

liberator



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COMMENTARY

WAKE OF THE FLOOD

As floodwater inundated some of the most true blue parts of the Thames Valley, David Cameron may have had cause to regret his comment about getting rid of ‘green crap’ from government policy.

‘Crap’, in some cases quite literally, was filling homes in areas that normally back his party, and the public perception in January and February of the government’s flood relief efforts was pretty poor.

Further west, things were if anything even worse, with parts of Somerset under water for months and the Severn Valley inundated yet again.

It is hardly surprising that, when a disaster on this scale hits a country as little used to natural calamities as the UK, the cry goes up “they should do something about it”.

Widescale flooding makes proponents of a ‘small state’ look pretty silly, since only a state could remotely be equipped to provide both immediate relief and long-term resources for flood protection.

It also made the Conservatives look pretty silly, as their strictures about lack of resources and spending cuts dissolved as quickly as Somerset Levels with promises that money would be no object in preventing flooding, even if it was not clear what this promise included.

Climate change deniers joined the ranks of those made to look foolish by the bad weather this winter as they went through contortions to explain that two months of the heaviest rain for centuries was pure coincidence and nothing whatever to do with carbon emissions.

But those who say that “something must be done” and that everywhere should be protected from any conceivable flood risk may also have questions to answer as the waters retreat. If homes are built on floodplains, they will be prone to being flooded, and more so with climate change.

How much money should be spent on protecting them? Should this be limitless, as Cameron’s panicked response to the Thames Valley inundation suggested? Or do choices need to be made about where it is sensible and possible to defend, and whether attempting to prevent floods in some places serves no more useful purpose than would trying to resurrect Dunwich or other places lost to erosion on the east coast, where nature is being largely left to take its course.

Little can be done about settlements already built in flood-prone areas – or even below sea level – but something can be done about new building on floodplains. At the very least, it can be insisted that new homes built there are flood resilient – for example, with only garages at ground floor level.

Better still, building on floodplains could be avoided altogether, but that would mean the homes concerned must be built somewhere else. In areas where scarcity of building land has led to floodplain construction, that might mean building on greenfield sites elsewhere, and accepting that this might be the price of avoiding flooded homes in the future.

How prepared are politicians to say both ‘no’ to spending on flood measures in places that cannot be defended and ‘yes’ to building on nearby areas instead of floodplains? After all, there’s nothing quite like a threat to build on greenfield sites to get a Focus team swinging into action.

DISASTERS COMING NEAR YOU

Two articles in this issue of *Liberator* examine what a liberal welfare system might look like. They offer different ideas and readers will have their own, but it is surely safe to say that the current and planned one does not resemble a liberal solution. Indeed, Liberal Democrat votes for past coalition welfare reforms may before long turn round and bite the party.

The Bedroom Tax (and it is an indication of its utter political failure that no one except Iain Duncan Smith calls it the ‘spare room subsidy’) has managed the reverse treble of proving cruel, stupid and unpopular.

It might just have worked had it been a power available to deal with specific local housing problems. Instead, it applies in places where the problem of under-occupation does not exist, and in places where it does exist but cannot be solved because of the nature of the housing stock. By incentivising people to move to homes that are not available, ministers have created something that cannot work and which imposes unfair burdens on people on low incomes.

Then there is Universal Credit. Here at least, the intention to simplify claims and help remove obstacles to work was laudable. It has, though, fallen foul of the curse of Whitehall IT projects. One can get almost punch drunk reading select committee and National Audit Office reports of the incompetence and waste involved in these. Indeed, it is hard to point to any that have been successful. Implementation of Universal Credit is now receding so far into the future, and wasting so much money in the process, that there must be a case to call a halt.

There were predictions that the Health Act would haunt the Liberal Democrats most at the next general election but that controversy has gone relatively quiet. But welfare reform has not gone quiet and concern is growing, not least about the Conservatives’ vindictive war on working age poor people. It is here that the voter backlash is more likely.

RADICAL BULLETIN

MUTUALLY ASSURED DESTRUCTION

As *Liberator* went to press, it was unclear whether Lord Rennard would take legal action against the Liberal Democrats over his suspension from the party.

It was also unclear to most people whether Rennard or his accusers were speaking the truth about the allegations of sexual harassment that first became public on Channel 4 News a year ago. This is because the party, having made a mess of the process at every turn, then received an investigator's report that came to a perplexing halfway house conclusion.

One obvious fear is that, quite apart from Rennard and his accusers, party democracy will be a casualty sooner or later. Nick Clegg has complained that party rules constrain him from acting as he would wish to, and media commentators have condemned him as weak for not simply throwing Rennard out of the party by personal diktat.

There will be those who will point to the embarrassments caused and say that they would not have happened if the leader had been able to act 'decisively', unconstrained by the tiresome requirements of a democratic party.

Those ever ready with bleating demands for 'strong leadership', under which the Liberal Democrat membership would be reduced to a fan club – as are members of the other main parties – will be only too happy to point to these events and argue that they show a 'serious' party in power ought to reduce its internal democracy. This was obviously not an outcome sought by Rennard's accusers, but it's a providential opportunity for those who do want a top-down party.

Last year, the party appointed Alastair Webster QC to investigate the complaints made against Rennard, though he was able to proceed only when police enquires ended with a decision to take no action.

In the run up to Webster completing his report, noises from both sides suggested they expected a clear decision – either Rennard was guilty or not. Instead, the party refused to publish Webster's report and on 15 January issued a statement in his name which said: "My view, judging the evidence as a whole, is that there is a less than 50% chance that a charge against Lord Rennard could be proved to the requisite standard." This was a reference to the 'beyond reasonable doubt' standard, although Rennard's legal adviser Lord Carlile said in media interviews that Webster also concluded the allegations could not be proved to the lesser 'balance of probabilities' test.

Webster went on: "The evidence of behaviour which violated the personal space and autonomy of the complainants was broadly credible," but did not substantiate that Rennard "intended to act in an

indecent or sexually inappropriate way" and that, without such proof, a guilty verdict would not be tenable.

But Webster did not stop there. He added: "It is my view that Lord Rennard ought to reflect upon the effect that his behaviour has had and the distress which it caused and that an apology would be appropriate, as would a commitment to change his behaviour in future."

This cannot have pleased either side. Webster in effect said he believed some of the evidence from the women who made the allegations, but not enough of it – leaving them in limbo – while leaving Rennard in the situation unknown to English law of having been found 'probably a bit guilty'.

Rennard refused to give an apology, presumably as his legal advisers feared civil action by the complainants in which that could be cited as evidence of guilt. Rennard has always denied the allegations.

No sooner had Webster's statement appeared than one from party president Tim Farron followed. This said: "As a party we have no choice but to accept Alistair Webster QC's conclusions, but that does not mean I am content. Nick Clegg and I are clear that we need to look again at our disciplinary procedures... Lord Rennard must reflect on his actions and apologise to the women involved."

Webster had merely said Rennard "ought" to apologise. This was now hardened by Farron to "must". Clegg then threatened further charges against Rennard for bringing the party into disrepute if he failed to apologise. Rennard was then suspended by the shadowy Regional Parties Committee (see below).

As former Cambridge MP and law professor David Howarth pointed out (*Liberal Democrat Voice*, 21 January), the party would be on a very slippery slope if failing to do what the leader tells one to do constituted grounds for suspension.

Very few know what Webster had actually said in his report since, presumably in keeping with Clegg's support for secret courts, even Rennard's lawyers say they were denied sight of it. This handed Rennard grounds to complain of a lack of natural justice – he was being asked to apologise on the basis of evidence and conclusions contained in a report he was not allowed to see.

Rennard drew his strongest support from House of Lords colleagues and those – both male and female – who have been around long enough to recall his campaigning triumphs. They suspected that Clegg hoped Webster would give him the excuse both to gain favour with female voters and to remove someone who had become embarrassing by providing grounds for expelling Rennard, and that, when these were not forthcoming, set about finding others.

Rennard's accusers' strongest support came – again

both male and female – mainly from younger members who thought that the party had tried to sweep serious allegations of sexual harassment under an entire pile of carpets because it did not want to embarrass such a prominent figure and that Clegg – far from being exasperated with Rennard – had protected him by not acting decisively to punish him.

With inter-generational warfare tearing the party apart, things then got even worse. On the weekend after Webster's statement, both sides pursued their battle in the media in statements of astonishing intemperance.

Carlile used the Mail on Sunday (19 January) to compare the Liberal Democrat disciplinary procedure unfavourably with that of North Korea.

Bridget Harris, one of the complaints, then resigned her party membership the same day in the Observer, saying: "Parliament is a place of blind ignorance, stuffed with racists and sexists and they are all idiots and they are accepted. And that's why I walked away. I was actually wasting my time."

Worse was to come. On 26 January, the Sunday Times reported that Rennard's 'allies' (it was unclear who) said he could "expose two decades of sex scandals in the party if Nick Clegg tries to expel him". These were alleged to include "details of a married Liberal Democrat peer who has had extramarital affairs, a married MP who had a sexual liaison with a Liberal Democrat peer, a former MP who was regarded as a sex pest and secret gay liaisons involving both MPs and peers".

Given Rennard was either chief executive or head of campaigns for many years, it would be unsurprising that, if such things had happened, he knew about them, though there was only the 'allies' word that he would expose them.

Both sides upped the ante, with claims circulating that a 'fifth woman' would make allegations about Rennard, and statements from Carlile that he possessed 'devastating counter evidence' against one complainant.

Then silence descended. It seemed to dawn on Clegg and Farron that the consequences could be awful if anyone took civil action against Rennard, or he against the party.

Courts do not hide behind concerns about data protection, the ostensible reason for not publishing Webster. Everyone's evidence would be heard in public and subject to cross-examination.

The party must now have feared embarrassing disclosures about its inept handling of the whole thing right from when the allegations first surfaced (as detailed by the earlier Morrissey report, *Liberator* 360), let alone revelations of unedifying indiscretions by parliamentarians.

Mediation was then said to be in progress. The silence then ended with a BBC story (10 February) that Rennard had threatened legal action against Farron, English party chair Peter Ellis and RPC chair Mike Wheatley for failing to follow rules when suspending him after publication of Webster.

Rennard said he had not put this in the public domain, but had simply privately answered a letter from the party. If that is true, then someone inside the party leaked the story for motives that can only be guessed at.

Mediation was still live as *Liberator* went to press,

though what impact the leak row would have remained to be seen.

There will be many lessons drawn from the sorry tale. They should not include the idea that a 'strong leader' can expel anyone of whom they disapprove, or that internal democracy should be scrapped to clear the way for 'decisive action'.

SECRET SERVICE

The Liberal Democrats' little-known Regional Parties Committee (RPC) has played a key role in the Rennard affair, being the body to which Webster reported.

Those who supported secret courts would be proud of it. The RPC is not referred to in the party's constitution and, until the revamp of its website on 18 February, was not mentioned online either.

Liberator asked the RPC's chair Mike Wheatley to say who sat on his committee, who elected it and to explain its remit. Back came the reply: "You'll understand that I will give the same response that I've given to all media queries to date, and refer you to the party's press office."

So *Liberator* put question to the party press office, which didn't reply.

According to the new website, the RPC exists "to encourage best practice amongst regions, to discuss compliance issues and to draft strategies to promote the development of regional parties in terms of campaigning activity, membership and fundraising".

The first and third of those remits have no conceivable link to party discipline. If the second does, it is an unusual interpretation of 'compliance'.

The RPC comprises Wheatley, English chair Peter Ellis, English Candidates Committee chair Margaret Joachim, four unnamed members elected by the English council executive (who "are also in attendance", which makes it unclear whether they can vote), and there can be up to six co-optees.

CLEGG PICKS THE NON-RUNNER

It is one thing to back the wrong horse but quite another to back a non-existent one. That, though, is what Nick Clegg has done in the race for the presidency of the European Commission.

Along the way, he and his aides have stitched up a delegation and made the party look ridiculous among its European partners.

The saga began when former Belgian prime minister Guy Verhofstadt and Finnish commissioner Olli Rehn put themselves forward to be the Alliance of Liberals and Democrats for Europe (ALDE) candidate for the presidency and in effect leader of its European election

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campaign.

A meeting to choose the candidate was fixed for Brussels on 1 February and nominations opened for Liberal Democrats who wished to attend. Since no expenses are paid, such delegations tend to consist of those willing to pay their way and, if there are more people than places, an opaque process decides who votes.

But then Verhofstadt and Rehn did a deal. The former would contest the presidency while the latter would be nominated for another senior post.

Few would have noticed this deal in the UK had Clegg not immediately blown a gasket. The party issued an extraordinary statement: "This isn't a deal Nick Clegg or the Liberal Democrats have signed up to, and we won't be supporting it.

"We will continue to back Olli Rehn, and we regard him as being at the top of the liberal ticket across Europe, certainly in the UK. Nick Clegg will not be campaigning with Guy Verhofstadt and does not support at all his views of a federal Europe."

While Clegg wants the Liberal Democrats to be the 'party of in' for Europe, he clearly does not want to be too far in and considers Verhofstadt a dangerous federalist. His statement put the Liberal Democrats in the absurd position of supporting a candidate as 'top of the liberal ticket' who was no longer standing, and of refusing to campaign in the UK with the candidate who was.

At least one person who had been told he would be on the Brussels delegation was abruptly and without explanation told he was off it – he surmises because he could not be counted on as a 100% Clegg loyalist on the matter. Nor could the Liberal Democrat MEPs, most of whom thought Clegg had taken leave of his senses.

Things became heated. The combative North West MEP Chris Davies told colleagues: "So the leader of our party intends to back a Liberal candidate for President of the European Commission who is in fact not a candidate for the job. And this despite the fact that the majority of his MEPs will support the official candidate. This is madness."

Eastern region MEP Andrew Duff then wrote to the hand-picked loyalists with which the Brussels delegation had been packed to say the deal had been attacked on the grounds that "Verhofstadt is a dangerous federalist who will undermine the party's main thrust in this election that we are merely the 'party of in'."

Duff continued: "Verhofstadt is by far and away the superior campaigner and the more experienced politician. His liberalism is beyond doubt. He is certainly able to modify the federal message to suit the different national and media contexts with which we have to deal as EU politicians without sacrificing his fundamental belief that only a deeper unity and stronger democratic governance at the EU level is necessary."

Baroness Falkner then waded in, saying the international affairs team had taken a decision on the deal. This is not the elected international relations committee but a semi-formal grouping of assorted parliamentarians and representatives from various bodies.

Her message contained the mysterious observation that Martin Horwood, chair of the European Elections Manifesto Group, was there and "he has access to

significant polling leading up to May, and is cognisant of our voter's views on the EU".

She presumably meant "our voters' views" – things can't have got that bad, surely?

Falkner added: "On Mr Verhofstadt himself: He is not helped by his regular interviews on the Today Programme where he airs his views about the United Kingdom government in colourful terms – a government which has Liberal Democrat Ministers. He has a long tail of speaking against the UK, and now cannot expect to be embraced by people in the UK or considered in high regard as representing the EU institutions."

A furious Duff responded: "As you know, because we have known each other for many years, I was not born yesterday. I object to the International Affairs Team of the Westminster parliamentary party seeking to bypass the statutory bodies of the party in the matter of mandating the party delegation to the ALDE Congress."

He also asked what Verhofstadt had said to give offence and said he was unable to find the large number of European liberals who Falkner imagined would oppose the deal between the two candidates.

ALDE duly voted by 245 votes to 44 to accept the deal between Verhofstadt and Rehn, with 20 abstentions, leaving the former to stand for president, the latter for another role and Clegg looking isolated.

A SAFER PAIR OF HANDS

How did Lorely Burt contrive to lose the election for the deputy leadership of the Liberal Democrat parliamentary party?

This election is for a deputy in parliament and not, as some commentators had it, a vote for the deputy leadership of the party, a post that does not exist.

Burt launched her campaign soon after Simon Hughes stood down from the role to become a justice minister. She announced that she had 24 nominations, almost a majority of the 57-strong electorate, assuming she voted for herself.

But then Malcolm Bruce stood too. Bruce has been an MP for 31 years, is retiring at the next election and so has no ambitions. Meanwhile, Burnley MP Gordon Birtwistle also stood – an act of hubris given he got a mere three votes, presumably his own and two nominators.

The first vote was Bruce 26, Burt 25 and Birtwistle three. On redistribution, Bruce won by 28 to 25.

Burt's failure to clinch the post, despite circumstances making many think it urgent to have more women in visible roles, may have turned despite her wide popularity on the past record of deputies. Both Menzies Campbell in 2006 and Vince Cable in 2007 had to act up in sudden leadership vacancies and there were doubts about her ability to take over in such a crisis.

What's more, were an urgent vacancy to need filling after the next election, MPs could, with Bruce conveniently gone, choose from amongst those who are at present ministers. An unwritten convention at present bars them from the deputy leadership.

POETIC JUSTICE

It's always nice to be the beneficiary of a happy accident, and one has happened to Lord McNally.

He moved in December from being a justice minister

to chairing the Youth Justice Board, which resulted in Simon Hughes replacing him as a minister. That would be the same Youth Justice Board that McNally sought to abolish as a contribution to the 2011 'quango cull'.

A scathing select committee report on 22 November that year set the scene for a likely parliamentary defeat on the matter, which moved McNally to tell the House of Lords the next day that the government realised "that the future of the Youth Justice Board is an emotive issue" and that, while ministers believed its functions could have been brought in-house and carried out by the Ministry of Justice, they accepted there had been "considerable opposition" to such a move.

Thus the YJB survived and, two years later, provided an agreeable berth for McNally, who presumably no longer thinks its functions could be absorbed into the MoJ.

RIGHT, EVERYBODY OUT

A low profile bit of vacancy filling took place among Liberal Democrat peers when their convenor John Alderdice resigned to take an academic appointment.

The post was created as a spokesperson for backbench peers, but Alderdice has been more like that of a government whip, some disgruntled peers feel.

Alderdice sounded like someone who always wanted to be a minister and the reshuffle last autumn was his last chance, when he was overlooked. He may also have wanted to stand as Lords' leader, but did not contest the position when the unbeatable Jim Wallace stood.

The new convenor Joan Walmsley has said all the right things about being more of a shop steward for their lordships.

THEN THERE WERE ALMOST NONE

There was much speculation when Sarah Teather announced she would not contest her Brent Central seat again that, in addition to her stated disagreements with Nick Clegg, the probability of losing must also have been a factor.

Voting for her successor saw Ibrahim Taguri selected but with a mere 28 votes cast in all.

This was said to be quite good turnout, which invites the question – how on earth has membership been allowed to fall below 100 in a held seat?

A SINGLE TIER TOILET

The coveted Mitcham and Morden Commemorative Gold Toilet is on its way to the Lincoln, Sleaford & North Hykeham local party for a motion on unitary councils.

Since 1983, the toilet has been awarded for the worst motion submitted to each party conference, and this one ticks many boxes.

Its basic argument may well be true that unitary authorities would be cheaper to run than the two-tier ones and therefore cuts need not be so deep. This, though, was expressed as "Conference notes the public is voicing objections at paying for two tiers of local elected councillors, which in many cases is the same person."

Who is, where? Almost the whole motion comprises a series of similar unsupported assertions, such as "conference asserts that a single tier of local government is beneficial in many ways, including services provision and cost of service", and then makes the confusing claim "a single tier of local government will build on the party's appeal for the 2015 general election, ensuring and communicating the effectiveness and distinct identity of the party both as part of an effective government and as a strong and distinctive voice inside and outside the coalition".

Just to finish off, had this been debated, conference would have been invited to call for: "in areas where there are a number of tiers of local government, including that of district and county councils, councils with neighbouring councils or part of shall be allowed to proceed with the conversion to a unitary council".

Well that's all clear, then.

MORE HOMEWORK NEEDED

The Liberal Democrats are much given to trumpeting improvements to education on their watch. Sadly, these came too late for some party staff.

An e-mail sent to members for the 1 February 'day of action' had a link to a website whose first sentence read: "On 1st February Liberal Democrats from across the country will be campaigning to protect British jobs by keeping Britain in the EU and deliver a £800 income tax for ordinary working people."

In a similar vein, a statement from the House of Lords group announced Joan Walmsley "was unelected unopposed by her colleagues and takes up the role" of convenor.

GRAB A WEEK - OR MORE - IN THE SOUTH OF FRANCE!

Longstanding Liberator subscribers and contributors, Michael Meadowcroft and Peter Wrigley, together with other Liberals and friends, have a cottage in the Languedoc, which is often available to rent at cost.

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DUNNO, GUV'NER

Bank of England governor Mark Carney might want to target the output gap to encourage real wage increases, but it needs the coalition to tell him he can do this to sustain recovery, says Bill le Breton

The UK economy finally turned the corner on the longest recession in its history on 6 March 2013. I was sure of it then and I am sure of it now, even though then all the talk was of a 'triple dip recession' and today the recovery is recognised as still facing strong headwinds. This article looks at the origins of this recovery and a necessary condition for its continuance.

On that day, the *New Statesman* published a piece by Vince Cable which journalists billed as the launch of Plan C or Plan Cable. It was titled, 'When the Facts Change, I Change My Mind'.

Echoing the words of Keynes in this way, one might have expected it to have been a paean to that great Liberal, but it was not really or not exclusively so. True to a Liberal perspective, Cable identified a variety of features of the great financial crisis and requirements for recovery.

He wrote: "Worryingly, few economists beyond Hyman Minsky and Charles Kindleberger have really addressed the phenomenon of financial mania and banking collapses (although Ben Bernanke, the chairman of the Federal Reserve, produced important work on how the banking crisis worsened the Great Depression in the US).

"Another defining feature of the present crisis has been the accumulation of a large volume of household debt, mostly linked to mortgages, which, as Irving Fisher argued a century ago, leads to 'debt deflation', with a downward spiral of depressed demand, unserviceable debt and weak confidence. Then Milton Friedman understood the importance of money supply in the interwar slump, which has played out in the current crisis in activist, unorthodox monetary policy."

Cable's analysis took matters beyond a simplistic Punch and Judy contest between Neo-Cons and simplistic Keynesians, or between Plans A and B. Although none of the issues that Cable identified made Keynes irrelevant, he set out a more complex and eclectic framework for leading the country out of the five long years of depression and stagnation.

But, however wise and essential Cable's thinking was for an understanding of what would be needed to initiate recovery, this was not the significant turning point for the economy. On the same day, *Financial Times* journalists Chris Giles and George Parker published a briefing they had received at the Treasury, 'Osborne to hand Carney more powers'.

"George Osborne's Budget," they wrote, "will pave the way for Mark Carney, incoming Bank of England governor, to come to the rescue of the economy as the chancellor sets the scene for a new era of looser monetary policy."

Under the Bank of England Act 1997, the Chancellor has the responsibility to confirm or amend the remit of the Bank of England each year. The journalists were told: "Treasury officials are discussing proposals to change the remit of the Bank to coincide with the arrival of Mr Carney as the governor in July, reflecting frustration at what was seen as previous BoE intransigence.

"The government expects the BoE to think afresh about monetary policy under the leadership of the Canadian central banker at a time when Mr Osborne's fiscal room for manoeuvre is highly constrained."

Options included giving the monetary policy committee greater time to bring inflation back to the 2% target, giving the BoE a Federal Reserve-style dual mandate to target both employment and inflation, and targeting cash spending in the economy rather than inflation – targeting Nominal Gross Domestic Product (NGDP).

We know now that Carney appeared to grasp the first two of those options when he published forward guidance as a way of convincing business and citizens that interest rates would remain low for a long time. Specifically, no consideration would be given to raising the rate until at least one of two 'knockouts' was exceeded: a two-year inflation projection of 2.5% or an unemployment level of 7% (which was 7.8% at the time).

I write 'appeared' because the new governor may have surreptitiously kept the NGDP option under consideration. But business did not have to wait for August to understand that interest rates would remain low for longer. The Osborne briefing published on 6 March operated as a green light that monetary policy would underpin demand stimulus for a good number of years.

QUIET REVOLUTION

As Philip Aldrick at the *Telegraph* reported, "a quiet revolution" was underway: growth had been prioritised over inflation. In the months that followed, business and citizens took the lead they had been given. They began to ease their deleveraging.

Citizens derived the confidence to use savings to increase consumption. Businesses, anticipating the pick up in demand, began to restock, retool and take on staff. Output grew almost immediately with employment rates rising strongly. It really was that simple to end the recession.

However, Carney had not been an entirely free agent when he arrived in Threadneedle Street. He needed to carry with him his nine colleagues on the Monetary Policy Committee, a number of whom were

inflation hawks with records of demanding higher interest rates at the slightest sign of recovery. He had won their unanimous support only by committing to 'hair triggered' levels for the knockouts. That compromise would soon come to haunt him.

By January 2014, with the unemployment rate falling to 7.1%, the employment knockout looked about to trigger concern over rates and undermine the confidence that had been building.

From the outset, Carney had his eyes on another indicator. "In designing guidance one would look at an output gap" (the gap between what the economy was delivering and what it could deliver at full capacity). "There is a considerable margin of slack in the economy... a recovery in productivity driven by a recovery in demand would mean faster growth of real incomes. Such outcomes would represent real improvements in the lives of people across the nation."

Why hadn't he highlighted the output gap in his guidance? He told Aldrick: "Few outside of the economics profession would understand the concept of the output gap," that his intended message that rates would remain low for a considerable time would be lost on households and businesses, if the Bank spoke of targeting the output gap.

It remains extraordinary that apparently intelligent central bankers should live in such a rarefied atmosphere that they doubt the ability of business people and citizens to understand concepts such as real wage increases and slack in the economy. Also lost in the process of identifying an unemployment level as a proxy for the output gap was the understanding that what he was really aiming at was real wage increases to sustain higher demand in the economy.

So, as a proxy for the output gap, Carney chose a level for unemployment of 7%. But a question always hung in the air: what if the output gap was much larger than he had calculated, so that when unemployment fell to 7% real wages were still not rising?

It was concerns around these issues that were behind the wording of the Social Liberal Forum's amendment to the economy motion at last September's party conference in Glasgow. In the light of Carney's relatively unambitious target for unemployment being met with ease and without a commensurate increase in real wages, and his vulnerability to the cries of his hawkish colleagues on and off the MPC, it is worth revisiting the SLF amendment, which read: "Monitor closely the progress of the Bank of England, ensuring it has a refocused mandate that allows monetary policy to aid growth, reduce the unemployment rate to below 6% creating at least a million jobs, and to address weak income growth, targeting a higher level of national/median income."

In February 2014, guidance which was meant to be clear, credible and long-lasting was jettisoned after only six months and replaced by an ill-defined system based on 18 forecasts. Gone was the clarity of the original guidance; nowhere was the more accurate employment target and political support that the

"What if the output gap was much larger than he had calculated, so that when unemployment fell to 7% real wages were still not rising?"

adoption of the SLF amendment by the Liberal Democrats would have offered.

So what now for the Bank of England? There remains a glimmer of hope.

Among the wreckage

of his first attempt, Carney is still challenging the hawks and saying rates must remain low for longer. But without overt political support, he cannot be explicit and, without such openness, there is room for consumer and business confidence to be undermined.

What we know is that, when the governor said he was targeting 7% unemployment, it was a proxy for the output gap, which itself was a proxy for increasing real wages. Perhaps both were proxies for something else? Well, we are talking about central bankers who seem to revel in riddles, mysteries and enigma.

What else do we know? Carney does not want interest rates to rise. He wants the output gap to close and for real wages to rise. CPI inflation is 2% and forecast to remain at 2% for two or three years. Output or real GDP growth is forecast by the Bank to be 3.5%. This means that Carney and the Bank's assessment of expected growth in cash spending in the economy (NGDP) is likely to be 5.5% for the next couple of years. Could he, finally, be adopting the Treasury's third option of the 6 March 2013 briefing, "targeting cash spending in the economy rather than inflation"?

But 5.5% is 1% above the long-term trend for NGDP growth in the UK. If Carney is saying that rates do not need to rise, he is saying that he is content with NGDP growth remaining above trend for a couple more years, to close the output gap and produce the real wage growth that will deliver sustainable increased demand.

STABILITY AND CERTAINTY

The inference from the above is that, after two years of 'catch up' when he does gradually begin to raise rates, he will be targeting nominal growth in output and incomes at the long-term rate of 4.5% a year, heralding a period of stability and certainty in which inflation is around 2%, real growth at 2.5% and interest rates at around 2.5%.

Last year, Japan's prime minister Shinzo Abe and Bank of Japan governor Haruhiko Kuroda introduced a similar approach, which they called the Three Arrows. Since then, they have succeeded in stimulating demand following two lost decades of stagnation and rising debt.

So, why doesn't Carney take advantage of a transparent, rule-based Liberal system like NGDP level targeting? History shows that it is nominal stability that provides low and stable inflation and stable real output growth. Perhaps he still doesn't think business and citizens are knowledgeable enough to take their lead from an assurance of nominal stability, which is the only thing that a central bank, ultimately, has power over.

Or perhaps he is waiting for political leaders to tell him. Either way, the coalition needs to write him a letter now saying, "Yes, you can."

Bill le Breton is a former chair and president of the Association of Liberal Democrat Councillors

EMPOWERING THE FAMOUS AND LAZY

The idea of ‘one member, one vote’ for Liberal Democrat federal committees has again reared its ugly head. It is a dangerous idea that could result in more factionalism and less accountability, says Gareth Epps

Around a 12 years ago, the Liberal Democrat Federal Executive (FE) killed off what had been a quite determined drive to introduce ‘one member, one vote’ (OMOV) for various party committees, including the key federal bodies that run large parts of the party and are a pivotal part of its internal democracy.

With initial strong support having ebbed as the true implications of OMOV set in, it was ditched alongside a constitutional review.

Now we have OMOV once more proposed as the solution to a series of largely imaginary problems (while events of recent months demonstrate the need for the constitutional review is even more urgent).

A placebo for party leaderships bored of being held to account by federal committees, OMOV in fact offers few benefits and many disadvantages. Far from the obvious cost (at least the cost of the spring conference, described by those who see the cost of everything and the value

of nothing as “the cost of a target seat”) to a party demonstrably shorter of funds than at any time in the last two decades, the real reason it is wrong is that it will weaken the party and instead open it to entrenched factionalism.

Why? Well, even if the current rule that MPs cannot stand is retained, the places elected are likely to be dominated by a few well-known people, ex-MPs and peers, much more so than at present.

The only party hacks whose names will be known will be those who have a high media profile, which is not in itself a relevant skill set for any of the federal committees.

Most of the time, most of the party’s committees are supported by hardworking volunteers who regularly put their lives on hold to digest papers, often sent at short notice; those from north of the Watford Gap make considerable sacrifices to get the last train home (if lucky); and most make some additional working commitment (certainly on Federal Conference Committee (FCC) and Federal Policy Committee (FPC), the latter having suffered from the loss of funding and staff). Those who do the work are generally the activists; councillors and campaigners

who are motivated to take and use power and do so.

At present, new people can get elected each time round; many of them are the most active, relevant and effective participants. The chances of that would be reduced by OMOV to virtually nil overnight. They have generally got elected through hard work within the party’s policy-making process; by the thankless task of running a party body; or similar. That motivation for running a party body will in itself wither.

“The real power of the conference is that those sent to vote have the opportunity to vote out those who underperform or disappoint”

LABOUR FACTIONS

The only possible way in which new talented people could get elected would be to form and join factions of the kind seen in the Labour Party. This would, for example, mask the dynamic of unusual allegiances that see people like me side with David Laws on many aspects of policy for an ageing population, for example. And it would certainly end the pattern of committee members taking

on active volunteer roles that the party needs but can’t sustain by the current level of staff. Diligent workers would be replaced by lazy factional drones.

The time and energy needed to fight committee elections seriously would be considerable and would have to take precedence over campaigning. Parliamentary candidates who spend time knocking on doors and, crucially, listening would no longer be able to do both, which would knock out three effective women members of the current FPC for starters.

OMOV would thus be a diversion from campaigning; the party bubble would substitute the real world. And with the increased polarisation of the party over the last decade and the abuse of social media by some, the elections would result in an increase in bitter internal infighting.

Equally importantly, the party organisation would be let off the hook. While there are imperfections in the current accountability to Federal Conference, it is certainly there; and the abilities of people to change things (such as getting even the most skeletal official reports from bodies whose members are formally gagged from commenting publicly on what is being discussed) would be drastically reduced.

Yes, some party bigwigs have got themselves into a tizzy by those who have the temerity to ask questions – and some senior figures view being held to account with visible disgust. But the probing that does take place is frequently positive and constructive.

The real power of the conference is that those sent to vote have the opportunity to vote out those who underperform or disappoint. How would a Conference Committee, say, that excluded disabled people or refused to take debates on key issues be held to account by those who haven't taken part?

KILLING ACCOUNTABILITY

The truth of OMOV – and the reason it was put forward last time by advisors to Charles Kennedy – is that it would kill internal accountability stone dead.

And what of the benefits? There really aren't any. Turnouts will be barely greater than they are now (as happened when the then youth and student wing went to all-member postal ballots for its internal elections); and people will quickly work out that they are less rather than more easily able to hold the party to account. Next will follow the abolition of the Federal Conference report sessions, as that line of accountability will have been destroyed.

At best, it can be said of OMOV that it is a distraction, 15 months from a general election that for many will be a fight for survival. A consultation has been squeezed by the FE into the lunchtime of this March's spring conference, which a few months ago it wanted to abolish.

Ironically, party members outside conference have not been consulted. The last time they were, the responses were lukewarm at best. However, those that care about the responsiveness, vibrancy and diversity of the party and its internal democracy need to wake up to this threat.

There is a clear desire to drive this through by people whose real intentions are unclear. There are and have always been some silly and out-of-touch people in the upper, generally unelected echelons of the party whose key driver is to turn the Liberal Democrats into a clone of Blairite New Labour.

For the checks and balances of liberal democracy, they show contempt. They want control untrammelled by accountability, and have not been convinced by the lessons of this parliament that an arrogant desire for unaccountable power does not work.

They will need a two-thirds majority to get this nonsense through conference. If the party has a proper debate – and if I and those who agree with me have anything to do with it, it will – they will lose and the party will win. But, to adapt a phrase, we will not win if we don't work.

Gareth Epps is a member of the Liberator Collective

SOCIAL LIBERAL FORUM

FRINGE MEETINGS AT

LIBERAL DEMOCRAT SPRING CONFERENCE IN YORK

Responsible capitalism: a new social partnership between labour and capital

Speakers:

Vince Cable MP (Secretary of State for Business, Innovation and Skills)

Catherine Howarth (Chief Executive, ShareAction)

Frances O'Grady (General Secretary, TUC)

Chair: Janice Turner (Social Liberal Forum Council)

Time and venue: 20.15-21.30 on Friday 7 March, Novotel Hotel, Meeting Rooms 1 + 2

and

Learning from the best: how do we get evidence-led education?

Speakers:

David Laws MP (Minister of State, Department of Education)

Stephen Tall (Education Endowment Foundation)

Lord Phil Willis (Patron of Education Media Centre and member of Lords Science and Technology Committee)

James Kempton (Associate Director, CentreForum)

Chair: Cllr Helen Flynn (Social Liberal Forum Council)

Time and venue: 13.00-14.00 on Saturday 8 March, Novotel Hotel, Meeting Rooms 1 + 2

HOLIDAY HELL

The government's crackdown on school term time holidays is symptomatic of the sort of attack on freedom that fuels UKIP, says Karen Wilkinson

Education being a hot topic, here are some exam questions for you:

- ☛ What's the connection between school attendance policy and UKIP's rise in the opinion polls?
- ☛ What is the role of the state in family life?
- ☛ Have political parties done anything to rescue, repair and reform the relationship between politicians and the electorate?
- ☛ Does Michael Gove's performance as education secretary highlight the flaws in the education system that produced him?
- ☛ Do we use too much policy and too little psychology?
- ☛ Do we have a common sense of what we mean by 'equality'?

To me, these questions are all linked. I have no idea whether they are to you. Indeed, I have no idea what your worldview is. What I do know is that, in a country of 60 million people, there are 60 million worldviews and surprisingly little evidence which of these is, in the wide perspective of human existence, any more objectively correct than another.

Of course, you can make a judgement on which is the more valid in this or that context, but that's not the same as finding an objective truth. So, what commonality can I find with my fellow citizens, given that taxes are by no means universal? I can find three: death, change and that my existence is as equally real to me as yours is to you.

So, when, in my highly subjective existence, I find something that tries to mould me, offends my personal beliefs or stops me doing things I consider important in my finite existence, I resist. I become unhappy, stressed, more likely to be resistant to other ideas – unless I am convinced that there is a very good reason for accepting this.

And so we get to question 1 above. The answer is a sense of a loss of autonomy. For some, seeping control freakery under Labour produced a social claustrophobia. We've also experienced huge shifts in values (let alone the extremes of political correctness), which told a generation or two of our population that what they thought, even believed, was wrong.

Their worldview was attacked but, given the media and people's tendency to stick with specific outlets, a satisfactory explanation didn't always reach them. Add to those the constant bombardment with messages on how to live our lives: don't eat that; take this much exercise; don't shout at your children; don't smoke in the pub; you are a failure if you are not well off; you must have ambition; you have to have good academic qualifications to be a success in life; wear these clothes;

you need to have this body shape; stop drinking too much, etc.

UKIP's success is down to finding a scapegoat in the shape of the EU for those who feel this loss of personal freedom.

With parents, the final straw on autonomy is over the ridiculous change in the attendance policy, a Statutory Instrument that removed the words 'family holidays' from reasons for headteachers to authorise absence in term time, and replaced them with 'exceptional' regarding the circumstances in which heads can exercise discretion. The message from the Department for Education was clear. "Parents cannot be trusted to have their children's best interests at heart and head teachers cannot be trusted to make the judgement as to when this is the case."

So parents looked for evidence to persuade them that they should accept this astonishing interference in family lives. Unfortunately, the evidence for the policy is not only unconvincing; it is plain absent.

It is hard not to see the report behind this by Charlie Taylor, a former head teacher, old Etonian contemporary of David Cameron, and Michael Gove's acceptance of it as "excellent" as a damning indictment of their education: the justification for this attack on family autonomy boils down to the phrase that "some parents" think they are entitled to two weeks' holiday in term time every year. That's it. "Some parents."

In other circumstances, I would feel obliged to evidence here the reports from parents of being fined or refused permission for taking their children out for family celebrations, illness, bereavement and disability or because parents are unable to take time off work in school holidays.

Or to give you links to show the effect on not just family pockets but the tourism trade and communities involved in it. But if hearsay is good enough for government policy, it's good enough for this article.

I want instead to use this opportunity to ask Liberals to think carefully about the balance in our manifesto and election communications between policy and psychology: we should be the natural party of choice for those who feel their autonomy is under threat.

Do we make it clear that we "champion the freedom, dignity and well-being of individuals" or do we too give the impression – like those who say to me "oh, but the holiday thing is about the people who go off to Spain every year" – that we think we know best how people should lead their lives?

Karen Wilkinson is a Liberal Democrat member in Thornbury and Yate

HOMES ALONE

A dispossessed generation urgently needs more house building and stable private renting, says Tim Farron

I read about a teacher in Streatham describing how she sees children in her classes fall asleep in the afternoon because their homes are too overcrowded. They can't sleep at night.

This is what the housing crisis feels like to people who are in it. We read about numbers in housing need and prices rocketing but nothing makes sense until it's personal. Overcrowding affects your sleep, health and education. In London, one in four children live in overcrowded homes.

In Poverty and Homelessness Action Week, the coalition launched a review into the role that local authorities can play in building new homes. This rather dry statement might draw a yawn for anyone outside housing circles, but actually could be the most significant action of that week. Because the underlying causes of homelessness have their roots in 30 years of failed government housing policy. Think beyond street homelessness and into the hidden housing crisis, which is affecting a growing number of people whose position is nothing less than desperate.

Young people know about twenty-first century housing need. It's that hopelessness when getting a job is counterproductive when it comes to getting a home, when your friends with richer parents finally manage a deposit and when your toilet floods and your landlord won't fix the pipes.

The questions surrounding how we tackle this crisis run deep. What kind of homes should we build? Who for? At what cost? And how can we improve housing across all areas, not just for homeowners and the next cohort?

Were it not for the Liberal Democrats in coalition, those facing the sharp end of a housing crisis would be in far worse shape, because Labour and Conservatives simply haven't had the courage to ask the hard questions. So while we have delivered more social homes in three years than Labour delivered in 13, even in opposition Labour is too timid to say what needs to be done.

It would be entirely dishonest to pretend that the measures the coalition has taken are anything but a tiny first step. We've gone some way to stopping the rot but we've not started the housing recovery.

And sometimes it's felt like one step forward by the Liberal Democrats, two steps back by the Tories. So while we have fought hard to give councils the Right to Build, by lifting their borrowing limits, the Tories continue to aggressively pursue Right to Buy with no long-term commitment to sustainable housing policy.

Liberal Democrats have been pushing a one-for-one replacement for social homes. But we should go further. Local authorities should have the right to suspend Right to Buy, or at the very least to set the discount level to reflect local housing markets. The receipts should automatically go to local authorities, instead of disappearing into Treasury coffers, and

if one-for-one replacement isn't happening within a reasonable length of time we should work with local authorities to ensure that it does.

And this specific issue illustrates a wider misconception of what our country needs. Firstly, housing is a local issue. Local markets and local needs vary. The links between jobs, growth, communities, infrastructure and rents are best understood by those on the ground, supported by and not frustrated by central government. We need to keep the pressure up so that councils use the powers the Liberal Democrats (the true party of localism) have given them.

Take the private rented sector. Between 2001 and 2011, the number of private renters in poverty doubled to four million. More than a third of these homes do not meet the Decent Homes Standard.

I've called on Eric Pickles to introduce family friendly tenancies so those who can't afford to buy have the realistic option of a tenancy longer than a year. It is no small feat that, a year after Liberal Democrats highlighted the appalling conditions that face those in a renting lottery, the government has produced a Tenant's Charter and shifted its position on longer tenancies.

Local authorities now have a great opportunity to start licensing their landlords to transform this sector from an insecure lottery to a secure, stable sector. By working with housing associations and community groups, they are best placed to spread the word that the private rented sector is changing.

Secondly, a quick fix to help the next cohort of homeowners (while risking a house price bubble) simply isn't going to cut it. Housing is a long-term investment and needs a sustainable strategy. By pursuing Right to Buy, the Conservatives signal they are more interested in vote-winning policies than in long-term solutions.

Our commitment to building 300,000 homes a year is (and I quote the National Housing Federation) "what this country needs". Playing politics with housing, to appease those not in need, is a shameful thing and the Liberal Democrats stand alone in fighting it.

As the dispossessed generations grow in number, the Liberal Democrats are on the right side of history. The people who desperately need someone to stand up for them are getting louder, so this is our moment.

Tim Farron is president of the Liberal Democrats, and MP for Westmorland and Lonsdale

A DEATH IN THE FAMILY

Simon Titley asks whether the Liberal Democrats have any idea what ‘society’ or ‘community’ really mean

On 10 January 2014, an 87-year-old woman died in Lincoln County Hospital after a short illness. A commonplace sort of event, you might think. And statistically speaking, you would probably be right.

Except that the woman concerned was my aunt. I had been her main carer for the previous year and now, for the first time, found myself at the centre of responsibilities for dealing with someone’s death. And these experiences have had a more profound effect on my political thinking than any other event in my life.

Not that my situation is unique. Let’s be frank, most Liberator readers are now middle-aged and will be familiar with various caring needs and deaths in their parents’ generation – or soon will. But why would such a death have political implications?

My Aunt Flo was my father’s elder sister. Their mother (and my grandmother) died of meningitis in 1944, when my aunt was only 17 years old and my dad just 8. She took on the responsibilities of housekeeping and raising my dad. Her consequent lack of spare time and money in her late teens and twenties is probably why she never married.

Despite or perhaps because of this, to my cousin and brother and me, she was more like a second mother than an aunt. Likewise, her great-nephews and great-niece saw her more as another grandmother than a great-aunt.

Aunt Flo’s final illness and death happened in the space of less than 48 hours. In this short time, I experienced both the best and worst the National Health Service has to offer. The best happens when you are dealing with doctors, nurses and health visitors face-to-face. The worst happens when you are dealing with remote services over the phone.

When you deal with people face-to-face, your faith in the NHS – and in the goodness of people in general – is reinforced. When you deal with the NHS’s hopeless out-of-hours service (which replaces GPs overnight), your faith in the NHS – and in the trustworthiness of people hiding behind systems – is tested to destruction. But then if you’re a Liberal, the importance of the human element should come as no surprise.

My aunt was admitted to hospital early one evening. Just after midnight, the hospital phoned to say she was poorly but stable. But early the following morning, the hospital called again to say that she had taken a turn for the worse overnight and did not have long to live. Could I come to the hospital as quickly as possible?

By the time I reached the hospital, it was too late. My aunt had died only half an hour after the phone call. Two nurses took me aside and broke the news. They must have to do this sort of thing almost every day, yet their sympathy was genuine and pitched just right, when it could have been so easy to slip into either insincere sentimentality or cold routine.

But then a question for which I was not prepared:

would I like to see my aunt? I had never seen a dead person before, let alone a close relative. Did I want my last memory of my aunt to be the sight of her dead body? Though unprepared, I quickly reached a decision. I would see her and make a last farewell. Somehow, I knew it was the right thing to do.

Then a meeting with the consultant to hear his preliminary diagnosis. Then a walk to my dad’s house in a state of disbelief. Then a sequence of meetings and phone calls to break the news to family and friends.

And then I bought a copy of the Which? handbook *What to do when someone dies*. In the event, I made very little use of the book but it did contain the best piece of advice I received: “There is no right or wrong way to grieve. There is also no set timetable for how long grief lasts.” But then if you’re a Liberal, the fact that no two people’s grief is alike should come as no surprise.

DEEP REFLECTIONS

You have no idea how you will react until it happens. Not that one has much time to reflect. The death of anyone these days is a bureaucratic affair as much as anything: coroners, registrars, funeral directors, vicars, solicitors and endless paperwork. But the surprise to me was that my aunt’s death provoked deep reflections on politics and life in general. And the first and most significant of these was on the importance of community – and by ‘community’ I do not mean delivering Focus leaflets.

I began caring for my aunt in January 2013, which meant becoming resident in a Lincolnshire village. It is a village I have known all my life, but I had never lived there until now. Indeed, I had never lived in the countryside before.

I had spent most of my adult life living in big cities and enjoyed the choice they had to offer. And I liked the anonymity. It didn’t bother me that I hardly knew my neighbours. After all, if you’re young, able-bodied and self-reliant, you can build your own networks – or so you think.

And then you come to live in a rural village. A place where people say “good morning” to one another whenever they pass in the street, even to people they don’t know. A place where people keep an eye out for each other and help one another. And crucially, a place where, when you lose a close relative, people go out of their way to offer condolences and practical help.

And then you appreciate why, unlike in London, people could never die in their homes and be left undiscovered for months or even years on end.

So my first message is for those of you who live in Greater London. Most of my best friends live in and around London. I love you dearly but I am sorry to say that, in your casual assumptions of metropolitan superiority, you are full of shit. And I know this because I used to live in London. I used to be like you.

I used to spend a fortune on inferior accommodation

and lengthy commuting. I used to boast about the world-class theatres and museums even though, like most Londoners, I hardly ever visited them. I used to brag about the superior restaurants when actually I ate out in the same sort of mediocre Chinese and Indian restaurants that people in the provinces do. And I never knew my neighbours – perish the thought.

But with the benefit of hindsight, I would simply ask those who continue to cherish this anonymity how sustainable their lifestyle will be as they reach pensionable age. If you lost your partner, would any of your neighbours know? Would any of them care? And if you died alone, how long would it be before anyone discovered your body?

Most British people live in towns or cities and I am not suggesting that rural village life can be replicated there. What we must do, however, is consider how we can revive and nourish community life in our cities. Loneliness is a growing problem with a damaging effect on people's health and well-being, which in turn has serious implications for public services and policy.

My second message is also about the value of community. But it is a message for the Liberal Democrats in general: 'Community Politics'? Don't make me laugh.

Let me tell you what 'community' actually means. It is a self-organising, informal system of mutual support. It is not about delivering leaflets.

We have a healthy sense of community here in this Lincolnshire village. It has existed for centuries without any help from a local Focus team. And it meant that, when I suffered bereavement, local people rallied round.

The originators of Community Politics understood this. In *The Theory and Practice of Community Politics*, first published in 1980, the authors Bernard Greaves and Gordon Lishman set the social context: "A society based upon liberty is also based upon responsibility and inter-dependence. It requires a framework which guarantees liberty and supports inter-dependence. It is in *community* that mutual and individual responsibility operates. It is in interaction with others, in *community* with others, that the framework is fashioned and the guarantees freely agreed."

And the very first sentence of this booklet warned: "Community Politics is not a technique for the winning of local government elections."

Within a few years, this had been forgotten. 'Community Politics' rapidly descended into a crude vote-winning technique based on a sort of unpaid social work, in which voters were treated as supplicants and nothing whatever was done to encourage their self-confidence or self-reliance.

This might be excused if the Liberal Democrats had gone from strength to strength. In fact, their total number of local councillors has been in steady decline since a peak in the mid-1990s. And their highly labour-intensive strategy is no longer viable with a shrinking and ageing membership.

“Community Politics can be revived only if we go back to basics”

Community Politics can be revived only if we go back to basics. That means fostering a sufficiently strong sense of community that people can manage their own affairs without being dependent on the local Focus team. And if you want to experience such self-reliant communities first hand, you could do worse than take a look at the informal networks that thrive in a rural village.

My third message is for the assorted market fundamentalists in the Liberal Democrats (economic liberals, libertarians or whatever they choose to call themselves). Their ideology is based on economism, the assumption that all social facts can be reduced to economic dimensions, and that supply and demand trump all other factors.

Most adherents of this ideology seem to be young single men, who spend most of their lives on the internet and have never really learned social skills or come to appreciate the value of social relationships. They tend to fly off the handle whenever their beliefs are challenged, so I would simply ask them to consider this question:

When you are finally victorious and have succeeded in dismantling all public services; when all communities have been atomised, and all social relationships have been replaced with economic ones; when you are elderly and finally die alone, how long would it be before anyone found your body slumped on top of your keyboard?

The idea that society is necessarily illiberal or expendable is utter nonsense. The fact that the Liberal Democrats have tolerated such anti-social views in their ranks for the past decade reveals how weak the party's backbone has become.

Recent experiences have taught me like never before about a basic truth underlying Liberalism. We do not make ourselves free by jettisoning human relationships. We can live life to the full only through mutual support for one another. If you prefer social isolation and having only economic relationships with other people, that is your privilege. Just don't call it 'liberalism'.

Simon Titley is a member of the Liberator Collective

ENGLAND FROM THE BOTTOM UP

It is impossible to draw lines on a map to divide England into regional governments when the demand varies so much, say Dinti Batstone and Alex Davies

Whenever Liberal Democrats push for political and constitutional reforms, we hear the same refrain: there are other priorities.

There always will be. But our unique role in contemporary British politics is to insist that reforming Britain's polarised, majoritarian politics is a priority, because a political system that more effectively empowers its people is a prerequisite to the stronger economy and fairer society we believe in.

Academic evidence is on our side. In his recently updated *Patterns of Democracy*, Arend Lijphart studied 36 democracies from Botswana to Belgium, Japan to Jamaica.

He concluded: "Majoritarian democracies do not outperform the consensus democracies on effective government or effective policy making – in fact, the consensus democracies have the better record – but the consensus democracies do clearly outperform the majoritarian democracies with regard to the quality of democracy and democratic representation as well as with regard to what I have called the kindness and gentleness of their public policy orientations."

Our policy paper *Power to the People*, to be debated at spring conference in York, is about revitalising and upgrading the quality of our democracy, and diffusing power within it.

We start by setting out plans for fair representation at every level of British politics, from local government to the European Parliament. We restate our long-held commitment to STV, including – crucially – in English local government. We propose an extension of the franchise to 16- and 17-year-olds, the creation of overseas constituencies, and a move to voting at weekends. We reject the self-serving notion that politics is an 'all or nothing' vocation and make standing for parliament viable for people from a wider range of backgrounds, by proposing a right for candidates to stand for the Commons on a joint ticket, sharing the job and salary of an MP if elected. In doing so, we put power in the hands of voters – not Westminster villagers – to decide whether this arrangement can work in parliament, as it has done in at senior levels in business, the professions, the trades union movement and the civil service.

Next, we set out a road map to achieve our long-held aspiration of a federal United Kingdom. At a time when separatists in Scotland seek to dissolve the union, our Liberal Democrat vision is of a United Kingdom that punches above its weight in the world, secured internally by a stable balance of power within our own borders. We explicitly endorse Sir Menzies Campbell's commission's ambitions for a strong Scotland inside the UK, and the Silk Commission's

proposals to move Welsh devolution to a new level of power and responsibility. We also propose a new commission on devolution in Northern Ireland as a catalyst for further fiscal powers to be devolved to Stormont.

HOME RULE ALL ROUND

These are all easy, natural things for Liberal Democrats to favour: 'home rule all around' is a long-standing Liberal ideal now within our grasp.

Our proposals for England flow naturally from it. We set out plans for an English Devolution Enabling Act, making devolution (in the first instance along Welsh lines) available on demand to any part of England that wants it. We highlight in the paper those parts of England where there is already demand, coupled with an institutional structure through which that demand could be satisfied: Cornwall (with its unitary authority) and London (with the GLA). But our proposals apply to the whole of England. We want to see other areas with a population of a million or more take power in a way that suits them, through their own tailor-made 'Devolution Agreements'. Above all, we want to see power flow out of Westminster and closer to the people.

It will be for elected local leaders to propose the architecture of new institutions to operate these powers, or to show how existing structures could do the job. Not everywhere would have to take the same powers at the same time; the Welsh powers are very wide-ranging, from agriculture to housing; food to flood defences. Devolution agreements would have to be supported by all local authorities in the areas concerned and be backed by demonstrable public support.

Our 'Devolution on Demand' model marries federalist ideals with the constitutional realities of England and the wider United Kingdom, recognising inherent asymmetries of demand for devolution. If Tring and Truro were making the same demands for powerful assemblies, it would be easy and reasonable to impose the same model on both. They aren't, so it isn't.

In working up our proposals, our group specifically examined and rejected a number of alternative approaches to the question of English devolution, including the approach taken by the party's 2007 policy paper on political and constitutional reform.

That paper concluded that constructing a sufficiently flexible UK federal structure, with attendant devolution to and within England, was so intractable that it should be sub-contracted indefinitely to a future constitutional convention. We felt that recent developments in Scotland and Wales mean that ducking the English question is no longer a tenable position: Liberal Democrats must lead this debate or

risk others doing so in a far more reactionary, narrow nationalistic direction.

Our group looked carefully at 'national' options for uniform federalism whereby England simply takes on a parliament akin to that in Scotland, with minimal reserve powers left to the UK federal tier. We concluded that with England comprising a disproportionately large unit within the federation, such a model would be inherently unstable – international evidence supports this.

Such a model would also entrench English power at Westminster instead of diffusing it to English regions. Variants of this 'pure' federalist model each have their problems – the 'English votes for English laws' approach would require an English executive to be formed separately from the UK government, but nonetheless on the basis of UK parliamentary elections. Creation of an entirely separate English parliament would avoid this problem, but would bring with it another layer of politicians without any obvious decentralisation.

Another option put to us was to try to design, from the group's meeting rooms in Westminster, a top-down, comprehensive regional settlement for the whole of England. We would in effect draw neat lines on a map to define (in some cases artificially) new English regions, which would each be given their own assembly. Our group debated this proposal at length on a number of occasions, and we included it in the party membership consultations we ran online and at spring conference last year.

On each occasion, a majority of both the working group and consultees rejected this 'top down' approach as a return to the autocratic failures of Labour's Prescott debacle in the north-east.

Quite apart from widely divergent views about regional boundaries, there is a huge difference in demand for devolution in different parts of England. Only the flexible model we propose – endorsed by a majority of members in our consultation – sufficiently recognises and addresses that disparity in demand.

We accept that 'devolution' and 'federalism' are different academic and political concepts; the former representing power given from the centre and the latter meaning power ceded to a specifically defined and limited centre. Yet absent of a full-scale constitutional convention producing the new written constitution to which Liberal Democrats have always aspired (and which our policy paper restates as our ideal), it is incumbent on us to work with the existing devolved settlements in Scotland, Wales, Northern Ireland and London. These constitute an emergent British form of federalism for which there is now cross-party consensus. The hypothetical best should not be the enemy of the achievable good.

We must not delude ourselves that an easily deliverable, tidy, one-size-fits-all answer to the 'English Question' will reveal itself to us if only we endorse yet more prevarication and delay. The policy we have developed is flexible, progressive and liberal. It unlocks a distinctively Liberal Democrat 'bottom up' solution to the English Question and constitutes the most radical devolution of power proposed by any party in the UK.

Crucially, it is also underpinned by the principle of popular support, with power coming first to areas that are demonstrably ready for it, without impositions on areas that aren't.

Power to the People also sets out our proposals for a more effective UK parliament to hold executive power better to account. Where power continues to rest in Westminster, the checks and balances of a strong bicameral parliament are essential. The House of Lords urgently needs reform: an effective second chamber needs legitimacy to boost its influence and properly undertake its vital scrutiny role. There are also practical problems to address: the Lords will likely grow beyond 1,000 members next time there is a new prime minister with a flock of supporters to ennoble.

Our paper explicitly identifies the 2012 Bill – which commanded cross-party support for the substance of its proposals, if not the process of their enactment – as the minimum starting point for reform, reiterating our party's support for a 100% elected chamber free of appointees, bishops and hereditary privilege. This section of the paper restates our commitment to the Wright Committee reforms to boost the power of backbench MPs; calls for an independent review of parliamentary procedure immediately following the next general election; and suggests a range of measures to make the operation of parliament more accessible and transparent.

VESTED INTERESTS

The final section of *Power to the People* focuses on opening up Westminster and Whitehall, exposing vested interests, expanding the coalition's efforts on transparency, and pursuing full-scale reform of party political finance arrangements. We will give the public better tools to hold Whitehall to account by publishing data on all meetings between lobbyists (in-house and otherwise) and special advisers, building on the present regime for ministers. We endorse Leveson's proposals for the media and, in restating our commitment to cap party political donations, we aim to put an end to the auction of influence and access in Westminster.

In reading *Power to the People*, consider the radical change there would be to our politics if, in the next parliamentary cycle, Liberal Democrats secured all the reforms we have set out. An elected House of Lords; home rule for Scotland, Wales and Northern Ireland; new legislative assemblies around England; every British political institution opened up to a wider range of our fellow citizens than ever before. With power radically diffused and put back in the hands of the people, Britain can be a better democracy – as well as a fairer society with a stronger economy.

Dinti Batstone chaired the policy working group that wrote 'Power to the People'. Working group member Alex Davies is a councillor in Lambeth and works for Lord Tyler, co-chair of the Liberal Democrat Parliamentary Policy Committee on Political and Constitutional Reform

Gordon Lishman puts the opposite argument overleaf

ENGLAND REDUCED TO A PATCHWORK

A paper on devolution and political reform is going to the Liberal Democrat conference in York. Gordon Lishman explains why he resigned from its working group

Federalism is one of the most common ideas in constitutions and governments around the world. It is also a fundamentally liberal concept. How odd the recent Liberal Democrat policy group didn't get it even at the most basic level.

Federalism is the system that gives formal, constitutional power to states, regions or provinces within the overall national state. The interests of all parts of the country have to be taken into account when policy is made and implemented. Politicians learn to compromise and work with people in other parties and regions instead of maintaining a short-term elected dictatorship until the next election gives power to another party.

Federalism is the founding principle of many countries. An Australian historian wrote: "Was federation chiefly to secure a customs union, or a united immigration policy, or a national defence? To federalists none of these things was sacred; the whole forty-two powers given to the Commonwealth did not together make federation sacred. It was the making of the nation, apart from anything it might do, which was sacred".

Strong stuff for an academic, but the same could be said of the USA, Canada or Brazil. Federation is a crucial part of the structure of Argentina, Nigeria, India and Malaysia. It was a key element in the post-1945 constitutional settlement in Germany and Japan and an important reason why economic development in those countries is more widespread than in the London-dominated UK. Even countries like France without a formal federal structure have developed a strong regional structure with long-term institutions based on elections.

Following the new institutions in Scotland, Wales and Northern Ireland, the UK needs a structure that answers some basic questions about identity: "who am I; where do I belong?" This goes beyond formal, technical issues of citizenship and is crucial to "the making of the nation".

The central failure of the Liberal Democrat policy group was on the 'English Question'. Rightly, it dispensed quickly with the idea of an English parliament within a federal UK – one unit with 85% of the total population and centralised economic power really doesn't work.

It proposed for England that "legislative devolution is available to Cornwall... to London and any principal local authority (or group of principal authorities with contiguous boundaries) outside London which has a population of a million or more".

In the last version of the paper I saw, any local authority could opt out and there would be a menu

of powers on offer based on those given to Scotland and Wales. This means the power to pass primary legislation in such areas as the NHS (or, indeed, to abolish it if they chose), schools and education, policing, local government, electoral systems, strategic transport planning, economic development and perhaps tax-raising.

I am in favour of 'asymmetric devolution' where the system covers the entire country, but different units have different powers. Spain is the major example (all the regions have a minimum of devolved powers in the post-Franco constitution) but that is not the same thing as the group's 'devolution on demand'. They propose that parts of a state would have the right to opt for devolution and the right to decide what powers they exercised. In any other country, these are not absolute rights, but a matter for negotiation with the central state and the other regions.

ASYMMETRIC PATCHWORK

I cannot think of an example of asymmetric devolution in which the central power has complete direct rule in some areas (other than capital city territories), but where there is a patchwork of more or less devolved powers through the rest of the area.

Imagine for a moment that this plan succeeds. England would have 40 to 50 new entities (not counties, not regions, not states), each with different powers to legislate on basic matters. A couple of shire counties would form a new unit, perhaps without the main city in one of the counties which chose to go it alone as did a couple of small district councils. These 'leftovers' would be governed by direct rule from the UK government, which would have departments of state just for them.

The new entities would start with two tiers of local government (and couldn't start without the agreement of each one) plus the new tier plus central government and the EU. They would legislate for some mix of their own education, policing, health services and transport systems. In any discussions on policy where overall coherence was needed, Whitehall would represent the opted-out authorities and the areas of policy, which other areas had opted not to take on.

Just think about a health service where the main hospitals were run by one government; general practice and community services came under several different governments; and most of them were inspected by themselves.

And why so prescriptive for London? Are the current boundaries of London more definite and natural than those of, for instance, Yorkshire? Why should not Bromley join with Kent, Richmond with Surrey or

Dartford with Greenwich if they choose? And why prevent outer London boroughs opting for their own legislative assembly and inner London for theirs if they wished? I'm not advocating that, but why should Londoners be denied the rights which others have and why does the group deny to Yorkshire the logic it sees for London?

The group's proposals offer a starting point for local government reform. However, it cannot work if both tiers of local government have to agree (why should Lancashire county agree to independent unitaries in East Lancashire; they haven't so far) and it must involve defined local government powers and not be mixed up with federalism and the power of primary legislation.

The policy group didn't address the economic implications of devolution; it "wasn't part of their brief", which would have amazed most federalists outside the UK where elected state or regional bodies have a direct role in securing investment from within and outside their country.

It is not a coincidence that the economic difference between the richest and poorest regions of the UK is greater than that between US states and even regions in China.

Both Germany and Japan took off on the basis of strong regions competing for investment and opportunity. It is ludicrous that London is the only English region that has an elected politician with the power and responsibility to sell investment and business – the region that needs it least.

The coalition government maintained the approach of all governments since the late 1940s: central control over regional policy and investment, so it varies according to the enthusiasm of particular ministers for regional development (or more generally in Westminster and Whitehall), current fashions and political opportunism. The Humber Bridge was built to help Labour win the 1966 Hull North by-election. One result of this approach is that investment in regional development tends to go with the cycle of government spending – to put it another way, the time when an underdeveloped region most needs investment is exactly when it is least likely to get it.

The policy group seemed to understand the case for home rule in Scotland and Wales. Despite the Scots' best efforts, they didn't see this as part of a coherent federal approach to the UK. Some of us managed to get a few strong statements into the preamble, but they are almost wholly unconsummated in the main report and motion.

FAILURE TO UNDERSTAND

The group's failure to understand federalism is the most urgent of the issues that arise. Their more important failure is the lack of understanding that, fundamentally, democratic government is based in politics. It's about political beliefs, the committed and passionate advocacy of those beliefs and the creation of movements for political change. Without those things, government has no mandate, no justification for anything beyond simple, day-to-day policy choices.

I have no objection to minor tweaks in the organisation of elections, to providing more effective information or to more opportunities for online citizen engagement. I find it difficult to build much enthusiasm and it's laughable to suggest that these

changes will transform public disaffection from politics. If people want to vote, they will. If they want to influence a decision, they will organise to do so. What we have lost is an understanding of the centrality of parties to democratic politics; any willingness to engage with countervailing choices and costs and not just specific, selfish issues; and the basic concept of political discourse: other people have ideas, beliefs, commitments, policies, prejudices, fears and hopes. Government emerges from the interplay of those forces; from compromise, discussion and shared decisions.

One-party domination of government in the UK from 1945 to 2010 fed the myth that government is simply the implementation of a manifesto and dealing with other challenges as they arise: no need for engagement and discussion outside the party. That fits naturally with Labour collectivism and with the instinctive conservative view that leaders should lead (as long as they are successful).

As parties have shrunk, manifesto and policy formation gets further from ordinary people. And, thanks to the unholy combination of Margaret Thatcher and television, the opportunities for debate have disappeared – from schools, unions, women's organisations and civil society bodies. The argument never applied anyway for a party outside the two-party hegemony. The Labour Party did not grow towards government by finding the right focus-group phrases to maximise the 'middle ground' appeal; it had first to build a committed movement of activists and supporters both to establish a base vote and to carry its message to the public.

The Liberal Party and the Liberal Democrats established their base in the 1970s and 1980s by building a movement based on community politics. That was not and is not about 'community nationalism' – finding out what people don't like, agreeing with them and trying to stop it. And, of course, the idea was never only about small, geographical communities. It is about carrying a distinctively liberal message to communities, engaging with them, helping them to think through their options and to engage with other communities to take fair decisions; and, of course, taking a full part in the debate ourselves.

We are part of these communities, setting out to influence them by our beliefs, ideas and policies. If they are wrong, we tell them so. In wider groups and in local communities, politicians would get more respect and, in time, more votes if they disagreed more.

One final criticism of the policy paper: as in other areas of current policy-making, there is a tendency to compromise too early. Of course, there has to be a willingness to compromise on policies when it comes to negotiation with other parties or there is a need to convince ordinary people about change or to balance the budget for an overall manifesto. Crucially, negotiation has to start from a strong, clear understanding of what we actually want to achieve. If we compromise before we start, we have sold out before we even begin. Party policy is our statement about what we want; it is not our best guess about the final outcome of later compromises.

Gordon Lishman is co-author of 'The Theory and Practice of Community Politics' and resigned from the working group on political reform last winter

FROM HANDOUTS TO INCOME

Creating a citizen's income linked to basic living standards could be a liberal way to meet welfare needs without allegations about 'scroungers', says George Potter

You need only open a newspaper or spend a week listening to the news to pick up on the fact that there is a massive debate about the future of the UK welfare system.

Some talk about a culture of dependency, others of the abandonment of the poorest and most vulnerable. The only thing that everyone seems to agree on is that the welfare system does not work as it should. Therefore one of the great questions liberalism needs to be able to answer is "what should be the role of the welfare state?"

Every answer given can be distilled into essentially two different principles when it comes to the welfare state.

The first is that it is the role of the welfare state to ensure that the fundamental needs of every citizen are met to fulfil all their basic human rights and therefore that the welfare state should help all those in need without any conditions attached.

The second is that it is the role of the welfare state to help those in need who deserve it – with deserving being defined in a multitude of ways (such as willingness to work) – and not to provide help to those who act in a way that makes them undeserving.

Of these two answers, the second is the principle that has been used in our welfare system ever since it was first begun over a century ago by the Liberal reforms of 1906-14 and continued in the blueprint provided by the Beveridge Report, which was largely implemented by the 1945 Labour government.

Old age pensions are provided so long as an individual has amassed sufficient National Insurance payments, and unemployment benefit and housing and sickness benefits of various forms are provided as long as they meet requirements of looking hard enough to work or being sick enough to score enough points in assessment or living in accommodation humble enough for their situation.

In short, the modern welfare state is one that will happily allow you to starve or go homeless if you do not live up to what have been defined as the requirements to be counted as being deserving. On its most fundamental level, it is about those in power passing moral judgement on those in need.

This is hardly anything new, of course. The Elizabethan Poor Laws and the Victorian workhouses were all based around the same concept of providing help only to those deemed to be morally deserving of help in order to discourage 'idleness'.

This concept, however, flies in the face of the fundamental principles of liberalism. If it is truly one of the principles of liberalism that no one should be enslaved by poverty, then it should also be the case

that no one should be allowed to languish in poverty regardless of how they choose to live their lives.

That might well mean that able-bodied people who refuse to look for work receive support from the government. It may well mean that all manner of lifestyles that the majority of people might find distasteful are no impediment to receiving support from the welfare system.

But such a principle – that of helping those in need according to their need regardless of any other factors – is surely better than one that relies on those in power making moral judgements on those in need, which will often be based on prejudice or myth rather than on the reality of poverty.

Of course, it may be that the other model is preferable to liberals. It may be that a system based on moral judgements between deserving and undeserving poor is felt to chime better with liberal principles.

FRANKLY EMBARRASSING

But either way, liberals should be engaged in a vigorous debate about the two models and how best to implement them, as the current incarnation of the welfare state is broken beyond repair. Because, so far, the silence of liberals when it comes to articulating a modern vision of the welfare state is frankly embarrassing. And that silence becomes shameful when you consider the current state of the welfare state.

Since 1945, our welfare system has been chopped and changed numerous times, with bits being taken out, bits bolted on, means testing and thresholds and conditionality and tax credits and new benefits and a whole raft of other changes introduced. Not a single government has resisted the temptation to make its mark with some new welfare policy – with varying degrees of success and failure.

The result is that, today, once you exclude the state pension and pension credit, the welfare system costs £76.7bn a year via the Department for Work and Pensions and a further £41.1bn through the HM Revenue and Customs administered system of tax credits.

But despite spending around £118bn a year, there are still hundreds of thousands of children living in poverty, still a frightening growth in food banks, still homeless people on the streets and still severely sick and disabled people being judged 'fit for work' by our welfare system. Yet at the same time, according to official figures, the top 10% of households each receive an average of £1,335 a year in benefits.

Such a system – one where there are those in need being left behind while relatively wealthy households

can get thousands of pounds a year in benefits – cannot by any yardstick be described as fair or efficient.

Another mark of the failure of the system can be found in analysis funded by the Joseph Rowntree Foundation, which calculates minimum income standards for different household types needed to allow full participation in society (which is in turn used to calculate the Living Wage) and compares these standards to those provided by the welfare system.

In 2013, this analysis found that the income provided by benefits was only 38% of the minimum income standard for a single, working age adult and 58% for a couple with two children. In fact, the only household type that met the minimum income standard on benefits was that of a pensioner couple thanks to the triple lock on pensions.

Every other household type was not only well below the minimum income standard while on benefits but had also seen its incomes fall significantly since 2008 due to the failure of already low benefit payments to keep up with inflation.

So if liberals wish to reject the ‘deserving and undeserving poor’ based model of the welfare state in favour of one based on fulfilling the fundamental needs of all citizens, perhaps the minimum income standard suggests the outline of a way forward.

It certainly should not be beyond the realms of possibility to devise a welfare system that sets out to ensure that every household has its income topped up to the level of a guaranteed minimum income based on an annually calculated assessment of what was needed for a basic standard of living while also ending all support for households earning sufficiently above the guaranteed minimum income level.

Of course, such a minimum income would probably need to be less generous than that chosen by the JRF-backed analysis, to avoid drastically exceeding existing welfare expenditure – the £273.86 a week living wage includes £63.12 a week for alcohol and social and cultural participation, after all.

And such a standard would also need to be calculated on a much more local basis, perhaps county by county, to allow for the massive variation in housing and other living costs throughout the UK.

But the end result would probably be a system that, for the first time in history, ensured that no one in Britain lived in poverty, ending the huge societal and economic costs of such poverty, as well as creating a welfare system far less complex and bureaucratic than the one we have at the moment.

“On its most fundamental level it is about those in powers passing moral judgement on those in need”

UNIVERSALLY FAIR

And, crucially, such an approach would be universally fair, particularly if support was tapered away as households earned more, with an admirable clarity that you received support only if you were in need and only according to your need – something that might draw much of the poison present in discussions about our current model, which far too often revolves around talk of ‘scroungers, ‘workshy’

and ‘fakers’.

Nor would such an idea be particularly new. Liberal thought has a long history of concepts of minimum or citizen incomes of one type or another and the reinvention of this idea might go a long way to laying the foundation of a liberal vision of a modern welfare state.

And should such a liberal vision dare to be particularly radical, it might decide to include merging National Insurance payments with income tax in the process or, even, making benefits liable for income tax in order to simplify the taxation and welfare system even further.

Of course, it may be that such a model would be grossly impractical (though as Cyprus is due to implement a Guaranteed Minimum Income by June 2014, there should soon be a real life case study to examine) or even that the notion of providing help to people based on need rather than moral judgements about how deserving they are proves unpalatable even to liberals.

Though if the latter is the case, if there are liberals who baulk at the idea of their taxes helping those in need even when they disapprove of their lifestyles and moral choices, then perhaps they might ask themselves if they really believe in the principle that no one should be enslaved by poverty, ignorance, conformity or inequality.

After all, it’s well said that a principle isn’t a principle until it costs you money.

George Potter is a member of Liberal Youth and Secretary of Guildford Liberal Democrats. He blogs at: <http://thepotterblogger.blogspot.co.uk>

TAKE A BEVERIDGE TO THE WELFARE STATE

David Thorpe wonders what liberal welfare provision should look like in the twenty-first century

A neutral observer hearing the swirl of rhetoric on reform to the welfare state could be forgiven for thinking that the contemporary system is the progeny of one particular party or political tradition.

For many, anyone attempting to chip away at its more unsightly lumps is attempting also to traduce the entire concept of state structured and funded support for the poor.

But while those of us within the Liberal tradition should be championing at every turn the fact that the welfare state as we currently know it is a product of the Liberals, Beveridge and Lloyd George, the introduction of universal free secondary school education by the Tory Rab Butler in 1944 is as much a part of the welfare state as the unemployment assistance introduced by the Liberal government of 1906 or the creation of the National Health Service by Labour in 1945.

That some elements of the benefits system and NHS can appear to be unwieldy and blunt instruments is an understandable consequence of the scenario the Labour government of 1945 inherited.

With much of the physical infrastructure of the country in rubble, and the social infrastructure pockmarked with the scars of the 1930s depression, both of these historical phenomena had an impact similar to that of a blunt instrument on the fabric of Britain. In such circumstances, it is not surprising that Labour's response was to react with a blunt instrument of its own.

Clement Attlee was probably surprised to win the 1945 election against Churchill, and so added to the urgency of the problem was the gusto of a very talented prime minister on a mission.

What is less forgivable is the approach of Iain Duncan Smith, who has spotted some of the legitimate flaws in the current system and is responding with an instrument as blunt as that deployed by the Attlee government, though without the intellectual clarity supplied for the Labour government by the Beveridge report.

BLUNT INSTRUMENT

When looking to create a truly liberal welfare state in the twenty-first century, one is probably seeking to use the framework, but not the blunt instrument element, of the Attlee government, while addressing the legitimate points that Duncan Smith is pursuing.

The framework Beveridge outlined in his eponymous report is as good as it was in the 1940s, and any welfare policy should be constructed with those aims in mind. Beveridge outlined the five great 'evils' he wanted his welfare state to eradicate: want, squalor, disease, ignorance and idleness.

The only one of these that the coalition can really claim to have changed for the better is 'idleness', first by endorsing the view that choosing a workless life is not an option, welfare state or not, but more profoundly by focusing on increasing employability through apprenticeships, rather than having a woolly and rather puritanical attachment to 'improving' the working classes though aiding their path to university, an environment to which many, (and not just working class kids like me) are unsuited and when they would be better served by becoming an apprentice.

While the pupil premium probably can contribute to greater opportunity for poorer students by addressing the 'ignorance' part of the conundrum, more needs to be done to improve the fundamentals of the education system in terms of class sizes and curriculum.

Continuous re-invention of the wheel when the basics are being neglected – as the statistics of literacy among those leaving state primary schools show – means we must create an education system that acknowledges the problems are more basic than those that a well-meaning but middle class, academically inclined panel might deduce. I also think that future universities policy should be framed and funded within the context of there being greater problems 'downstream' before funding everyone's university place.

Housing benefit and other benefits should mean that there is no good reason for any individual in Britain who is entitled to benefits to be living in squalor. The problem is that many are, for reasons that are varied and complex. Firstly, there is a very simple and fundamental problem: there aren't enough council houses being built. Recent coalition measures, such as allowing local authorities to borrow money, should aid this, but the problem is more one of mentality than of outlook.

Too many councillors, from across the political spectrum, exchange the long-term perspective of the need for more social housing for the short-term political calculation that many middle class voters don't want social housing in 'their' area. Liberal Democrats will frame the subsequent debate in thoroughly progressive terms, campaigning to have "residents' voices heard", but the outcome is still that the development is not going ahead.

Nimbyism is arguably a greater threat to creating a Beveridge-inspired social housing system than anything that Iain Duncan Smith, and his misguided spare room subsidy, could ever achieve.

Those genuinely living in squalor today in the UK are probably not those claiming housing benefit, but rather those not eligible to receive it. Campaigning in the East End of London, where I live, throws up much squalor; houses where 17 international students, all entitled to work only a maximum of 20 hours a week

yet who must try to find a room to rent on such meagre wages.

I suspect that, whatever the answer is, it will involve slaughtering a traditional liberal shibboleth or two to achieve it.

GALES OF PRAGMATISM

Another area where the values rightly most cherished by Liberals may be threatened by the gales of pragmatism is in the area of family life.

Parents can receive housing benefit, child benefit and out-of-work benefits, and in such a situation no child should have to live in squalor.

It may be that, in future, to create a socially just and liberal environment for our children, perhaps the state and its agencies must be slightly less liberal and more interventionist, a sentence I never thought I would write, but am forced to by observing the failings of Haringey council and others.

Liberals should oppose the spare room subsidy, not because the principle is wrong – it isn't progressive for the state to subsidise the extra rooms of one person when another has insufficient rooms – but rather on the pragmatic point, that there simply aren't enough properties for those in under-occupied homes to downsize to. The Department for Work and Pensions states that there are 250,000 people in overcrowded homes, considerably fewer than that in under-occupied homes.

A more liberal way to achieve the principal that those in under-occupied homes should not be subsidised fully by the state, but without punishing those in overcrowded homes with nowhere to go, is simply to state that full housing benefit be withdrawn from those with a spare room who have been offered alternative, smaller accommodation and rejected it. This could mean that many in overcrowded conditions would get respite, while those in under-occupied homes who have no alternative would not suffer.

This measure should be accompanied by a house-building programme to increase the supply of suitable housing so that, in time, there is more accommodation available, a far smarter and more liberal way to achieve a socially just end to squalor.

One of the greatest myths currently deployed is the idea that benefits must be universal to be fair. But benefits are not and never have been universal, except for those that the middle class can receive such as the winter fuel allowance and free TV licence for pensioners.

If one is not currently employed and is seeking work but has savings of more than £16,000, then one is not eligible for job seekers' allowance. If one has not been living in the borough in which one currently lives for a long enough period, it affects entitlement to housing benefit.

Universality is not a consideration for benefits more likely to be the preserve of the poor than the rich, so why should universality be central to the consideration

“Nimbyism is arguably a greater threat to creating a Beveridge-inspired social housing system than anything that Iain Duncan Smith, and his misguided spare room subsidy, could ever achieve”

for middle class benefits?

A return to Beveridge's first principles should be the guide for liberals here. Millionaires are not likely to be suffering from a 'want' of anything, and certainly not the capacity to heat their homes. If something costs money but doesn't help to achieve any of the stated aims of the welfare state, why should it exist?

There aren't many ways in which someone of my class and background could arrive at being a snob,

but in my dislike of television I guess I may be one. Television does not help to reduce the ignorance of any adult human being, and the licence to hold one should not be subsidised by the state, for anyone.

Of course, this is a tough political calculation. It is hard to think of a group in the country more likely to vote than middle class pensioners, and political expediency is currently swamping the idea of a fair and principled welfare system

The most recent unemployment figures from the Office of National Statistics showed that the number of people classed as 'economically inactive' was 155,000. This was a small reduction in the number relative to the previous quarter. It is also worth noting that this signals that many of those declared fit for work when the coalition instigated a review of all those claiming Disability Living Allowance have found work. If they hadn't, then they would show up in either the 'economically inactive' or the unemployment statistics, both of which are falling.

At a time when the improved economic conditions are not been reflected in the opinion poll ratings of the coalition, one area where the government has struck a popular note is with its attitude to benefits. Workers squeezed by a rising cost of living don't see why those on benefits should not also suffer.

Those on benefits received a rise of at least 1% this year, paltry and below the rate of inflation undoubtedly, but also more than many workers, including MPs, who have received no pay rise.

There is nothing liberal and nothing socially just about benefit fraud. The Tories use unpleasant language and Labour is striving to join them, but just because the language is unpleasant doesn't mean the cause is unjust; liberals should pursue it with quiet dignity.

It is often the case that conservatives are sharper at identifying the problems with a system but, constrained by ideology and vested interests, seldom arrive at a solution that is either the most efficient or the most socially just.

Liberals must be clear sighted as to the flaws in the monolith that is the welfare state, but ensure that we win the battle to deliver solutions that are equally grounded in reality, not cynical populist ideology.

David Thorpe is an economics journalist and sits on the London Liberal Democrat regional executive

KICKING OUT THE BRITISH

If the xenophobes who oppose EU immigration to the UK get their way, an even larger number of British people resident abroad will lose their jobs and homes, says Howard Cohen

There has been much talk in the UK recently about 'immigration' from EU countries, and numerous calls for new restrictions to curb a perceived new influx of Romanians and Bulgarians.

Of course, the predicted new influx hasn't actually happened and we, as Liberals, are already fully aware of the fact that immigration creates jobs and boosts the economy.

Immigration has been controversial in the UK for centuries and the current debates are full of all the same xenophobic rhetoric and falsehoods as in the nineteenth century, when Jewish and Irish immigration was top of that particular agenda.

Nevertheless, EU migration does have one big difference from other forms of immigration. That is that the populations are moving in both directions, or in multiple directions. If the UK were to withdraw from the EU or introduce serious restrictions on entry or employment for other EU citizens, there is little doubt that other EU countries would reciprocate and place the same or similar restrictions on British citizens.

There are considerably more British people currently living in other EU countries than there are other EU citizens residing in the UK. Official and semi-official figures estimate around two million British citizens in other EU countries. The reality is closer to three times that and may even be higher.

What's more, Daily Mail readers will be horrified to learn that a significant proportion of those British 'expats' live in Central and Eastern Europe. Of course, British immigrants in other countries are always 'expats', while foreigners in the UK are always 'immigrants'.

SUSPICION OF AUTHORITY

It is difficult to prove this with any more than anecdotal evidence, because British people have no national ID cards (thankfully) and a culture that encourages personal privacy and suspicion of authority.

A high proportion of British expats choose not to register officially in their new homes and to remain British residents. Sometimes this is to save tax but mostly it is because the bureaucracy of registration is seen as a waste of time for people who can move freely within the EU anyway.

Brits generally just don't like to be tracked by authorities. In fact, it is safe to say that there are more British citizens living in other EU countries than any other single nationality.

The biggest irony is that this can be traced back to the 1980s and the policies of Thatcher, in particular. It was her determination to encourage people to own

their own homes and the consequential huge rise in the number of mortgages that, apart from leading to today's financial crisis, also led many people to take out second mortgages to invest in property abroad.

Those were initially to holiday homes but people stated to buy retirement homes too. It started with Spain, France, Portugal and Italy but expanded rapidly to Cyprus, Malta and Bulgaria, with significant smaller groups also investing in Hungary, Romania and Croatia. This was fuelled by numerous TV shows and magazines, and by a huge rise in specialist estate agencies marketing and developing property across the EU.

As British people found credit easier to obtain, they saw the opportunity to set themselves up for retirement. Now, 20 years or so later, most of those people have paid off their mortgages, retired and moved to their dream homes abroad. And that was just the start of the British migration.

So where are all these 'Brits Abroad' and what are they all doing? As we might expect, the biggest numbers are in France and Spain. In Spain, official figures show around 500,000 British residents. That is a massive underestimate as the largest national group of tourists are the Brits.

There are huge numbers of British people working either directly or indirectly to service those tourists and many officially resident in the UK, despite actually working in the Spanish tourist industry.

Many return to the UK in the winter but many also stay all-year-round, similar to the workers who come from Central and Eastern Europe to do the same jobs in the UK's tourist industry, except that the number of British tourism workers in Spain is probably 100 times greater.

In short, there are considerably more British expats in Spain alone than there are Polish expats in the UK. Then there's France, where there are many entire villages full of British retirees and British workers providing services for them.

What many people won't know is that Bulgaria is in a similar position. Opportunist developers in the 1990s built entire new resorts on the Black Sea coast and sold the apartments as retirement property for British citizens. They look and feel just like Spanish resorts but the property prices were often about 20% of their Spanish equivalents. As in Spain, these areas have now taken on a life of their own and attracted younger British workers to provide services to those retirees and the many British holidaymakers. Cyprus and Malta are in similar positions too.

The non-coastal countries of Central and Eastern Europe have not been missed either by the 'Brits Abroad'. In Hungary, where I am based, thousands of British citizens have been attracted by the low

property prices and cheaper living costs. Around the turn of the millennium, a number of property developers targeted British and Irish investors and there are now a number of major developments on the banks of the Danube where a quick glance at the names on mailboxes reveals nothing but British or Irish surnames.

Some 10% of the population of Budapest comprises foreign nationals and the British are among the biggest groups. It is impossible to walk down a street in central Budapest for more than three minutes without hearing English being spoken.

The Czech Republic, and Prague in particular, is in a similar position, with Prague's tourist industry attracting thousands of British workers to service the more temporary visitors. Many are also now second or third generation 'expats', who have lived outside Britain all their lives but still have British passports and consider themselves British.

My own livelihood is partly dependent upon the number of British residents in Central and Eastern Europe. I edit Hungary's only online English newspaper and co-edit its sister publication in Slovakia. I run a company that provides information and assistance to the expat community across Central and Eastern Europe and I also produce and promote English-language entertainment and events across the region. I would have a lot to lose if the British xenophobes had their way.

RISE OF THE FAR RIGHT

Another side to this story is the rise of the far-right in much of Central and Eastern Europe. We recently saw the bizarre spectacle of Hungary's fascist party, Jobbik, campaigning in London among a handful of Hungarian supporters there. In Hungary, Jobbik's presence is not so obscure and it has strong support in many of the smaller towns and provincial areas, with slick organisation and modern campaigning techniques.

Similar parties are also thriving in other countries of the region. While their core message remains one of racism against the Roma and Jewish communities, they also push a strong anti-foreigner message.

The populist Fidesz party, currently ruling Hungary with a two-thirds majority, sees Jobbik as its best organised and most dangerous opponent, so often tries to outdo it with nationalist rhetoric. The campaigns against EU migrants in the UK are widely reported here in Hungary, as they are of course in the whole region, and they do create a backlash against British residents.

Every Daily Mail headline and UKIP soundbite risks another obstacle for British people and businesses living, working and trading in Central and Eastern Europe. Just as the Romanians or the Poles are accused of taking jobs away from locals in the UK, we are accused of doing the same and of bleeding the

“There are considerably more British people currently living in other EU countries than there are other EU citizens residing in the UK”

economy by taking money out of the country, when the opposite is actually the case.

Ultimately, the debate on EU migration is a debate about people. It's about people wanting to lead better lives in places where they feel most comfortable. The EU's free movement of people is actually working well and there is no nation and no nationality that benefits more from it than the United Kingdom and its citizens.

I would go further and say that Britain would also benefit hugely from joining the Schengen zone, opening its borders fully and encouraging British citizens to consider new lives in new countries. British people have a huge advantage in speaking such a widely-understood language. Millions have already realised that and have enhanced their own lives by relocating themselves, either for work or retirement.

If the likes of UKIP and the Daily Mail have their way, most of those people will be forced back to Britain, creating a much bigger drain on the NHS and the benefits system, as well as destroying the lives that many have spent decades creating for themselves.

Too often, I have heard politicians, including Liberal Democrats, accepting that there is an immigration problem that requires a solution. So long as they keep saying that, the electorate will keep assuming it.

It is a false premise. There is no immigration problem in the UK and there is no issue that requires a solution within the EU.

Howard Cohen is a member of the Liberator Collective and managing editor of The Daily HU, Hungary's only online English-language newspaper

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BEYOND THE FOCUS GROUPS

Comparing the priorities of the public and the Liberal Democrats might just result in a worthwhile general election manifesto, says Peter Watts

Paddy Ashdown wrote in *Liberator* 363 about the party's approach to the election. Much of the article I liked when he wrote of the need to reach hearts; the need to 'pioneer' and 'enthuse'; the possibility of acting in the present, not only just pre-election; recognition of cynicism and scepticism following loss of trust; and the addition to the campaign of 'enabling' people and of humanitarian intervention.

He then addressed what Liberal Democrats did right and what both Labour and Conservatives have done wrong. I became uneasy.

What makes Liberal Democrats distinct? One element is that everything changes, so no truth is complete, so we have to listen, so we believe in free speech, so we might even have to change our own minds and work with others towards the best current solution, and therefore shouldn't play 'cheap' politics with opponents. We do Focus to engage, not just to win elections.

Reverting to Paddy's piece, I could question the particular, such as his claims about integration of NHS services, or blaming Labour for trashing the economy. However, my greater concern is that, in concentrating on the parties' pasts, he confirms a core belief in much of the public that "politicians just knock each other and are all the same anyway, wrapped up in their own Westminster world and out of touch with our present, let alone our hopes".

The one reach to the future was to urge "our vision for a more liberal society". Unfortunately, he did not elaborate – but perhaps that bit is to come. However, even if it is, surely the starting point should not have been the parties' past records but the public's high-level concerns for the present and future – and any overlap with our party's vision – and then with the resulting themes and goals.

My current understanding of the party's strategy is that its results in the European elections this year are largely seen by HQ to depend on some individual campaigns where it is strongish and on national polling figures.

In 2015, the party shall concentrate almost exclusively on trying to hold existing seats and hope to be part of a new coalition government. To do this, its story is that it joined the only possible stable coalition to save the country from economic disaster, to put right that mess created by Labour, and to curb 'the nasty party'. The policies to back the story will be largely focus-group led. Most of the party's political discussion is on positioning itself left, centre or right. The paramount issue is to be growth as defined by GDP.

SIMPLIFICATION NOT CARICATURE

That is a simplification of the Liberal Democrats' position but it is not a caricature. It is leaden-footed and an excuse, not thoughtful and visionary. I also have some more detailed reservations.

In the European elections, a strong campaign but a poor result can be attributed to decades of misinformation from an anti-European press and cowardly politicians pandering to the resulting prejudice.

By contrast, a weak campaign is a missed opportunity to build the party's strength and to appeal to pro-Europeans in other parties. It will also weaken the party's reputation and chances in 2015. More importantly, trying to make Europe work is too central to Liberal Democrat internationalist principles (and to what makes us distinct) for the party to duck being more proactive.

I think the extent of 'economic disaster' is exaggerated and, while Labour did indeed make mistakes, far greater responsibility lies with what a widespread culture that technocrats and politicians encouraged to happen in our financial system over decades. From Thatcher to Brown, Conservative and Labour governments removed that system from democratic control.

The Liberal Democrats have indeed sometimes resisted the Conservatives' nastiness but have failed too often, so they have been unfair to many of the vulnerable, thus seriously damaging one of their distinguishing characteristics.

For instance, the principle of the bedroom tax, and even the mechanisms, may have been sound but the application was unfair. Similarly, why is the party only now talking of raising the minimum wage?

Left/right rows are for the two big parties. A liberal principle is multi-polar. If Liberal Democrats are all left, right or centre on a single line, they look simplistic and all the same.

I'm also concerned by the emphasis on growth. Without constraining extraction of finite natural resources, it must become impossible. Without spreading its product more fairly, it must destroy social cohesion.

The dominance of GDP, as almost the only measure of how our society is doing, constrains that society's well-being and limits the aspirations of its members. It devalues much of what makes us human.

That strategy is not inspiring enough to get the party's remaining activists swamping the streets. Nor will it inspire enough voters – Liberal Democrats don't

have a hard core vested interest bloc and, if other voters do not see them as a strongly distinct party, why should they vote for them?

Liberal Democrats say they are a party of government, so voters won't now even turn to them as a protest vote. The party will probably take a beating unless it changes its approach.

The start point for any election strategy, and the manifesto within it, is not left/right, or what the voters will stand, or what each party has done, or even (especially) how the party can get in to government again. It must be two overlapping sets: what the public sees as the important high-level issues; and what the party sees as those issues.

I've chosen nine of each to get us going. Then we can work up the overlap. On the non-overlap, we'll have to change minds, one or both of us. We'll then need to develop a story, suggest themes and goals, and engage. If we happen to enter government, we would then do so with a clear and strong mandate.

Until the polls or pundits tell us otherwise, here is my take on some of the public's issues:

- Distrust of our present political process; Deep dislike of the widening income and wealth gap, which damages our society; Deep dislike of corporate dominance, which seems exploitative, secretive and over-influential; More worthwhile jobs – and paying a decent wage so that those in work can move beyond survival and have the time and energy to join in, aspire and innovate; More and better housing and an end to its soaring cost; An end to the need for food banks, which shames our nation; Less choice and competition in essential public services and more emphasis on service – public services, which work well, even in rural areas, even in extreme weather, even under population and immigration pressures; There are public goods, which are the responsibility of governments, not just of the market; An efficient, humane, beneficial immigration and asylum system – because there are some things about which much of our society remains grateful and proud.

These, I suggest, are the Liberal Democrats' high level issues:

- Party political funding and undue influence, and the disconnect from the public; Misleading the public – Thatcher's shovelling so many unemployed on to disability benefit, Blair's Iraq war, the coalition insisting that Labour was the main cause of the financial crisis, cynical manipulation of statistics; Weakening democratic control of security bodies, the finance industry, big corporations, essential services, even the executive; Complexity of benefits and tax systems; Re-balancing – of economic activity across sectors, of economic development across the country, of powers away from the centre; Diminishing global natural resources – and climate change; Post-Thatcher preference for growth over Beveridge's 3% 'full employment'; Damaging cultures – materialism, consumerism, sensationalism, populism, cynicism, blamism (I invented the

word, not the 'ism'); Internationalism, without which we'll be driven back to the law of the jungle – with reform of the EU and of the UN and its offshoots – but for people rather than big business or governments.

Obviously, those two lists are subject to more thought and to change. Equally, the balance between importance and urgency will have to be explored. Eventually, experts in particular fields will have their say.

However, from something like the above, we could cross-reference to get the important themes, and then directions or even goals on which we are prepared to concentrate and to work with others over a parliament and which are profound, imaginative, interlinked, relevant – and resonate excitingly with the public.

By all means work within the existing slogan – a stronger economy, a fairer society and enabling people – but concentrate on the themes, which emerge from the sets of issues.

My own themes from those lists would be to deal with inequality, the income and wealth gap, and personal and corporate tax avoidance, with social usefulness in a shift from quick profits for the rich to long-term benefits for society and a re-balancing of economic activity away from finance, growth beyond the south east, and the re-empowerment of local government.

Finally we should rewrite how the parties work and get funded. My process is beginning here to indicate some unusual policy directions and goals:

- No growth without fairness – and explore known measures beyond GDP; Tax wealth beyond just a mansion tax; Living wage – and no income tax below it – and steadily curb top rewards except for socially useful innovators; Match the heavy investment in the finance industry with comparable investment in training and jobs, green industries, housing; More pressure on British tax havens and major tax avoiders; Tackle unpopular issues like council tax valuations, civil liberties, re-balancing and airport hubs; Weaken our consumer culture by much tighter controls on lobbying and advertising – and/or industry funding of social advertising; Put our nuclear weapons and our UN veto on the negotiating table; Urge an EU-wide (not British only) review of how the project has developed and what reforms are needed

Only then turn the whole lot over to the wordsmiths for a manifesto and a campaign.

There seems to be widespread interest in doing things differently, both in the party and the country. We can settle for a bland manifesto that is third or fourth choice – or we could pre-empt Miliband, who also seems tentatively to be exploring a new approach. We could show leadership, be inspirational, aspirational, resonant, relevant – even transformational – of us and the country.

The country's had enough. Let's build better. Go down this road and we might even approach first choice and set the world alight as well.

Peter Watts is a Liberal Democrat member in Berwick and a former Liberal parliamentary candidate

DUMPING ON YOUTH

Young people lack the power of the ‘grey vote’ and are losing out in politics, says Mathew Hulbert

Young people should not have to shoulder the punishment for what older generations have done to the British economy. Yet increasingly, it appears that is exactly what’s happening.

With almost a million young unemployed and with Tories ramping up the rhetoric about ending housing benefit for the under-25s, while not daring to touch a penny’s worth of the costly extras given to the over-65s, this looks like politicking at its very worst.

Why do I say that? Because, as we all know, broadly speaking the ‘grey vote’ is a strong one whereas the youth vote is comparatively weak, meaning politicians feel able to dump on the young in the knowledge that there’ll be little political comeback. But such a policy is, to say the very least, misguided.

Without meaning to sound schmaltzy, young people are our future. They will inherit the country and the economy we’re building right now.

Yes, of course, Liberal Democrats in government have tried to put in place policies, which seek to help young people into work, from launching the Youth Contract to ending employer National Insurance contributions for employees under 21.

But the Youth Contract, if we’re honest with ourselves, has hardly set the world alight, with – so far at least – disappointing levels of take up, showing that we can come up with excellent schemes. But if they are not communicated well enough to those who need to hear about them, then it’s almost for nought.

The recently released Princes Trust Youth Index made for devastating reading, especially for those of us with a long-held interest in youth policies and how government decisions affect young people. It set out the toll that long-term unemployment was having on the well-being of many of the young people currently without jobs.

It surveyed just over 2,000 young people, aged 16-25, towards the end of last year. Among the shocking findings, which should be ringing alarm bells at the highest levels of both national and local government, were:

- 40% of young people have experienced mental health problems as a direct result of being out of work;
- Almost three-quarters of long-term unemployed young people said they do not have anyone they feel they can confide in;
- Young people growing up in the UK’s poorest families are facing an increased risk of mental health problems and are ‘losing’ their childhoods.

It also finds that a lack of positive role models is ‘one key issue’ that is driving young people to join gangs.

Clearly we need a holistic approach in response

to a problem, which has existed under successive governments but has yet to be stalled let alone reversed.

One undoubted success put in place by Liberal Democrats in government has been the Pupil Premium, helping the children of some of the poorest families in our communities. I know from my own ward the difference the extra money is making to local schools in being able to provide extra help and support to ensure children from poorer backgrounds are able to compete on a more level playing field with those from more affluent families.

This is good news but we need to go further and ensure that the best support, help and advice – practical and emotional – is available to children and young people all the way through their education and into young adulthood and into work.

This must mean: affordable childcare; a crackdown on junk food/sugary foods and drink promotions/ adverts aimed at children; properly resourced and equipped youth clubs and youth workers; access to affordable sports facilities; pastoral care workers in all schools and colleges; bullying being taken seriously; provision of after-school clubs; a return to mandatory one-to-one, face-to-face careers advice in schools; the equal promotion of further education and vocational qualifications alongside higher education; maintaining and building on the increase in apprenticeships; ensuring young people who are not in education, employment or training are never just abandoned to their fate, but always have the opportunity to access government help.

These and many more policies – some of which are happening, some of which are not – are needed if we are to ensure a generation of confident, happy and self assured young people.

I believe in the power of government to help people and I’m reminded that the preamble to our constitution states: “The Liberal Democrats exist to build and safeguard a fair, free and open society... and in which no one shall be enslaved by poverty, ignorance or conformity.”

I know we all know that, but sometimes it’s good to be reminded. Let’s live up to that high ideal. Let’s make ending child poverty and long-term youth unemployment our party’s new mission, enabling – as our new slogan states – “every person to get on in life”.

Mathew Hulbert is a Liberal Democrat councillor at Hinckley and Bosworth, where he is the children and young people’s champion

The Square [film] dir Jehane Noujaim 2013

It must be unusual for a director to start work on a film having no idea what the end will be or even if the footage will yield anything worthwhile.

But that surely must have happened here as filmmakers followed activists for two years after they began the occupation of Cairo's Tahrir Square in 2011, which precipitated the fall of dictator Hosni Mubarak.

The story of how Mubarak was forced out, his replacement by the elected Muslim Brotherhood figure Mohammed Morsi, and his overthrow in turn last summer is told largely through the words and actions of the main activists shown – young secularists with the exception of a wavering Brotherhood member and the actor Khalid Abdalla, who returned to Egypt from America to take part in the revolution.

Mubarak's government had been repressive and corrupt but some ineffective opposition parties were allowed to exist and contest elections so long as they posed no real threat.

The Brotherhood's party had been alternately banned and tolerated depending on how the previous regime saw its own advantage, but was by far the best organised political force apart from Mubarak's satirically-named National Democratic Party.

Egypt thus had three forces, not two, opposing each other when the revolution broke out. At first, the democrats and secularists opposing Mubarak could make common cause with the Brotherhood to oust him. But things changed when Morsi then awarded himself powers which, as the main character notes, "even Mubarak didn't have".

The democrats' fear was that the Brotherhood needed only to win one free election before bringing in changes that would entrench a theocratic government forever. Believing that this was exactly what Morsi sought, they changed sides and helped the army overthrow him.

The film's main and most engaging character Ahmed Hassan, first shown resenting Mubarak and military attacks on revolutionaries, later greets warmly General Al-Sisi's removal of Morsi, though ends up committing himself and his friends to fight both the Brotherhood and the

army in the name of democracy.

Nobody knows how or if Egypt can accommodate this triangular tension, personified by Magdy Ashour, the film's Brotherhood character. He finds himself treated with suspicion and then acceptance by revolutionaries, but ends up on the other side when Sisi takes over.

The whole thing is shot in Cairo's streets and occasionally participants' homes in an urgent cine-vérité style, and doesn't spare the scenes of violence and injury. It's worth seeing for anyone who wants to make sense of what has happened in Egypt.

Mark Smulian

Hidden History: The Secret Origins of the First World War by Gerry Docherty and Jim Macgregor Mainstream Publishing 2013 £20

Hostilities have already commenced between publishers and historians to produce books on the First World War and its origins for the centenary of the outbreak. While the bulk of the accounts tend to either adopt the jingoist line of commemorating victory or the view that it was a tragedy that should have been avoided, Docherty and Macgregor allege that the war was the product of a conspiracy launched by a secret British elite.

The authors base their work on the theories of the American historian Carroll Quigley, expounded in his book *The Anglo American Establishmen*t. According to this theory, a secret elite was formed in the early 1890s with Cecil Rhodes, Lord Esher and William Stead among the founders and Lord Nathaniel Rothschild as the financier, aided by Alfred

Milner, a colonial administrator.

We are asked to believe that this elite included both leading Tories including Balfour, Lord Salisbury and Lord Lansdowne and prominent Liberal imperialists including the Relugas Three, Sir Edward Grey, Haldane and Asquith, with Winston Churchill and Lloyd George, who were initially critics of high levels of military expenditure being subsequently drawn in. This elite, we are told, believed that Germany had to be defeated to preserve the British Empire.

The authors imply that Churchill's account of his escape from a Boer prison of war camp was fictitious, that the naval arms race was based on a myth about German naval construction and that Grey was deliberately trying to manipulate Germany into aggression. Numerous citations are given selectively from other accounts to substantiate the theories but there are several omissions and errors.

There is no mention of Britain ceding the fortress island of Heligoland to Germany in 1898 in return for territory in East Africa: hardly the act of an elite planning a war with Germany. The chapter on the naval arms scares that the press launched after the Liberals took power in 1906 describes the First Sea Lord Admiral Fisher as having a manic obsession about

Errata

Willis Pickard has pointed out an error in our review of his *The Member for Scotland* (Liberator 363). The Church of Scotland was not disestablished in 1929. It still is the established Kirk. What happened in 1929 was the union of the Free Church and the Church of Scotland.

naval construction. Initially, Fisher had promoted dreadnoughts as a means of reducing naval expenditure by mounting a large number of big guns on a single hull. Much of the naval scare stemmed from a feud between Fisher and a reactionary admiral Sir Charles Beresford, a Tory backbencher and an embarrassment to Balfour.

We are told that Prince Louis of Battenberg was appointed to replace Jacky Fisher as First Sea Lord in 1912. Fisher retired in 1910 and there were two admirals in between Fisher and Prince Louis. Churchill's account of his escape is described as having gifted him with a Conservative seat for Oldham in 1900. He had previously stood as a Conservative for Oldham and lost to the Liberals.

The authors mention several crises both over Morocco and in the Balkans where the elite failed to provoke a war hardly evidence of an all-powerful elite.

The sudden conversion of Smuts to the Boer cause and subsequent support for the Union of South Africa looks suspicious but in itself doesn't imply a massive conspiracy.

Grey's secret diplomacy was initially without the knowledge of the prime minister, which says more about the arrogance and stupidity of Grey than anything else. Conspirators tend to fail because they place their intellect above that of everyone else and can never plan for every contingency.

As successful conspirators avoid leaving vapour trails, it makes the task of substantiating conspiracy theories difficult. The cock up theory of the origins of the First World War seems more plausible.

Andrew Hudson

Scotland's Global Empire: A Chronicle of Great Scots by Jock Gallagher Whittles Publishing 2013 £20

Having recently led some souls astray with the quest for the artist Stewart Carmichael's (1867-1950) great patriotic mural of the Heroes of Scottish Liberty, which once graced the former Dundee Liberal Club, my first thought was to look them up. Jock does us a great service by scarcely mentioning them – if at all, for they are well

served elsewhere.

For the benefit of those non-Scots, they include Galgacus, a leader of the Caledonian people who fought the Romans led by Agricola at Mons Graupius. Tacitus credits him with a rousing condemnation of Roman imperialism, but says nothing more of him.

St. Columba brought the Irish Christian Church to Scotland, reputedly convincing the Druids of Iona of the new faith. Unfortunately, the Synod of Whitby took the wrong road, which had to be corrected by the likes of John Knox.

Michael Scot was a scholar whose translations of Aristotle brought those works back into western thought. Alexander III, John the Graham, William Wallace and Robert the Bruce are of course famous in their defence of the realm. The poet Blind Harry carried the Graham and Wallace into legend, though their deeds were enough. Andrew Fletcher of Saltoun stood out against the arrogance of royal power by the later Stuarts. Burns and Carlyle are well known; while one doesn't doubt Burns's position, Carlyle became rather dodgy in later life, falling out with Mill – more perhaps a hero of the authoritarian left than of Liberalism. Jock refers to both in passing. Curiously the Grand Old Man does not feature per se in Jock's book. The Midlothian Campaign notwithstanding, the Gladstone family did hale from Leith, if the GOM did not.

Interesting though this may be, most of it is not the stuff of Jock's book... I turned to 'The Power' since politics is our primary interest. Scotland has generally pulled above its weight in the Palace of Westminster and Jock credits it with 10 out of 53 prime ministers – Bute, Aberdeen, Balfour, Campbell Bannerman, Bonar Law, MacDonald, Douglas-Home, Blair and Brown. Gladstone was, of course, MP for Midlothian and Churchill sat for a Dundee seat, though not as prime minister. Jock forgets Rosebery – don't they all? The only Liberal PM not to have his portrait hung at the National Liberal Club (unless you count a bit of stained glass). Jock is too gentle with them – he ducks the issue of Blair and Brown and omits the serious crimes of Balfour and Bonar

Law.

As to the others, south of the border it is good to be reminded that some of these villains are Scots – Gove, Fox, Iain Duncan Smith.

Of Liberals, as I've said, this is a gentle book, we all have our shortcomings, but none so many as the small men who ousted Charles Kennedy and Ming Campbell.

And here's the secret (since it was almost certainly omitted for cost reasons) – a link to the publisher's website, where you may download the book's index: www.whittlespublishing.com/Scotlands_Global_Empire

Stewart Rayment

Red Cloud by Bob Drury & Tom Clavin Robson Press 2013 £20

"White man speak with forked tongue" – the inevitable way to begin this review. As a Chinese general put it to the military historian Peter Maslowski, America fought a 300-year war against the Native Americans. In this, they were quite prepared to consider, and use, genocide.

The Battle of Little Big Horn (1876) is probably the best known Native American victory in this series of wars. It was a pyrrhic victory. Crazy Horse and Sitting Bull would effectively be murdered in captivity.

Red Cloud (Mahpiya Luta in Lakota) did not fight in the Great Sioux War of 1876-77. He had seen the writing on the wall. Red Cloud's War (1866-68) is the substantive Native American victory of the wars and, while the Treaty of Fort Laramie is an ongoing source of litigation, it too was soon to be a pyrrhic victory.

Clavin and Drury spin us a ripping, though at times gruesome, tale full of adventure. But apart from a brief epilogue, they are little concerned with events after 1868, which is a pity because these are probably Mahpiya Luta's finest moments as he transcends from successful war chief to politician and diplomat. Even here, everything was stacked against him and his people.

Stewart Rayment

When Britain Burned the White House: The

1814 Invasion of Washington by Peter Snow John Murray 2013 £25

This year is the bi-centenary of the British invasion of Washington, an event that most Americans would rather forget, most people in Britain have long forgotten and only a handful of Canadians are likely to celebrate.

Most people in Britain haven't heard of the War of 1812 in which the incident occurred. In 1812, the United States declared war on Britain and attempted unsuccessfully to invade Canada, but the conflict lingered on, tying down troops and warships.

Following the defeat and exile of Napoleon to Elba, Britain was able to send large numbers of warships and soldiers to America and mounted a counter invasion in the Chesapeake Bay area. British commanders agreed to advance towards Washington against the initial caution of General Ross.

Aided by an incompetent secretary of war, and an unwise appointment of a commander of the defending forces, British soldiers marched into Washington with fairly light casualties and the government fled. After finishing a meal left by the fleeing White House residents, the senior British officers decided to burn all the public buildings but largely left private property alone with more looting being carried out by Americans.

The invaders retreated but against the advice of the overall commander Admiral Codrington, and initially Ross, decided to invade the important port of Baltimore where they were repulsed by a better organised American force and Ross was killed.

The American flag flying above Fort McHenry inspired the intermediary Francis Scott Key to write a poem called the 'Star Spangled Banner'.

Ultimately, the war was ended by peace negotiations, a settlement being pressed by the Duke of Wellington who had turned down the offer of commanding the British forces and was a critic of the war.

The peace treaty was signed in December 1814 but the news didn't reach America in time to prevent the Battle of New Orleans. The war was effectively a draw; Britain

entered the war with no territorial ambitions but had pressed for incorporating Maine into Canada in the negotiations and a mid-western Indian state.

There was no change in territory of either Canada or the United States and the issue of the impressment of American seamen into the Royal Navy was dropped, as with the ending of hostilities with France there was no need to impress seamen anyway. There were no winners, although some Canadians regard it as a victory, but there were losers; Britain's Indian allies, whose interests were dropped during the negotiations as they were in the negotiations that ended the Revolutionary war.

Snow gives a good description of the campaign in Maryland but a limited outline of the context of the campaign. The causes are briefly outlined as are the immediate consequences, but there is little mention of the war prior to 1814 and the initial havoc caused by the infant United States Navy.

The long-term consequences also receive no mention. Both countries learnt the lesson and solved future disputes through negotiations, as over the 49th parallel and the Trent affair in the American Civil War, and Britain was more active in enforcing the Monroe Doctrine in the South American wars of independence than the United States.

David Cameron apologised for the burning of the White House recently. Historical apologies don't mean much; the burning of the White House has been justified as retaliation for the burning of the Canadian parliament at York (now Toronto). However, the burning of the contents of the Library of Congress was a barbarian act.

Andrew Hudson

The Outnumbered Poet by Dennis O'Driscoll The Gallery Press (Ireland) 2013 €17.50

Dennis O'Driscoll died on 24 December 2012, not quite 58. Who would have thought that the echoes of mortality, so frequent in his poetry, would be his own?

We don't read enough poetry these days, and O'Driscoll may be better remembered in the UK as a critic, particularly for his definitive biography of Seamus Heaney.

The Outnumbered Poet is primarily criticism, the last section of the book being devoted to Heaney. The first part of the book is autobiographical; I'd commend 'Making Amends' to anybody who hasn't destroyed their adolescent ramblings.

Stewart Rayment

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Monday

A ticklish few days in Pendle have come to an end. You may recall that the Liberal Democrats recently issued a statement condemning without reserve the burning of witches at the stake. I wondered if this was wholly necessary – it is some years since such an incident has taken place even in the Upper Welland Valley – but our people in Pendle (where they have previous in the matter) cut up rough. “There will be leaflets handed out in areas where we are as a party strong and active,” fumes one. “In Pendle, I expect the Labour lot will be doing this (we hear they are already planning to do so).”

In the end, I manage to bring both sides together and they sign a statement saying “We now call on those on both sides of this argument to return to moderate debate, free of insult and threat and we do so because we believe this is in the interests of our party.” It doesn’t mean a thing, of course, but what is Liberalism about if it is not about winning local by-elections in the shadow of Pendle Hill?

Tuesday

From time to time, I am asked by the leaders of our party to entertain a fellow at the Hall. “Give him the best of everything,” they tell me. “Bacon and eggs, shooting, Auld Johnston and so forth. Treat him right and he is good for a cool half million.” It happened under Jeremy Thorpe, it happened with a fellow called Brown under Kennedy, and only the other day Clegg sent someone called Choudhrie to stay. As a loyal Liberal and Liberal Democrat I have always done my best to oblige, but I have learnt that it is wise to count the teaspoons before you wave one of these fellows off. I mention this last guest to the Revd Hughes when he calls this evening on some matter to do with the fabric of St Asquith’s, but he proves strangely reluctant to discuss the subject.

Wednesday

Who should I see coming down the Committee Corridor at Westminster but our own Nick Clegg? He sees me too and tries to dive into a hearing on white fish, but I take a manly grip upon his shoulder when he is not halfway into the room. “What’s this about your supporting the removal of citizenship for people have been convicted of no crime?” I hiss. “I hardly think the Home Secretary would go around persecuting innocent people” he replies, before wrenching himself from my grasp and diving under a table.

Driving home this evening, I am pleased to reach the woods and hills of Rutland. As dusk falls I see a rabbit sitting in the lane in front of me. Expecting it to lollop off as I approach, I do not slow; but it just continues to sit there with a stupid vacant expression on its whiskery face, even when I sound my horn. So I am forced to jam on my brakes and stop in the nick of time, whereupon I give the slow-witted creature a piece of my mind.

Thursday

At a reception this evening, I find myself talking to a charming lady by the name of Miriam-Gonzalez-Durantez. She turns out to have trenchant views on the public schools. “Some people from some of these top schools are fantastic but there are lots of people

Lord Bonkers’ Diary

from these top schools who are unimpressive,” she tells me. “Quite right, my dear,” I reply. She goes on: “I know far too many that come out of there without speaking a single foreign language.” As I am observing that speaking a lot of languages isn’t everything and pointing to that fellow Clegg as a case in point, she suddenly recognises an old friend on the other side of the room and disappears from view. Nevertheless, I am convinced she is Sound. Why does one never hear her spoken of as a future

leader of the Liberal Democrats?

Friday

I call in at Great George Street to tip off the party’s bigwigs about a fellow called Hancock. Between you and me, gentle reader, he has been up to no good in both Portsmouth and far Azerbaijan, and the party must Do Something about him – I am also told that Fleet Street’s finest are on his case.

“Don’t worry,” says a one of the nobs, “we are well aware that there may be problems coming down the track, so we have someone working full-time on our response to the Hancock Affair. It’s Benjamin over there.”

I look across and – by Gladstone! – sitting behind a desk is the very same rabbit that I nearly ran over the other and it has that familiar silly expression on its face. I fear this will not end well.

Saturday

Do you know the North Koreans? Charming fellows, though it is best to keep on the right side of their chief man and not to let your spaniels run loose when they are in the neighbourhood. I was talking to one of them the other evening and he told me something interesting: if someone in downtown Pyongyang feels he is getting the rough end of the stick from a fellow North Korean, then he is likely to accuse him of behaving in a way that “makes the internal disciplinary procedures of the Liberal Democrats seem benign, and anything done by Nick Clegg’s thugs to extract confessions from Chris Rennard’s courtiers gentle”.

Sunday

My peers have been complaining about the catering at the House of Lords; one claims he was left “scarred” after his booking was cancelled and that his wife was “unable to lunch elsewhere” because she was wearing a tiara. What nonsense! If the first Lady Bonkers and I found there was no table for us, we would take a taxi to the East End and dine on pie, mash and liquor or jellied eels, all washed down with draughts of porter, before enjoying a good cockney knees up at the Crippled Canvasser (the haunt, incidentally, of the notorious gangster Violent Bonham-Carter). My wife was even known to display the latest choreography of the Ballets Russes atop one of the tables there, while an audience of costermongers, chimney sweeps, Pearly Kings and Queens and Sir Percy Harris applauded her. But whatever turn the evening took, she wore her tiara throughout.

Lord Bonkers, who was Liberal MP for Rutland South-West 1906-10, opened his diary to Jonathan Calder