Democratising Economics in a Post Truth World

By Antonia Jennings

She argues that economics as we know it is for the self-serving elite. All policies emanating out of economics self-reinforce that elite.

The recommendations are:

1. Create an army of “citizen economists.” They would hold institutions to account. Raising questions challenging bodies, challenging assumptions and so on and so forth to benefit working people.
2. Make PSHE (personal, social, health and economic) statutory, so the level of economic literacy is raised.
3. At university level, make the teaching more relevant and accessible to all if indeed it is about the real world.
4. The underlying values and assumptions of papers and policy recommendations need to be exposed, it’s a social science after all.
5. Needs to be more diverse i.e. more non-white males.
6. The Left need to create a compelling narrative around their economics.

TB’s Comments

Point 5 is clearly racist and very offensive and should be avoided like the plague. There is nothing stopping “citizen economists” doing what she wants in point 1. Point 2 can only be a helpful development. Point 3 for sure, maybe research grants should specifically stress one of the outputs of any research needs to be able to show and communicate in practical layman terms, what the research discovers. Point 6: Creating a left-wing narrative is something for the Left and can’t be a matter of public policy.

Labour’s Fiscal Credibility Rule in Context

By Simon Wren Lewis

This is known as the FCR.
The FCR is based on a target for the deficit. It does not say what this target is, but I assume it is not to have one in the positive stage of any macro cycle. At zero interest rates, where nothing can stimulate investment, it moves to allowing fiscal stimulation. This is referred to as the “knock out.” It does not matter how high the debt goes as the Govt can (issue it) buy it i.e. like QE. It also does not matter how high the deficit goes in this knockout period.

1. Non-investment spending is to always be matched by tax rises.
2. Investment spending is not part of the FCR so being Keynesian, the suggestion is spend, spend and spend. It can only be good! They don’t need to be matched by tax increases as they will self fund. Brilliant!
3. Commenting on the Labour 2017 Manifesto and noting that if anyone said it “did not add up,” this, according to the author, is a good thing. Why? Because they should go on the front foot and say the FCR allows them precisely, at this very vulnerable moment, for the economy to let rip, with all this self-funding public spending. This should be a “welcome feature” of any manifesto.

TB’s Comments

This re-hash of Keynesian economics of fiscal stimulation is astonishing in the 21st Century. Like a Zombie coming back from the dead, for all the reasons why Keynesian economics was discredited, this will have to be again. So, prepare to dust off your notes and old text books!

What is most bizarre about this is that the Left (& Libertarian Right) quite rightly are up in arms about the unfairness of QE as it creates asset bubbles that transfer real wealth via Cantillon effects, from the poorest to the richest, and prop up the whole welfare state of credit we have in the banking system. Now, those bankers, on the welfare state of credit are not paid Universal Credit rates of benefit, but (by) via 6 and 7 figure salaries! As with most Left-Wing policies, for sure, this will do the exact opposite of what the intention of the author has in mind.

Of all the chapters, this one is probably the most mad and dangerous and could lead to a Venezuela type economy, very quickly.

The classic errors of all Keynesians can be summarised as follows;

1. Govt spending to boost aggregate demand can only take place out of taxes and the new issue of money and or borrowing.
   a. If out of taxes, the Govt takes money from a group of people/entities, who would have spent it and gives it to a group of people/entities who can spend
it. This assumes that the latter group, having a marginal propensity to consume that is more intense, will spend more, kicking off a recovery. What this ignores is that unless your money is horded under a mattress, by the very nature of the banking system, it is saved and then simultaneously invested. So, this extraction from one group of people/entities is at best a zero-sum game. At worst, the money is transferred from where it is being productive, to where it is just consumed.

b. If out of minting new purchasing power, be it via the very fashionable QE, or via the more traditional Open Market Purchase, or by plain old-fashioned printing of new notes and or coins, then the only effects will be a wealth transfer from the poorest to the richest. This is always the case as money enters the system via the banking sector. This sector gets the benefit of new purchasing power. They spend their new purchasing power, as we have seen, in certain asset classes, notably housing. And: lo and behold! these prices skyrocket out of the reach of the common person and so on and so forth.

c. If out of borrowing in the conventional sense where a Govt issues a bond that is subscribed to by people/entities, out of their savings (which of course are currently being invested) then the same effects of a) are realised. If borrowing is financed by the issue of new bonds, as suggested by McDonnell, and funded by the Govt issuing new reserves to create new money, then the same effects as seen in b) occur. With no understanding of the above, all of John McDonnell’s Marco plans for the economy are doomed to failure.

2. Keynes never discusses how wealth is created, so I guess it is hard to expect his followers to know how wealth is created. But, in summary, for wealth to be created, entrepreneurs and business people need to project forward into the current needs of people and into their future needs with a mind to working out solutions to provide for those needs in a better, cheaper, faster, more convenient, more abundant way. Practically, this is done by refraining from consumption i.e. to generate savings, for example, or by using the savings of others to make or provide these better solutions, using the land, labour and capital, over time. There is no other way known to genuinely wealth create. McDonnell’s plans, in the absence of this understanding, are doomed to failure.

3. In this book, you will see constant reference to the Multiplier. When Govt expenditure is done, it is assumed, that is say a train station is built, the builders who are now employed will go and spend money. So will suppliers, where they would not have before, and so on and so forth. Pause for a minute and think. If it was that easy, Govt should spend and spend and poverty would be eliminated overnight. Indeed, do this globally and, hey presto! Like magic, we have eradicated world poverty! Yippee! (So,) But what is not being taken into consideration in this example is that this money was being spent somewhere before it was extracted to spend on building the train station,
so at best it is zero sum, and at worst it will be destructive of wealth, if what is being spent on is less productive that what is being created.

4. To the Keynesian, the circular flow of income is held as canonical. It’s a truism that says that all income is in fact derived from all of the expenditures in the economy. If, say, the Govt lowers and restricts, its expenditure, then it follows that the income of the economy will drop. Nice mathematical relations can be shown to demonstrate this. However, what is not taken into account is the quality of those expenditures and incomes. Especially under the Keynesian system, nothing concerning the profitability of these expenditures are taken into account. In the circular flow of income, a £1bn rev company is great supporting spending of £1bn PA, but what if it is loss making? When it runs out of cash, its ability to sustain itself and all the attendant jobs and supply lines ends. If it makes 1% net profit and a £0.5bn PA company makes 10% net profits, then the lower revenue company will be more effective at sustaining jobs and supply lines. So, it’s crucially the quality of that income that matters. Being smaller and more profitable may well sustain much more. The same is the case for the expenditure some of the economic actors. This is lost on Keynesians.

If anything, a Labour Party serious in its wish to address some of society's needs should be focused on savings and the need to encourage them with strong support to entrepreneurs, so that investment can accelerate and compound over time, generating more jobs and prosperity. This takes time and no politician seems to have time to nurture wealth creation.

**Rising to the Challenge of Tax Avoidance**

*By Prem Sikka*

To attack tax avoidance/evasion

1. **Common Consolidated Corporate Tax Base (CCCTB)**
   a. This moves to tax based on where it is earned and not where the corporation is based.
   b. No matter how many entities the corporation has, it will only be viewed as one, to avoid the shifting and then evaporating of liabilities.
   c. In viewing some of the truly global concerns the group consolidated profits would be the key measure of tax, then this would be proportioned down to each nation based on number of employees, assets and sales activity.

2. **Tackle the UK tax avoidance industry.**
   a. Make a complete ban on audit firms offering non-audit i.e. avoidance advise to clients.
   b. Large fines for both corporates and officers in the companies recommending these schemes.
c. Barring the above from office and from being a corporation.
d. Public fining of HNW & UHNW’s accounts.
e. Public filing of large corporations tax returns.

3. Abolish tax relief on Interest payments
4. Introduce a Withholding Tax
5. Investigate Tax Reliefs

TB’s Comments

The CCCTB for sure seems to be a very good way forward.

Concerning both 2 a & b, the separation of audit from other advice, this may well be a good avenue to pursue, but a more effective way might be to make them fiduciaries. They of course were always historically, fiduciaries. This meant they were fully open ended, not protected by a Limited Partnership or a company of Limited Liability, and therefore liable, for any bad advice they may give, on loss on any scheme they recommend. This would open them to being personally sued by the Revenue and clients, should schemes go wrong and or be declared illegal. I think concerning point c, if either an event in a or b happens, their professional services should just bar them, plainly and simply, from practise. It would be worth looking to see what teeth these professional service private regulators have before any specific legislation is done.

Concerning d, this is obviously highly discriminatory and should be avoided. Like Switzerland, if we wanted to go down this route, it might be sensible to do this for everybody in a non-discriminatory way. This will also display, for all to see, those who pay no, or little tax, including benefit scroungers.

I agree that abolishing tax relief on interest will be a good thing and encourage, for sure, a better balance between equity and debt for corporate finance. This will generally have a smoothing effect on booms and busts i.e. taking off the extremities of a boom and bust cycle, but not killing the cycle itself!

A Withholding Tax at the basic rate for any foreign person/entity is very welcome, provided we can be sure there is a double tax treaty with the other jurisdiction, so tax can’t be double payed. If there are not suitable double taxation treatise, doing this on its own could seriously discourage investment in UK PLC.

Clearing up the generous tax reliefs and making them a) simpler and b) measured by their effectiveness at rewarding the behaviour they are encouraged to do, would seem very sensible.
To Secure the Future, Britain Needs a New Green Deal

By Ann Pettifor

She recommends

1. The creation of a “Carbon Army.” These must be highly skilled, well-educated and encouraged to focus on activities that become productive engines to rapidly transform us environmentally. This would pay for itself! Why? Energy efficiency, by, for example, transforming houses into being energy efficient would create £3.20 of new revenue for every £1. If the Govt funds this, it amounts to £1.27 of tax revenue for every £1 spent. This is taken from a Cambridge Econometrics and Verco Report she references.

2. The creation of a New Green Deal funded by the sale of bonds ie new Govt debt. The multiplier will ensure that it pays for itself.

TB’s Comments

She does not seem to have Northern Ireland as part of her plan only referring to GB.

The making of environmental homes and normal homes energy efficient is written about (like) as though it is a Keynesian-style multiplier. It seems strange that no entrepreneur has grasped this and is scaling up the mass conversion of properties to energy efficient ones if it was so obviously a winner. It seems that no households are seeing this powerful incentive to change (ie save money) let alone see the positive environmental impacts.

The New Green Deal is a Keynesian debt based expansion and will fail to do what it sets out to do for all the reasons any Keynesian debt based expansion does. Get out those dusty old text books again: the Zombie of Keynesianism once more needs to be slayed.

Fair Open and Progressive: The Roots and Reasons Behind Labour’s Trade Policy

By Barry Gardiner

1. They Labour Party are free traders.
2. They rejected historically tariff reform and protectionism in general and will do so again.
3. He refers to the regulated liberalisation of trade, international rules based and not one sided.
4. Post Brexit, he wants companies etc to have access to the Single Market on as close as possible terms.
5. Post Brexit, he favours mutual recognition of standards.
6. He will list many more products for geographic protection than the UK Govt currently does with the EU.

7. Post Brexit, in the Public Policy space, he will make sure Public Sector bodies can be responsible for their own sourcing. This is counter the EU’s current liberalisation rules. The WTO Government Procurement Agreement will be preferred.

8. Under any new trade agreements post Brexit, He would seek to make sure investors could only dispute resolve in UK courts and not in foreign courts.

9. Human Rights and Social Justice based trade policy will be the key focus of his department. These were listed out in the 2016 Labour Party Conference “10 Pledges to Transform Britain.”

10. Ruggie’s “Protect Respect and Remedy” Framework for Business and Human Rights 2011 will be adopted.
   a. States must protect HR.
   b. Businesses must respect HR.
   c. There must be an effective remedy for this.

TB’s Comments

It’s hard not to agree with all of this.

“De-financialising the UK Economy: The Importance of Public Banks.

By Costas Lapivitas

1. The recommendation is the establishment of Public Banks to satisfy the investment needs and consumption needs of the nation.

He does note the policy of the Govt since the Financial Crisis has been to support banks with public money/debt, but none of this support has been directed to any of the public services but, has been, instead, to support a policy of austerity. He would prefer fully backing public banking supported via debt creation, into the neglected social sectors.

2. Special Purpose Vehicles should be established to fund lending to SME’s to achieve socially set objectives.

The idea with all of the above is these will not be bureaucrats, but via regulation the social objectives will be set.

TB’s Comments

The allocation of capital to public servants (although denied, this is what in effect the banker or SPV manager then does becomes) to pick investments and to encourage consumption has never worked in the entire world, so the bar is very high for this concept to be treated as rational.

Once again, we have the ghost of Keynes with the suggestion of public works projects being conducted via now public banks supported by debt issues. The Zombie needs to be defeated once more.

Better Models of Business Ownership

By Robert Calvert Jump

The recommendations are:

1. (Recommend) The establishment of more co-operatives. The Mondragon Group is used as a great example of this.
   a. Any tax advantage of a private company over a co-op should be removed.
   b. Subsidies should be used for those seeking to establish co-operatives.
   c. Subsidies should be used to encourage worker buy-ins.
   d. Stopping the practice of being able to distribute accumulated income should be implemented to (stop) prevent, or inhibit the incentive to distribute large cash piles to members upon its dissolution.
2. An updating of Labour’s 1976 Industrial Common Ownership Act\(^2\) to reflect the realities of today will take place.\(^3\)
3. Encourage more municipal ownership of things serving the local area.
4. Nationalise railways etc.
5. He suggests share price caps on industries targeted for nationalisation so that the folks who own it will start to have the price depressed and therefore they will be less costly to buy out!
6. Local Govt should encourage anchor institutions to spend locally with local SME’s in particular.

TB’s Comments

The establishment of more co-operatives can of course be done at any point in time. Maybe a better educational program and a tax incentive to encourage co-operatives might be the

way forward. I am not aware that subsidies ever cause any good, but I guess policies 1 b + c would be subject to evidence of working. Policies c & d are just simply designed to hurt member/current owners. This would, I suspect, be very counter-productive if ever implemented.

Municipal ownership of key sectors of the utilities could be very interesting indeed.

The nationalisation arguments need to be fought again. (I note now) It seems to me that the author could be a particularly nasty piece of work, as he wants, knowingly, not only to force the sale of private property, but to supress the compensation of it i.e. do it completely unfairly.

**Beyond the Divide: Why Devolution is Needed for National Prosperity**

*By Grace Blakely and Luke Raikes*

They want to devolve as much power to the regions as possible so local regions can spend the taxes raised in the most locally appropriate and democratically accountable way. They say the “Whitehall knows best” approach does not work.

**TB’s Comments**

Probably got a lot of merit in this. I would add, this radical devolution is only sensible if there is no central Govt underwriting of local failure. This way, people, after one of two large scale Utopian failures, won’t vote for people advocating things the area in question can’t sustain. There have been many historic loony left councils who, in pursuit of their policies bankrupt their municipalities. Done on a nationwide scale, the total destruction of public services could be very dramatic indeed, much worse than the Winter of Discontent in 1978.

**Democratic Ownership in the New Economy**

*By Joe Guinan & Thomas M Hanna*

1. They seek to encourage more co-operative and mutual forms of ownership. They must “go after capital itself.” This they call the democratisation of capital. This is the ‘New Economy’ they refer to.
2. They seek to establish a right for workers to have first refusal on the sale of a business they work in.
3. Municipalities should support the seeding and start-up funding of enterprises.
4. They say this is a Libertarian Socialist commitment to economic democracy. What this means is that existing concentrations of authority and power are to be challenged and
power and indeed capital spread across the widest section of society which should form into mutual/co-op type arrangements to then get on with running the day-to-day of things.

5. The 73,000 Mondragon Spanish Co-operative⁴ is used as a great example of this vision. The Emilian model⁵ of 8,000 odd co-operatives in Italy is another. The latter was born out of local people providing care solutions especially for the elderly and disabled. Solidarity Economy Quebec⁶ is also another example given.

6. In the USA, Democracy Collaborative⁷ are having great success promoting mutuals.

7. John McDonnell favours these types of solutions rather than top down centrally planned Whitehall knows best type solutions.

TB Comments

Their work is based entirely from the view point of the worker and not the consumer. Not recognising that the worker is also the consumer means that attempts to tip the balance of economic power to certain workers, will prejudice all their fellow consumers. There is no recognition that, say, something like Tesco, has to compete for its day-to-day business and is voted for 17m times a week by contented customers going through its doors is ultimately democratic. This is how democratic the market system is: it is the most democratic system known to mankind. What is more, capital that gets allocated to Tesco has to work to the consumers’ interest as those consumers, in a nanosecond, will shop elsewhere if they are not satisfied. So, will it be more democratic if groups of workers replace groups of shareholders? Well, I think not. Why? The consumer is always in the final analysis, sovereign. Worker co-operatives can own capital, certainly, and do their business, but the real democracy is the consumers voting daily on the worth of their offer.

Most shareholder agreements in the UK have a right of first refusal to existing shareholders i.e. the existing people who have saved, forgone consumption, to support a business in the hope of a return. They now find themselves put aside, retrospectively (against all principles of natural and administrative justice) for workers, who have not foregone consumption, but have been paid as they go, and not saved to invest in the enterprise. This seems very unequitable. That said, if in future contracts society votes and deems that this is warranted, I could see it work in all new contracts going forward. How this would work in practice in a live M&A situation is not explained, nor is the variety of situations this could give rise to.

⁴ https://www.mondragon-corporation.com
⁵ https://archive.org/details/fp_The_Emilian_Model-Profile_of_a_Co-operative_Economy/page/n0
⁶ https://www.shareable.net/blog/what-quebec-can-teach-us-about-creating-a-more-equitable-economy
⁷ https://democracycollaborative.org/content/our-mission
The co-operative movement is undoubtedly inspiring and those of us from the centre right who are inspired by the great co-ops like Mondragon ought to get behind left wing colleagues to ensure the climate to make these organisations flourish. I am delighted John McDonnell has moved on from the old-style nationalisation model, that failed us so badly in the past and is encouraged by these very successful mutual solutions.

A New Urban and Economic System: The UK and the USA

By Matthew Brown, Ted Howard, Matthew Jackson and Neil McInroy.

They highlight the work of the Centre for Local and Economic Strategies for wealth building in local areas. Their manifesto spells out what they do and want to do. They are similar to the Democracy Collaborative mentioned before and have a good track record in Preston. So, there is the Preston Model and from the USA, heavily influenced by Democracy Collaborative, & the Cleveland Model.

1. The buzz word for this is “Community wealth building”.
2. The Cleveland Model demonstrates this by proposing the following:
   a. The introduction of a living wage.
   b. Focus on asset (financial) building in the family.
   c. Employment as local as possible to where you live.
   d. The disadvantaged and marginalised are brought into the economy by way of jobs specifically for them.
   e. Local hospitals, Universities, doctors’ surgeries (anchor institutions in the City) and the like agree to buy locally.
   f. Focus on making an impact across the wider community by doing all of the above.
   g. There is a not for profit Hold Co that co-ordinates all the economic activity, called the Evergreen Co-Operative Organisation. Profits from members get recycled to support the establishment of other co-operatives. So, like a snowball going down a hill, it should get exponentially bigger. This is a great bottom up approach to economic development.
3. Preston City Council in the UK is the start of the UK transformation.
   a. Living wage is paid to all.

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8 https://cles.org.uk
10 https://www.youtube.com/watch?v=s_kLyE_6V8c
11 https://community-wealth.org/content/cleveland-model-how-evergreen-cooperatives-are-building-community-wealth
12 http://www.evgoh.com/about-us/
13 https://www.pwc.co.uk/industries/government-public-sector/good-growth.html Preston performs well in this index.
b. There is a City-wide credit union called Clevr Money\textsuperscript{14}.

c. In 2013 the Preston based anchor institutions, Lancashire County Council, Constabulary, Preston’s College, Cardinal Newman College and Community Gateway have got together to ape the Cleveland approach to support local supply chains. This is called “expanding the local entrepreneurial state”.

d. Lancashire County Pension Fund now partners up to invest locally through its City Deal\textsuperscript{15}.

e. They are working closely with Professor Richard Werner\textsuperscript{16} to establish local community banks based on the Sparkassen model\textsuperscript{17}.

f. They recognise and seek to encourage trade unions to let their massive pension resources invest in the cities they are located in.

\textit{TB’s Comments}

This chapter is by far the most inspiring in the book. Everything along these lines should be explored and more.

Also, of course historically, the precursors to the modern welfare state were all largely mutuals\textsuperscript{18} that were then nationalised. But if we actively encourage these many flowers to blossom, what is stopping them being nationalised?

I am delighted the Left have moved away from the state control ownership of the means of production, Soviet style, to a really exciting and transformational bottom up entrepreneurial model.

\textbf{Debt Dependence and the Financialisation of Every Day Life}

\textit{By Johnna Montgomerie}

\textit{TB’s Comments.}

There are no real concrete proposals in this chapter, just a general note that debt based economic activity encourages more debt based economic activity which is unsustainable and pretty much where we are right now. The pernicious effects of QE are noted, as is the fact that if we all paid off our debts, the economy would go to hell in a hand cart very quickly, which is of course very true.

\textsuperscript{14} https://www.clevr.money/about-us/
\textsuperscript{15} http://www.lancashirelep.co.uk/city-deal.aspx
\textsuperscript{16} https://professorwerner.org
\textsuperscript{17} https://en.wikipedia.org/wiki/German_public_bank
\textsuperscript{18} https://www.cobdencentre.org/2010/08/working-class-patients-and-the-medical-establishment/
Platform Monopolies and the Political Economy of AI

By Nick Srnicek

1. The author’s contention is that the large global tech companies are essentially natural monopolies.
2. So, he recommends their socialisation. This means taken out of private ownership and put into public ownership. These could be platform co-operatives.
3. Using Blockchain technology, private & public records should be tamper-proof and not used inappropriately.
4. Use of things like the Verifiable Data Audit System\(^\text{19}\) should be encouraged.
5. Local councils could use data platform to make their own Uber challengers etc.

TB’s Comments

I don’t like taking assets from people so I can’t support nationalisation, however it is dressed up. That said, there is nothing stopping cooperative style Twitters and Facebooks establishing themselves. More importantly, if we really want to place the power back into the hands of the people or the consumers, then at the start of our lives we should acquire, or be given ownership of our data - just as we have of our minds and bodies - that we can keep on platforms like Verifiable Audit Systems, then grant access to that data as and when it is needed and fully with our consent only. One might even want to charge for it, as opposed to being free advertising fodder for most current Global Platforms. In short, we need a Digital Bill of Rights.

A New Deal for Data

By Francesca Bria\(^\text{20}\)

Much like the previous author, this one sees the global tech companies as profiteering at the expense of the people, the mass users of these platforms. She wants to return some value back to the citizens.

The recommendations are that municipalities should set up and run:

1. Smart, data intensive algorithmic public transport, housing, health, education.
2. Based on logic, solidarity and collective rights.

\(^{19}\) https://deepmind.com/blog/trust-confidence-verifiable-data-audit/  
\(^{20}\) https://www.youtube.com/watch?v=WDWfcLUMpJU
3. Smart Cities, municipalities engaged in taking on these tech giants should, wherever possible, do the following, as in Barcelona:
   a. Drop Microsoft products.
   b. Introduce data sovereignty.
   c. And look at doing things like using free software and open source alternatives.
   d. Codify law in each smart city so collectively they can systematically avoid these global tech giants.

4. Smart cities should own their own data.
   a. This data should be used to improve all things public.
   b. Alternatives to Uber and AirBnB could emerge locally if key data were collectively owned.

5. “City data commons\textsuperscript{21}” is a new social compact in Barcelona to make sure data is used for communal benefit.

6. The Decode\textsuperscript{22} project links a number of European Cities working to centralise personal data and license it on a strict, needs only basis, and not for rampant style profiteering. Explicit consent and only for the common good will drive access.

\textit{TB’s Comments}

This is one of the most promising sectors in the Left’s thinking. From a libertarian point of view, there should always be a presumption that you own your own data. That said, you are also free, as you are today, to give you data away for free, which in effect most of us do to global tec companies. I revert to my comments on the last chapter: that there does need to be a clear establishment of rights regarding your personal data from birth. Mutual solutions to holding that data and licensing it could well be a good alternative for many people. They will survive the market test if they are useful.

A digital Bill of Rights is indeed needed to codify these new Rights so that it becomes second nature to think of these as we do the right to life, to liberty and our own property etc. Blockchain could be used to hold personal data and restrict access to it if needed.

\textbf{Rethinking Economics for a New Economy}

\textit{By J Christopher Proctor}

He does like alternative (neo classical) ways of thinking about things.

\footnotesize{\textsuperscript{21} \url{https://ajuntament.barcelona.cat/digital/en/digital-transformation/city-data-commons} \textsuperscript{22} \url{https://decodeproject.eu}}
The organisation Rethinking Economics\(^{23}\) gives a platform for a diverse set of economic groupings that are not neo-classical.

The International Students’ Initiative for Pluralism in Economics\(^{24}\) is another initiative promoting alternative economics.

*TB’s Comments*

I am pleasantly surprised to see the Austrian School accorded a place in this, which is correct as, for sure, we are not neo-classical. No harm can be done in trying to widen and make more relevant, our economic understanding.

**Public Investment in Social Infrastructure for a Caring, Sustainable and Productive Economy**

*By Ozlem Onaran*

The author views the care services as an investment similar to physical infrastructure investment. By doing this public investment, the author suggests that far from being a burden on the economy, it will be uplifting for the economy. He is a great believer in the multiplier. By looking after the public care needs/social needs and ecological needs, the budget will look after itself.

*TB’s Comments*

All his policy recommendations on spending have been tried in various guises before (under) in the hope that the multiplier will, like magic, lift society to a higher level. It never does, it never has done, it never will do.

**Rentier Capitalism and the Precariat: The Case for a Commons Fund**

*By Guy Standing*

The Precariat are workers living a precarious existence. Maybe they are on zero hours, one parent families, on the bread line or some other type of tough existence. They may be facing a very high marginal tax rate as they try to move from benefits to full reliance on the income of their work.

The Precariat are subdivided into various groupings:

\(^{23}\) [https://decodeproject.eu](https://decodeproject.eu)
\(^{24}\) [http://www.isipe.net](http://www.isipe.net)
1. Atavist: someone who has lost their working-class roots in an established community, feels left behind and reacts by voting for populist far right organisations who speak to their needs.

2. Nostalgics: are minority groups feeling equally dethatched from modern society.

3. Progressives: University educated in the main who have been promised a good future, arrive, and see it is quite bleak. They want change.

To address some of the needs of these groups who do not benefit from Rentier Capitalism, the author proposes the following:

1. Levies on rents to flow into a Sovereign Wealth Fund called the “Commons Fund.”
2. A Land Value Tax over ½ acre or more should be levied.
   a. This should be levied at 3% a year.
3. A wealth tax at the point of death should be established to go into this Commons Fund.
4. A carbon tax should be introduced to fine polluters, the proceeds going into the Fund.
5. Levies for use of local authority land, waterways, coastlines, woodland, energy and minerals should all be exacted and the funds put into the Common Fund.
6. A special tax on the activities of the Forestry Commission should be used.
7. A tax/revenue strip should be taken from intellectual property rights being granted by the state.
8. A 3% digital tax, similar to that suggested to be imposed by the EU on Global Tec should be used to compensate us for the use of our data and placed in the Commons Fund.

The Commons Fund should be administered by the following principles.

1. The Public Trust Doctrine.\(^{25}\)
2. The Hartwick Rule.\(^{26}\)

These, in short, insure the preservation of the states or common assets, so they can keep delivering up value for all of us. Distributions would only take place from recurring income streams.

This is the Commons Dividend:

1. Paid to all over 16.
2. Migrants need to wait for 2 years.
3. High rate taxpayers will have it confiscated via a balancing higher tax rate.

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\(^{26}\) [https://en.wikipedia.org/wiki/Hartwick%27s_rule](https://en.wikipedia.org/wiki/Hartwick%27s_rule)
The CF dividend could in effect be the start of basic income for all, helping liberate the precariat from their current precarious situations.

**TB Comments**

The LVT would hit people who own land over half an acre, so .... I am sure he has not thought of it, but farmers would shoulder the burden of this, not the big houses he thinks he is targeting. Planning to confiscate land over a 30-year period is maybe not what the author means, but this is what his 3% tax will do. Non-farm lands being the most illiquid of assets do not in and of themselves generate any income. People will be forced to sell to pay for this tax. This will push prices down and also, ultimately, the tax collected (down). It’s a bad idea in many ways.

The Norwegian Sovereign Wealth Fund has much to be said for it. We as a nation were foolish to squander the North Sea Oil revenues. Much of the above are things that need to be considered. Funnily enough, the Crown Estates commercial manages its assets very well - which is, in effect, what this author is suggesting the state does: be commercial with our assets and make then work for us. This is a welcome contribution.

A post Brexit dividend would be getting our sovereign waters back and rights to sustainably manager our seas. I would have thought this would be an ideal candidate to go straight into a CF such as this with quotas leased out to fishermen.

To avoid the discrimination that the author suggests against people who are in the high rates of tax, I would think it would be more effective for it, like an endowment, to just target the funding of one Govt department. If it reaches this historical milestone, of say fully funding education, then it can move onto funding another department, and so on and so forth. This has the added advantage, of being -long term, meaning we have assets working for us funding our public services and the opportunity to not tax people so heavily, or target more spending on poverty relief.

Of all the Basic Income suggestions, this is probably the sanest as it is suggesting modest beginnings of dividend (not full-on replacement income) out of sustainable dividends and not being a replacement for work. Needless to say, if you went down my preferred route of using common assets to fund Govt departments, then there would be no ability to do this. So, you trade off one for the other. That said, I think either solution has a lot of merits.