

2012

HAVING FABIAN NEWSLETTER

July August 2012

In this edition; Reviews of recent meetings, including the talks given by Andrew Harrop , Fabian Society General Secretary, Mandy Richards, nearly the GLA member for Havering and Redbridge, *Brian Keegan and Ivana Bartoletti*

Among the other articles, Ray Harris writes about the bizarre views of a local MP.

There are also details of future meetings, with speakers Chris Leslie MP, former MEP Robert Evans, Labour Party General Secretary Iain McNicol and former Hornchurch and current Wanstead and Leyton MP John Cryer



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Introduction

Welcome to the new edition of the Havering Fabian Newsletter. This issue will give a summary of some recent meetings, an introduction to meetings to come, and some opinions on current political issues.

As opinions are the lifeblood of politics, we welcome a reply to any of the articles. The Fabian Society exists to promote political debate, both within and outside the Labour Party. Progressive politics extends beyond the Labour Party and contributions from the Labour Movement as a whole are welcome.

Attendances at recent meetings have increased, and the quality of speakers remains excellent. A special thanks to those who donated to the Website fund, which has enabled the Society to become one of the few local Societies with its own site. The website is now up and running and we are also up and running on Face book.

This Edition

This edition includes a report on recent meetings, and details of future events. We have continued to have a series of excellent and high profile speakers and attendances remain at levels that reflect this.

Andrew Harrop

The February meeting was the AGM. The guest speaker was new National Secretary of the Fabian Society Andrew Harrop who spoke on Labour and the Economy. The following is a summary of Andrew's talk to the Society.

Politics and the economy are closely linked. Ed Balls at a recent conference had suggested when Labour returns to government, there will be difficult decisions to be taken. Andrew had written a pamphlet (*The Economic Alternative, Fabian Society February 2012*) on the economy and had a follow up essay published in Fabian Review. The conclusion

was that there was no way of ending the current economic crisis happily. The Tories had mishandled the economy which had flat lined for 15 months. The economy will not have recovered by 2015, and the plans added a further £20 billion of debt post 2015. The next government will inherit this, and the position could be even worse.

The Labour Party does not have to accept this. The borrowing gap could be close at a slower rate. However there is a need to be serious about balancing and reducing the current level of debt.

The Party could also choose oppose cuts public expenditure rather than increase taxes. The Tories are in the long run looking to shrinking the size of the state. George Osborne is overshooting on what is required in order to do this. If we care about public provision we have to make a stand on this. If in office we must govern differently. There is no need to cut as the Tories have – and for the Tories not to have changed when the facts have changed is unforgiveable.

So the solution is to go back to Keynes in pump in short term public money and create jobs. This should include

1. A state investment bank for infrastructure, housing etc- this would give the government a long term return
2. Help for the “squeezed middle” less money meant lower wages and living standards. In real terms, pay cuts. Everyone is suffering in some way, and policy should address this.

There is a need to put money back – this could involve cutting taxes for a year.

Ed Balls has been saying similar things to this, but has not been radical enough. There is a need to make a big stand on this issue. The party should not fixate on “tax and spend”. The approach changed in 2011 when Ed Milliband gave his “responsible capitalism” speech- this got a debate going that continues, and is about creating a different model, a different economic structure.

This should broaden to more than a symbolic debate - for example, what sectors are strong? The debate had set hares running, with excitement about the ambitions in the speech – however there is as yet no detail, and there is a need to get beyond this.

The need is to ensure a different balance in the economy- the economy will still have a strong finance component, but needs to play on other strengths, anticipating where future demand will come from. Britain is an ageing country, and this will have implications for shops and leisure, giving different sort of consumers.

This will in turn give a change in the balance of the labour market, and huge inequality. Labour did okay in office, with the labour market in effect “running up a down escalator” and losing ground. Public spending and an egalitarian policy filled the void. The bottom 98% got prosperous together at a similar rate – the top 2% got VERY much better off.

Achieving a balance will be much harder next time Labour is in office. Policies need to be about the labour market and earnings, and be radical about high and low wages. There is a stigma now about big pay rises for the wealthy, and Labour should expose those doing this. Employees have a key role in addressing this.

There is a need to tax at the top in a way that does not scare – why not tax wealth more and income less at the top end? Mainstream organisations such as the Institute for Fiscal Studies and the Financial Times view this as the way forward- if Labour did this it could reduce the top rate of tax?

The balance would be to get serious on low pay and the minimum wage – that is an increase above the rate of inflation to get a proper living wage. At present, the public purse can be subsidising bad employers. While the employer’s organisations will point to the impact on jobs this could have there is little evidence of this during the current recession.

The final point Andrew made related to responsibility. This requires a different approach, and does not relate necessarily to personal ethics. This can involve establishing new norms and stigmas. This will be achieved in the main by redesign of rules and institutions take years and are very technical e.g. the Energy market which is no longer a limited market of six providers. Tax and Accountancy rules are the key here.

Labour has three and a half years to get its head around this- and it’s for groups like the Fabians to produce the relevant ideas.

Mandy Richards

Before the GLA election campaign got underway, Mandy came to the Fabians in March, her third visit to the Society.

As you will now know, Mandy made a huge dent in the Tory majority, and Labour is now in a position when the Havering and Redbridge seat could be won in the future.

Mandy began with an exercise in which everyone in the room was asked to give a brief explanation on their political motivation. This provided a wide range of answers – there were many Labour loyalists, some of who had been in the Party since childhood. Others had left the party and become disillusioned with political parties – but rarely politics in general, after all they had come to the meeting. There were a couple of people new to the Society, and not in the Labour Party; they found this particularly unexpected. The strength of the Fabian Society is an ability to take on different views and debate them, and the meeting showed this is reflected in the Local Society.

Mandy then provided an update on the campaign and the importance of Ken Livingstone's six pledges

- Reduce Fares
- Reverse cuts
- Provide low rent not for profit Housing
- Develop a heat and energy co-op
- Bring back the Education Maintenance Allowance
- Provision of child care via grants and interest free loans

Boris Johnson claimed there was no money but was spending millions on new buses.

With Johnson remaining Mayor, none of this will happen. Labour did well across London and is in a stronger position on the Assembly. John Biggs now leads the Labour group on the Assembly and his details are below – his regular updates are well worth subscribing to, and show why it is important to get Labour representation on the GLA for Havering.

Brian Keegan

Chair of Peterborough Fabians Brian Keenan was the speaker at the May meeting. This was held at Havering Museum and drew a big attendance. Brian's presentation was on "Socialism in an Affluent Society" and is available as a power point presentation – contact David if interested.

Brian began with the question "why are we here?" in the context of how we use the earth's resources.

There are choices –

- Exploit it for own selfish gratification
- Live with it in a sustainable way to enable future generations to also enjoy it's fruits

Brian pointed out the changes in Society since his father was born in 1903

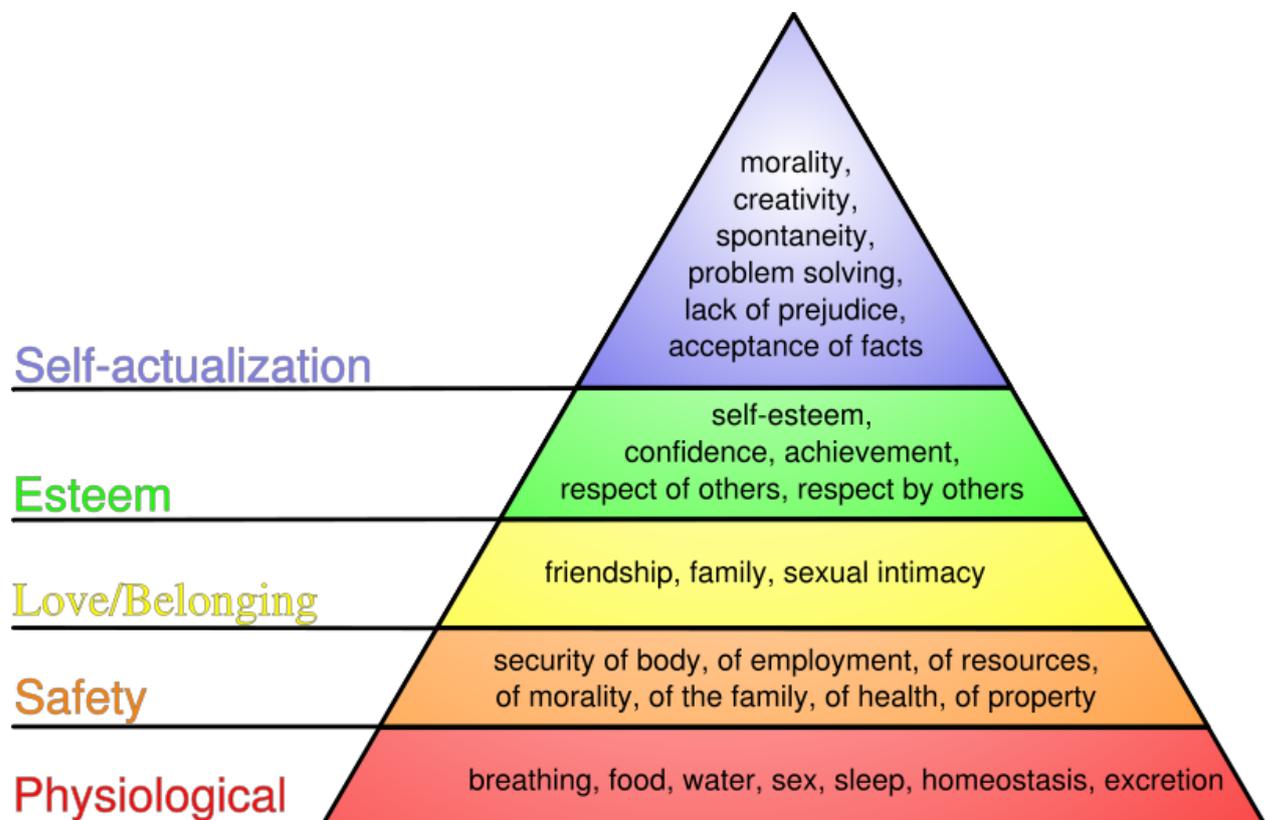
- *The basic buy generation*
 - Certainty
 - Born to serve God
 - Obedient to the Church
 - Morality from religion

This was reflected in

- Water/electricity for all
- Gas to provide affordable heating for most
- Millions of decent council homes
- Free health service for all
- Education up to 15
- 1936 Public Health Act!
- Social mobility
- Neal Kinnocks speech "first Kinnock ever to attend University" reflected the change

- To the Society that came after he was born in 1946
- *The Age of stuff*
 - Educated
 - Enlightenment caught up with the plebs.
 - Post God
 - New Gods
 - Much greater educational opportunity
 - Higher education for 50%
 - Owner occupation (29% in 1951- 70.9% in 2003)
 - Fridges/telephones/cars/computers/travel/ mobile phones/I Pods
 - Excessive Individualism
 - Age of consumerism/materialism
 - From basic provision to wasteful surplus
 - A portable radio player in every room!

He then related this to Maslow's hierarchy of needs- not just a management tool



Brian maintained that only a collective society could bring about self actualisation, where people can benefit themselves in order to benefit society.

Socialism is something people will have their own definition of, from the Marxist left to the common good – the phrase “more to Methodism than Marx” will be familiar to many of you. Brian’s definition is

- Common good
 - Obligated to develop our talents ;-
 - To provide for ourselves and our families
 - To use our talents for the benefit of all
- A set of values
 - Collective provision
 - Democratic
 - Cooperative
 - Solidarity
 - Sustainable
 - Non exploitative relationships
 - Efficient
 - The full emancipation of humanity at its core

What is a wealthy society?

- ◎ Measure it by human self actualisation not by monetary aggregates (GDP)
 - ◎ Educated
 - ◎ Healthy
 - ◎ Satisfactorily housed
 - ◎ Safe environment
 - Free of hazards (safe water absence of harmful air pollution)
 - Free of fear of crime
 - Economic system provides opportunity to share talents with wider society.

The example Brian provided contrasted acquisition of wealth (e.g. a Rolls Royce) against human fulfilment (e.g. winning an Olympic gold).

Britain is wealthy compared to Nepal, but within Britain, there are people who live on the margins.

Britain became wealthy as a result of having a mixed economy

<ul style="list-style-type: none">⊙ Essentials⊙ Collective services Health <ul style="list-style-type: none">▪ Education▪ Public Health▪ Transport▪ Ensures basic standards	<ul style="list-style-type: none">⊙ Essential/optional⊙ Market <ul style="list-style-type: none">▪ Food▪ Car's▪ TV's▪ Mobile phones▪ Stuff▪ Gives choice
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There are many myths about markets being more efficient – and plenty examples of how they are not:

- ⊙ BBC v Sky?
- ⊙ Water?
 - Cost of dividends
 - Cost of excessive salaries
- ⊙ Railways?
 - Public subsidy doubled
- ⊙ Gas/electricity?
 - Consumer not told of lowest price

Health? Not in the USA

Brian suggested there would be significant benefits from depoliticising core- services such as

- ⊙ Utilities
- ⊙ Health
- ⊙ Education
- ⊙ Housing
- ⊙ Transportation
- ⊙ H & S regulation

Basically, are street lights political?

He contrasted the left and right in society

The left tend to be urban, and work in vocations; they act as if they can turn all to socialism.

The right are suburban or rural; they act as if they can convert all to capitalism.

Neither are reconcilable, we differ, so a socialised mixed provision is the answer.

◎ Basics

- Make collective provision more attractive and democratic with hypothecated charges
- For example
 - Health/welfare/pensions
 - Insurance based on the ability to pay (% of income?)
- Proper living wage so can pay proper rent or buy
- Education
 - Double expenditure
 - 6 month sabbaticals for all pupils at 12 & 16 to experience their countries diverse culture and a trip overseas.
- High rate of tax on luxury goods
- Work efficiency based not on unit cost but on human fulfilment.

How to measure wealth?

◎ Instead of GDP

- How healthy are the poorest?
- How well educated are the poorest?
- How well are the poorest able to develop their own culture and participate in it?
- How safe are we?
- How well are the poorest housed

Change Company Law

◎ Instead of shareholder profit maximisation

◎ Social outcomes must be declared and monitored

- What human need are they endeavouring to meet
- Not a builder of houses but a provider of homes
- Not a gas company but a company that enables the poorest to keep warm in their homes.

◎ Charges to reflect sustainability

- Basic allowance/head then escalating charge for excessive consumption.

This gives a three layer economy

- ◎ Core sector
 - Not for profit
 - Gas/water/housing/infrastructure/health/insurance
 - Employees one day a week working for the common good
 - Essential goods sector
 - Common good companies
 - Food & everyday requirements
 - Employees one day a week working for the common good
 - Free market
 - Greedy sector
 - The market to provide goods for those who know the price of everything and the value of nothing
 - Works of art

Brian's final message;

- ◎ The left have to more critical of the limits of markets.
- ◎ Our current relative wealthy society has come about through the application of a mixed economy not a market economy.
- ◎ The moral norms of both individualism and collectivism on their own cannot produce a decent society.
- ◎ We need to legitimise core services by taking them out of the hands of politicians.
- ◎ Trust the people!!

An excellent presentation and plenty to think about.

Ivana Bartoletti

Ivana is Deputy Director of the Fabian Women's network. She currently works in the crime and corruption unit of the NHS counter Fraud service, specialising in Information Government and Data protection. She had worked for the Italian (Prodi) government before moving to the UK.

The Fabian Women's network has its own publication Fabiana, which Ivana edits. The network campaigns, and has active networks and mentoring schemes.

Women are suffering under the coalition – they are being pushed out of the workforce, suffering reductions in funding for childcare, and female unemployment is the highest for two decades.

Employment of women has potential to improve performance of the economy- women are an under used resource and should be at the heart of the economy, not an appendix.

There is a need for more childcare - Universal childcare pays a return of £20,050 over four years.

There should be more women in Boardrooms – women make up only 12.3% of employees in the science sector.

A lively debate followed. There seemed to be a consensus that it was vital to have more opportunities for women. A critical part of this would be to address class as well as gender in achieving this- for example, more women on Boards will not address child care issues for working class women. Political representation needs to reflect both class and gender.

Ray Harris writes

I read Andrew Rosindell's justification for his indefensible praise of General Pinochet with incredulity! His assertions are that Pinochet did a lot of good in Chile and that those who criticise him are marxists and don't criticise other world leaders such as Ceausescu, Mao or Pol Pot. Before commenting on this I would like to make clear that I have never been a Communist or member of any extreme left organisation, nor ever

supported such. I am a democrat and a humanist and would condemn any military suppression of a country's peoples and their democratic rights by any politically extremist group.

We know from official US Senate reports the extent of the conspiracies against the elected government of Chile. These involved the CIA, US State Department and major American financial interests. This resulted in an orchestrated violent military takeover of a country which had a history of 160 years of peaceful democratic rule. Allende was democratically elected as President in 1970 and despite tremendous efforts to undermine the country's economy to destroy him, his popularity in the country resulted in increased electoral support in elections in 1973. The resulting military takeover that year resulted in the murder and imprisonment of thousands of people (many of whom just "disappeared") and led to a repressive regime which brutally dealt with any internal opposition. Andrew Rosindell suggests that the 'redeeming feature' of Pinochet's regime was that his economic policies turned the country around. Again the facts suggest something different! There were massive cuts in public services to the population. Health and education alone were cut by a staggering 50% (described at the time by no less a publication than 'The Economist' as "an orgy of self-mutilation"). By 1982 the economy was suffering hyperinflation and unemployment was at 30% – ten times higher than under Allende! Pinochet had to change his economic strategy many times and even resorted to some of the policies originally introduced by Allende.

At the time Pinochet justified his actions by saying the government was at war with the enemy within. Many Chileans came to regard the outcomes as a war against the poor and middle classes. What Andrew Rosindell describes as the "liberalisation of the economy" meant that by 1988 when the economy had stabilised and was growing rapidly, 45 per cent of the population had fallen below the poverty line! The richest 10 per cent of the population, however, had seen their incomes increase by 83%. Even as recently as 2007 Chile remained one of the most unequal societies in the world – out of 123 countries in which the UN tracks inequality Chile ranked 116th. Andrew Rosindell describes this as a 'shining success'!!

Forget the obfuscation of comparisons between those on the political left or right. Murder, repression and suffering of human beings on this scale by any government is unforgivable and unjustifiable at any level. Of perhaps more relevance and more frightening is that the government of

which Andrew Rosindell is a member subscribe to the basic Friedmanite economic philosophy which gave rise to this suffering in Chile. How would one go about achieving that here? Perhaps by massively destroying public services, build up an economy based on low skills, low wages, with massive gain for the privileged few (directors on huge salaries, bankers on massive bonuses, etc). To promote this you would need to price university education out of the reach of the many, produce two-tier education at lower levels, disaggregate the NHS so that the service is no longer national, structure tax levels that benefit the rich and enable ways of avoiding tax, reducing employment protection rights for employees, attack all those thus diminished by labelling them as 'scroungers' and presenting it as "we are all in this together." Surely no government in this country would expect its electorate to swallow that!!

Ray Harris is former Labour Leader of Havering Council.

Future Meetings

The July speaker will be Labour and Co-op Chris Leslie MP shadow Chief Secretary to the Treasury. Chris was MP for Shipley from 1997 to 2005, and was elected MP for Nottingham East in 2010.

The venue is St Joseph's Social Hall, 117 St. Mary's Lane, Upminster RM14 2QB and the meeting starts at 7.30pm.

The speaker for the September meeting will be Iain McNicol

Iain was appointed Labour Party General Secretary at Annual Conference in September 2011. Prior to becoming General Secretary he was the GMB's National Political Officer which he joined in 1998 as Organiser for their Southern Region. Prior to this Iain was a Labour Party Organiser from 1994-1997. Iain is seen as a reformer and keen to get the party engaged with the community far more than it is at present. As the local society is affiliated to four constituency Labour parties, this should be an interesting meeting.

Details of the venue are still to be finalized.

Former Labour MEP Robert Evans will be the speaker on 15th October. As the American presidential election will be weeks away, he will be discussing the prospects. Robert represented representing London seats

from 1994–2009. having previously stood unsuccessfully in 1989. In April 2012 he was the only candidate shortlisted by Labour as the candidate for Police and Crime Commissioner in Surrey and in June he was declared selected unopposed to fight the election on 15 November 2012.

The meeting will be held at Hornchurch Library starting at 7.30 pm.

The November meeting will see the return of John Cryer MP for Leyton and Wanstead. John has been a frequent speaker at the Society, having been MP for Hornchurch from 1997 to 2005. The meeting will be held at St John's and St. Mathews Southend Road South Hornchurch, starting at 7.30pm. Further details nearer the time.

Planning ahead, the Society AGM will be on Friday 15th February 2013. Details of the venue are still to be finalized, but will almost certainly be Fairkytes in Hornchurch.

The Society is looking to organise another fundraising dinner, after the success of last year's event at the Bekash in Romford. Please contact David Marshall if interested.

If you go to the Bekash mention you are a Havering Fabian and get 10% discount off your food bill.

We value your input!

The Society invites speakers on a range of subjects; if you would like us to invite speakers on a particular subject let us know and we will try to oblige.

The Society has a policy of rotating meetings around the Borough; if you need a lift or if you know of any suitable venues we could use, contact David Marshall.

Articles for the newsletter are always welcome.

Local Fabian Society Contacts

Chair Councillor Keith Darvill	Secretary David Marshall	Contact David Marshall
Membership Secretary Mary Breading		31 Vicarage Road Hornchurch RM12 4AS 01708 441189 <u>david.c.marshall@talk21.com</u>
Vice Chair Mike Flynn	Treasurer Dave Baldock	
Committee Members Cecile Duerinckx Wilf Mills	Ed Glasson Ian Carnochan	

Future Editions

The next edition will be published in the autumn.

Contributions to the newsletter are always welcome. The Fabian Society exists to promote progressive ideas from within and outside of the Labour movement.

As such we are happy to publish articles in keeping with this broad ethos, but reserve the right not to include all or part of any material which falls outside of this parameter.

Links

The following links should be useful in keeping up with the debate in the Labour movement

National Fabian Society www.fabian-society.org.uk

The Labour Party www.labour.org.uk

Jon Cruddas MP for Dagenham www.joncruddas.org.uk

Barking Labour Party www.barkinglabour.org.uk/

Romford Labour Party www.romford-labour-party.org.uk/

Tribune www.tribunemagazine.co.uk

Barking and Dagenham Council Labour group www.bardaglabour.org.uk

Hope not Hate www.hopenothate.org.uk

Thames Chase Community Forest

<http://www.forestry.gov.uk/website/recreation.nsf/LUWebDocsByKey/EnglandEssexNoForestThamesChaseCommunityForestTheThamesChaseForestCentre>

Contacts

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biggsnews@london.gov.uk

His website is www.johnbiggs.org.uk

Havering Fabian Society is affiliated to

- National Fabian Society
- Dagenham and Rainham Labour Party
- Romford Labour Party
- Upminster and Hornchurch Labour Party
- Barking Labour Party

Havering Fabian Membership

To join Havering Fabian Society, please complete the following and send to David Marshall. You can also join the Society nationally, David has more details. You do not have to be a member of the Labour Party to join Havering Fabians, but you will need to be a Labour Party member to take part in Labour Party selections and elections.

Previous editions

This is the eleventh edition of the newsletter. Previous editions are available, please get on touch if you want a copy; all are available via e-mail. We also have the presentations by Brian Keenan and Ivana Bartoletti available as a PowerPoint presentation. Please contact us if you would like a copy.

Havering Fabian Society

Founded in 1974, the Society promotes progressive political thought in Havering and beyond. Membership of the Society is not necessary to attend meetings, and neither is membership of the Labour Party.

However, to participate in nominations to the Local Labour Parties or in selection conferences, membership of both is required. The Society meets regularly throughout the year, apart from the summer and during election campaigns. Local Membership is currently £8 waged, £4 unwaged.

I\ we wish to join Havering Fabians

Name

Address

.....

.....

.....**postcode**.....

E-mail.....

Phone number

Waged (£8) unwaged £4