





Britain is at a fork in the road. This must now be a moment to think again about the country that we want to be.

We can either go back to the same insecure and unequal economy that's been so cruelly exposed by the virus. Or we can seize this moment, and go forward to a future that builds a more secure and prosperous economy.

This consultation, alongside the Policy Review led by our Party Chair Anneliese Dodds, presents us with an opportunity to set out a bold vision for a brighter future as we emerge from the pandemic.

This is a chance for us to address what matters most to people, and the eight consultation documents reflect this. From ensuring children are at the heart of our recovery from Covid-19, to making the green new deal work for all; from repairing the foundations of our economy, to ending violence against women and girls, this consultation is an opportunity for us to work out what it takes to make Britain the best place to grow up and grow old in.

Throughout the consultation there will be a number of online member events so that my colleagues in the Shadow Cabinet can directly hear your views on the eight consultation topics, and I encourage you to get involved. Whether you submit your views at an event or through Labour Policy Forum, whether as an individual or as part of a group, I look forward to hearing your insights. By connecting all parts of our Party in this discussion, together we can build a brighter future post-pandemic.

**Keir Starmer**  
**Leader of the Labour Party**

Thank you for your involvement in the Labour Party's 2021 National Policy Forum (NPF) Consultation. Through this consultation we want to listen to our members, supporters and stakeholders on how the next Labour government can make the UK the best place to grow up, grow old and live in.

This paper is one of eight policy documents published by the Labour Party as part of the consultation this year. Each document will look at the current situation in the UK and the policy challenges we face, followed by a set of questions on the way forward. There is no need to answer every one of these questions, nor is there a specific way in which to answer them. We suggest using the questions to stimulate your thoughts on what you think the main issues are in the document's policy area.

You can write your response as an individual, or as a collective through your local party or organisation. Once you have drafted your response, please submit it to us through Labour Policy Forum: [www.policyforum.labour.org.uk](http://www.policyforum.labour.org.uk). For more information on how to make a submission, see **[www.policyforum.labour.org.uk/consultation-submission-guide](http://www.policyforum.labour.org.uk/consultation-submission-guide)**.

On the website you can also find out more ways to get involved with the consultation, including full information on our programme of member e-roundtable events. You can also read the seven other consultation documents which might be of interest to you as well. While we are primarily asking for policy ideas related to the eight consultation topics this year, if you have an idea or issue on another topic please do submit this on the website too.

We look forward to hearing your policy ideas on how we can make Britain the best place to grow up, grow old and live in.

## Want to know more about how Labour makes its policy?

You can learn more about the Labour Party's policy making process on our Resource Hub **[www.policyforum.labour.org.uk/resource-hub](http://www.policyforum.labour.org.uk/resource-hub)**.

You can also follow us on Twitter **[@labpolicyforum](https://twitter.com/labpolicyforum)** for all of the latest policy development news and events.

## Accessible Materials

The Labour Party is an inclusive member-based organisation that prides itself on being accessible to all who share its values. If you would like an accessible version of these documents, please email us at **[policydevelopment@labour.org.uk](mailto:policydevelopment@labour.org.uk)** to discuss how we can best accommodate your requirements.

# Repairing the foundations for a stronger, fairer economy

When Labour consulted on the economic impact of coronavirus last year, it was clear we were facing a significant economic hit as a result of the government's response to the coronavirus pandemic.

A year on, over 127,000 people have died, many are experiencing 'long covid' health symptoms and the UK has suffered the worst economic loss of any major economy.

These consequences are the result of our economy and our public services being left fundamentally underprepared to face the challenge of the pandemic.

Over their decade in power, the Conservatives weakened the foundations of our economy. They failed to invest in our communities and public services and pursued a model of 'trickle-down' economics that caused growth, productivity and wages to stagnate.

Sluggish growth and productivity led to a decade of stagnant wages and living standards, meaning millions of families were only just staying afloat even before the crisis. Subsequently many could not cope with losing income or work during the pandemic, leading to a rise in problem debt, rent arrears and food poverty.

Workers in insecure roles, often without a union collective agreement, didn't raise health and safety concerns for fear of losing their jobs. Many found themselves without basic rights and protections, as they were quickly laid off or subject to unscrupulous 'fire and rehire' tactics.

Stubborn inequalities in wealth and income have been exacerbated. Workers from Black, Asian and Minority Ethnic backgrounds were overrepresented in sectors that were shut down during the crisis, and are more likely to have lost their jobs.

Women were more likely to reduce their hours to take on extra childcare responsibilities, and low-income mothers were overwhelmingly more likely to lose their jobs as a result of school closures.

Workers who had been underpaid and overlooked before the crisis were vital to keeping our public services and everyday economy going. From the NHS and care workers to delivery drivers and supermarket workers, many people were at greater risk than others due to the nature of their job.

The Chancellor failed to grasp that the economic and health crises were fundamentally linked. He blocked a two week 'circuit breaker' lockdown in autumn of last year, leading to the loss of many more lives and a longer and more severe lockdown later.

The Chancellor also chose not to prioritise a pay rise for our key workers, yet found over two billion pounds to hand out in public contracts to friends and donors of the Conservative Party. Well-connected corporations, like Greensill, had his ear throughout this crisis, while the millions of self-employed and other businesses were excluded from support schemes.

## The challenges

Thanks to the incredible work of pioneering scientists, the NHS and volunteers, the roll out of the vaccine programme gives us hope that we can return to a greater degree of normality in the near future.

However, there are likely to be long-term effects of a deep, yearlong slump with rising employment particularly affecting younger people.

The immediate focus for policymakers will be to keep Covid case rates and hospitalisations low, and carefully and safely open the economy, helping more people back into a fairer world of work.

The government is badly failing to meet the scale of the jobs challenge, with its flagship KickStart scheme offering jobs to one in every 25 eligible young jobseekers. It was forced to scrap its Green Homes Grant scheme altogether, after a disastrous roll out actually cost jobs in the home insulation sector.

The pandemic has exacerbated and accelerated structural shifts in the economy. While this brings new opportunities, our high streets cannot be left to an unfair fight with lower taxed online competitors.

The Conservatives are also accelerating the sell-off of the high street, with an imminent change to planning law allowing developers to buy up the high street over the heads of local communities. After a decade of neglect, our local high streets deserve better.

The pandemic has also brutally exposed the lack of basic rights and protections for many workers, as weak rights, poor enforcement and barriers to union activity allow a race to the bottom on conditions and standards. Any recovery plan must also ensure work is safe, dignified, secure and well-paid for all.

It has exposed this government's terrible mismanagement of public money, outsourcing vital public services to the same companies that have repeatedly failed and declining to clawback taxpayers' money on contracts that have failed to deliver.

The government is also letting down businesses that are looking to grow and take advantage of new opportunities. Investment in the UK as a whole was one of the weakest in the entire world over the Conservative's decade in power.

So far, the government has failed to face up to this challenge. It has abandoned any notion of an industrial strategy with disjointed government decision-making, and a lack of long-term vision and support, leaving many vital sectors from manufacturing to retail facing an uncertain future. Britain's industries should also not be left to pay the price for the limited trade agreement between the government and the EU.

The government has no real plan to boost regional economies. It talks of 'levelling up' yet it has cut government grants to local councils by 60p in every £1. This undermines their central role in local economic development and the provision of vital services key to our quality of life in communities. Meanwhile the Conservatives continue to be weak on tackling tax avoidance and fail to show the international leadership required, which could cost our country dearly.

## The way forward

A year on from the start of the pandemic, it's clear the Tories want to return to their old, failed economic model.

They've not learnt from their past mistakes and are cutting the pay of our key workers and NHS staff as they continue to battle Covid-19. They're forcing local councils into tax rises and cutting Universal Credit just as unemployment is forecast to peak. This is all while pouring billions of pounds down the drain through waste and cronyism, with contracts handed to friends and donors without competitive tender and a tax policy made by texts between friends.

Labour is clear we can't go back to business as usual and rejects an economy beset by deep-rooted insecurity and inequality.

Labour has a better plan to rebuild Britain and create an economy that is stronger, fairer and greener, and where every pound of public money is spent wisely and in the public interest.

Building on the principles in last year's Interim Report of the National Policy Forum, we've already begun to set out some of the ways we would do this.

Labour and its affiliated unions have formed a 'Power in the Workplace' taskforce, seeking to build on existing commitments to workers' rights and ensure we rebuild an economy where work is safe, secure, dignified and well-paid for all.

Labour would also accelerate the drive to net zero, with £30 billion of green investment to create 400,000 green jobs in fast growing industries of the future.

This is backed by an idea for British Recovery Bonds, so those who have been able to save their hard-earned cash during the pandemic can invest it directly in local jobs, businesses and infrastructure.

Labour also wants to see the creation of 100,000 new start-ups across the UK, to back the next generation of British entrepreneurs to start revitalising local communities and high streets.

While this will help new businesses spring up on high streets, we know the challenges facing them are deep seated and complex. That's why we convened an independent, expert group to advise on ways to build thriving high streets fit for the future.

Labour also believes in a robust, long-term industrial strategy that works with business to take advantage of new opportunities and tackle societal challenges.

As a first step, we laid out plans to jump start an electric vehicle revolution, safeguarding the future of domestic electric vehicle manufacturing and leading the drive to net zero.

Labour backs proposals for a global minimum for corporation tax for big multinationals to help tackle tax avoidance, raise more money for our country and stop British-based businesses being unfairly undercut.

These policies are only the beginning and we want to hear your views on how to build on them to create an economy that is stronger, fairer and greener.

## Questions:

1. How should we do things differently to ensure a fairer economy and tackle the deep-seated economic weaknesses and injustices exposed by the coronavirus pandemic?
2. How can we ensure a good recovery in all towns and cities so that you don't have to move away to get a decent job, develop a career or start a business?
3. How should we ensure everyone is empowered and protected in the workplace, and overcome barriers (such as access to childcare and adult social care) which keep many people, especially women, out of the world of work or in lower paid jobs?
4. How can we help the full range of Britain's industries prosper now and in the future, and what policies will help them create more and better jobs?
5. How can policymakers help local high streets adapt and flourish?