term we need to look at what we can learn from more effective, health and social care systems in countries like Sweden and Germany. In the workplace this principle means matching the UK's flexible labour market with decent unemployment benefits and world-class training and retraining facilities giving people the time and space to reorientate their careers to keep up with labour market changes. This may well mean completely overhauling the Job CentrePlus infrastructure along less coercive and more collaborative lines. In the long term it will mean looking at how the nature of work will change and income will vary in times of automation: with a negative income tax as a potential first stepping stone to a more future-orientated model of society.

Realising this insurance principle will oblige both sides of British politics to eat some humble pie: for example, the left will need to accept that elements of the school reforms of the past two decades have helped to raise educational standards; the right has to accept the failure of the privatisation of railways, of the costs of a Thatcherite approach to the welfare state, and more.

Four key policy areas

Healing Britain's society requires that attention be paid to four particular policy areas: the NHS and social care; early years provision, housing and immigration.

The first area is the **NHS and social care**, in particular the funding of both. It is vital the NHS remains a publicly funded service, free at the point of use and not based upon one's ability to pay. But an ageing population is putting huge extra demand on the system, with people who have multiple needs living longer. Medical advances mean that there is actually more the NHS could do, but we do not have infinite resources – so what do we want the NHS to do and not to do? It simply can't do everything. There is growing obesity, poor air quality and myriad other issues in our society, which mean people increasingly are seeking treatment in a way they did not before. These challenges can only be resolved if we build a cross-party consensus on a solution that endures beyond the changing political persuasions of successive governments, which is why a cross-party convention should be established to come up with a plan.

Of course we need better integration of physical, mental and social care in Britain, better take-up of new technologies and much more focus on prevention, ensuring people lead healthier lives. The NHS must be more efficient. Mental health must be placed on an equal footing to physical health care in policy terms. Too many people with severe mental needs end up in police custody³⁶, the mental health system is failing to properly respond to the needs of children and young people and many cannot access the therapies they need. But we cannot ignore the basic fact that the NHS needs substantially more money to address rising need across the board.

36. Mental Health Care in Prisons, The Prison Reform Trust, 2017, <http://www.prisonreformtrust.org.uk/WhatWeDo/ProjectsResearch/Mentalhealth>

Let's look at...

Hypothecated NHS tax

The NHS is at the centre of our national life, so its future should be at the centre of our national political debate.

Instead of a free and open discussion on how to develop a health service fit for the 21st century, debate has got stuck on tramlines. On the right the NHS has been victim of almost a decade of austerity; on the left all talk of reform is an anathema and whatever new cash offered is "never enough".

As a country we face some big decisions. We are asking the NHS to do very different things compared to when it was founded 70 years ago, but we are not making the radical changes in funding that will be required. A progressive government should set up a cross-party convention to look at the future of health and social care in England.

When it comes to funding, the majority of people would be prepared to pay more. However, the current National Insurance system is ineffective. A hypothecated NHS tax is now needed. If voters can see the link between what goes out of their pay packet and into the NHS, it will make the case for giving the NHS the resources it needs much more powerful.

Hypothecating is not without its challenges and traditionally the Treasury has opposed it. But even its permanent secretary Sir Nicholas Macpherson appears to have come around: calling for "a grown-up debate on long term funding of the NHS" and suggesting "a hypothecated tax to be renewed every five years." It need not be the only revenue stream for the NHS – if it were, the danger is the service would receive less revenue in a recession and more at times of growth – but it would certainly help bring the public round to paying more tax for something they treasure. We cannot have Scandinavian levels of public service provision with American levels of taxation – we must be honest about that.

Early years care and education are where most of an individual's exposure to risk and ability to cope with it are determined. Pressure on families is immense and we have yet to resolve the conundrum of how to take care of our kids while working in a radically different economy. It is not just a "nice to have" to aim for universal, high-quality, pre-school childcare for those who need it; in the long term it is essential to making society fit for the future. But it also means a new approach to work-life culture. It is no coincidence that the Netherlands has among the lowest working hours³⁷ in the West, and the highest child wellbeing³⁸. The US and UK by contrast have the

37. Hours Worked in Europe and the US, Institute of Labor Economics, 2016, <http://ftp.iza.org/dp10179.pdf>

38. The well-being of children, Unicef, 2013, https://downloads.unicef.org.uk/wp-content/uploads/2013/04/ReportCard11_CYP.pdf

highest working hours and the lowest child wellbeing. Parents need time and space to nurture; all the more so when they do not want their children to inherit the disadvantage they have suffered. The answer is to drastically increase state-funded childcare, guaranteed parental leave (for both parents) and flexibility in work time, particularly in an age of rising automation and job sharing. We need to make employee choice of time and place of work the rule, not the exception.

The third area is **housing**. Without a secure home to retreat to, to organise one's life, to bring up children, it is hard to lead a good life. The British housing market is not a failure of state and market, it is a national disgrace. It generates low-quality, over-priced housing that is unresponsive to the needs of the people. It does not work. There is no better illustration of the inadequacy of the current political offer than the paucity of solutions on offer: none is remotely close to the scale of building needed for the dream (which should really be a basic assumption) of a decent home for all to be realised. This demands not just fixes but a whole new policy approach.

The supply of land is one issue: it is clear to anyone who wants to look that green belts can suffocate cities without sufficiently protecting genuinely attractive landscapes³⁹, putting ugly spaces close to train stations out of reach of development, for example. In the private rented sector, we must improve conditions, put in place better consumer protection, give renters a genuine right to stay and stop landlords discriminating against those on benefits.

Obviously, we need to build much more social housing. There are thousands on the waiting list in my constituency. Nationally there are 1.2 million, yet only 5,000 new social homes were built last year. We must provide far better services to those who have various and complex needs, which brings us to funding. There should be no shame in building new social housing where the market is failing to produce new housing affordably. This starts with greatly increased power, resources and revenue-capturing opportunities for local authorities to build more council homes. And it is not just an issue of building more affordable homes but improving the quality of the existing housing stock.

The fourth area is **immigration**: the first thing to say here is that it is enormously misunderstood thanks to media portrayals. Immigration is both lower and more beneficial than most people think. Playing to the misconceptions is not just irresponsible, it is grossly patronising. The time has come for honesty: honesty about the facts, honesty about the underinvestment that has led some to object to immigration, honesty about the allocation of public funds often lagging behind population shifts by many years, honesty about the fact that many have legitimate concerns about immigration but a very small minority of the British electorate is simply racist. There should be honesty too about the fact that the country is becoming more diverse and that younger Brits are increasingly relaxed about how open our country is to the world⁴⁰.

Immigration has been a central issue in the Brexit debate. We know from the many surveys that have been carried out that many voted to Leave because of concern around the desire for greater control, particularly around the operation of free

39. The consensus for green belt reform is growing, Anthony Breach, Centre for Cities, 2018, <https://www.centreforcities.org/blog/consensus-green-belt-reform-growing-pressure-government-act/>

40. 67% Graduates under 45 years old are positive about economic impact of immigration, 74% positive about cultural impact of immigration, British Social Attitudes Survey 34, National Centre for Social Research, 2014, http://www.bsa.natcen.ac.uk/media/39148/bsa34_immigration_final.pdf

41. 45% Leave voters said primary reason for their vote was 'to strike a better balance between Britain's right to act independently, and the appropriate level of co-operation with other countries' and 26% said 'to help us deal better with the issue of immigration', People's Stated Reasons for Voting Leave or Remain, UK in a Changing Europe, 2018, <https://ukandeu.ac.uk/wp-content/uploads/2018/07/CSI-Brexit-4-People%E2%80%99s-Stated-Reasons-for-Voting-Leave.pdf>

movement in the EU⁴¹. Many of these communities are former industrial communities that have undergone a huge amount of change with a strong view that globalisation has left too many of our communities behind, changing both their local economies and the character of their areas. Conversely, many sprawling urban areas, with a history of immigration and diversity, like my own, voted to Remain, not because globalisation works for all in our patch – it certainly does not – but because they did not believe leaving the EU would solve the challenges that it poses, not least because more people come to our shores from outside the EU than from within.

My starting point is that immigration is a net positive for our country. We should not be shy in celebrating the contribution of all immigrant, ethnic and minority communities in the UK. The free movement of people between the UK and other EU nation states has brought many benefits. British citizens can freely holiday, work and live in other EU countries, as almost two million Brits already do⁴². Tens of thousands of EU citizens help power our public services⁴³, in particular our NHS. You are more likely to have an EU citizen treating you than to meet them in the queue at the doctors surgery. 1.5 million British people are employed in EU citizen-owned businesses in the UK⁴⁴. And, just look at the rich cultural diversity which has flourished as a result. Nationally, the government’s Migration Advisory Committee is clear: immigrants have had little or no overall impact on the employment outcomes of the UK-born workforce; migration is not a major determinant of wages of UK-born workers; and the evidence suggests it has had a positive impact on productivity⁴⁵.

While immigration has brought many benefits, it has posed challenges to local labour markets and community cohesion in some, though certainly not all, communities. To acknowledge this is not to fuel anti-immigration sentiment but it is a simple statement of fact. Take perhaps one of the more extreme examples, such as Boston in Lincolnshire, which I have visited. It scored the highest Leave vote. In the last 12 years the immigrant population there has increased by 460%, coming principally from Eastern Europe⁴⁶. The rapid increase in labour has affected local wages. It has led to higher demand for properties, rising rents and exploitation in the private rental sector. Social integration of newcomers to the community is poor.

However, it does not have to be this way if the right policies are adopted. There are obvious things we can do to mitigate these challenges such as reinstating the Migration Impact Fund. Ensuring the resources given to local authorities keep pace, in real time, with local population change. Doing more to stop undercutting in the labour market by raising the minimum wage and properly enforcing it, not just through HMRC but by giving local authorities a role in enforcement too. Above all, we must better integrate newcomers to our country, to help illustrate that immigration need not threaten an area’s cultural identity and heritage but can reinforce it.

Rather than being seen as security risks, immigrants should be viewed as Britons-in-waiting, keen to participate in their community. The best way to do this isn’t to leave newcomers and their communities to sink or swim, but to offer migrants more support to integrate into our society. This can be done by overcoming any and all barriers to integration – by teaching English to all, by better redistributing migrant numbers

42. Far more Britons live in Europe than government statistics suggest, Karen O’Reilly, The Conversation, 2018, <https://theconversation.com/far-more-britons-live-in-europe-than-government-statistics-suggest-95477>

43. 62,000 workers in the NHS are from other EU countries, Securing an EU workforce that works for public services, Brexit Advisory Commission for public services, 2018, <http://www.brexitcommission.org/-/media/files/aboutus/pressoffice/securing-an-eu-workforce-deal-that-works-for-public-services.pdf?la=en>

44. Business Register and Employment Survey (BRES), 2014, <https://fullfact.org/economy/uk-jobs-and-eu-owned-businesses/>

45. “EEA migration in the UK: Final Report”, Migration Advisory Committee, September 2018 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/741926/Final_EEA_report.PDF

46. Welcome to the most pro-Brexit town in Britain, Financial Times, 2017, <https://www.ft.com/content/160a9604-e969-11e6-967b-c88452263daf>

and by empowering local leaders to promote integration – so we can ensure the UK continues to be an open and global-facing nation. Reciprocity is vital here too because integration is a two way street: both the settled, existing population and newcomers have a responsibility to make it happen. This way we can safeguard our diverse communities from the peddlers of hatred and division while addressing valid concerns about the impact of immigration.

Let's look at...

Citizens Service

There is little dispute that the range of factors (social, financial, and educational) that divide us as individuals are at risk of irreparably fracturing our society as a whole. It may dominate discussion of our divisions but social media is not the only place where we live in "echo-chambers".

The way we work, the way the housing market has evolved and the way we spend our leisure time has all led to a society more stratified than ever before, where people from different backgrounds share less space than ever before.

Diagnosing a society where we live, work and play within ever narrower tribes is easy, as a quick glance at endless comment columns can tell you. Finding a solution is harder. Hand-wringing isn't enough. To tackle this social apartheid we need to be prepared to take radical action, even if at first it might seem like strong medicine.

One of the biggest divides is imposed upon school-leaving: with half of 18-year-olds going on to higher education we risk a 50/50 society where all too rarely the twain shall meet. That can only be tackled by using the power of society to bring people together as they begin their adult lives.

Say the words "national service" and most groan as images of endless sitcoms spring to mind – calls for its return usually only heard from "disgusted of Tunbridge Wells", anxious to turn the clock back to a mythical version of the 1950s.

But as progressives we should be prepared to get beyond visions of the past and create a version of national service that succeeds for today's world in achieving the one thing that those who actually undertook it are pretty much agreed on: that it brought together people from an array of different backgrounds and different parts of the country in a way like no other.

This is not a call for compulsory military service – whatever other objections it's the last thing the armed forces say they want. Instead this is a call to look seriously at developing a programme of national service that will have the effect of bolstering social cohesion for generations to come.

The exact shape of the programme should be the subject of a true national conversation but there are international examples we should certainly learn from.

In France, President Macron made a new national service requirement for 16-year-olds one of his key election promises. The French scheme, under the auspices of the education ministry and to be trialled this summer has two phases.

First, there is a mandatory month-long section at 16. This will consist of two parts – a fortnight residential course outside the young people’s home region, bringing together military reservists and civilian educators with the aim both of breaking down social barriers and developing the participants’ notion of their role in society. This is to be followed by a second fortnight of community service in the autumn, which will be non-residential. The second phase is envisaged at 18 as being a voluntary placement lasting between three months and a year linked to the nation’s security, and which has the potential to give a far greater number of young people a taste of the forces even if they decide not to pursue a military career. The aim is for a full roll-out to every 16-year-old by 2024. In Germany, young people are offered a choice of military or civic society service at the age of 18.

The exact shape of the French or German schemes may not quite fit with what is appropriate for Britain. But we have a great opportunity to learn from what works and doesn’t as France refines this experiment. And we can build on the National Citizen Service scheme introduced by the Coalition which, although not without its strengths, has suffered by being voluntary and against a backdrop of damaging cuts to youth services by squeezed councils around the country.

What we mustn’t do, in a fit of national cynicism, is dismiss the idea of bringing young people together and trying to at least start breaking down the social silos that are such a scar on our society.

Technology

Technology is fundamentally altering how we live, our economy and our society in general, and yet politics has failed to keep pace with the speed of change. Often the new technologies transforming our society – cutting production, transaction and distribution costs – across industries are treated one dimensionally, as either an unalloyed benefit or, with digital systems owned by a relatively small number of people exercising increasing power over our lives, as dangerous threats to individuals and our democracy. Britain needs a more sophisticated, multitrack approach.

The first track must be about making the **most of the opportunities** these technologies present. The take-up and adoption of them will help massively increase UK productivity, necessary to facilitate higher wages⁴⁷. In recent decades Britain

47. Information and communication technology intensity and productivity, Office for National Statistics, 2018, <https://www.ons.gov.uk/economy/economicoutputandproductivity/productivitymeasures/articles/informationandcommunication-technologyintensityandproductivity/2018-10-05>

has not been a traditional, mass-manufacturing economy. We specialise in services and high-end, research-based manufacturing. That has come at a cost, but it also prepares us well for a new industrial age in which the line between manufacturing and services will blur more and more and in which mass manufacturing will add ever less value, and precision, non-automatable tasks will add ever more value. To adapt to these shifts we should lift R&D spending, where we continue to lag⁴⁸, to at least German levels and incentivise the adoption of these new technologies by firms. That process should bind public and private investors through new tax credits, a British equivalent to the German Fraunhofer centres (linking universities, firms and local authorities) based on the expansion of our existing network of Catapult centres. This may mean drastic growth in and around our leading university cities. Oxford and Cambridge, for example, could both be burgeoning cities of one million within a decade or two. Europe still has not produced a tech giant like Google, but if any country in the continent has a chance to do so, it is Britain.

The second track should focus on **using these new technologies to improve public service delivery**. As IGC's Chris Yiu sets out in his paper "Technology for the many"⁴⁹ they can help accelerate and optimise administrative processes and improve citizens' experience of various services which they can find slow and inefficient. Wearable devices and systems can be used by frontline workers to collect data more efficiently and help do routine tasks, freeing up time for staff to focus on face-to-face delivery of services, be it in housing or the NHS. I have seen for myself at the Bristol Robotics Laboratory Assisted Living Studio how robots are being developed to help in the social care of an ageing population. Data collected by these new technologies will enable public policy to be simulated and tested based on the behaviours and habits of individuals and communities.

The third track must be about **setting the right limits on the new technology**. Artificial intelligence (AI), big data, blockchain and other developments cannot just provide enduring livelihoods for British workers; they can also liberate and enrich the lives of British consumers. But it would be churlish to deny that such developments carry risks: invasion of privacy, bullying or monopolistic behaviour by digital giants, misuse of personal data, tax evasion by firms with "intangible" profits, reckless testing and commercialisation of new technologies like driverless cars and private drones, the harnessing of such technologies by security threats, like criminals and terrorists, and geopolitical challengers, like China, which is increasingly integrating its AI strategies with its foreign policy. Old regulatory models, built for a world of relatively slow-moving technology, simply do not keep up. New systems of regulation must be built to address these fast-changing, constantly evolving new technologies. As the Big Innovation Centre and Respublica have argued in their paper⁵⁰ on this area, the "technopolists" need to be challenged. Competition policy needs to be pre-emptive, anticipating centres of technological power rather than acting after the event. Britain's politics is dominated by politicians who grew up in an age before computers, let alone AI, many of whom have simply have not internalised these new realities. Leaving the EU, the world's foremost standard-setter in digital regulation, would make things even worse; the closer British governments can continue to work with their European partners on this, the more Britain will shape the technologies shaping us.

48. UK Spends 1.69% of GDP on R&D, Germany spends 2.94%, Research and Development expenditure, World Bank, 2016, <https://data.worldbank.org/indicator/gb.xpd.rsdv.gd.zs>

49. Technology for the many, Chris Yiu, Tony Blair Institute for Global Change, 2017, <https://institute.global/insight/renewing-centre/technology-many-public-policy-platform-better-fairer-future>

50. Technopoly, Tim Cowen and Phillip Blond, Big Innovation Centre, 2018, https://www.respublica.org.uk/wp-content/uploads/2018/06/ResPublica-Report_Technopoly-and-what-to-do-about.pdf

The fourth track should address **ownership and equality**. Too many of the rewards of these new technologies accrue to a relatively small number of individuals, exacerbating inequalities⁵¹. New ownership structures must be developed to ensure greater distribution of the benefits both to workers and wider society. Employee ownership trusts can be used to spread the rewards in such companies beyond the founders to the workers at large. The Norwegian-style British Sovereign Wealth Fund, referred to above, could be used to invest public funds into such companies, yielding an income that can be invested for the common good, ensuring a broader distribution of ownership. The tax system should be overhauled to ensure tech companies make an equal contribution to the Treasury as firms in other sectors, regardless of their domicile. The UK should be leading the international effort for the introduction of a unitary tax where multinationals are taxed according to the business their group of companies does in a country⁵² – where they are compelled to provide a report that outlines the group's physical assets, workforce and sales and overall profits in each country, a formula is applied weighing these factors and tax applied accordingly. Strict rules should be developed to stop big data and algorithms from being used to discriminate against minority groups and to expand the use of big data beyond the pursuit of profit to the wider public good.

In short, the goal must be a constantly evolving body of democratised and repurposed regulation that tracks the realities of new technologies as they emerge and are applied, and starts from the principle that citizens, not governments or firms, should have the most power. Getting this right is not just technocratic but also an ethical task. It needs to draw not just on scientific and policy expertise but also public debates and philosophical considerations. One starting point would be to set up a new government agency to oversee the ethical use of these new technologies, to bring together expertise on this new, world-changing technology with moral thinkers, local and national government and the private sector. This agency might sit within the powerful new economy ministry, which would be built from the ground up by those fluent in new technologies. Another starting point would be an accelerated national roll-out of 5G technology. Yet another would be to create secure digital identities for all citizens covering everything from driving licences and tax returns to company registrations and criminal records. All of these policies would simultaneously help Britain seize the opportunities of new technological shifts, while also empowering government and citizens to curb their negative aspects.

Overhauling our democracy

The institutions and apparatus of democracy were designed for yesterday's Britain where the population was neatly divided along class lines between business owners and workers. As outlined above, the political sociology of Britain has changed immeasurably and our democracy must reflect that.

A new constitutional settlement is needed to drag our out-of-date political culture into the modern era, starting with our voting system. Our first-past-the-post system

51. Technology and Inequality, Technology Review, 2014, <https://www.technologyreview.com/s/531726/technology-and-inequality/>

52. Ending multinational tax avoidance through unitary taxation, Tax Justice Network, 2017, <https://www.taxjustice.net/wp-content/uploads/2017/11/Unitary-Taxation-TJN-Briefing.pdf>

of electing MPs to Westminster is bad for the UK. It is undemocratic and deprives the voter of choice, with the party getting the most votes nationally actually losing the election on three occasions in our history⁵³. It reinforces the ridiculously tribal, overly adversarial nature of our politics. Above all, it forces the major parties to overwhelmingly devote their resources to just a handful of constituencies, because they believe these are the ones that might change hands. It therefore fails to treat voters equally regardless of where they live. Most of all, it creates false electoral deserts, where whole regions of the country are dominated by one party despite their opponents recording substantial numbers of votes. If winning an argument with the British public becomes a different task to winning the votes required to form a government, then something has gone wrong. **We should adopt the additional member system – a type of proportional representation** – which would mean the public still get a local constituency MP for their area, but they also get an election which is representative of how the country voted as a whole. No area can be ignored, and if people vote for smaller parties they have a decent chance of seeing that vote count. It is the same system used for elections to the Scottish Parliament, Welsh Assembly, and London Assembly. It is therefore good enough for use in national elections to the UK parliament too.

We need to accept a reality few in Westminster are willing to acknowledge: the UK is a diverse country of several cultural identities and therefore we should create **a federal state** to match. In an age of globalisation, investment and good jobs increasingly flow to cities and regions with distinctive strengths and specialisms. These cannot be built up from Whitehall. They require local expertise, knowledge and dedication. That Britain remains far more centralised than other countries in the OECD group of developed economies⁵⁴ is unquestionably a brake on our growth and on the aspirations of our people. So power should be devolved down to powerful English regional bodies in the same way that it has been to the Scottish parliament and Welsh assembly. It would mean drastically slimming down central government: fewer ministers, fewer departments and less meddling in how local places run their services. It would mean a system of what I call “devo default”: the assumption that power should be devolved from the centre unless there is a good reason to do otherwise. It would mean transforming Whitehall into more of a centre of oversight and coordination rather than being the originator and implementor of most policy, save for in relation to UK-wide concerns such as fiscal policy, aspects of immigration, regulatory matters, foreign and defence matters and the environment.

Parliament’s culture and ways of working need to be overhauled. It operates like a giant ornament stuck in a time warp instead of a modern legislature. PMQs is a circus which does a disservice to public debate and on a weekly basis illustrates all that is wrong with the status quo: witless, tribal, unoriginal, uninspiring. It is everything that turns people off politics. It sums up why people voted for Brexit: rhetoric short of answers to the problems people face, tribal differences instead of serious choices, politicians giving a terrible account of themselves, incapable of generating the answers and consent needed for real change. It is unfair to lay all the blame on the main party leaders for this and, to his credit, Jeremy Corbyn has tried to do it differently, but the institution is the problem. It should be abolished and replaced with a more meaningful and effective way of holding the prime minister to account.

53. First Past the Post, Make Votes Matter, 2019, <https://www.makevotesmatter.org.uk/first-past-the-post/>

54. 74% of London’s revenues come through government transfers, compared to 31% for New York, 18% for Paris, and 8% for Tokyo, Beyond Business Rates, Centre for Cities, 2015, <https://www.centreforcities.org/reader/beyond-business-rates/evidence-for-fiscal-devolution/>

In 2018 MPs voted to leave the Palace of Westminster⁵⁵ for a significant period of time to allow for renovations to take place, involving both Houses decanting to a different location temporarily. We should take the opportunity to move both chambers out of the Palace of Westminster permanently. They should move to a modern building with horseshoe chambers, with MPs in the Commons sitting with others from their region and not in party groups. Select committees should be given more powers and the ability to force witnesses to appear, akin to the US Congressional powers of subpoena. **The House of Lords should immediately be transformed into an elected chamber** based on the Spanish senate, giving the regions outside the capital more confidence that their concerns were being represented at the heart of democracy. Arcane traditions and language should be disposed of and parliamentary business structured in a more family-friendly way.

Citizens should be more engaged in the big decisions shaping the Nation's future. Legitimacy in public policy making can no longer come simply from the best ideas and the clearest evidence — though these are indeed crucial elements. In the future, those who are going to be impacted by policy should also be engaged in its formulation. In Ireland, for example, in the lead up to the referendum on abortion rights, citizens were engaged in the formulation of the policy to be put to the vote. Here, in the UK, we have also begun to successfully experiment with Citizens' Assemblies. The Social Care Select Committee report on the long-term funding of adult social care, chaired by Sarah Wollaston, was unanimously agreed with the help of such a body. As an innovation in select committee practice, or indeed general parliamentary practice, Citizens' Assemblies may well help to build consensus across political divides and ensure the long term and sustainable support of policy among citizens.

In order for democracy to properly function, political parties need substantial resources to run election campaigns, field candidates, research policies and contribute to the national debate. In the absence of proper state funding, the financial resources have to come from somewhere – too often this has meant parties become overly reliant on large donations from wealthy individuals or from organisations like trade unions. This is generally unavoidable notwithstanding sums raised from small, private donors. Whether it is fair or not, the perception is that large donations to political parties are made by different interest groups with a view to gaining favourable access and influence over political parties and their policies. Lord Bew, the chairman of the Committee on Standards in Public Life has said the public is “not sympathetic”⁵⁶ to state funding. However, one of his predecessors, Sir Christopher Kelly, has said that when they are asked whether more comprehensive state funding of political parties is a price worth paying to take big money out of politics, they are far more favourable⁵⁷. On that basis, **more comprehensive state funding of political parties should be introduced to take big money out of politics**, drawing on practices in other democracies such as Australia⁵⁸, Germany⁵⁹ and the Netherlands⁶⁰.

To invigorate democracy in an increasingly diverse country, the next radical government might consider a new citizenship package: voting at 16, polling stations in schools combined with a compulsory civics GCSE and compulsory voting in one's first

55. MPs vote to leave Houses of Parliament during refit, BBC News, 2018, <https://www.bbc.co.uk/news/uk-politics-42891608>

56. 'No enthusiasm' for state funding of political parties, BBC News, 2016, <https://www.bbc.co.uk/news/uk-politics-35531344>

57. Political parties 'should get more taxpayer funding', BBC News, 2011, <https://www.bbc.co.uk/news/uk-politics-15822333>

58. AEC finalises \$58 Million of election funding to candidates in Federal Election, Australian Politics, 2013, <http://australianpolitics.com/2013/11/27/federal-election-funding-payments.html>

59. Party Funding, Deutscher Bundestag, 2019, https://www.bundestag.de/en/parliament/function/party_funding

60. Financing of political parties: Public funding to political parties, Database for Institutional Comparisons in Europe, 2014, <https://www.cesifo-group.de/foHome/facts/DICE/Public-Sector/Public-Governance-and-Law/Financing-of-Political-Parties/Financing-political-parties-public-funding/fileBinary/Financing-political-parties-public-funding.pdf>

election. This could even be combined with the citizens service: a choice of military service or civil service at 18, on the German model, to build common feeling and discipline in a diverse country. In the long term an enlightened government might even lay the ground to move institutions of state out of London to somewhere in northern England.

Let's look at...

State funding of political parties

Debate about the inbuilt fundraising advantage enjoyed by one or another of the parties in the UK has been a constant feature of politics. Too often, positions taken in this debate are determined by partisan allegiances that themselves are reflections of the relative strength of the party at any given moment.

Debates about party funding should not be subject to partisan calculations, and the moral argument that politics should be paid for cleanly and fairly should take precedence. A healthy politics is at the heart of a healthy democracy. As trade union membership declines and business donations dry up, there is a danger politics becomes the plaything of a few hyper-rich individuals.

Historically, the British have been opposed to the state funding of political parties, despite the fact that countless countries across the globe use a limited amount of public funds to ensure fairness in politics. In most cases, the amount of funding any party receives is linked to the number of votes or parliamentary seats a party obtains in an election.

While Britain cannot simply import a system from outside, it is time we put the strength of the public realm before fear of any public backlash. The conclusions from 2011 of the Committee on Standards in Public Life, chaired by Sir Christopher Kelly are a good starting point. It recommended that the existing "short money" for the opposition be "supplemented by the addition of a new form of public support paid to every party with two or more representatives in the Westminster parliament or the devolved legislatures. The public funding should depend on the number of votes secured in the previous election, at the rate of around £3 a vote in Westminster elections and £1.50 a vote in devolved [and European] elections".

The principle argument against state funding of parties is that the imperative for parties to recruit members and appeal to them for funds is broken. Such fears can, however, be offset by using a system of "matching grants", as they do in Germany, whereby public subsidies can never be higher than the total the party raises itself.⁶¹

61. Funding of Political Parties and Election Campaigns: A Handbook on Political Finance, International Institute for Democracy and Electoral Assistance 2014, p354, <https://www.idea.int/sites/default/files/publications/funding-of-political-parties-and-election-campaigns.pdf>

International engagement

Our national interests are not just European, they are global. And so as the government negotiates to leave the EU we need to look ahead and develop a proper national strategy on the basis of a clear understanding of what our interests are. We must act and decide on our future, because if we do not, if through fear and timidity we dither and do nothing, there are consequences of inaction.

In 1948 British foreign secretary Ernest Bevin set out a foreign policy which would appeal to the "broad masses of workers". It was a belief in a robust national defence married to a passionate commitment to social justice. At home, the interest of working people was the national interest, and it stood for a balance of power between capital and labour. Abroad, we sought cooperation among the democratic nations to defend our democracy against threats we face. He based it on Winston Churchill's description of three overlapping majestic circles among the free nations⁶². These were: the English speaking world and the United States; a united Europe; and the Empire and Commonwealth. Britain was at the juncture of all three and our leadership would combine European values and American power to link these circles together into a powerful democratic alliance. I believe that the three majestic circles are still our best guide to our geopolitical interests and so to the foreign policy we need.

This was underpinned by the international rules-based order established in the aftermath of the Second World War. Bevin, Clement Attlee and Churchill helped to shape the Atlantic Charter of 1941 which set out the aims and values of this post-war order. All countries would have the right to self-determination. All people the right to freedom of speech, of expression, of religion, and freedom from want and fear. And here they struck a chord with Roosevelt's "New Deal" – nations would collaborate to "improve labour standards, economic advancement, and social security" for all. The charter led to the institutions that still govern us today: The United Nations – its first meeting held in London in 1946; the General Agreement on Tariffs and Trade that became the World Trade Organisation; the Bretton Woods conference that founded the International Monetary Fund and what became the World Bank; and Nato to defend our democracies.

Progressives believe in the values of this order, but it has lost the moral energy of its birth in the Second World War. It has become a feeble version of the original and it now belongs to Davos Man with his sense of privilege and entitlement. The idealism of the West has been tarnished. We need leadership to renew our country and an international activism to rebuild an international order based on social justice and democracy. This requires Britain to first of all prioritise security in Europe to safeguard the continent. Second, to sustain our bond across the Atlantic with the United States. And third, to renew our global role. Within each circle we must concentrate our national resources and capability, particularly where they overlap.

62. WSC's 'Three Majestic Circles', International Churchill Society, 2013, <https://winstonchurchill.org/publications/finest-hour/finest-hour-160/articles-wsc-s-three-majestic-circles/>

Europe

Britain's economic, political and security interests dictate that we have the closest possible relationship with the European Union. Its members are not merely our nearest neighbours but we share the same values, have common interests, and can achieve more together than we can alone in a global economy that does not recognise borders. So we should be committed to the UK remaining in the EU. This means that we do not facilitate Brexit but give the electorate a People's Vote in order to stop Brexit if they so wish. If Brexit happens, we should not cease to make the case for the UK's EU membership and should argue for the closest possible relationship with the EU. Any future progressive manifesto will need to be mindful of the realities of the UK's situation at the time of the next general election when determining policy.

In or out of the EU we are a major European power. We need to strengthen our commitment to the security and defence of Europe. Alongside France we are the most capable military power. Our intelligence gathering capacity remains indispensable. Our membership of the Five Eyes intelligence partnership makes us a global leader in the fight against terrorism⁶³. In Nato, Britain holds the position of Deputy Supreme Allied Commander. We need to increase Nato's conventional deterrent and help develop the application of AI.

Cybersecurity is now a first-tier threat⁶⁴ and Britain has a key role to play in the integration of internal security and external defence to meet the new challenges of hybrid warfare. We must provide credible deterrents that convince Russia Nato is committed to Europe's collective defence. And by increasing our commitment to Nato we are more likely to keep the United States engaged in Europe.

Britain led EU expansion. We have a long history of involvement with eastern European countries like Estonia. We went to war for Poland and have a close relationship with their people through migration. Ukraine wants our support in helping to build its democracy. These countries have looked to us to provide a more balanced Europe and we have a special responsibility for creating alliances with them.

Nato and its allies also need a long-term strategic response to Islamist terrorism, not piecemeal reactions. This must include standing by our global commitment to the UN's "responsibility to protect" and supporting the development of the weaker states to the east and to the south. Our failure – and Syria's refugee crisis is a warning – will only lead to Russia's continuing destabilisation of the borderlands, more Islamist terrorism and increasing flows of refugees across the Mediterranean.

The United States

The United States is our ally and the Atlantic remains our strategic frontier. Our historical relationship is far bigger than whoever holds the office of president of the United States at any one time. Labour has swung from uncritical support for US foreign policy with disastrous consequences in Iraq, to its current anti-Trump hostility. Neither approach benefits our national interest over the long term.

63. The Five Eyes, J Vitor Tossini, UK Defence Journal, 2017, <https://ukdefencejournal.org.uk/the-five-eyes-the-intelligence-alliance-of-the-anglosphere/>

64. Cyber Security of the UK's Critical National Infrastructure, National Security Strategy, Parliament Publications, 2018, <https://publications.parliament.uk/pa/it201719/itselect/jtnatsec/1708/170804.htm>

Our relationship with the United States is neither special nor is it just sentimental. But it is based on hardheaded interests. Our mutual sharing of intelligence and the interoperability of our nuclear submarine forces⁶⁵ makes it more than just a transaction. Our army, navy and air force are designed to fight alongside the US in a supporting role. The relationship gives us security, and it amplifies our capabilities.

But Britain cannot settle for just being a useful component of US military and security strategy. It undermines our sovereignty and leaves us over reliant on American knowledge and resources. And with President Trump, America is unpredictable.

As Attlee remarked to Ernest Bevin⁶⁶ in a cabinet meeting discussing the nuclear deterrent, "We ought not to give the Americans the impression that we cannot get on without them; for we can and, if necessary, will do so". Harold Wilson demonstrated this during the Vietnam War when he resisted the intense American pressure for British support. "Lyndon Johnson is begging me even to send a bagpipe band to Vietnam", he told his cabinet in December 1964.

Bill Shorten, leader of Australian Labor, recently said something similar of his party's approach to their US relationship: "Our differences in perspective and opinion are one of the many valuable qualities we bring to our alliance with the United States. We tell truth to power, recognising we will not always see eye-to-eye on international issues."⁶⁷

Global power

Britain's unique history requires us to remain a global power. London is the historic commercial centre of the shipping industry⁶⁸ and we have obligations to keep open the world's shipping lanes. Our naval base in Bahrain has been revived, recognising that east of Suez is once again of strategic global importance. We are a signatory of the Five Power Defence Arrangements, along with Malaysia, Singapore, New Zealand and Australia, which has a focus on counter terrorism and maritime security. France has expressed an interest in joining and this provides us with an opportunity to strengthen our military and security commitments with the French.

We should consider renewing attempts to expand the UN Security Council⁶⁹ to include India, Brazil, Germany and Japan, and to promote the idea of a Rapid Reaction Force under its control, however difficult this might prove to be. Our two new aircraft carriers HMS Queen Elizabeth and HMS Prince of Wales along with the French carrier in production could play a leading role in a naval version.

Britain must reinvent this circle of influence by combining our hard power with a role as a democratic leader, a social connector, and an ideas maker. A priority is tackling climate change and its impact on water and food security. Drought, falling crop yields and the storms show why we need a global and cooperative response.

65. Government Response to Defence Select Committee's Eighth Report Indispensable allies, Parliament Publications, 2018, <https://publications.parliament.uk/pa/cm201719/cmselect/cmdfence/1569/156902.htm>

66. Citizen Clem, John Bew, 2016, <https://www.quercusbooks.co.uk/titles/john-bew/citizen-clem/9781784299736/>

67. The Foreign Policy of the Next Labor Government, Bill Shorten, Lowy Institute, 2018, <https://www.loyyinstitute.org/publications/foreign-policy-next-labor-government>

68. History of the Port of London pre 1908, Port of London Authority, accessed 2019, <http://www.pla.co.uk/Port-Trade/History-of-the-Port-of-London-pre-1908>

69. Member States Call for Removing Veto Power, Expanding Security Council to Include New Permanent Seats, United Nations, 2018, <https://www.un.org/press/en/2018/ga12091.doc.htm>

Among our greatest assets are our language, our culture and our history. The strongest relationships a country can make come through cultural association. We must nurture our global pre-eminence in soft power. But we must be wary of not using it to avoid tough decisions or disguise a lack of will.

The international system is changing. A new order is taking shape among the world's major powers. Britain has a role to play, but only if we have the political will. Our world-class diplomatic corps is a major force for British strategic power and influence, but it is underfunded.

Our defence spending as a percentage of our GDP dropped to 1.8% in 2017/2018⁷⁰. Cultural influence and social exchange is now as necessary to projecting national influence as the willingness to use military force, and yet we are cutting back here as well, reducing the budgets of the British Council⁷¹ and BBC World Service⁷².

This government is not spending enough to meet the risks, threats, nor the opportunities identified in its own National Defence and Security Strategy⁷³. For the avoidance of doubt, now is not the time for the UK to unilaterally dispose of its nuclear deterrent given the threats we face.

One of the priorities for a progressive government must be a Strategic Defence and Security Review to give the electorate, our allies and our potential enemies a clear message of our intent and purpose. Our spending commitment should rise above Nato's 2% of GDP, lifting it incrementally to 2.5% over a five year period. This will allow us to maintain our conventional forces at an adequate level. Being clear about our commitment to our independent nuclear deterrent is important. Developing the role of the National Security Council will be crucial to coordinate and implement the national strategy across government. Progressives should be proud not ashamed of such goals.

Britain still retains considerable global influence. We are a permanent member of the UN Security Council and the G7. The G20 gives us a relationship with emerging powers. We have influential roles to play in the European Security Council, in Nato, and in rule-making bodies such as the Basel Committee on Banking Regulation. And we are the second largest bilateral donor in the world⁷⁴ with a strong track record on development issues like universal education and health care.

We are a big country but sometimes we can act and behave as if we are small. Whether we leave the EU or not, we need to renew our own country and play our part in rebuilding a global order based on democracy and the rule of law. If we fail to act, if we leave Britain broken and divided, if we allow tyranny and illiberalism in the world to grow, there will be consequences and they will hurt us. In short, we must be resolute in remembering, defending and advocating that cooperating with others makes Britain a bigger and stronger nation state.

70. UK Defence Expenditure, Parliamentary Publications, 2018, <http://researchbriefings.files.parliament.uk/documents/CBP-8175/CBP-8175.pdf>

71. British council's era of soft power ends as it winds up work before Brexit, The Times, 2017, <https://www.thetimes.co.uk/article/british-council-s-era-of-soft-power-ends-as-it-winds-up-work-before-brexit-s53h2ngvb>

72. World Service cuts will reduce UK's global 'soft power', BBC report warns, The Guardian, 2015, <https://www.theguardian.com/media/2015/jan/28/bbc-world-service-cuts-uk-global-soft-power>

73. National Security Strategy and Strategic Defence and Security Review, Government Publications, 2015, <https://www.gov.uk/government/publications/national-security-strategy-and-strategic-defence-and-security-review-2015>

74. The UK is now the second or third largest donor of aid to Syria, Full Fact, 2016, <https://fullfact.org/economy/uk-now-second-or-third-largest-donor-aid-syria/>

The need to change politics

These are just ideas. I do not claim them as my own – they are shared by many progressives. This is not a manifesto, more a document to provoke a discussion because this is the debate we should have and I believe it is the outline of an agenda around which a new consensus in our country can be forged. A politics that looks, listens and learns from ideas and experience elsewhere in the world can better inform the course we need to take at home.

This is where the renewal and reunification of Britain should begin. That means new coalitions. Left and right, workers and owners; Remainers and Leavers; social democrats, liberals and One Nation Tories – British politics is awash with newly apt categories. Workers and owners ultimately rise and fall with the fate of their enterprise. Remainers and Leavers have similar domestic grievances, but different ways of transposing these onto the Europe debate; different political tribes have some different emphases but often agree with each other more than they might realise or care to admit.

The goal: a changed and united country

I think of this goal, and those summed up in the previous paragraphs, as a re-United Kingdom. But building this will not be easy. It will take the bridge-building skills of a Kofi Annan, the economic progressivism of a John Maynard Keynes, the reforming zeal of a Barbara Castle and the determination of a Winston Churchill.

This is what the London Olympics summed up for me. To make it a reality it took the hard work of campaigners like the late Tessa Jowell, my “political mum”, whom I miss sorely following her untimely death. Those campaigners knew it would be hard to win the Olympics for London. They knew it would mean working across old political boundaries, drawing on all the talents of the nation, pulling together to make the case for Britain. They were motivated by the ideals of excellence in sport, of course.

But they were also motivated by the ideal of the sort of Britain they wanted to see: a Britain confident, open, humorous, comfortable in the world and in which everyone has a stake. The task of progressive campaigners today is that, but even more so. We need to work together, with the people of this great country, to heal the wounds, to build bridges, to lift it to its Olympian potential. To unite our nation again.

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