
What Goes Into the New English Socialism Project?

Rt Hon Liam Byrne MP - 14 December 2016



Introduction

One of the most exciting fronts in Labour's renewal is the burgeoning debate about Englishness. Thanks to the work of politicians like John Denham and Jon Cruddas and thinkers like Jonathan Rutherford and Sunder Katwala, there is now an excellent line of argument pointing the way to how Labour re-attaches itself to a history, ideas, and a wellspring of inspiration that got lost somewhere in the new Labour days.

Let me confess, I approach the debate with the passion of a convert. For much of the last Labour administration I was a leading advocate of 'Britishness'; a debate led by Gordon Bröwn, with much passion and merit. We did some good work, especially in citizenship reform. But we were swimming against the tide. The truth is that Scottish and Welsh devolution, the pace of social change and the seminal decline in trust

accelerating across all western societies, has provoked a crisis of Englishness which Labour need to address, shape and crucially draw rejuvenating energy from, like water from a well.

The Brexit vote is a sign that we have to get our skates on. In a world that is changing faster than ever, there is a constant risk that than ever people get left behind - faster than ever - fuelling a sense of frustration. So here's the progressive challenge: in the age we're sailing into, the need for collective solutions is going up - yet levels of social trust are going down. We are a party that believes we achieve more together than we achieve alone. As we argue in Red Shift, Labour is a 'we' brand. We are defined by that New

Testament challenge: 'who is my neighbour?' In the Labour Party we genuinely believe 'my neighbour is anyone in need'. But how do we inspire people to cooperate in a world where people feel cooperation is making them poorer? How do refresh fraternity in a country that seems to be turning inward?

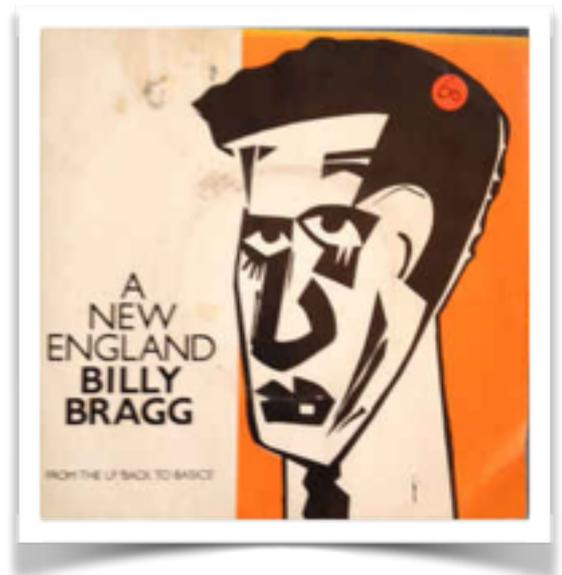
I think Englishness is part of the answer.

There is a risk that cultivating Englishness risks cultivating 'separateness'. But let's be honest. People want to know we understand their interests. As Robin Williams used to say there's nothing worse than being with someone who makes you feel alone. When we forget to talk about England, we sound as if we're leaving people out - as if we're content to leave people behind. But as Linda Colley reminds us, identities are not like hats; we can wear many at the same time. So, an English Labour identity is not a substitute for winning the argument for a post-neoliberal and more inclusive growth based on wide ranging institutional reform - but it is an essential companion.

What's happened to fraternity?

We should relax a little about identity politics. Its important to the fraternity we champion.

Decades of social science has clarified that we are not in fact, selfish animals. Indeed, we have survived because we've learned to cooperate. But the key to cooperation is a sense of *reciprocity*. This is what waters the roots of progressive values. As Robert Axelrod puts its in the *The Evolution of Cooperation*: 'The two key requisites for cooperation to thrive are that cooperation be based on reciprocity and that the shadow of the



future is important enough to make this reciprocity stable'¹. But, Axelrod notes, what makes it possible for cooperation based on reciprocity to be stable is continuing interaction. Reciprocity flourishes amongst those familiar with each other, and when neighbours have a large chance of meeting again.

We call this 'continuing interaction', 'community' and we call this 'reciprocity', 'trust' or 'social capital'. And unfortunately, it begun to decline, just as we realised its importance.

Similar to notions of 'social capital' were independently 'invented' on at least six occasions during the twentieth century². But in a series of books, articles and arguments during the 1990s, we were reminded how absolutely central shared standards are to the 'trust' that powers successful economies, and the 'social capital' that helps successful societies flourish.

- Francis Fukuyama laid out why shared standards mattered to the economy³ arguing 'one of the most important lessons we can learn from an examination of economic life is that a nation's well-being, as well as its ability to compete, is conditioned by a single, pervasive cultural characteristic: the level of trust inherent in the society.⁴ As Adam Smith well understood, economics cannot be divorced from culture⁵. The purism of neo-classical economics cannot really explain the historical phenomenon that 'the greatest economic efficiency was not necessarily achieved by rational self-interested individuals but rather by *groups of individuals* who, because of *a pre-existing moral community*, are able to work together effectively.⁶ (my italics).
- Equally, research clarified just how important social trust had become to a healthy society. The ONS summarised; 'research undoubtedly correlates high social capital, in the form of social trust and associational networks, with a multiplicity of desirable policy outcomes ... [including] lower crime rates, better health, improved longevity, better educational achievement, greater levels of income equality, improved child welfare and lower rates of child abuse, less corrupt and more efficient government and enhanced economic achievement through increase trust and lower transaction costs. The cumulative effect

¹ Robert Axelrod, *The Evolution of Cooperation*, Basic Books, 1984, p.173. As Sam Bowles and Herbert Gintis argue; progressive politics relies on 'deeply held notions of fairness, encompassing both reciprocity and generosity...stopping far short of unconditional altruism towards the less well off.'

² ONS, *Social Capital: A Review of the Literature*, October 2002, p. 16

³ Francis Fukuyama, *Trust* (Free Press Paperbacks, 1995). Fukuyama himself would underline that his argument was not exactly new, but was set on a pretty clear track in Max Weber's *The Protestant Ethic and the Spirit of Capitalism* in 1905. But Fukuyama gave the argument new force against the backdrop of the transition of former Soviet states to capitalism

⁴ Fukuyama, *ibid.*, p. 7

⁵ Which is why really Smith's 'The Wealth of Nations' cannot really be read aside from 'the Theory of Moral Sentiments'.

⁶ Fukuyama *op cit*, p. 21

of this research indicates that the well connected are more likely to be ‘housed, healthy, hired and happy’⁷ Diego Gambetta pithily summarised this as; ‘societies which rely heavily on the use of force are likely to be less efficient, more costly, and more unpleasant than those where trust is maintained by other means’⁸

So, if trust is so important, why is it evaporating?

Since the 1950s and 1960s, the ‘ties that bind us’ have become much weaker. The proportion of people generally trusting others has fallen from around 60 per cent in 1959, to 30 per cent in 2005.⁹ Picking apart why is pretty tricky. In America, Robert Putnam famously concluded generational change accounted for half of the weakening social capital; with electronic entertainment – the ‘privatising [of] our leisure time’¹⁰, around a quarter; and pressures of time and money (including two career families) plus suburbanisation and commuting accounting for the balance. As Putnam put it; ‘at the century’s end, a generation with a trust quotient of nearly 80 per cent was being rapidly replaced by one with a trust quotient of barely half that’¹¹ as ‘we have developed communities of limited liability...place based social capital is being supplanted by function-based social capital.’¹²

Over the last eight years the British Social Attitudes survey recorded a gradual increase in respondents believing that the differences between social classes is widening. Old ‘glue’ like religion is coming unstuck. Census data from 2011 suggests a 10% rise in people identifying as having no religion, up to 25% of the UK population. But if we ask people in Britain, why they think we’re losing the ‘community spirit’, longer hours and television top the league table of answers.

Why do you think we’re losing the community spirit?

| | % |
|--|----|
| People work longer hours | 40 |
| People spend more time watching TV/on the internet | 35 |
| People move home more often | 20 |

⁷ ONS, Social Capital: A Review of the Literature’, October 2002

⁸ Putnam, *Bowling Alone*, p. 21

⁹ Social Integration Commission, p. 22

¹⁰ Robert Putnam, *Bowling Alone* p. 283

¹¹ Putnam, *Bowling Alone*, p. 141

¹² Ibid, p. 184

| | |
|---|----|
| More newcomers to Britain | 17 |
| People more likely to 'take advantage' these days | 13 |

Now, here's the really bad news. In the future, there are seven big reasons to think that this collapse in social trust is going to accelerate:

- At the next election, the majority of voters may be over the age of 55, risking a big new divide between the interests of the old and the young. The 'stressed middle' generation will grow: as the population ages, many younger families will struggle to manage competing family demands on their time, especially those with specific care obligations to the young or elderly. Equally, social isolation or loneliness amongst the elderly, especially women, may also increase: already 60% of privately housed women over the age of 75 live alone. Given their greater life expectancy, this number will grow as the UK population ages. In the future, today's younger cohorts will make up a bigger proportion of public opinion in the 2030s. But given generations rarely change in attitude, this could mean that the 'general public' of 2030 is far less politically 'tribal'; far more liberal; far less likely to vote; less sexist; perhaps meaner towards the poor (but not towards pensioners)¹³.
- Britain is becoming significantly more diverse: today, black and minority ethnic groups made up roughly 20% of the UK population. By 2030, Britain's BME population will total 27%.
- Trust in 'traditional' institutions may not recover. There has been a rise in those who do not think that Parliament will ever act in the national interest. This drives an increasing distrust in central government. We are anxious and worried but at the same time resentful towards elites. Crucially, evidence shows that the further a generation gets from 1945, the far less likely they are to look to the Government for answers – and the more sceptical people are of the power of the state.
- Geographical inequalities in wealth and income will worsen: incomes are lower in the Midlands, the North and within parts of most cities. This divide has been growing since the 1970s and shows little sign of abating. And any rise in energy, housing and food costs will disproportionately fall on the shoulders of low-income households in these regions.
- Rapid changes to the built environment and increased housing costs may unsettle people's sense of self and place: as owner-occupation and social housing rates continue to decline – and the private rental sector grows – experience of transience and insecurity will spread.

¹³ See *Red Shift: England in 2030*

-
- Concern about immigration is likely to remain high. A majority of British people report an “anxious” or largely negative opinion of immigration in general. However, 61% agree immigration brings both “pressures and benefits”; only 24% wholly reject immigration as a positive force. This anxiety may be largely a form of cultural scepticism (anxiety over public practices, perception of integration failure and how this interacts with “British values”) which override purely economic concerns¹⁴.



- The explosion of digital media has new avenues for self-expression and the formation of community - but the ‘bubble filter’ is locking individuals in to ever more narrow sources of news and information. Social media can link like-minded individuals across vast distances creating big but niche interest-based communities. These groups can be both a place of positive mutual exchange and malign groupings where anxieties and unsavory prejudices are normalised and intensified. The ubiquitous use and synthesis of multiple communications systems and devices will mean that people of all generations will be constantly switched on and connected, absorbing news, making purchases, sharing biometric data.

Amidst our changing society, Labour’s challenge is to find ways of regenerating solidarity - because high levels of social trust underpin what we see as good and strong societies. Yet, the big changes I’ve described suggest that fostering communities with high levels of trust is harder than ever - and may get harder still. The importance - and the difficulty of the task - means we have to think far harder about the roots of community - which is a sense of our shared ‘Identity.’

Labour, fraternity and England

For a long time, Labour has dodged the iconography of England, and preferred an identity politics based on a rather vaguer appeal to ‘community’ which as Bernard Crick suggested, is ‘the most rhetorical, potent, but least defined of values’¹⁵.

¹⁴ British Future, 2014

¹⁵ Bernard Crick, 1987, cited in Hazel Blears *Communities in Control*, (Fabian Society, 2003), p8

‘Community’ has a long Labour history. In Anthony Crosland’s original twelve point check-list¹⁶ of the Labour’s intellectual antecedents, we can see ideas of community, mutuality and cooperation in at least seven of the list¹⁷. It was particularly important to Tony Blair who said in 1993: ‘The founding principle, the guiding principle of the Labour Party is the belief in community and society. It’s the notion that for individuals to advance you require a strong and fair community behind you.’¹⁸ This included a pronounced view on responsibility and an endorsement of Amitai Etzioni’s argument in *The Spirit of Community*, that citizens have to consider their duty and obligations towards establishing and maintaining a good society.¹⁹ But, together this modern view of community was the bedrock of a ‘strong and cohesive society [that is] essential to the fulfilment of individual aspiration and progress.’²⁰

However, when people feel they've nothing in common with their neighbour, when they have no sense of their past, and even less sense of a shared future together, neighbours are less inclined to cooperate with each other. As Robert Putnam notes:

‘In the short run, however, immigration and ethnic diversity tend to reduce social solidarity and social capital. New evidence from the US suggests that in ethnically diverse neighbourhoods residents of all races tend to ‘hunker down’. Trust (even of one’s own race) is lower, altruism and community cooperation rarer, friends fewer.’²¹

This is why identify politics is vital for us in the Labour Party. We need people to feel affinity for one another, because it makes the business of cooperation and collective solutions easier. A strong shared identity is the wellspring of solidarity. Where's there glue there's good.

That is why it is so odd that Labour has stopped talking about ‘community’, shared values, trust, fraternity or identity, just at the time when sharply rising immigration is creating communities of unprecedented diversity: The proportion of the UK working age population that were born abroad doubled between 1997 and 2015, from 8% to 16%. These changes mean that a vague incantation of ‘community’ is no longer cutting it, as

¹⁶ Anthony Crosland, *The Future of Socialism* (Constable & Robinson, 2006), p. 51-69

¹⁷ Clearer thinkers will perhaps have a different count to me, but I would argue the notions of shared *values* (as opposed to shared ownership) appear in Owenism, Christian Socialism, William Morris and anti-commercialism, Fabianism, both the ILP and the Welfare State traditions, and syndicalism/ guild socialism.

¹⁸ Tony Blair, “The Revisionist Tendency”, BBC Radio 4, 18 March 1993, quoted in Blair, *New Britain* (Fourth Estate, 1996), p. 217

¹⁹ Amitai Etzioni, *The Spirit of Community*, (Fontana Press, 1993)

²⁰ Tony Blair, *New Britain* (Fourth Estate, 1996), p. 220

²¹ <http://macaulay.cuny.edu/eportfolios/benediktsson2013/files/2013/04/Putnam.pdf>

perhaps it did back in the 1990's. Englishness on the other hand is far more potent. In fact 32 million people at the last census defined themselves as English, rather than British.

- Over 70 per cent of White British people in England identify as English only
- Identifying as English is much more common among poorer, less educated, more working-class people. People who identify as English are far more likely to vote and oppose immigration and EU membership than the average voter.
- Of the 61 English 'super-marginal' seats outside London which Labour held in 2005 (the last time we commanded a majority in England), the vote to leave the European Union averaged 58%. In 27 of these seats, the 'Leave' vote was over 60%.
- The British Social Attitudes Surveys show that in both Scotland and England, 'small nation' identities gained substantial ground over Britishness between 1992 and 1999

So what goes into Englishness?

Defining the definitive list of English characteristics is a pointless task, but it is a great deal of fun. I've been asking people for years just what it is they love about our country. What I tend to hear is a brilliant list of old favourites. Beer in a decent pub. Fashion and fish and chips. Our stunning countryside, chocolate, cider, our seasons and our sense of humour. The great English language. Family, friends, friendliness and football. Law and order, common sense, community spirit. The Royals and rugby. Good manners, queueing and a nice cup of tea. All the things you'd miss if you were scooped up and plonked on a desert island to talk musical favourites with that nice Kirsty Young. So here's my ten point list of qualities that we might champion in the Labour party. They are not exclusively English of course. But its hard to be English without them.

1. **Rules are really important.** Our diversity has always been underwritten by a subscription to a common set of values – commitment to Britain and its people, loyalty to our legal and political institutions, fairness and open mindedness, freedom of speech, respect for others, responsibility towards others and a tradition of tolerance. And these values do mark us out – in Europe at least. Twenty-eight per cent of British citizens say 'the rule of law' is most important to them personally; the EU average is just 17 per cent.
2. **Tolerance.** The basic notion of live and live live. Our tolerance is why we love eccentrics. It's why Mill could propose a political philosophy in 'On Liberty' which rests on permitting 'experiments in living'.

-
3. **Compassion.** In every survey I've ever done on our values, kindness, compassion and 'looking after the needy' – and indeed one another – are qualities that people think make our country special. Call it 'blitz spirit' if you like, but it is why in poll after poll on our favourite institutions, up there with the Queen and our magnificent armed forces, is the amazing NHS: it is compassion in action.
 4. **Outward looking.** Little England is not our tradition. Not least because eight million left these shores between 1853 and 1920, most of them from England. As Arnold White put it in the 19th century, 'The constant travelling of the Colonialists backwards and forwards to England makes it absurd to speak of the Colonies as if they were a foreign land'.²² In the decades after 1860, multi-lateral trade increased tenfold²³, as our exports followed our emigrants around the world.
 5. **Local.** Local identities persist here, down the ages. From the Durham Miners' Gala, to the Lewes Firework Societies. Time and again, when I asked how we should celebrate our country, people point to a celebration of what they liked *locally* – whether it was something reminiscent of Trafalgar Day (mentioned in Portsmouth) or the St Paul's Carnival (mentioned in Bristol).
 6. **Radical about power.** English radicalism is old. Arguably dating back to the Plantagenet balance of power between the King and the barons, its was given its modern movement as the concept of Divine Right was dismantled and slowly replaced with a social contract theory of John Locke, set out with such eloquence in his *Two Treatises of Government* in 1689. By 1726, Voltaire²⁴, could write; 'The English are the only people upon earth...who, by a series of struggles, have at last established that wise Government, where the Prince is all powerful to do good, and at the same time is restrained from committing evil'²⁵. From the early days of the Industrial Revolution, you could see the same radicalism amongst working people, from the countryside of Cobbet's *Rural Rides* to the urban movement of the Chartists.
 7. **Scientific, rational.** We are of course, one of the founding partners in the Scientific Revolution. Indeed, we have been burying scientists with our sovereigns since we interred Isaac Newton in Westminster Abbey. But around our science, we built of society of diffusion and reflection; we

²² Searle, p.25.

²³ Cain, p. 42

²⁴ Who spent three years in English exile from 1726

²⁵ Voltaire, *Lettres philosophiques ou Lettres anglaises*, quoted in R Porter, *Enlightenment: Britain and the Creation of the Modern World* (Allen Lane History), 2001, p.6

proliferated newspapers, theatre, discussion societies - and coffee houses. In fact, by 1739, London boasted ten times more coffee houses than Vienna.²⁶

8. **Beauty.** As it happens, we treasure good design. In the great cities, at least, civility began to flourish as new public spaces took shape, providing a home to the arts, literature and debate.²⁷ From the early 19th century, city centres began to change as 'Renaissance' architecture, symbolising efficiency, economy, probity and confidence, began to sprout - and outside the growing cities, the great textile barons of late eighteenth-century England - Richard Arkwright, Jedediah Strutt, Samuel Greg and Samuel Oldknow - began building villages like New Lanark, Saltaire, Port Sunlight and Bournville.



9. **Nature is vital.** We are, above all, a green and pleasant land'. The country side is to be treasured. Gardens are important.

10. **We hate bullies. And love underdogs.** Abroad, we are prepared to stand alone to oppose them - but even here at home, we boast a long traditions of radicals like William Wilberforce, determined to abolish slavery. In his wake came Radicals, Utilitarians and Evangelicals, blessed with a crusading zeal, arrow-tipped with statistics, determined to reform poor laws and oppose like Thomas Carlyle, the doctrine of 'Free-trade, Competition, and Devil take the hindmost.'²⁸

Now its hard to call this lot values, still less 'English values'. And nor should we try. The problem with 'values' is that they often smack of the past. They feel like they're handed to you, in a take-it-or-leave-it sort of way. They risk being as inspiring as a dusty heirloom. Giving young people a sense that they too are co-authors of the future is important if we want to crack what many young people in new communities struggle with. So, I think it would be far more inspirational if we presented our ideas not as values - but as *ideals*. Ideals we want to live up to. Ideals that inspire our future. Ideals that might help create a climate where young people feel we live in a country where they can thrive - and contribute.

²⁶ Porter, p. 35

²⁷ See Taylor, *The Victorian City: Ideas in the Air*, p.432

²⁸ Thomas Carlyle, *Past and Present*, 1843.

So what are the changes English ideals should inspire in Labour politics?

So, what's the content?

First, we should never forget the importance of partying in pursuit of progress.

Once upon a time I was an advocate of a Britain Day - a day when we celebrated all we had in common. I was inspired by the example of Australia Day. But I have to admit defeat. You cannot impose these things top down. You can't have a decent party without a bank holiday and bank holidays are expensive. The economy can't withstand us creating too many more of them. So if we have to ration them we should acknowledge that in a country where over 70 per cent of white British people in England identify as English only, the priority for a new bank holiday and a day to celebrate what we have in common should be St. George's Day. According to British Future, 60% of people agree that we just don't do enough to celebrate St George's Day – and just 4% saying we celebrate it too much. Two-thirds (66%) of people in England still feel that St Patrick's Day is more widely-celebrated here than St George's Day. So a bank holiday for St George should be the first demand of a new English Labour Party.

Second, the rural spirit has to live strong especially for us as a party of urban Britain. The soul of England is its 'green and pleasant land' and we should treasure it, not simply for its spiritual value but for its modern relevance. I've just completed one of the biggest experiment is digital democracy that we've seen in England. We've used the digital democracy technology used by parties like Podermos to help write a People's Plan for the West Midlands. What's been fascinating is the sheer weight of green ideas that emerged; like a West Midlands Forest; or turning derelict land into allotments; or micro-parks.

We've heard a lot about Blue Labour. English Labour should be Green Labour. We should be the authors of a proud, bold conservationist project that defends the countryside and the diversity of new economic life that now employs people there - but we should champion too a new 'greening of the towns and cities'; parks; woods; allotments; schools that grow and cook food; conservation of rivers, streams and canals; a revolution in cycling; green energy co-ops.

Third, we should talk about power and devolution - a lot. The local nature of power and authority in England is an old tradition which has survived the very centralising character of government since the 1930s. Our traditions of localism date back to feudal times - the manor, the quarter session, the local militia, the poor law and the vestry. The great urban entrepreneurs of the 19th century defined a new chapter in this story; not simply the city fathers in great cities like Liverpool, Manchester, BIRMINGHAM and Leeds but the business brains behind the great industrial communities like New Lanark, Saltaire, and of course

Port Sunlight and Bournville. We should not worry about lack of popular support for mayors. It will come. The history of our local government has always been pragmatic. When the Webb's completed their epic study of English local government, they noted with some insight that the emergence of the various authorities in the 19th century were a 'mish mash'. That is the English way. It simply reflects our pragmatism and make-it-up-as-we-go-along approach to constitutional matters.

So we are pushing on an open door when we propose far greater powers for metro-mayors. And the truth is Whitehall doesn't have the capacity to design or manage policy to fix the problems we have: the productivity crisis, our terrible infrastructure; the lack of a technical education system; the housing shortage; the crisis in social care. We need to turbo charge our governing capacity and metro-mayors will help.

But to give an English definition to the reform, Labour should propose the metro-mayors work together in an English union of mayors; sharing ideas; shaping arguments. In our party they should anchor a national executive committee of a new English Labour Party.

Fourth, the changes we seek for our party should be reflected in parliament. The truth is 'English votes for English laws' was a nice slogan but like much of Cameron's changes, it was a triumph of spin over substance. Could anyone tell you a English vote that made a difference? The truth is parliament doesn't champion England effectively - from Cumbria to Cornwall - because there is no focus on place within the English government.

Yet Gordon Bröwn had an answer that worked. Regional ministers for the first time brought a focus to local places across government. It allowed ministers to bang heads together to get things done. But they should have been full time; they needed a committee in parliament to hold them to account and they needed a Cabinet Committee through which to work. Full time select committees of parliament focused on regional matters, like the Scottish Select Committee or the Welsh Select Committee would be a revolution in the way that the government works to support English interests. I would go as far as saying it would revolutionise the way government had to serve our regions. In the longer term, Lords reform could enshrine a regional list system, elected from regions, providing a powerful territorial focus in the upper chamber.

Fifth, if we're to remain radical about devolving power, English Labour must champion the co-operative tradition of working together; the tradition of Rochdale Pioneers and the first co-operators, Robert Owen and his 'villages of union.' Locally, Labour should once again be champions of the cooperative tradition. The idealists like Morris and Ruskin, different in their ways saw in our ability to fashion a future for ourselves a richer way of life and a richer society in which to live. So too did the the first Christian Socialists, who founded the moral rather than mechanical school of reform, along with practical methods for improving

working class communities (not least voluntary social action such as Toynbee Hall, in East London where both Beveridge and Attlee worked).

There is *contra* the old Fabian statist tradition which emerged in our Party in the 1930's, which Richard Crossman once summed up so well. Looking back, he said; 'We all disliked the do-good volunteer and wanted to see him replaced by professionals and trained administrators in the socialist welfare state of which we all dreamed. Philanthropy to us was an odious expression of social oligarchy and churchy bourgeois attitudes. We detested voluntary hospitals maintained by flag days. We despised Boy Scouts and Girl Guides'.²⁹ By 1934, 'full and rapid socialist planning' was party policy, and by the end of the 1930s, Evan Durbin, was declaring; 'the most important requirement of efficient Planning is the suppression in the trade Union and Labour movement in practice as well in theory of the last element of syndicalism'³⁰. A preference for big organisations – the Morrison model – took hold.

Yet our cooperative roots are strong - and often strongest in local government. Even, Sidney Webb, the co-author of the first Clause 4 said to Party conference 1923; 'What we had always to insist on is that government should at all point be effectively democratised; that it should be, wherever practicable, entrusted to the local representatives of the community rather than to the necessarily centralised departments at Whitehall; that in every branch the widest possible sphere should be assigned to the voluntarily associated Consumers' Cooperative Movement'³¹. From the end of World War One, Labour local authorities were pioneering social policy that embraced and empowered voluntary organisations, for example, the Citizens Advice Bureaux (dealing with two and half million inquiries a year by the end of 1942), the National Council of Social Service, and the Voluntary Occupational Centre Movement (which offered work of the unemployed, including recreation, education and work). By mid 1935 there were over 1,000 such centres with a total membership of some 150,000. English Labour must champion a renaissance in this sort of direct action, especially in the creation of network industries, like transport, or the development of public assets, like housing.

Sixth, we have to be the champions of inclusive Englishness, and in today's debate, that means we have to be champions of a proud English Islam. Muslims are now the second biggest, distinct ethnic minority group in England; the priority for many Labour MP's therefore will be helping shape a quintessentially English Islam. I'm afraid this is essential because bad people will work hard to define Englishness in contradistinction to Islam. They will seek to render Englishness as an Islamophobic project. It is our job to stop them. There is a

²⁹ Crossman, Diaries of a Cabinet Minister, 1973

³⁰ Sassoon, One Hundred Years of Socialism, (I B Tauris & Co Ltd, 2010) p.64

³¹ Quoted Greg Rosen, From Old Labour to New (Politico's, 2005)

very strand of Wahhabi Salafi Islam that seeks to reject integration. But it is not the norm. The instruction of the Quran to Muslims living in non Muslim countries is to obey local laws; 'O believers' says the Quran, 'fulfill your covenants'. This is the spirit championed by thinkers like Timothy Winter who recently put it well; 'Islam had never been a single story... The temper of Islam in a traditional Indian setting is very noticeably Indian; just as Islam in Gambia is unmistakably African. Indonesians and Moroccans may pray towards the same holy city, but they do so from opposite points of the compass. Islam, a rainbow of modalities of Muslimness, is *always* hyphenated, because no religion can exist naked, without the clothes supplied by time and place.'

Today, there are already conservatives like Sayeeda Warsi hard at work with the Warsi foundation project to develop the quintessentially English mosque. Shabana Mahmood and I are leading a project on Birmingham Muslims with the universe of Birmingham. More of this is needed. We must be the champions of what Tariq Madood described as an 'English consciousness...that it (not) simply nostalgic, exclusively majoritarian' avoiding the treacherous waters of ethno-nationalism.

Now, to this list we could add a slew of other, 'idealism' based identity-interventions, based for instance, on our love of the **English language, tolerance and compassion, an outward looking disposition and a yen for science**. We're the home of Shakespeare, and the BBC World Service. So how do we celebrate this with ideas from Shakespeare in schools, to more money for the World Service, to big investment in ESOL classes? What about Toby Perkin's idea of championing an anthem for England?³² What about high profile 'compassion in action' campaigns? Like a war on homelessness. Or child poverty? Abolishing youth unemployment? Or support for veterans? How don't we champion trade, the foundation of our old wealth? Why aren't we visionary about our airports as global gateways to the world, as we once celebrated our great ports like Liverpool and Bristol? Why don't we try and make our airports the best airports in the world? Why aren't we the champions of science and the spirit of the Royal Society, as Harold Wilson once showed us? Why aren't we leading the arguments for new Lunar Societies, based on new partnerships between universities and incubators for new, start-ups?

Seventh, is the vexed question of public spending and the old chestnut of the Barnett formula, which doles out increments in public spending as a block grant to Scotland and Wales.

The formula is rooted in the ratio between spending in England, Wales and Scotland that dates back to the 1970's and famously means spending per capita in Scotland is 16% higher than the UK average. **When budgets for comparable services in England change, the Barnett formula aims to give each government the same pounds-per-person change in funding**. The formula does this by considering:

³² <http://services.parliament.uk/bills/2015-16/englishnationalanthem.html>

- the change in the budgets given to UK government departments to run services;
- the extent to which the UK departments' services are provided by the devolved government – what is known as the comparability percentage; and,
- the relative population of the devolved nation.



The formula is mainly used at Spending Reviews. Take for instance, the Department of Health (DH): its budget in 2018/19 was set to be £9.7 billion larger than in 2015/16. DH's spending is [almost fully devolved](#) to Scotland, so a comparability percentage of 99.4% was applied. [Scotland's population](#) relative to England's at the time was 9.85%. Therefore, the £9.7 billion change in DH's budget was multiplied by 99.4% and 9.85% leaving a consequential for Scotland of £1 billion after rounding.

One result, however, known as the Barnett squeeze is that growth in public spending can increase faster in Scotland than elsewhere, widening the divergence between spending per capita over time. Unpicking the Barnett formula is hard and would entail a brand new baseline to be built assessing needs, spatial density, and costs in every part of the country. Change would require a new consensus and big transitional complexities. These are the three C's of change; the costs of complexity in getting a new formula fixed for distributing public spending, the challenge of securing a new consensus and the costs of change. But change would not be impossible. In 2010, the Holtham Commission (which considered funding for devolved government in Wales) [recommended](#) that a need-based formula should determine the block grant. The Commission [discussed](#) how such a formula could work³³ and suggested introducing a needs adjustment term to the Barnett formula. So the formula would become:

$$\begin{aligned}
 \text{Change in block grant} &= \text{change in UK department's spend} \\
 &\quad \times \text{comparability percentage} \\
 &\quad \times \text{population proportion} \\
 &\quad \times \text{needs adjustment term}
 \end{aligned}$$

³³ Holtham Commission, [Fairness and accountability: a new funding settlement for Wales](#), July 2010

The needs adjustment term would relate to the relative needs of each devolved administration. Needs would be calculated using a formula based on data focused around three themes: demographics, deprivation and cost. The Commission went as far as [setting set out indicators](#) that could be used to approximate for the needs that are relevant to providing services in the devolved administrations³⁴.

The House of Lords also considered the question in 2009. The Lords Treasury Committee found the argument that devolution funding should be based on relative need to be “compelling” and suggested a new needs based system. Rather than amending the Barnett formula, the Lords’ approach would see it replaced. The needs assessment would take these aspects into account: the age structure of the population; low income; ill-health and disability; and economic weakness.

The Lord’s Committee [recommended](#) that an independent body be set up to recommend the allocation of funding based on population and through a new needs based formula. Similarly, the Holtham Commission (discussed above) [suggested](#) that an arm’s length body should be established to operate the new funding formula and to calculate annual budgets.

For England, a new Barnett formula would also fail to solve the whole problem. England's problem is that inequalities within England dwarf inequalities between England and Scotland. London for instance receives far more public spending than elsewhere even though it is the richest region in the country. As Andy Harrop points out 'People in the East Midlands are entitled to feel resentful about how little public money they receive, but it is London not Scotland that should arguably be their target.'

The gap between public spending per head, between England (£8,638 per head) and Scotland (£10,374 per head) is 17%. But the gap between London (£9,840 per head) and the South East is some 21%. With out exit from the the EU, these inequalities may become much worse, as structural funding to deprived areas drives up. So the answer will need to a Barnett formula for *within* England.

As public spending increases, poorer places should receive a top-up in ‘Barnett consequential’ in the form of a block grant, much in the way Scotland does. Much of this should be delivered to the new metro authorities with the balance shared to poorer council areas. Slowly this should reduce the inequality in spending per head between rich and poor places, which is to say between London and the rest of the country.

The question of tax is more straightforward. Within England, there is not much room for varying rates of VAT, income tax or national insurance without triggering tax arbitrage by firms shifting headquarters between low pay areas. There is already freedom for local councils to vary and retain business rates, and councils can borrow ‘prudentially’. But there is no such freedom on the Housing Revenue Account (HRA),

³⁴ The needs adjusted term wouldn’t affect the total block grant; only the annual changes in the formula would be affected by the needs adjustment term.

where borrowing against future receipts is capped. Instead, to build infrastructure, Government borrows centrally and then distributes the money through complex schemes, while much of the planning and delivery risk is actually local. It would therefore make much more sense to transform the borrowing capacity of local authorities by freeing up the HRA borrowing system. Ultimately, re-inventing Englishness is going to take a revolution in ‘civic inventiveness’ akin to the great city building of the 19th century. That is going to take a lot more fiscal freedom for local authorities to get on with the job.

Conclusion

Now the truth is that this does then leave the bulk of the big decisions reserved for a U.K. Government, a U.K. Parliament, and a U.K. Party. Fiscal policy remains by and large a national deal, as does by and large the public spending envelope. Monetary policy is of course national and independent. Foreign policy and defence are national matters. So are national treaties. So, is the justice system. So, is the overwhelming majority of social security. So are the vast majority of health entitlements. We obviously need to be careful about developing this in opposition to Scottish Labour, or Welsh Labour. We clearly need to write through this our values, our goals, our distinctive economics. This cannot and must be a case of ‘patriotism becoming the last refuge of the political scoundrel.’ But, the rise of English sentiment, inspired by ideals, not simply of regional identity but a sense of the English nation itself, has grown as a political fact; we cannot let it become a pawn of the Eurosceptics or the anti-Scottish right. So we need a centre-left project for England of our own. And it must be add up to more than slogans, and decent lyrics.



Liam Byrne is the Member of Parliament for Birmingham Hodge Hill.