

Towards a New Economy: Discussion Guide

This guide is a brief summary of key points within the Policy Review document "Towards a New Economy", covering the key things we've learned from conversations with Labour Party stakeholders and the public during the course of the New Politics Fresh Ideas consultation and the Policy Review. You can find the full document at fresh-ideas.org.uk/annual-conference-2011-documents.

Introduction

The global financial crisis has left our economy facing a tough period of transition. As with every country we need to get our economy growing and bring our deficit down. But in Britain, as a result of the poor choices of the Conservative-led Government, the economic recovery has been choked off and businesses and families are feeling the squeeze. As a result of this failure the Government is not set to borrow £158 billion more than previously planned. At the same time the UK faces new and more intense competitive challenges from fast growing major developing economies in the world as well as the ongoing problems in the eurozone, from the rapid pace of technological change and from increasing competition for resources and rising commodity prices.

If we are to fulfil the promise of Britain and ensure our country can pay its way in the world we must build an economy which delivers enough good quality, well paid jobs, fosters the long-term investment and sustains the growth we need in future decades. This requires active, intelligent government creating the conditions for private sector growth and fostering the conditions for the growth of 'good companies' that are innovative, investing for the long-term and committed to the country.

But there are also choices to be made here and now if we are to kick start the country's stalled economic recovery and build the better country we all desire. We need a more balanced deficit reduction plan that puts jobs and growth first. That's why Labour has set out a 5 point plan for jobs and growth to get our economy moving and people back to work.

What people have told us to date

Four key themes have emerged from thousands of conversations with the people of Britain:

- Getting the deficit down is important – but there are differing views about what is the best way to do it and we need to focus on growth.
- Getting people back to work reduces the welfare bill. It is vital to government getting the deficit down and the best way to make savings.
- We cannot go back to business as usual; banks need to change and so does our economy.
- Families, particularly those on middle and low incomes, are feeling a tight squeeze on their living standards

We want to know what you think... Suggested questions for discussion:

- How do you think Labour should respond to people's concerns about the deficit and what should be our priorities when it comes to dealing with it? How do you think we should go about managing public finances and spending at a time of scarce resources?
- What more can Labour do to create jobs and encourage people back into work? How can we ensure that work is – for those people who can – the best way out of poverty?
- What approach do you think should Labour take to reforming our banking industry and ensuring we do not face a repeat of the financial crisis?
- How can we best help people who are struggling as a result of the squeeze on their living standards and how can we ensure women and children are not disproportionately hit by public spending cuts?
- What is the best way to foster the conditions that allow responsible, good business to flourish, including new low carbon industry?
- How can we ensure that the UK continues to play a leading role within the European Union, our largest export market?
- How can we ensure that workers receive fair rewards for their skills, that their rights are protected, and that companies draw on the strength of committed, engaged employees?