
fabiana

ISSUE #3

The Fabian Women's Network Magazine

SPRING 2012

Finding the way to growth



Athene Donald
Lisa Nandy MP
Center for American Progress
Kate Green MP
Simone Maciel Cuiabano
Kitty Ussher
... and many others



Fabiana › spring 2012

Contents

Fabiana is the magazine of the Fabian Women's Network (FWN). The articles represent the views of the writers only and not the collective view of FWN.

Editor: Ivana Bartoletti
Sub-editor: Suki Ferguson
Designed by: jamesenglishdesign.com
Illustrations: www.amerincamera.co.uk

FWN Director: Seema Malhotra MP
Email: fabianwomen@fabian-society.org.uk
Twitter: @FabianWomen Website: <http://www.fabianwomen.co.uk>

Fabian Society General Secretary: Andrew Harrop
Fabian Society membership: Giles Wright 020 7227 4904

Young Fabians (under 31s): www.youngfabians.org.uk
Young Fabian Women: Claire Leigh, cleigh@youngfabians.co.uk

Fabian Women's Network
 c/o Fabian Society
 11 Dartmouth Street
 London SW1H 9BN
 Telephone: 020 7227 4900 ■ Fax: 020 7976 7153 ■

FWN COMMITTEE

Seema Malhotra MP – *Director*
 Emma Carr – *Secretary*
 Johanna Baxter – *Union Liaison*
 Laura Nelson – *Head of Communications*
 Christine Megson – *Mentoring Scheme Coordinator*
 Sarah Hutchinson – *Researcher and Website*
 Emma Burnell – *Events Manager*
 Ivana Bartoletti – *Editor, Fabiana magazine*
 Jessica Asato – *Events and Social Media*
 Amina Lone – *Fabian Women's Network North*
 Carolina Lindahl – *Research and Membership*
 Alex Kemp – *Research and Events*
 Nina Champion – *Events*
 Claire Hickson – *Events*
 Claire Leigh – *Research and Mentoring Scheme*
 Christine Quigley – *Young Fabian Women Liaison*

Editorial	3
Ivana Bartoletti	
From raw ingredients to a feast for all	4
Simone Maciel Cuiabano	
Obamanomics	5
Jennifer Erickson and Sabina Dewan	
What can capitalism offer us?	6
Kitty Ussher	
No to banking bail-outs	7-8
Michael Stephenson	
Reputation in the spotlight	9
Lisa Nandy MP	
We are definitely not powerless	10
Meryam Omi	
An alternative to GDP	11
Abi Ramanan	
Green fingers on patrol	12
Jean Lambert MP	
Women's incomes are central to UK prosperity	13-14
Kate Green MP	
Book review	14
Felicity Slater	
State capitalism	15
Interview with Loretta Napoleoni	
EU is to foster European innovation	16
Elizabeth Pollitzer	
A shocking waste of talent	17
Athene M Donald	
Cooperative revolution	18
Mareike Alscher	
The internet unites disparate voices	19
Roberta Blackman-Woods MP	
A national embarrassment	20
Charlie Samuda	
Gang violence in the UK	21-22
Viola Caon	
Housing is a boost for the economy	22
Emma Burnell	
A case of the Emperor's new clothes	23
Reema Patel	
The burdens of the journey	24
Jennifer Roberts	
Is public speaking your Achilles' heel?	25
Vicki Butler	
Squeezed out of work	26
Carolina Lindahl	
Girls on Film	27
Lindsey Kennedy	

Welcome to the third issue of Fabiana!

Ivana Bartoletti,
Editor



Fabiana is busy helping to build Labour's alternative to the orthodoxy of austerity that is being implemented by the Tory-led Government.

Austerity, with no grip on growth, is hurting but not working: this is the message Francois Hollande, the new socialist French president has pledged to deliver to his fellow leaders to shape a new direction for Europe.

The same message, that austerity is hurting but not working, was heard loud and clear during the May elections in the UK. Although the results have shown us that Labour is back, it is true that we still have a long way to go to regain the trust of millions of voters - particularly those who did not go to the polls.

These are not easy or ordinary times. It is an unprecedented era: there is no money around, and things do not seem to be improving, thanks also to a Government cutting too far and too fast and, by doing so, capping any possibility for growth. It is true, however, that we now live in a different world: European capitalism has become a 'poor capitalism,' and emerging powerhouses, like China, India and Brazil, are now reshaping the economic world.

This prompts two questions. First, how do we fit into this new world? How do we generate growth, and what economic agenda do we put in place? Second, how do we redistribute resources and create equality with less money around?

Only when we have answered these questions will we be able to create a reassuring vision of a fair and rewarding society, and offer it to the

many that are struggling under the burden of an out-of-touch government, and deserve a better future for themselves and their children.

Unprecedented times require innovative answers. In the coming months, Fabiana will be offering a space for debate. We need enough radicalism, and ambitious yet achievable plans, to reshape the way we live, as well as a 'social contract' that holds our country together.

This issue of Fabiana presents a wide range of ideas and innovative policy proposals.

The Center for American Progress highlights how empowering the squeezed middle is a priority throughout the world. Indeed, figures show how Obamanomics, rooted in strategic investment in strengthening the middle, is working and triggering growth, so that communities are able to play their part in contributing to economic recovery.

Leading economist Loretta Napoleoni, author of *Maonomics*, argues that European capitalism needs much stricter financial controls and regulation. It is not too late, she contends, for a deep reform of our system: we have been dominated by the financial elite, with too few and loose controls. For life to feel worthwhile, it is people who need to be at its centre. Along the same lines, Brazilian economist Simone Maciel Cuiabano offers a perspective from an emerging powerhouse that might help to provide the UK with solutions, starting with fiscal discipline. Lisa Nandy MP makes the case for reforming pay ratios, while Kate Green MP discusses a cred-

ible platform for Labour, based on the importance of women's incomes to generating growth.

Fabiana's contributors explore other territory as well. Professor Athene Donald, from the University of Cambridge, debates that, as innovation is so crucial for the economy, it would be a boost to have more women in science, technology and engineering. She makes the case for tackling the gender segregation which hinders female contribution.

One thing is clear to Fabiana: it –is the values at the core of our system that need to change in order to make work pay and, as Ed Miliband says, provide 'something for something'. For example, Mareike Alscher, researcher at the Social Science Research Centre in Berlin, and Michael Stephenson, General Secretary of the co-operative party, make the case for strengthening and promoting the culture of cooperation, as a key to reforming the values underpinning our economy, and engaging in a public conversation about our future. Abi Ramanan pushes for alternatives to GDP and Jean Lambert MEP advocates a new Green Agenda.

This is only the beginning of our work. In the months to come, Fabiana will give voice to women and men from the UK and the rest of the world, as well as developing ideas and bringing them to the political debate.

Ours is a feminist magazine, and interprets feminism as a transformative power. At this juncture, we need a true, radical, but realistic challenge that is both grassroots and party-led, and 'confronts the way we have done things until now. □

From raw ingredients to a feast for all

Brazil's experience can suggest the recipe for avoiding future financial crisis

It was once said that women belong in the kitchen. I think it's fair to say that women can therefore help men to follow – and improve upon – a recipe book.

Why am I saying that? Well, since the financial crisis erupted in 2008, Latin American countries showed an incredible resilience to it. According to Eyzaguirre (Why Did Latin America Do Better in This Crisis?: 2009), this can be attributed to the fact that 'the region faced the crisis equipped with economic policy frameworks that were more solid and credible, with smaller financial, external, and fiscal vulnerabilities.' The countries with more credibility in the management of their monetary and fiscal policies were able to lower their interest rates and simultaneously increase their public expenditure and fiscal deficits to cushion the impacts of the crisis.

But this scenario would never have been imagined 30 years ago. In the 80s, countries with large public debts like Mexico and Poland started renegotiating their debts with creditor banks. These negotiations unilaterally defaulted their debt-service obligations. This was the benchmark for the 'lost decade' in Brazil.

In summary, we were a fly-by-night country.

Brazil started tracking the path towards economic balance in 1994 with the Real stabilization plan. This was able to tackle the main issues that contributed to the country's poor economic performance, by enabling the re-equilibrium of public finance, control of monetary expansion, and a lot of regulatory changes that were necessary to improve competition and confidence in the brand new Brazilian financial system. Once stability was

Simone Maciel Cuiabano, finance analyst, National Treasury Secretariat of Brazil. The views expressed here are personal, and do not represent those of the Ministry of Finance of Brazil.



By Simone Maciel Cuiabano

in place, social welfare programs were implemented and later expanded upon, such as one which offered conditional financial aid to poor families if their children attended school and were vaccinated.

It was a bumpy ride towards equilibrium, however, due to four international crises: one in Mexico, in 1994; one in Asia, in 1997; the Russian crisis, in 1998; and finally one in Argentina, in 2002. All these crises affected Brazil by contagion: investors still lack confidence in the Brazilian market, whose trustworthiness is yet to be proven. In 2008, when the financial crisis emerged, most people got cold feet regarding Brazil's and Latin America's ability to cope with such turmoil again.

However, the actual crisis was born at the heart of the financial system. Its main cause was related to poor regulation and irresponsibility regarding private money – two things that Brazil and other emerging countries had to reformulate in order to win back investors' confidence. As a matter of fact, Brazil took part in international agreements, such as the Basel II (now III), and had to implement very strict fiscal discipline, paid with a constrained growth – something that the US and most of Europe never had to worry about until 2008.

So, the recipe to avoid future financial crisis and minimize its effects requires sustainable credit expansion, higher ratios of capitalization, liquidity, efficiency and financial competition in banking, and finally greater public transparency regarding their own investment. In short, these are the same old ingredients that have been familiar to Latin American countries in recent times.

It is very easy to curdle an egg. Or an economy. But as more women are showing up in command positions, in the future we will be able to bring out the right flavour to this recipe. □

A brief summary of Brazil's 'lost decade'

- 1 » After the default, the central government had to take on most of the private debt, worsening public accounts. It took almost 10 years for foreign private investors to return.
- 2 » Brazil had an inflation rate that ranged from 130% year on year (1981-83) to 472% year on year (1985-1989).
- 3 » In an attempt to fight inflation, the country tested 5 stabilization plans and implemented 3 currency changes.
- 4 » Monetary and fiscal policies were mismanaged in such a way that the exact amount of the public debt was almost impossible to measure.
- 5 » Tangled up in debt, payment of interest and hyperinflation Brazil's average GDP growth was, from 1980 to 1984, about -0,3% and the skyrocketing inflation rates made it impossible for the population to benefit from any positive GDP growth.
- 6 » All this was combined with about 40% of the population living below the poverty line.

Obamanomics

A strategic investment in strengthening the middle ground

By Jennifer Erickson and Sabina Dewan, Center for American Progress



Jennifer Erickson, Director of Competitiveness and Economic Growth



Sabina Dewan, Director of Globalization and International Employment

The most valuable economic asset any country has is its people. And when those people are squeezed by circumstances, policymakers need to ask themselves what they can do to support the workers who form the very engine of economic growth.

Despite protestations from the Office for Budget Responsibility, data from the Organisation for Economic Cooperation and Development suggests that the UK is back in recession. With pressures mounting, especially on the middle that bear the brunt of an economic downturn, it is time for policymakers to turn their attention to what can be done to help workers and their families and to get the country's struggling economy back on track.

If necessity is the mother of invention, then the first thing policymakers should do is invest in good jobs, infrastructure, public services like education and health, and a progressive tax system. The current government's austerity measures have thrust the UK into a double dip recession. These policies are simply not working for the British economy.

The total number of jobless in the UK is at a 17 year high, with an unemployment rate of 8.4% and almost three million people without work. The jobs that are available lack appropriate wages, worker protections and opportunities for economic mobility. They are 'just jobs', and they fuel the inequality that threatens long-term economic growth for the country.

At a time when the economy most needs jobs and job security, the UK government's fiscal consolidation is forcing redundancies in public sector employment. This is a damaging strategy, as public sector downsizing during a downturn comes with negative externalities that exacerbate unemployment, exert pressure on already weak aggregate demand and fuel uncertainty. Alternatively, investments in public services like education and health not only help build human capital, but the very provision of these services employs workers, which aids the current economic situation.

'Infrastructure projects can pay dual dividends by improving the nation's competitiveness and creating jobs that act as a stimulus to aid recovery'

Investing in education is also key to promoting economic mobility, benefiting communities across the country. And yet, as the importance of educating young people becomes all the more critical, the latest UK budget shows cuts to education funding. This kind of short-sighted thinking not only damages the recovery, it jeopardizes long-term growth.

Infrastructure projects can pay dual dividends, too, by improving the nation's competitiveness and creating jobs that act as a stimulus to aid recovery. Infrastructure projects are a way to create direct jobs in the near term, in which workers are deployed for a finite period of time, making it easier to use this as a counter-cyclical measure. And better infrastructure helps private sector operations as well, contributing to productivity.

Another way to help the squeezed middle now is to ensure that at a time when wages are stagnant, targeted tax measures are helping workers. In the United States, that took the form of a bipartisan agreement to cut payroll taxes. The Institute of Public Policy Research's Tony Dolphin saw the multiplying effects this policy had state-side, and called for a similar measure in the UK. Temporary cuts to National Insurance would ensure that hardworking families have more money in their pockets during these difficult times, and in turn could circulate that money in the economy.

Working towards a more progressive tax system will also help the squeezed middle. Unfortunately, the budget unveiled on 21 March moved in the opposite direction, courtesy of VAT increases which increases, which hit the less well-off harder while the top rate of income tax declines. These are exactly the wrong moves at the wrong time.

Strategic investments like those detailed above not only put the UK on a path to economic recovery, they also help address the pernicious problem of inequality, which itself is a drain on growth. Issues of inequality in the UK are not new, but they are getting worse. Income inequality is higher now than it has been since the period just after the Second World War. Turning around this damaging trend will be key to securing a stronger economic future.

At the close of 2011, the New York Times ran a lead editorial on 'Britain's Failed Experiment.' It called for turning away from doctrinaire austerity measures and focusing on growth through "wiser policies, mixing short-term stimulus with long-term deficit reduction."

It is not too late to change course. Call it plan B. Call it Obamanomics. Whatever we call it, it will certainly be a strategic investment in strengthening the middle, so that communities across the country can play their part in contributing to the economic recovery. □

What can capitalism offer us?

Defining what we want capitalism to do for us is the key to responsible change

It is not the job of capitalism to be responsible, it is the job of government to make it so. So when policy-makers, criticize the capitalists for irresponsibility we are monumentally passing the buck.

At its best capitalism can help people to realise dreams, to pursue ideas, to boost national pride and give dignity, control and empowerment. At its worst, it engenders exploitation, mis-allocates national resources, and shatters hopes and dreams through instability or unfairness.

'It is not the job of capitalism to be responsible, it is the job of government to make it so. So when we, as policy-makers, criticize the capitalists for irresponsibility we are monumentally passing the buck.'

Our job is to accentuate the former effects, and minimise the latter. The economist Roger Bootle – not an author I have ever quoted previously – writes in the conclusion to his excellent book *The Trouble with Markets* (2009) that “successful economies are all characterised by the harnessing of individual effort to the creation of wealth, to the benefit of all. Unsuccessful ones are characterised by individual effort being devoted to the distribution of wealth away from others.”

And he reminds us of the many different types of capitalism – from the state capitalism of China, through what he calls the welfare state capitalism of Scandinavia, the bureaucratic (his words, we say Rhineland) capitalism of France and Germany through to the “part free-for-all, part

heavily regulated capitalism of America” and the “finance-dominated, open capitalism of the UK”.

The problem with the current debate on whatever type of capitalism we have in Britain is that it all becomes mixed up with an older debate around ownership that traces back a hundred years. But the lessons, if any, that I draw from communism and central planning at home and abroad, are that much can be achieved in human endeavour from a sense of common purpose. Drawing on this, my big idea for capitalism is that we need to define, as a nation, what it is for.

So, then – what can capitalism offer us? Dignity, collective endeavour, pursuit of excellence, using our skills, building our future, leaving a legacy, bringing hope, being part of a strong team, making us better off, providing for our families, enjoying freedom, getting respect from our peers, financial security, enhancing wellbeing through workplace communities, doing things we love, making sure our economy can sustain public services.

Every time we attack capitalism's irresponsible elements (important though it is to fix them) we miss an opportunity to explain what we want it to do. We need a far more instrumental approach. Markets are mechanisms. Bits of kit. They have power, and limits. People work in them. In some areas they should be created, in others curbed, depending on what is to be done.

If old Labour was (understandably) mistrustful of markets and new Labour somewhat in awe of them, next Labour needs to learn how to shape them to achieve progressive ends. They are part – but by no means all – of the toolkit at our disposal to achieve higher aims; our job is to set out what those aims are and which bits of the kit we intend to use in what way to achieve them.

In government, Tony Blair was sometimes guilty of taking the business

Kitty Ussher, economist and research fellow at the Smith Institute. Former MP for Burnley and minister at the Treasury and DWP.



By Kitty Ussher

side in minor policy battles just to show that Labour wasn't reverting to any “old” tendencies. But in opposition he gave us glimpses of this instrumental approach. At the Labour conference in 1995, for example, he explained he wanted to see: “public and private working together, building a dynamic economy that addresses the nation's needs and serves the nation's interests”. His totemic policy to illustrate this point was a deal done with BT to connect every school, college and library in Britain to the “information superhighway”.

'Much can be achieved in human endeavour from a sense of common purpose. My big idea for capitalism is that we need to define, as a nation, what it is for'

Maybe we should subject all policies to this 1995 “superhighway” test. First start with the public policy problem to be fixed, then explore what the most effective way is to fix it. It immediately follows that the market incentives created by the pupil premium make it an excellent idea, that of course we should pursue a regulatory vendetta against unhealthy foods, and payday loan companies for that matter, that insurance companies have huge potential to help people worried about losing their living standards, and if we want to focus the minds of public sector managers there's nothing wrong with giving named individuals a pay bonus if they succeed in implementing tricky policies. It's time to stop bemoaning irresponsibility and have the confidence to get the markets of the future to work for us. □

No to banking bail-outs

Now is the time to re-mutualise our interests and adopt a collective approach

As the UN Land Rover pulled off the road the first thing I saw was a mass of children waving welcome signs. The Onambele Co-operative in Zanzibar was a hive of activity with its poultry houses, grain milling rooms and overgrown gardens. As I stood before the members of the co-operative to speak about the Co-operative Party in the UK I was struck by a sight to which I was totally unaccustomed back home: the vast bulk of the members of this organisation were women. Not only that, but the majority of the senior management were women too.

I came away reassured that the nature, values and structure of co-operatives make them the best model there is for encouraging equal participation in business. This is particularly so in the developing world where there is greater scope for different types of business to emerge and not be bound by the traditional shortcomings of the western approach.

Pauline Green, the Chair of the International Co-operative Alliance made an important point on International Women's Day – that co-operatives gave women the vote 88 years before Parliament legislated for universal suffrage for general elections. And although the proportion of women involved in co-operatives around the world needs to increase, there is no doubt that equal opportunity and participation are in the very DNA of the co-operative movement. The values that guide co-operatives are set out by the ICA as self-help, self-responsibility, democracy, equality, equity and solidarity.

They are based on 7 principles – voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; co-operation among co-operatives; and concern for the community. Given recent economic history, nothing could be more timely than this approach.

In our own country, the co-operative sector is recovering after a period of decline. More than 12 million Britons are members of co-operatives. More than 5,000 co-operative organisations in the UK employ around a quarter of a million people and have a turnover in excess of £33 billion. In the last 3 years the number of co-operatives in the UK has grown by 15%.

'Unless we rebuild our economy in a way that puts values ahead of institutions, we are doomed to repeat the mistakes that led us into our current economic woes'

In the wake of the global economic crisis, that success has shown that co-operative values will trump short term greed every time. While our banks queued up to take hundreds of millions of pounds of bailout funds from the taxpayer, co-operative and mutual financial organisations just carried on doing what they do best – serving their members and using their money prudently and sustainably.

So if we want to build (or indeed rebuild) a strong co-operative economy, what do we need to do?

First, we have to recognise that economic change is not just about regulations or institutions.

It's also about values and culture. Our regulators do not understand the difference between a conventional shareholder business and a co-operative. Our civil servants still subscribe to the false view of co-ops as inefficient and small-scale. Our education institutions do not teach the co-operative approach as a legitimate

Michael Stephenson,
General Secretary of the
Co-operative Party



By Michael Stephenson

business model on a par with traditional firms.

Those outdated and incorrect perceptions are part of a culture that has dominated our economy and society for decades. What makes co-operatives unique is not just their corporate governance structure but the fact that their values are built into that structure and - unless we rebuild our economy in a way that puts values ahead of institutions - we are doomed to repeat the mistakes that led us into our current economic woes.

Second, we have to expand the mutual sector in our economy.

Before Margaret Thatcher legislated to encourage our building societies to de-mutualise, we had a strong and healthily diverse financial services market. Every single one of the mutual organisations that de-mutualised as a result of the Tories' legislation either collapsed, was bought out by a bigger bank, or had to be rescued by the taxpayer.

The Co-operative Party campaigned hard to re-mutualise Northern Rock - yet the Tories and LibDems chose to sell it to Richard Branson, and missed a golden opportunity to return it to the mutual sector where it belongs.

If we continue to have a financial system dominated by a small number of large players who all represent a single business model we will greatly restrict our options in terms of customer choice, access to finance, financial inclusion and financial education. A strong mutual sector is a compelling civilising force on our economy and we should give that the recognition it deserves.

Third, our economy has to have greater transparency.

One of the greatest lessons of the credit crunch was the danger of a lack of infor-

mation about what our banks are actually doing with our money. We need to take action now to address that.

That is why Co-operative Party MPs have introduced amendments to the Financial Services Bill that would require the collection of data on all transactions in our financial market, allowing for the first time a map of financial risk taking. Based on the Dodd Frank Act in the US, the proposal would allow monitoring of the build-up of risk within the system and help avoid the sort of deception Sir Fred Goodwin used to conceal the real risk of RBS's speculation.

Co-operative and mutual organisations understand the importance of this because their business model is based on prudence and the involvement of their members in the decisions that affect their organisation. We need to encourage other ways of addressing this issue so that we can link our banks and financial institutions to the communities they are supposed to serve rather than separate them from shareholder scrutiny and outside regulation.

Fourth, we have to learn from international experience.

If you measure business activity by number of shareholders and employees, co-operatives are the largest business sector in the world. They represent 800 million members, employ 100 million people and generate \$1.1 trillion. In Sweden the co-op sector accounts for 13% of GDP. In the US 42 million people get their electricity from co-operatives. In Finland 75% of people are members of a co-op. In Switzerland co-operatives hold 49 per cent of the retail sector. In developing countries, 75% of all Fairtrade products are produced by co-operatives.

But the co-operative sector cannot just grow within national boundaries. It needs international support. That is why Europe has already taken a lead on cross-national development of co-operatives.

The Europe 2020 plan for the European Community specifically focuses on smart growth, sustainable growth and inclusive growth as the key to the European economy of the future. Each of these

priorities is best served by adopting co-operative business practices and the co-operative movement in Europe is using all of its experience to put its approach at the heart of the plan.

More broadly, the United Nations has recognised the importance of co-operatives. 2012 is the UN International Year of Co-operatives, a time when the co-operative approach is not only celebrated but practical action is being taken to develop the model internationally.

The UK has a major role in making that a success as it is the birthplace of the co-operative movement. The Rochdale pioneers in 1844 and visionary co-operators like Robert Owen laid the foundations for that model. We owe it to them and to future generations to build the long term stability and sustainability that the old economy did not deliver in our lifetimes. And we owe it to future generations to make sure that the economy allows for everyone, regardless of gender, background and circumstance, to be an active and successful player in that economy. □

Labour Women's Network

Supporting Labour women since 1988
 @LabourWomensNet
 www.lwn.org.uk

Labour Women's Network is an organisation of women members of the Labour Party dedicated to supporting Labour women to play a full part in the Party, and to securing the election of more Labour women to public office at every level.

We train, mentor and advise Labour women seeking selection for all levels of public life, but particularly parliament. We run residential courses for our members, and provide CV surgeries by email.

Interested? Join us today – www.lwn.org.uk

Reputation in the spotlight

Greater transparency over UK pay ratios will contribute to a fairer economic environment

Over the course of my lifetime executive pay has risen by 4000%, despite a striking lack of evidence that high pay leads to better performance. The year before the financial crisis, top pay in the financial sector increased by 37%, while “not a single controlled study has ever found that the use of rewards produces a long-term improvement in the quality of work” (Kohn).

At the same time, the gap between high and low pay has grown significantly. In 2010, FTSE 100 pay rose by 55%, while average take home pay dropped for the first time. Low pay is a social evil, but so is inequality. The links between inequality and unhappiness, low trust, ill health and violence were illustrated clearly in 2009's *The Spirit Level*.

It is understandable then that there is growing concern and anger, not just about low pay, but about pay inequality. Last year IPPR found 82% of the public want to see government intervention to close the pay gap in both the public and private sectors.

One simple but important response is to require companies, charities and public bodies to publish the ratio of their highest to lowest earners, and highest to median earners, on the front cover of their annual reports. But publishing the ratio of the highest to lowest earners can encourage companies to simply outsource low paid jobs to improve their ratio. Publishing top-median pay helps to prevent this.

By shining a spotlight on the pay gap within companies, consumers and investors can make informed, intelligent decisions about which companies to support. In addition, the current government could – and should - use the information to inform fair, sustainable procurement decisions.

In the wake of the financial crisis, it is well understood that a short-term business culture is unsustainable.

Encouraging businesses to take a long-term outlook, and to invest, grow and support a well-treated workforce, is important to the future of the UK and an essential plank of an economy that works for the majority of the public.

‘Some say transparency leads companies to lose senior staff, but the evidence does not support this. The CEO of Whole Foods, which publishes its ratio (19:1), says “we have never lost a top executive to a competitor that we wanted to keep”’

Pay ratios indicate whether a company has a long term outlook. High pay, based on bonuses, encourages excessive risk-taking. A compressed wage ratio is a sign that a company is sensitively, fairly and imaginatively run, that its staff members are valued and that collaboration matters as much as competition. Those businesses that do take a long term approach ought to be recognised and rewarded for it. Pay ratios do not tell you everything. Because of the nature of their workforce, some companies have higher pay ratios than others - but transparency allows investors to dig beneath the headlines and decide for themselves how that company is run.

Critics say it is impossible to calculate what constitutes earnings: do in-kind benefits count as pay? Yet it has already been done. The Dodd-Frank Act in the USA requires listed companies to publish their median-top earnings ratio

Lisa Nandy MP, shadow minister for children and young families



By Lisa Nandy

of their companies. This includes salary, bonuses, in-kind benefits and pension contributions but not, for example, medical insurance.

Others say transparency leads companies to lose senior staff but the evidence does not support this. The CEO of Whole Foods, which publishes its ratio (19:1) says “we have never lost a top executive to a competitor that we wanted to keep.” The alternative, to publish CEO salaries, was tried in the US in 1992 and expanded after the Enron scandal. Over that time top pay increased dramatically ‘because publishing CEO pay encouraged ‘leapfrogging’.

By themselves, pay ratios will not transform the economy. While it seems pay ratios keep high pay down, they do not seem to lift low pay, which has not kept pace with inflation. There is a growing army of people who rely on in-work benefits just to afford basic essentials. This is clearly unethical, and urgent change is needed. Publishing pay ratios needs to go hand in hand with measures, like the living wage, to reward people properly for their work. But at a minimum publishing the gap between the highest and lowest paid would shine a spotlight on low pay.

Similarly, embedding a long-term business culture requires greater reform: greater employee influence over pay setting, a charter of responsible pay and better corporate governance. Yet Germany, which has led the way in this, tells us the key principle is transparency.

Ultimately this is a question of worth. Is it right that so many struggle to make ends meet, while last year the CEO of British Gas earned 1081 times the minimum wage? Other companies do so much better than this and ought to be rewarded for it.

Transparency about the pay gap is the logical first step. □

We are definitely not powerless

If we don't check the details of the default investment choice, we comfortably relinquish our shareholder rights

Democracy has given us the power to vote on who should represent us in the government — but you can't help but notice that it's usually money that dictates most of the big decisions in our lives. Supermarkets price our everyday food, oil companies control our energy supplies and, of course, companies provide our jobs. The more we focus on personal choice and individual responsibilities, the more powerful this 'money' business gets.

So, what can one person with limited resources do in this seemingly pow-

erless situation? The answer is potentially much easier than what you might expect. Firstly, you need to define what it is that you care about and what is vital for our survival. Ethics differ from one person to another. Some are passionate about keeping forests intact, and some don't want to invest in tobacco or pornography; many don't care about any of these that much. But what is it that you care about? What do you want to finance?

Another big question is of broader sustainability issues. Current economic models have failed to incorporate key vital components in our livelihood due to their lack of price: access to resources, climate stability, human rights, demographic changes, political instability, to name a few. What can we do to meet the needs of tomorrow without compromising today? The answer is that we need to invest in renewables, innovative technologies or infrastructure and exercise discretion over which pension funds, banking and savings, and life insurance providers we invest in.

Our pension money is some of the biggest savings we will ever have, and yet, one that most of us know very little about. It's vital that you question who is looking after your interests, so that your money will be there when you need it.

How do we do that? If you are lucky enough to have a final salary scheme with your employer, you should ask your trustees how your money is being invested. They are under great pressure to meet liability payments of current and soon-to-be pensioners, but do the investments also take account of longer term issues? If they can't answer that, their consultants and asset managers will. Asking is all it takes to start a dialogue. If you want to do more, then consider being a trustee yourself. Why not?

If, like most of us, you have to think about what to do with your own stakeholder pension then you are slightly at the mercy of what the literature tells you, the

*Meryam Omi,
Environmental, Social and
Governance Manager at
Legal & General Investment
Management*



By Meryam Omi

independent advisors and your own busy life. If we don't check the details of the default investment choice, we comfortably relinquish our shareholder rights. Instead, we need to read around the options available and ask for more information on the topics that we care about.

How your bank invests your money and what projects they finance are big topics that can feel too daunting and time-consuming to read up on, but there is nothing stopping you from asking about them at your local branch. They may be taken aback and unable to answer your question, and even suggest that socially responsible investing will diminish your returns. Just ask them, why? Why does taking that into account have to jeopardise our financial future? The more we ask these questions, the more they have to listen.

On the choice of investment vehicles, some of the savings are invested in bonds. If so, do you vote on your equity shares? Do you ask your provider to vote on your behalf? And if so, how do they vote? Again, ask. No work is required.

Lastly, who has time to check out how their insurance provider insures large projects? Forget about that and focus on what suits you. Have you taken an insurance cover that's supposed to cover you for 'rainy days' like increasing floods and droughts? Then ask what the likelihood of that is and what they project the changes to be in the future. This conversation is relatively easy in the UK, and can become crucial discussion points in other countries.

Being a responsible custodian of this powerful thing called 'money' takes time, some education and a lot of dialogue. But we are definitely not powerless. These questions trigger vital dialogue with people and organisations that are meant to help you build a sustainable financial future. So, take an hour out of your day, find the link and hold them to account. □

'BUT WHAT READING SHOULD I INVEST MY TIME IN?'

- Instead of drowning in a myriad of literature on economic theory, sustainability issues and government policy, pick out documents that link you and finance.
- Read about your pension funds' allocations and how they are managed by the provider.
- Look at the saving options that your bank offers and examine their risk management.
- Think of one topic that you deeply care about, find a company that's invested in it and read their literature on the topic.
- Does the company have links to your finances? If not, find out what can you do to align your finances with that company.
- Move your money, or participate in your service provider's governance. After all – money talks!

An alternative to GDP

New indicator can change how policy-makers value women, the environment and wellbeing

GDP and growth indicators are calculated from a westernised male perspective. They underpin all economic policy decisions made by governments, but automatically exclude huge sections of society - especially women. Isn't it time we changed the way GDP is calculated, or found a more inclusive measure of socio-economic success?

Unpaid care-giving work in the home isn't accounted for in GDP and is often performed by women, either on a full-time basis or before and after time spent at a paid job. This includes billions of dollars' worth of housework, child-care (and education), and homecare of the sick, disabled and elderly. This unpaid work increases overall consumption of goods and services and contributes directly and indirectly to societal well-being.

In all countries women do more unpaid work than men. The gender gap averages 2.5 hours of unpaid work per day. However, Turkish, Mexican and Indian women spend per day 4.3-5 hours more on unpaid work than men. In Southern Europe, Korea and Japan, women also do considerably more unpaid work than men. Even in the country with the highest unpaid working time among men - Denmark - men still devote less time to unpaid work than women in Norway, the country with the lowest female unpaid working time. This has immense global implications because as long as GDP-contributing production continues to determine value, women's work is invisible. Adding estimates of the value of unpaid and voluntary work to GDP would be more representative of national productivity, and a fairer way of comparing countries' respective productivity. The impact of more inclusive economic indicators could be particularly big for the developing world, where so much household and informal production currently goes unrecognised.

Women aren't the only ones losing out - under current GDP measures, environmental pollution ends up being a positive because it creates economic activity, and is even counted twice: once when it's created, and again when it's cleaned up. Furthermore, the result of that pollution, which is often illness such as cancer, also ends up as a plus-point, because it too creates economic activity.

'The Genuine Progress Indicator (GPI) is an alternative to GDP...it enables policymakers to measure how well citizens are doing, based on economic, health, social and environmental factors'

Redefining Progress, a Californian think-tank, created the Genuine Progress Indicator (GPI) as an alternative to GDP. GPI enables policymakers to measure how well citizens are doing, based on economic, health, social and environmental factors. In effect, if the costs associated with our way of life were to equal the financial gains, the GPI would be zero.

A number of countries have used the GPI to recalculate their GDP. In Canada, Nova Scotia and Alberta have pioneered its use provincially. In 2000, the National Roundtable on the Environment and the Economy began a three-year multi-stakeholder program aimed at developing a small set of indicators to track whether Canada's economic activities threatened the country's way of life for future generations - the first time a federal finance minister acknowledged the need for such measures.

Abi Ramanan, freelance writer, campaigner and researcher, currently working at the Overseas Development Institute



By Abi Ramanan

Time-use surveys record how people allocate their time, typically using a 24-hour diary, and provide information on the context of the activity. Using this tool the Australian government have demonstrated that household production is the single largest productive sector of the Australian economy. It exceeds the value of all manufacturing by a multiple of ten, and the value of all mining and mineral extraction by a multiple of three. Household production is overwhelmingly the biggest productive and service sector. This raises many important questions about the allocation and distribution of public funds - instead of ignoring the unpaid contribution of millions of people, how could governments better recognise, encourage and harness the value of this work?

Time use - at a micro-level of household to household - offers the opportunity for women's unpaid work to become visible, but crucially, it also provides the chance to challenge the one-dimensional policy making that goes on within government.

The tiny Himalayan country of Bhutan still has a low GDP per capita, but its citizens are amongst the happiest in the world. In the 1970s Bhutan began developing a 'Gross National Happiness' indicator and are continuing to refine methods of measuring personal, social and environmental well-being.

Around the world alternatives to traditional GDP indicators are being created and used as tools to help us create well-being rather than borrow it from future generations, and to recognize the contributions of everyone in society to our collective happiness.

It's a sad reality that public policy values what it measures. So let's make sure that we start measuring what we value. □

Green fingers on patrol

A flourishing green industry will help us out of this mess, but it needs government backing

2013 will mark the 80th anniversary of President Roosevelt's 'New Deal' - the unprecedented, comprehensive legislation that aimed to protect Americans from the ravages of the Great Depression. Today, the financial crisis represents a similar challenge in the UK, but it is not the only one: climate change is not waiting while we sort out the economy. Can we rise to today's challenges in such a bold way?

There exists a deeply held view among conservative thinkers that investments in environmental protection and sustainability are unaffordable net expenses during times of economic uncertainty. Historically, recessions trump environmental concerns in the media, which enables decision makers to imply environmental protection is profligate rather than prudent.

However, the recent Green Alliance report *What people really think about the environment* shows that the public wants to continue to make progress on environmental issues, including climate change. So the eternal 'economy or environment' dilemma is a false one - strong environmental safeguards and a healthy economy can go hand in hand. Moreover, the public understands this. For example, the European Commission's Clean Air Strategy aims to cut the annual number of premature air-pollution related deaths by almost 40% from the 2000 level, which could result in longer, healthier, lives, less workforce absenteeism from sickness and the stimulation of green industry.

We have to make a just transition to the green, sustainable economy that we so urgently need. Just as President Roosevelt sculpted a New Deal in the face of what was an epochal challenge, we need a Green New Deal which meets the grave, manifold challenges posed by the financial and climate crises, built on massive investment in renewable energy,

the creation of hundreds of thousands of new green, high-quality jobs and curbs on reckless financial practices. This is not an optional 'bolt-on,' but central to a sustainable economic solution. It also provides a direction in terms of economic development as governments belatedly realise that austerity is not enough; we need a sense of vision and purpose combined with action.

'Firm, proactive and ambitious support for all renewables must be a fundamental part of a Green New Deal programme if the UK is to become a world leader in green, clean energy'

The 'market' will not deliver those socially and environmentally beneficial outcomes which are long overdue. The coalition government's 'Green Deal,' designed to increase the energy performance of homes, comes with virtually no public investment, leaving success to be determined by private sector interest and consumer choice. But experience shows that hoping for the best from private investors is not a reliable policy.

Instead, a Green New Deal should focus on a low-carbon, socially inclusive economy, investing in industries which yield high employment and environmental returns, while ensuring people can live a dignified life; this sustainable transformation of our broken economy must be job and environment-led.

Energy efficiency is a key area, ripe for investment. A mass insulation programme for the UK's housing stock would create employment opportunities whilst

Jean Lambert, Green Member of the European Parliament for London



By Jean Lambert

overhauling our energy inefficient homes and helping to tackle fuel-poverty. Yes, a programme of this size and undertaking would involve significant costs, but it would create jobs and provide crucial investment in a greener, more sustainable future.

Renewable energy is another sector central to a Green New Deal. The UK benefits from 40% of Europe's wind resources, but the government seems determined to squander this natural capital - it is planning to cut subsidies for on-shore wind by some 10%. We need a package of supportive industry policies to encourage the manufacture of turbines in Britain, too. Denmark is now committed to meeting 100% of its energy needs by renewables by 2050, and it's no coincidence that the world's largest turbine manufacturer is also based there.

Such a substantial transformation will not come cheap. A report commissioned by the Greens/EFA Group in the European Parliament estimates that the investment required will amount to 1.5 to 2% of EU GDP annually. However, the report goes on to prove that a Green New Deal package, made up of policy proposals for making the necessary green investments across society, could generate as many as 6 million new green jobs and save as much as 375 billion annually, exceeding the costs of additional investments.

Setting our economy on a sustainable path is not easy, but there are signs of change, even in the EU's 2020 Strategy and from the UNDP /ITUC report on 'Green Jobs.' The response to the current economic failures can also be the beginnings of a more inclusive society where market practices don't overrule fundamental social and environmental rights. We need a long term, coherent Green New Deal, funded by investment in green technologies and fuelled by green collar jobs: sadly this government doesn't look ready to deliver. □

Women's incomes are central to UK prosperity

An economic strategy that enhances both levels of female employment and the rewards women receive from work

Women's economic status must lie at the heart of an equal – and successful – recovery. Improving women's incomes is central to family prosperity. Maximising women's labour market participation will be essential to increasing the tax take, addressing the demographic challenge of an ageing society and the increasing demand for care. And women's responsibility for major shopping decisions means they have a significant impact.

Women's economic significance was understood by Labour when in government. A host of policies, from the national minimum wage to the childcare strategy, from tax credits to child maintenance, from improved maternity and parental rights to the new deal for lone parents, brought about a reduction in child poverty to its lowest for a quarter of a century, over 1 million pensioners lifted above the poverty line, and, as the IFS have pointed out, a rise in family living standards that largely resulted from women's improved income. Now the austerity programme of the present government threatens many of those achievements, while its universal credit cements a traditional single breadwinner model that will damage women's employment and independence.

For the next Labour government, simply reversing the cuts cannot possibly constitute an adequate response. A different, more creative, and bolder approach is needed in order to address the consequences of swingeing benefits cuts, record levels of female unemployment, the destruction of the social infrastructure (such as childcare, benefits, and rights at work) that supports women's equality, a gender pay gap still approaching 20%, and likely widening inequality.

Ed Miliband's commitments to greater equality and greater responsibility together offer the ideal framework for the future development of gender-sen-

sitive economic policy. Policies to promote economic equality are a prerequisite for sustainable, "good" growth. What's more the market alone will never deliver that; indeed more must be demanded of the market, as it is of the individual and the state. The task therefore must be to develop an economic strategy that enhances both levels of female employment and the rewards women receive from work.

'While it's premature to set out all the details of a future benefits system under Labour, we can and should now establish the principles that will inform it, reflecting a gender perspective'

There isn't a magic bullet to achieve this – indeed many of the most effective policy solutions tread familiar ground. What needs to be different now is the scale of our expectations, our willingness to challenge vested interests and insist on behavioural change. Across the piece, Labour must develop the policies that are explicitly pro-female. Here are some suggestions for how that could be begun.

First, employment. It's clear that women continue to experience under-employment, not just because of rising female unemployment, but even for those in work, because of inflexible working patterns, lack of infrastructure to enable women to balance working and domestic responsibilities, and jobs (and pay) that fail to reflect their skills. This is despite women's increasingly superior educational attainment – more women than men now enter our universities, and women have higher qualifications than men at every

Kate Green MP, Shadow Spokesperson for Women and Equality



By Kate Green MP

single age up to 44. Yet still women's fulltime median hourly pay remains 9.1% below that of men, and the disproportionate representation of women in part-time work exacerbates the situation, widening the overall gender pay gap to 19.8%.

If responsible capitalism's to have meaning, there must be real expectations on employers to close the pay gap. The provisions in Labour's Equality Act, for mandatory pay audits if voluntary progress is not made by 2013, must be actioned, rather than abandoned as the coalition has chosen to do. This must include auditing differential pay for part-time work, and, as a next step, should also consider the scope for implementing maximum pay ratios. The right to request flexible working should be a right for all with caring responsibilities, helping not just the pressed young mum, but also the "stretched middle" – women (and men) in their 40's, 50's and 60's increasingly required to help out with care of the grandchildren while caring for their own elderly parents too. And employers should be incentivised to focus training budgets to their lowest paid workers: IPPR have suggested for example that public subsidies for employers, whether for employee training or business development, could be conditional on employers committing to actions to develop competitive strategies based on a well skilled workforce.

Second, the education system. Women are achieving educationally, but not in subjects that bring the greatest labour market rewards. Schools, careers services, the national apprenticeship scheme, FE and HE institutions must all be more ambitious, focussing girls' attention on the full range of employment opportunities, not just traditionally gendered roles. The government's recently published Single Equality Strategy for the Skills Funding Agency is simply inadequate, and makes no mention of indicators to monitor progress. Yet well designed and properly monitored targets are needed if institutional behaviours are to change.

Third, support for women's enterprise. This may be seen as traditional Tory territory, with the self-proclaimed Tory feminists making much of equality in the boardroom, and Theresa May's announcement of funding for 5000 business mentors to provide role models for female entrepreneurs. But the government falls short. Labour's substantive policy response must address the difficulties women face in accessing credit, and promote and support business and academic programmes aimed at developing women's aspiration and entrepreneurship, including women who face particular labour market challenges, such as older women facing redundancy.

Fourth, infrastructure. In his autumn statement last November, the Chancellor announced £5 billion of investment for capital projects as part of the National Infrastructure plan. But there have been no efforts to prioritise this investment to facilitate and increase women's employment. Bringing forward infrastructure projects to create more childcare places and to support care for the elderly, for example, would both

create jobs in those sectors and, more generally, enable more women to work.

Finally, the benefits system. Nowhere is the scale of the government's attack on women's financial independence more visible. Not only have benefits been cut substantially, leaving women disproportionately poorer, but the structure of the universal credit, paid to one earner in a household (including payments intended for children), and disincentivising second earners, represents a significant blow to women. Charging fees to access the child maintenance system exacerbates the problem.

There's real concern about the benefits landscape that Labour could inherit. The ambitions for universal credit are huge and high risk, the destabilisation of the whole system of social support is a very real threat as a result, and further cuts of £10 billion promised by the Chancellor on top of the £18 billion already removed from the system seem likely to leave only a residual welfare system which will take a mammoth effort to rebuild.

While it's premature to set out all the details of a future benefits system under Labour, we can and should now establish the principles that will inform it, reflecting a gender perspective: adequacy, independence and autonomy, rewards for work, full employment, protection of children, pooling of risk to ensure protection of the most vulnerable, and security for those who cannot work.

It must be said there's nothing fancy or new about any of this. But what is different is to develop economic policy through the specific lens of gender equality. That's not just a nice-to-have but a must-have if we are to achieve a sustainable recovery, balance individual and institutional responsibility, deliver inter-generational fairness, reduce inequality between women and men, and embed the structures that support social solidarity and deliver social justice.

The priority for Labour is to describe the scale of our vision, and to start the work on the policies and the narrative needed to support it. □

Book review: **The Entrepreneurial State**

by Mariana Mazzucato, Demos, 2011

Review by Felicity Slater

Felicity Slater works for the Institute for Government. She writes here in a personal capacity.



A common criticism wielded at the government is that its austerity drive is founded on a fundamental mistrust of the state. This is no more evident than in its approach to innovation and entrepreneurship. For a return to growth, we are told, the state must be cut back, leaving space for the private sector to step in and innovation to take off, with optimum effectiveness and efficiency.

In *The Entrepreneurial State*, Mariana Mazzucato contests this remedy for our current economic woes. With a wealth of compelling examples, she demonstrates conclusively how the invisible hand has never picked out the innovative technologies that have been the biggest business successes – and revolutionised the world we live in.

In fact, it is public venture capital that has supported primary research to make major entrepreneurial breakthroughs: from revolutionising pharmaceuticals to Google. As Mazzucato demonstrates, the reality is that the early sparks of even the brightest innovation will fail to attract private venture capital, oriented to quick and reliable returns. Rather than space to breathe, the retrenchment of public sector funding will create a vacuum in which innovation will flounder rather than flourish.

Far from being an idealist's shopping list of measures for brighter economic times, Mazzucato's model underlines that the extra spending on investment can be counterbalanced by cutting inefficiencies in innovation policy – from tackling an unjustified penchant for patents to rethinking Enterprise Zones.

Underwritten by accountability, projects receiving funding from the entrepreneurial state would be subject to ongoing evaluation so that only the best are financed, ensuring taxpayer's money would be well spent. Moreover, Mazzucato emphasises that the returns of state risk-taking should be collective.

While critics might like to cry blunt, centralised interventionism, the proactive state she espouses would act through a number of different decentralised organisations, acting nimbly and flexibly, so that innovation policy is both responsive and forward-looking.

'The entrepreneurial state has the potential to reap long term collective rewards.'

Just as the state should not stifle, neither should it withdraw. Between the polarised debate on minimalism versus overbearing statism and 'picking winners' lies a strategic, dynamic and visionary state that acts as a catalyst to unleash Britain's full innovative potential. A timely response to the urgent need to stimulate growth, the entrepreneurial state has the potential to reap long term collective rewards. □

State capitalism

Leading economist Loretta Napoleoni argues we need to go beyond capitalism

By Ivana Bartoletti

Loretta Napoleoni is a well known economist. She is an expert of international money laundering and terrorism and lives between London and the US when she is not teaching at Cambridge University.

We arranged to meet, and I did not know what to expect. I had just read one of her most recent books, *Maonomics: Why Chinese Communists make better Capitalists than we do*, where she describes China's state capitalism and how Deng Xiaoping, 'has changed the country by using wisdom and humility.'

'Maonomics is not a book about China, despite its title. It is a book about us, about Europe and the West; the story of a turning point.'

She starts by saying how *Maonomics* is not a book about China, despite its title. It is a book about us, about Europe and the West; the story of a turning point. 'Europe has failed, dominated by the power of finance and the lack of mechanisms to control that power. Previously, European growth thrived on the domination of other countries, reducing other nations to poverty, or keeping them there,' she asserts. 'But things are changing, with emerging countries, such as India, Brazil and China, that are now leading the way.'

Loretta argues that Chinese politicians established 'communism with a profit motive and, by so doing, guaranteed progress and well-being more than other systems.' She points to China's startling economic data to support her claim: 'from 2009 to 2010, the Chi-



Loretta Napoleoni, Economist

nese per capita income increased in real terms, and the GDP rose by 9% during a period of zero growth in the West.'

This has happened, she argues, because Chinese communism is 'not against wealth,' but is built on a sense of belonging to a nation; the nation itself comes before individual desires and aspirations. Perhaps the key of China's success is, therefore, the fact that the country has embraced some of the same tenets of privatisation and trade liberalisation, but has done so on its own terms. This is the reason, she asserts, that the Chinese have 'managed to create a form of communism that works economically.'

In contrast, Loretta believes that 'Europe is built on predatory capitalism. The monetary policy pursued in the wake of the Berlin Wall's collapse is interventionist to the point of influencing the functioning of major market segments; those controlled by European and US high finance. It is an extremely dangerous recipe.'

During our conversation I got the feeling that one motive underpinning her arguments might be the need to come to terms with how her generation, which fought for equality and freedom in the sixties and seventies, then built a Europe which thrived on deregulation and off-shoring. 'It was the desire to be part of an elite', she reflects, and, as a result, 'we have created another war on our doorstep.'

I asked her if she reckons it is too late for things to change. 'No, it is not too late. What we need is a profound shift in European politics, and a change in our direction. It is time to go beyond capitalism, as we have known it until now. We need to regulate our financial markets, instil solidarity and share the core values underpinning our existence together as a nation.'

'Perhaps the key of China's success is, therefore, the fact that the country has embraced some of the same tenets of privatisation and trade liberalisation, but has done so on its own terms.'

Loretta looks to the younger generation with hope and thinks the social movements in the US and Europe show that young people are now taking control of their lives. 'Young people are different. They know life has to be more relational; that it goes way beyond money and sheer avidity. They know we have to restore a sense of belonging to what we are doing in this world.' □

EU is to foster European innovation

Emerging industries must work harder to welcome women contributors

The political leadership of the European Union has chosen the flagship initiative Innovation Union to deliver Europe's hopes for improving economy, society and quality of life. The central goal is to make the largest market in the world more "innovation-friendly," and to achieve greater impact by shifting from traditional, research-focused knowledge transfer processes to more user-driven innovations that target societal challenges such as health, aging population and energy. In this new innovation landscape, progress is to be delivered through partnerships between problem owners and those who might help them. The question is, how will Innovation Union impact on the gender gaps that are known to exist now in innovation?

The first indication of the mechanisms promoted by the Innovation Union comes from the EC Innovation Convention, which took place in Brussels last December. The event focused on governance-related issues (the high cost of patenting, limited access to venture capital, diversity of legal systems, outdated regulations, lack of effective public-private cooperation) and on the role of markets. Also included in the programme was one parallel session devoted to gender equality issues and an award ceremony to present the new Women Innovator Prize. Hopefully the commitment to gender issues will feature more prominently in the future, since they are integral to the societal challenges facing Europe.

The progress to address the known gender gaps in the Innovation Union is important not only for women but also for quality of innovation. The case of active and healthy ageing is particularly strongly supported through evidence, but similar arguments can be constructed for the other challenges as well. A healthy population is a goal common to all European countries, and a challenge that offers considerable potential for Europe to lead the

world in providing innovative responses. But it is also an area where for many years research has turned a blind eye on the role of sex and gender differences in disease prevalence, progress and clinical outcomes, and where innovation cultures have not seen women as 'owners of problems' worthy of special attention. Against this background, innovative opportunities that tap into discoveries where important gender differences have been demonstrated must be actively promoted through the mechanisms of the Innovation Union. Areas such as biomarkers, stem cells, toxicokinetics and cancer diagnostic already offer such opportunities.

'Only 8% of applications submitted to the European Patent Office come from women. Innovation Union must encourage cultures that welcome women as initiators and co-producers of innovation ideas'

Also actively promoted as part of the Innovation Union agenda must be greater participation of women in the innovation sector. Currently, only 8% of applications submitted to the European Patent Office come from women. Innovation Union must encourage cultures that welcome women as initiators and co-producers of innovation ideas. There should be no place in the new innovation landscape for gender stereotypes such as those promoted in the 2005 Eurobarometer survey, which interviewed 30,000 citizens in 25 countries to assess Europe's readiness to "embrace innovative products or

Elizabeth Pollitzer, Director of Portia Ltd, a not for profit organisation for gender equality 'for gender equality in science, engineering and technology' www.portiaweb.org.uk

portia
furthering SET

By Elizabeth Pollitzer

services" and concluded that women over 40 are "reluctant" and "anti-innovation," and men, in particular young men, are "attracted" to or "enthusiasts" of innovation.

Gender issues in research and innovation have been discussed at a recent European gender summit (<http://www.gender-summit.eu>), co-organized by genSET network the European Science Foundation, and supported by the European Commission. Presentations from 65 top-level speakers highlighted how gender inequity becomes more pronounced as one ascends the academic career ladder; how research falls short of ensuring that findings are relevant for subpopulations, and will benefit both women and men; and how gender diversification positively stimulates innovation and productivity.

The outcome of the summit was a manifesto for action on the gender dimension in research and innovation, which underlines that "the assertion that science is gender neutral is not the case." Three months after its launch at <http://bit.ly/rLS7cn>, over 3000 researchers, professors, and PhDs — women and men — have added their names to the signatory list, and more are added every day.

The potential 'game-changer', which could greatly help close the known gender gaps, is the HORIZON 2020 research and innovation framework, which was recently proposed by the European Commission and is currently being debated at the European Parliament. It includes Article 15, which states that the proposed programme "shall ensure the effective promotion of gender equality and the gender dimension in research and innovation content." If the MEPs agree, and the Commission puts in place explicit operational measures for applicants to follow, Europe's innovative response to societal challenges will indeed be of leadership quality, and benefit both women and men, equally. □

A shocking waste of talent

Women in science and technology have to work hard to ignore sexist pigeonholing

Much has been made of the importance of innovation through science and technology as a means of putting the economy back on its feet, although the current government's record on translating this into a coherent policy is patchy. The UK is also frequently cited as an economy which fails to translate its excellent science base into new products and industries. The UK university sector is strong in research and is increasingly willing to set up spin-outs to develop their novel ideas, but the financing of these is left dangerously to the free market, which is not (at least currently) equipped to take on the risks implicit in progressing early stage ideas. As David Willetts, the Universities Minister, said recently when comparing the UK with the US "The land of free enterprise has an innovation and research system which depends on federal and state government just like everywhere else in the Western world." But the UK has for many years been resolutely non-interventionist in this area, weakening our nation's ability to translate the basic science into the technology for successful products which can boost our ailing economy.

There is a second aspect to this, which is not usually coupled with our innovation track record. We have a remarkably wasteful pipeline of talent into the Science, Technology, Engineering and Medicine (STEM) fields, particularly as far as the physical sciences and engineering are concerned. The number of women who enter these fields is low, and the attrition rate along the pipeline is deplorable. That so few women enter these professions indicates a shocking waste of talent — a waste for both for the individuals concerned and for society.

The situation is not homogeneous, however, and different parts of the

STEM landscape face different problems. In the biological sciences there are actually a majority of women studying the subject at university, yet women constitute only around 15% of the professoriat, whereas in my own field of physics, the percentage of women who choose to study the subject at university hovers stubbornly around the 25% level. Here the problem obviously lies in attracting girls at school to study the subject in the first place, whereas in the biological sciences it is keeping them there once they've started.

'The number of women who enter STEM fields is low, and the attrition rate along the pipeline is deplorable. That so few women enter these professions indicates a shocking waste of talent — a waste both for the individuals concerned and for society'

Culturally, our society gives out the message to young girls that physics and engineering are not for them. It does this essentially from birth, in the toys children receive (increasingly segregated by gender in toy shops, as well as colour-coded to make it easier for unwary parents to make these stereotypical selections) and in the role models the media casually displays. We may see female medics on our TV screens, but not many female engineers turn up in the soaps or even in documentaries. The loaded term 'geek,' with its connotations of introverted and anti-

Dame Athene Donald is Professor of Experimental Physics at the University of Cambridge and a Fellow of the Royal Society.



By Athene M Donald

social individuals lurking in a bedroom adorned with Star Trek posters, may also make these subjects unattractive to the adolescent girl.

For those girls who do aspire to pursue a scientific/technological career, because the numbers are small they can find themselves feeling isolated and peer pressure or a teacher's negativity can contribute to this discomfort, reinforcing cultural stereotypes with comments along the lines of 'girls can't do maths,' thereby discouraging them from taking these subjects further. Let's not be coy — this sort of passive discouragement persists.

Further up the career ladder, minority status inevitably persists, but now coupled with the pressures of the biological clock. An oft perpetuated myth is that scientific careers can't be combined with having a family. Despite clear evidence to the contrary, this myth survives and acts as a further deterrent. Hence our female scientifically-equipped workforce leaks out, gives up and seeks 'easier' careers.

Why does this matter? It matters in just the same way as it matters in a boardroom. A diverse team is likely to look at problems from broader perspectives than a team made up of near-identical individuals. The collective societal decisions about which products turn out to transform a market or are just what the consumer needed (but didn't know) will be influenced by the 50% of the population who are female consumers. The values that the consumer may appreciate may not always be equally appreciated by a design team unrepresentative of the population. Hence, in simple economic terms, we need diversity to drive innovation in ways that match the public's desires and needs and so lead to the success stories of tomorrow. But it matters, too, that the talents and aspirations of half our young may be squashed and lost irrevocably. □

Cooperative revolution

Cooperatives can change our communities and the world

The global economic crisis has placed great focus on the challenges the world faces. With a different approach to social and economic enterprise, cooperatives can be part of the solution in tackling these, a view clearly shared by the United Nations, who are marking 2012 as the international year of cooperatives. Such enterprises can change our communities and change the world. Facing climate change as well as hunger and international crises in finance and banking, there is arguably a reasonable justification for this declaration.

'In Germany cooperatives usually received special attention in times of social crisis. In their origin, cooperatives' collective principles' are based on self-help, self-management and self-reliance. They have always promoted a self-sustaining economy, something that has recently been extended to social and cultural aims due to legal changes in Germany.'

For more than 200 years cooperatives have offered an alternative to profit-oriented enterprise, due to their participatory nature and solidarity among players. Some economists have incorporated cooperatives into concepts of an alternate economy.

In Germany there are approximately 8000 cooperatives. Despite some fluctuation their number has been relatively stable over the last twenty years. Able to adapt and evolve depending on current individual and societal needs, this stability is grounded in cooperatives' ability to take a new shape as society changes. Covering areas as diverse as agriculture, banking, tourism, handicraft, several cooperatives have been established in the last few years. Many have also gone into areas such as social services, energy supply and housing and provide goods and services alternately provided by state and private sector providers.

Since the beginning of the financial crisis in 2008 cooperatives have experienced a real renaissance. In the two years leading up to the financial crisis 83 cooperatives were founded, with 355 cooperatives founded in 2009 alone. In Germany cooperative banks were the only ones that did not rely on financial support from the state, unlike other banks. Today many new energy cooperatives are well established, and enjoy independence from big energy suppliers and their shareholders, offering consumers and members sustainable energy usage and competitive pricing. In the end though, any cooperative is only as good as its members; purpose and management of the business, lie in their hands. Cooperatives are a means of encouraging a more democratic and sustainable way of working. They need to be filled not only with ideas, but also with conviction. If cooperatives are valued for their complementary nature, as well as differences from other enterprises, they may well provide a solution to how we make economic activity sustainable across a range of sectors.

In Germany cooperatives usually received special attention in times of social crisis. In their origin, coopera-

Mareike Alscher, Social Science Research Center Berlin



By Mareike Alscher

tives' collective principles' are based on self-help, self-management and self-reliance. They have always promoted a self-sustaining economy, something that has recently been extended by social and cultural aims due to legal changes in Germany. Self-help means to identify common and locally relevant economic and social needs. The old adage, two heads are better than one, taken and multiplied is at the centre of a cooperative approach to ideas and solutions: it is important that everyone is aware of its responsibility towards the others. It concerns monies given by members (self-reliance), and the democratic structures at the core of every cooperative (self-management). Self-governance describes different possibilities for co-determination.

Cooperation is about social participation, a result of the cooperative movement's core principles. In comparison to neo-liberal conceptions of business, primarily focused on ever-increasing profits, cooperatives offer the opportunity for two-fold motivation – participation in its own right and making money. One-member-one-voice is one of the most important principles within cooperatives. Members are investors, joint-owners and business partners, and conflicts between owners who want to achieve the highest possible profit, and customers who want to obtain low prices, can be avoided.

The equality of members, the different opportunities to participate and the local impact are important characteristics of cooperatives. The thought to get together to produce, share and sell any kind of products or services is a chance to overcome economic changes in a more social way. It might not only help those who own the cooperative but also its local environment. □

The internet unites disparate voices

We should use it to reach women whose voices often go unheard

International organisations are increasingly looking at the need to have more women in government, both central and local, and as key figures in public life. At the most recent meeting of the Commission on the Status of Women (CSW), an arm of the UN dedicated to the advancement of women and gender equality, three new publications focused on this issue. The Inter Parliamentary Union (IPU), an organisation which aims to strengthen parliamentary democracy through world-wide dialogue, published two of these documents: one on Women in Parliament in 2011 and one on Gender Sensitive Parliaments. Crucially, because the role of political parties in achieving gender equity in political representation is often overlooked in international discussions, the UNDP and the National Democratic Institute for International Affairs published a book on Empowering Women for Stronger Political Parties.

Current statistics on women's representation in parliament demonstrate that there is still some way to go and why this renewed focus on women's representation is necessary.

Only the Nordic countries approach equal representation for men and women in parliament with a current rate of 42%. There is then a huge drop to 22% for the Americas with Europe and Sub Saharan Africa following closely behind. The Pacific and Arab States have the lowest levels of female representation. But these aggregate statistics don't capture the variation of participation rates and it is important to note that a number of African countries such as Uganda (34.9%), Rwanda (56.3%), South Africa (44.5%) and Tanzania (36%) have participation rates that are much higher than the UK (21%) and USA (17%). Much of the discussion on the reasons for women's under-representation concentrates on the mechanics of improv-

ing the number of women in parliaments looking at the advantages and disadvantages of statutory quotas versus voluntary mechanisms for example. However all three of the publications mentioned above recognise the need to have more women candidates putting themselves forward for selection/election to public office. I think this recent focus on improving the pool of candidates is long overdue. More attention is also being paid to the role that social media can play in encouraging women of all ages, but in particular young women, to become actively engaged with politics.

'Email and Twitter can be important support mechanisms that strengthen women's confidence by putting them in touch with other women who are going through similar experiences'

Recent workshops that I have been running on this topic for the IPU have been heavily oversubscribed. But perhaps more importantly the content has been enthusiastically welcomed by women from a very wide range of countries. They are quick to silence critics who say that using social media as a communication tool excludes developing countries, pointing out that this is often plain wrong. Mobile phone coverage is improving in a number of developing countries and is often more accessible to women than other forms of communication.

Roberta Blackman-Woods MP, Shadow Minister for Planning and Procurement



By Roberta Blackman-Woods

So I have started to put a programme of e-mentoring in place that can be adapted to suit the needs of individual countries. It gives examples of how websites, email, Facebook and Twitter can be used to build women's knowledge of political systems and to develop their own political skills. But email and Twitter can also be important and immediate support mechanisms that strengthen women's confidence by putting them in touch with other women who are going through similar experiences.

Increasing female participation means engaging more women with politics at all levels; to this end social media has a reach that can extend far beyond more traditional political networks. This reach will continue to widen as the use of social media and ICT continues to grow in both the developed and developing world. As such, it will become an increasingly powerful tool for engaging women with politics and supporting participation. Used in combination with other schemes this will help address the need for more women in both central and local government and, given the IPU's focus on cross-parliamentary dialogue, may go some way in enabling countries to share and learn from best practice.

Mentoring through the use of social media is not an alternative to more traditional face to face training such as local workshops. But it is an important tool that can help women learn from each other. I intend to press IPU and UN Women to put resources behind this initiative so that women are not excluded from new communication technologies but fully embrace them as part of the armoury for achieving equal representation in politics and public life more generally. □

A national embarrassment

Boardroom quotas address a symptom of gender imbalance. Tackling inequality at every level of management is the cure

The lack of women on UK company executive boards should be a national embarrassment – currently women only account for 15.6% of all directorships in the FTSE 100, and this drops to 9.6% if you look across the FTSE 250. This is clearly not just a social problem, given the abundance of evidence that gender balance leads to improved business performance – notably demonstrated by McKinsey's findings that companies with a 50% female board have an average 56% higher operating profit than those with an all male board. Much of the debate on how to fix this problem appears to have focused exclusively on the pros and cons of temporary quotas for female appointments to the boards of public companies. However, a sustainable strategy to tackle female workplace representation should also focus on the middle ranks of a company, not just the very top.

'What we want is a consistent talent pipeline where women are equally represented at all levels of management'

The problem can be simply stated: despite often doing a reasonable job of achieving balanced recruitment, most UK companies have too few women at the junior and middle management level. This is the known as 'the leaky talent pipeline.' As a PwC study put it, even where there is gender balance at entry level "women are lost in the pipeline...at a rate two to three times faster than men." Median female earnings in the UK peak between the ages of 30-34, but for men earnings peak (and on a higher curve) between the ages of 44-49. This should tell us that many women's careers are stalling at a relatively early

age. If policy responses only focus on getting the ratio right at boardroom and entry level we risk ending up with a squeezed middle of gender balance in UK companies. What we want instead is a consistent talent pipeline where women are equally represented at all levels of management.

The Davies report on boardroom gender balance, 'Women on Boards' proposes that companies adopt a voluntary standard of 25% female representation on their boards by 2015, and sets out 9 key recommendations to achieve this. Two obvious and well-justified objections can be leveled at this approach: first, that 25% is a long way off a 1:1 ratio; second, one could be forgiven for being cynical about the long-term sustainability of a voluntary approach. Whilst fully agreeing with both of those criticisms, I'd like to propose two additional recommendations of my own. First, companies should be required to publish the male-to-female ratio at 5 different bands of their organisation: entry level, junior, middle, senior management and executive. Surprisingly, the Cranfield Female FTSE Board Report found that most companies do not have any record of this data. My second recommendation would be that companies be required to establish a policy for gender balance across their talent pipeline and report back on their progress towards this goal in their annual reports. These shouldn't seem radical proposals – indeed many of Davies' other recommendations are for statutory reporting – but they could have major implications. Most importantly, they would force companies to take a look at where they are leaking female staff and to seriously engage on how to fix those leaks. The problem of the squeezed middle of female managers actually makes the case for boardroom quotas stronger. Numerous studies point to the importance of mentoring as a means to increase the number of female leaders in a company. This comes on top of well-

Charlie Samuda, Labour Party activist and executive member at the Labour Campaign for International Development.



By Charlie Samuda

documented concerns regarding (often unconscious) gender biases in management recruitment panels. Another of the most commonly identified factors that encourage women to leave their employer is the lack of flexible working. Whilst the overall availability of flexible working offered by UK companies has increased significantly since the 1960s, comparatively little of this flexible work is offered at managerial level. As a result too many companies allow women to 'step off the fast track' early in their careers with negative consequences for their longer-term promotion prospects when they return to full time.

'If temporary quotas are the best way of achieving this, then that's fine by me. But a more sustainable solution would also see companies taking a closer look at the gender balance right across their talent pipeline. The business case for taking action should speak for itself.'

Leadership and corporate culture matter. That is why getting more women to the top of UK companies is an important first step. If temporary quotas are the best way of achieving this, then that's fine by me. But a more sustainable solution would also see companies taking a closer look at the gender balance right across their talent pipeline. The business case for taking action should speak for itself. □

Gang violence in the UK

Local community organisations can help to curb gang violence – but funding is crucial

Chris Haydon, the founder of the local TV station Community TV Trust, is certainly a man who likes challenges.

After being a producer for the BBC for a long time, Chris decided that it was worth turning local and set up the Community TV Trust in collaboration with Southwark TV and Southwark Council. Motivated by the belief that the kind of journalism that can actually change things comes from acting locally on well understood issues, during the last few years Chris has been running a series of educational DVD projects on marginalised groups of people living in Southwark and Peckham.

Marginalisation and alienation are indeed major issues in the current British society – as the riots recently showed us – and after tackling them in a DVD about Muslims and another one on travellers in Peckham, Chris has thrown himself into the very ambitious project of reporting on gang culture and its connection with violence against women.

Long before the gang-rape issue exploded on national newspapers at the beginning of the year, Chris Haydon had already spotted the problem and started to work on it on a local scale.

However, the government's cuts have shrunk councils' resources to a minimum and Chris' project is facing difficulties and slowdowns. But despite the lack of proper financial support, the founder of Community TV Trust has managed to gather a group of interesting people to discuss the topic. Jonathan Asser, originator of Shame/Violence Intervention (SVI), and Jennifer Blake, founder and director of the Safe 'N' Sound centre in Peckham, are among them.

The account they give of their work and the testimony they provide on the issue of gang life and violence against women lead straightaway to the core of the issue: alienation and lack of sense of belonging to mainstream society are what sparks violence.

Before founding Safe 'N' Sound, Jennifer Blake had been a gang-woman for about 20 years. Her experience provides a powerful example of how easily a young girl can end up living a life of crime. "I was 13 when I left home and joined a gang," she says. "The reason I did that was because I was attracted by gang life, which to me seemed to be a glamorous life, made of money, power, cars and glittering clothes."

Quite soon and quite easily Jennifer

“Just because the riots erupted last summer, the government realised that gang life, violence against women and sex exploitation were problems that needed to be addressed. We've been talking about issues like that for years, and the government has done nothing about it.”

got involved in several criminal activities, such as drugs dealing, money laundering and robbery. When she was 17, she was shipped out of London on a Local Authority Care programme that provided her benefits and accommodation; however, she managed to go back to what she saw as a shining life.

"I lived like that until my late 30s, with two children to take care of – I had already lost one due to a miscarriage when I was 14 – and a partner who, as it often happens, was a business partner as well," she recalls.

Viola Caon, freelance writer for the Guardian



By Viola Caon

"In 2003, I was kidnapped, tortured and raped by some of my enemies because they wanted to give a warning to my affiliates. At that point I realised there was nothing glamorous in the life I was leading."

In 2004, Jennifer went back to where she comes from, was baptised as a Christian, and "as a new person" she founded Safe 'N' Sound, a centre of assistance for young girls.

"I can tell you something, gang-rape and sexual exploitation happen every day in Peckham. Almost every day I receive messages and video footage proving that young girls are being sexually exploited somewhere in the neighbourhood. We have to do something about that," she says.

Jennifer is also very critical of the government on issues like gang life and violence against women.

"Just because the riots erupted last summer, the government realised that gang life, violence against women and sex exploitation were problems that needed to be addressed. We've been talking about issues like that for years, and the government has done nothing about it."

From a different perspective, Jonathan Asser argues against the idea that group- or gang-based offending is all about a desire for money and power. He believes that, underneath, the need to gain a shared sense of belonging is the primary reward. Asser worked for 12 years to decrease the level of violence among prison inmates, but his SVI programme was withdrawn last year, despite having won the prestigious Innovation in Counselling and Psychotherapy Award given by the largest counselling and psychotherapy organization in the UK.

"Shame is what triggers violence," Asser states, "and shame can be caused by the alienation people feel when they struggle to find a place in society. Violence is a way of replacing shame with the pride that comes from being feared instead of disregarded. Violence is a way of gaining status."

Unlike conventional prison Offending Behaviour Programmes dealing with violence that are manualised and therefore predictable, SVI operated with an open and flexible agenda that enabled participants to get into the heat of the moment in a safe and facilitated environment.

When asked whether the inmates he worked with belonged to a specific

layer of society, Asser said: "Shame functions as an alarm signalling threats to social bonds. It affects everyone. When social cohesion breaks down, violence is the result."

Education is crucial, he argues. "Violent and disruptive young people must be worked with in mainstream schools instead of being excluded for the sake of league tables that have too narrow a focus. Exclu-

sion from mainstream school involves an infliction of shame by adults on young people that is in itself administratively violent. Schools should be assessed on their ability to continue to work with those who are violent and disruptive. Far greater resources should be allocated to this area and there needs to be a seismic shift in the way we think about school exclusion." □

Housing is a boost for the economy

'For every pound invested in housing, a further £2.40 is generated for the wider economy

At last year's Fabian Society conference, I argued that Labour should impose a windfall tax on bank profits to raise £7bn and then ring-fence this entirely in order to fund the building of 100,000 new social rented homes.

Ostensibly, by providing a source for the funding, I intended this policy to be completely revenue neutral, and therefore not threatening to Labour's economic credibility. A windfall tax has been proved to work in the past without the devastating effect on business that right-wing critics predicted at the time, as the utility companies subjected to a windfall tax in the early years of the Blair government are all still in rude health.

But it is actually my firm belief that this proposal would not be revenue neutral, not at all. It would in fact be extremely beneficial to the UK economy.

For every pound invested in housing, a further £2.40 is generated for the wider economy. This comes from a growth in jobs and infrastructure investment that house building brings with it.

Housing building brings the immediate benefits of jobs in construction and development. This kind of construction investment is not an industry confined to place beyond the demand for new houses. As waiting lists in every part of the country show, demand is high just about everywhere. This will allow a levy on industries based largely in the financial centre of London to be redistributed more equitably across the UK (as housing is a devolved

issue, but banking is not, there will need to be a settlement with the Governments in Cardiff and Edinburgh as to how they want to organise supporting their own need).

There is often a correlation between areas of high unemployment and high housing demand. So investment in community based housing will bring the kind of opportunities needed for families struggling both with their housing situation and with worklessness.

Research by the Joseph Rowntree Foundation has shown that schemes addressing work in isolation are less effective than interventions which address housing, health, childcare and substance use issues as well as employment. Most social housing providers don't just build housing, but build and strengthen communities. They don't just provide bricks and mortar, but also community programmes and communal spaces. Housing associations and local councils provide a huge range of neighbourhood based support services that enhance people's lives and also have a real effect on their health, their well-being, and their life chances.

This work doesn't just help the individuals involved, but equally helps the communities in which they live. As neighbourhoods thrive, they need less and less state intervention and support. For example, as local housing providers' focus on curbing anti-social behaviour succeeds, the cost of crime prevention recedes.

Emma Burnell works at the TUC and blogs about Labour politics at scarletstandard.co.uk.



By Emma Burnell

Alternatively, poor housing and overcrowded conditions are precursors for poor health and a lack of educational attainment in later life. Both of these will ultimately cost the state billions.

'Research... has shown that schemes addressing work in isolation are less effective than interventions which address housing, health, childcare and substance use issues as well as employment'

So quite apart from the transformative difference decent housing can make to the lives of individuals and families, investing in housing is also an investment in our future infrastructure, relieving future costs and enhancing people's ability to earn and contribute to a growing economy.

Investing in housing will have an immediately transformative effect on our economy and on our communities. But the long term savings such an investment made now could yield may be even greater. Investment in solving Britain's housing crisis is therefore the right thing to do politically, but economically too. □

A case of the Emperor's new clothes

The government's NHS reforms are a tale of broken promises and wilful avoidance of the real problems

The Health and Social Care Act 2012 marks the most significant 'topdown' reorganisation of the NHS since its inception – and yet fails to address or even to acknowledge the most pressing concern facing the health and social care system in the UK: namely, that the problems faced by an ageing population need imaginative solutions.

David Cameron made two crucial promises in relation to health. Firstly, he promised to ring-fence the NHS budget from cuts. Secondly, he promised in the coalition manifesto that there would be no further significant 'top down' reorganisation of the NHS. Both promises have been broken through the passing of the Act, and the effective dismantling of the NHS means that there is now no longer a budget for a National Health Service – because there is no real National Health Service. Now, the more plausible name would be a 'Local Health Service.' The Act will also no doubt be affectionately remembered for being opposed by the very people earmarked as responsible for the delivery of it – GPs and the wider medical profession.

But the greatest failure of the Act is not that it privatises the NHS by allowing private health providers to undertake the commissioning, management and decision making relating to health services, as well as the actual provision of those services. This is certainly a failure. The greatest failure of the Act is that, in doing a vast array of many things – it does absolutely nothing at all. The present coalition government has donned the Emperor's new clothes. By essentially privatising the entirety of the health and social care services, the government has signalled its desire to wash its hands off the problem and the liabilities arising from it. This has been actively chosen in preference to developing a thought through social and economic strategy that would protect a cor-

nerstone of the British welfare state. Worst of all, the Act refuses to address the challenge facing both the health and social care markets, which is simply that the NHS must provide for an ageing population which expects to live longer, during the most difficult economic times since the institution itself was conceived. Instead of acknowledging that increased longevity means greater need for more health and social care services, the reorganisation itself exacerbates the issue. The demand outstrips the supply, and the supply has been drastically cut – in the name of 'efficiency savings.'

'Whatever happens next, we should not be the onlookers who pretend that the problem [with the NHS reforms] has disappeared and that the Emperor really has his clothes on'

Even if the government had maintained the status quo, that would have constituted a cut in real terms to the health and social care services. The statistics indicate that a disproportionate number of women make up the public sector workforce of the health and social care services; women live longer than men; and are likelier to use the NHS and social care services. Consequently, any adverse effects of the Act on health and care provision will disproportionately affect women – in more ways than one.

Any substantive reform to health and social care would have evaluated

Reema Patel, Associate Consultant, ELGH (Excellence in Local Government and Health)



By Reema Patel

the market forces driving the cost of health and social care up, and implemented long-term strategies to manage them. This could have been tackled by increasing the supply of social work professionals, medical care, hospitals, and care homes. The costs of the latter two institutions could be reduced through targeting high property prices and investing in residential new-builds that keep older citizens in their own homes, away from hospital and social care beds for as long as possible. A happy by-product of such an approach would have been a much-needed fiscal stimulus to our recession-hit economy. Genuine commitment to the NHS would have been shown by cutting costs through effectively managing the health and social care economies without compromising on quality; and, realistically, also balancing that with a progressive tax that funded the shortfall.

The question of how to manage economies has often been argued to be a failing of the Labour Party, who have been accused of reckless spending – especially on the NHS. In response to these accusations, the party has appropriated the language of credibility. But as Keynesian economic authority indicates, the language of credibility need not necessarily be the language of austerity – particularly in difficult times such as these. The language of credibility is instead about having a balanced plan that uses economic principles to achieve, in the long and medium term, the progressive goals of the Labour Party.

Now that the Act has been passed, the Labour Party will have to work with what remains, first in opposition and then subsequently in government. Whatever happens next, we should not be the onlookers who pretend that the problem has disappeared and that the Emperor really has his clothes on. We owe more to the British electorate than that. □

The burdens of the journey

How commuting affects women's psychological health, and what we can do about it

The regular journey to work is an accepted part of life for most working people. The average worker spends 58 minutes a day commuting, according to data from the 2010 National Travel Survey; that's equivalent to more than half a working day every week. Women spend slightly less time than men commuting; but then again women also work fewer hours than men and they earn less for each hour that they work.

Very few people seem to like commuting. If you listen to the gripes of your colleagues then you will hear of traffic jams, late trains, busy tubes ..., and no doubt have commuting complaints of your own. However, evidence from my own research suggests that while almost everyone seems to complain about commuting, it is generally only women who are really suffering from it; suffering in the sense that their psychological health is adversely affected by the time they spend commuting.

Let me be clear, this evidence does not come from asking people how they feel about commuting. It is statistical analysis of data gathered by the at the University of Essex's Institute of Social and Economic Research for the British Household Panel Survey (www.iser.essex.ac.uk/bhps), carried out by myself and colleagues at the London School of Economics and the University of York. We look at around 15,000 men and women over a number of years to see how their psychological health is affected by the time they spend commuting; at the same time we take account of all those other factors that might affect their psychological health and be related to commuting time, such as their earnings, their level of education, how satisfied they are with their job and a measure of the quality of the housing and neighbourhood they live in. Our results clearly show that commuting time has a detrimental effect on women's psychological health but not on men's.

Why would this be the case?

Economists, like myself, would say that commuting is a choice. We choose to travel long distances to work, only if we are compensated for it. We can be compensated by the work itself, in terms of higher wages and/or a better job if we travel further. We can be compensated outside of work, when travelling further means we can live in a larger house or a better neighbourhood. But even when we take account of all these things, we still find that women suffer from commuting and, in general, men do not. The only group of men who did appear to suffer were those with pre-school age children, but even for these the effects were far less than for women.

'Policies that promote equal distribution of household child-care responsibilities and encourage employers to make more flexible working hours arrangements available could ease the psychological burden commuting places on women'

A number of possible explanations exist for why men and women may experience commuting differently. In our work we concluded that it is largely down to women's greater responsibility for day-to-day household tasks, including childcare and housework. It is still the case that women bear the main burden of these tasks even when they also work outside the home. Thus women make decisions about commuting under a different set of

Jennifer Roberts is Professor of Economics at the University of Sheffield



By Jennifer Roberts

constraints to men: constraints which emerge from their lower wages, different employment opportunities, greater domestic responsibilities and weaker bargaining position within the household. Commuting is the link between home and work and is another competing demand on women's time, so it is hardly surprising that it imposes a psychological burden. We know from other research that women are much more likely than men to 'trip-chain'; that is they make multiple stops on their commuting journey, dropping the kids off at school, picking up the shopping on the way home, adding more demands to an already stressful journey.

So what can policymakers do to improve this situation for women?

Our work shows that women are not affected by commuting time if they have flexible working hours and if their partner provides the most childcare. This suggests that policies that promote equal distribution of household child-care responsibilities and encourage employers to make more flexible working hours arrangements available could ease the psychological burden commuting places on women. A further benefit would be the savings in health care costs from reductions in psychiatric morbidity. Personally, I would like this to go lot further. If the 'carcentric' school run is adding stress to an already stressful commute then any policies which can help more children get to school in an active way, for example walking buses and cycling groups, will reduce the psychological burden of commuting for 'trip-chainers', most of whom are women, as well as bringing rewards in terms of children's health. If commuting is to remain a daily task for most working women, the introduction of these policies now could at least help to reduce the psychological burden of this activity. □

Is public speaking your Achilles' heel?

The Fabian Women's Network Public Speaking Club is here to help

We know that strong public speaking skills are often crucial to political success. Modern British politics is set up to favour strong public speakers, and to succeed you have to jump through a number of public speaking hoops. These range from standing for a role in your constituency party to being selected as a parliamentary or council candidate, to arguing your point in parliament.

'So many women have fantastic ideas on policy, economics, politics and other areas, yet their ideas do not have the impact they deserve due to a lack of confidence in expressing them'

Unfortunately many women (but of course not all) often lack confidence in public speaking, and this holds them back from fulfilling their political potential. So many women have fantastic ideas on policy, economics, politics and other areas, yet their ideas do not have the impact they deserve due to a lack of confidence in expressing them.

As with so many things, practice increases confidence and skill. For this reason I decided to set up the Fabian Women's Network Public Speaking Club. Taking place every few months, the club meets in a room in parliament to debate a pre-arranged topic. An MP introduces each meeting and offers some of their own public speaking tips, and each debate takes the same format as a parliamentary debate. The Public Speaking Club is intended to provide a supportive setting for women to practice their public speaking, and also to help them gain confidence.



Vicki Butler, Bethnal Green and Bow CLPA, former Fabian Women's Network mentoring scheme mentee



By Vicki Butler

Our first meeting focused on the question "Should child benefit remain universal in a time of austerity?" and was introduced by Seema Malhotra MP. The debate started off formally, with some attendees delivering pre-prepared speeches and others making interjections. However, as the debate continued, the confidence of all the participants grew, with even the initially quieter members of the group passionately arguing their corner.

There was a wide range of experience and confidence amongst those who took part – yet despite this, all supported

each other. After the meeting it was heartening to hear that a couple of the women had intended to come along and just listen, but as the debate progressed they felt comfortable enough to participate themselves.

So if you want to improve your public speaking skills, consider coming along to future meetings of the Fabian Women's Network Public Speaking Club. Further meetings will be taking place throughout the year and will be advertised via the Fabian Women's Network mailing list. They will be open to all female members of the Labour Party. I hope to see you there! □

Squeezed out of work

Drawing attention to the issue of women's unemployment is the first step to solve it

April may not have brought with it spring or sunshine but it did bring the first fall of UK unemployment rates in ten months. This was a modest fall, but a fall nonetheless – heralded by the Office for National Statistics (ONS). However, at closer inspection the apparently positive headlines mask some basic issues surrounding the fundamentals of gender equality.

According to the Institute for Public Policy Research (IPPR), the number of unemployed women in the UK rose by 100,000 last year alone. This is the highest rise in female unemployment in the UK for over two decades, leaving over 1 million women without work. More than a quarter of these women have been without work for over a year. The latest ONS Statistical Bulletin (covering December 2011 – February 2012) indicates that whilst the number of unemployed men fell by 43,000, the number of unemployed women rose by 8,000 over the same period. This disparity is surely worth considering.

The number of unemployed women, nationally, exceeds the total number of unemployed youth - and yet is barely mentioned in the press or media. Though you can't compare female unemployment and youth unemployment as they represent different vulnerable groups, you can compare the attention the two groups are receiving both in the political arena and in the press. Is female unemployment not a newsworthy issue in need of addressing?

These are exceptional times where men, women, young and old people are all being affected by the global recession. In January 2012, the International Labour Office announced that 600 million jobs will need to be created, and filled, globally over the next ten years just to get us back on track.

Just as it would be incredibly naive to think that this global crisis would not affect women as badly as men, it would be wrong to argue that women should somehow be protected from the harsh

competitive nature of the labour market. Gender equality should go both ways. However, when the figures for the two groups are so different, this is cause for concern.

'The number of unemployed women, nationally, exceeds the total number of unemployed youth - and yet gets barely mentioned in the press or media'

Allowing and promoting women to hold a full time job should not be an exercise carried out to win brownie points with the United Nations. Like a marriage, promoting equality is a way of life that a nation chooses (or not) to do in 'good times and in bad.' Promoting equality in the labour market is not a topic to be discussed only when times

Carolina Lindahl, FWN Committee

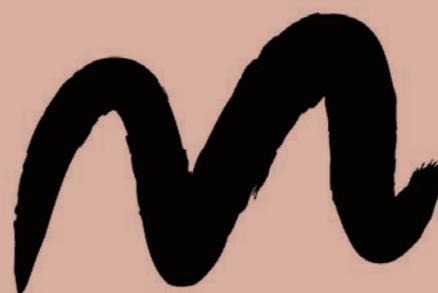


By Carolina Lindahl

are good. It is as relevant and as important, if not more so, when times are bad. In times of financial hardship we find ourselves going back to old-fashioned, common sense household economics - we tighten our belts and cut our cloth according to our means. However, it is important to ensure that this does not translate into women being disproportionately squeezed out of work.

Of course it is difficult to draw conclusions from the current figures. However, it just as difficult to claim that it is all down to coincidence and that it does not underscore the harsh reality many women face today in the labour market. I hope that this short article might start an honest and open dialogue about women unemployment - why are women worse affected than men, and how we can change it?

If you are interested in any of these issues and would like to be part of the solution, then join us at the Fabian Women's Network and Fabiana. □



**Movement
for Change**

The home of community organising
within the Labour Movement

www.movementforchange.org.uk

@M4COnline

#M4CWomwn

Girls on Film

Women filmmakers must break free of the gender straightjacket

By Lindsey Kennedy

Lindsey Kennedy,
Director



In 1993, the artist Buseje Bailey spoke of how, when submitting her work to a lesbian art festival in Toronto, a sceptical curator demanded to be shown the 'lesbian content' in her work. An astounded Bailey attempted to explain that her sexuality is part of her identity, necessarily intrinsic to and inexorable from her work – but to no avail. The curator, who had a very definite idea of what 'lesbian art' involved, was looking for 'explicit sexual images' and Bailey, 'Female, Black, Lesbian...Poor' and struggling to establish herself in an exclusive, elitist art community, once again found herself shunned for failing to fit the bill.

I was recently reminded of this when submitting a short horror film to festivals. Being a typical horror film, the suitability of *Immortal Longings* for more highbrow international festivals is limited, leaving me with the choice of a range of genre-specific ones with helpfully illustrative names such as 'Frightfest', 'Screamfest', 'Shriekfest', 'Another Hole in the Head Fest' (yes, really) and so forth.

Amidst this gruesome proliferation I was intrigued to stumble across 'Bleedfest', a monthly festival for female genre filmmakers, held in Los Angeles. Bleedfest's mission statement argues that the film industry is rife with blatant, shameless workplace misogyny. This much rings true. Moreover, it seeks to retire the derogatory term 'chick flick', increasingly attached to any production with the merest whiff of oestrogen about it. Also good. But then – the Buseje Bailey Blow:

We select material by and about women that meets our mission statement of empowering women through self expression and cool, full-bodied portrayals of their lives.

Right. This festival is aimed at makers of horror, sci-fi, etc - films that tend to depict frightened people who may or may not survive to the final credits. The idea of using these films to convey empowerment or depict full, complete, meaningful lives is clearly ludicrous. Moreover, the organisers begin by proclaiming that women should be allowed to create the films they see fit, without reference to stereotypes. Then, they suggest that films by women are only valuable if they are, in fact, clearly labelled political vehicles for telling the world how great it is to have ovaries. This is hardly artistic freedom.

'More women in film should mean more women's voices; more stories told through the intrinsic, uncontrived perspectives of a wide variety of people'

Last year, Kathryn Bigelow became the first female director to win an Oscar. Her film, *The Hurt Locker*, is an intense, powerful drama about a US bomb disposal unit in Iraq; it also features an almost exclusively male cast. Bigelow was interested in the claustrophobic, turbulent world from which her characters were drawn - and in truthfully representing this world. This is what made her film a success, earned her the respect of the industry and which, with any luck, will help pave the way for other women in this field.

Bigelow has described in the past how she is drawn to 'muscular' characters and narratives, but that she does not view this along gender lines. Indeed, in *Blue Steel*, the one film in which Bigelow seems preoccupied with crafting a feminist-friendly lead, the film flounders – not because its concept of a strong-minded, weapon-savvy female police officer is unworkable, but because the script becomes so self-conscious and defensive about this that it fails to offer any kind of convincing characterisation.

Compare this with Ridley Scott's 1979 classic, *Alien*. Sigourney Weaver's iconic Ripley is steely, charismatic and utterly convincing. It is perhaps no accident that, when writing the role, Scott's focus was on creating a strong, compelling leader as the film's hero. He wasn't worried about how to construct an argument on gender politics, or whether his character development would be at odds with his PR directive on representing women in film – because the part of Ripley was initially written for a man. Nonetheless, when Ridley met Weaver, he recognised that she embodied everything he was trying to depict and cast her accordingly. The best way to tell stories, it would seem, is not to straight-jacket ourselves with new stereotypes, but to consider more truthful, inclusive ways to make art – ones which neither sideline nor propagandize the women we represent.

More women in film should mean more women's voices; more stories told through the intrinsic, uncontrived perspectives of a wide variety of people. Asking these women to justify whether their voices are 'female' enough is counter-productive. Neither women nor their art should be reduced to that. It will be enough when we are free to create the art we want to create. The rest will take care of itself. □

Fabian Women's Network

Time to release the UK's potential energy

*What the UK has to gain by
boosting women's presence in science and innovation
(and what we can do to achieve it)*

19 June 2012

5.30 - 7pm

Committee Room 9

Portcullis House (Entrance: Cromwell Green)

Featuring:

Chi Onwurah MP (Shadow Minister for Innovation)

Dr Laura Nelson (writer, campaigner, social entrepreneur)

Professor Athene Donald (Professor of Experimental Physics
at the University of Cambridge)

Paul Jackson (Chief Executive, Engineering UK)

Chair: Ivana Bartoletti (Editor of Fabiana)

RSVP: fabianwomen@fabian-society.org.uk

For information: ivana.bartoletti@fabian-society.org.uk