



Demand Better

Liberal Democrat priorities for a better Britain

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Demand better

Britain isn't working as it should.

Everyone deserves the opportunity to work hard and build a **good life** for themselves, their family and their community. Everyone deserves to be paid a fair wage, to afford a home and to be able to use good public services. But for many, that's not the reality today. People are working hard; they're playing their part, whether that means taking care of their family, earning their degree or working to afford their rent or their mortgage – and yet too many are trapped by a lack of opportunity.

The Conservative government's **austerity policies are hurting people** at all levels of society, while rich individuals and big corporations dodge their fair share of taxes. Public services are suffering: the NHS, schools and local government are starved of resources, while train companies fail to provide a decent service. High street shops are closing down, local communities are losing their pubs and their post offices. The government is undermining green energy and forcing fracking on communities that don't want it. In terms of income and wealth, Britain is one of the most unequal societies in Europe: success increasingly depends on where you live and who your parents are rather than on your own talents and hard work. People are not getting what they deserve for their efforts.

Brexit will make all this much worse. Leaving the European Union will cost not just jobs and investment but Britain's place in the world and its citizens' opportunities. But instead of opposing it, the Labour Party is supporting the Tories; its leadership is obsessed with fighting the ideological battles of the 1970s rather than achieving the best for Britain. The worst government in living memory is facing the worst opposition.

The end result is to deny people the opportunities they need to make the best of their lives. **Too many people are trapped:** by inequality, poverty, debt, ill-health, a failing economy, the shambles of Brexit. Too many people find that the odds are stacked against them however hard they try.

It doesn't have to be like this; **a better Britain is possible.** A country in which everyone has the opportunity to make the most of their lives, where they get something back for the contributions they make to their communities. A country where everyone can live in homes in safe, clean and friendly neighbourhoods, where people can do rewarding work for a decent income and have access to high-quality health and social care, childcare, transport, education for children and adults alike. A country where people can breathe clean air, use clean energy and enjoy the beauty of the natural world. A government that keeps the country safe, that helps it prosper, that builds a society in which everyone has an equal chance.

Liberal Democrats, and our political forebears, have always fought for this kind of country: a **just society** where everyone contributes what they can and has the opportunity to build the life they want. Liberal governments laid the foundations of the welfare state; Liberal leaders and thinkers crafted the vision of universal education, the National Health Service, government policy aiming for full employment. Liberals championed the cause of the environment and were crucial to Britain's entry into Europe. Liberals and Social Democrats argued for greater equality between people regardless of their race, gender, sexuality, disability, beliefs or way of life. Liberal Democrats in coalition took millions of low-paid people out of tax, raised the state pension, expanded apprenticeships, helped schools to teach children from deprived backgrounds, invested in renewable energy, gave higher priority to mental health in the NHS and legislated for same-sex marriage.

Today these causes are more important than ever. We will fight for a country where people have the opportunity to **live the lives they want to**, that offers an equal chance to everyone, provides high-quality education and health care, protects the environment and is open and welcoming to the world.

We must be the party that stands up to power and privilege and enables everyone to build the future they want and deserve. We demand a better Britain.

Demand a fair society

Today's Britain is fundamentally unfair.

The government's pursuit of austerity at all costs is undermining the fabric of society. The task of rebuilding the public finances has been pursued almost exclusively through deep cuts to public services: the NHS, schools, benefit recipients and local government are under ever-growing pressure. People wait hours for treatment in hospitals and can't get their children into the schools they want. People with disabilities have their benefits cut unfairly. **Britain is one of the most unequal societies in Europe**, but the Tories have done nothing to heal the divides between rich and poor, women and men, black and white, young and old, poor regions and wealthy areas. **Increasingly people's chances of success depend on their parents' wealth** rather than their own talents and efforts.

At the same time, the chance to influence the decisions that affect citizens has been steadily taken away from ordinary people and their communities. Power has been centralised and **local government undermined by funding cuts**. Services that used to be delivered by the state have been privatised, often to companies which appear to be indifferent to their customers – as the recent rail timetable fiasco has illustrated. Despite public outrage over bankers' bonuses, corporate greed is still all too evident.

No wonder people feel powerless in the face of accelerating change: an inability to control what is happening to their communities and neighbourhoods. No wonder **people feel a sense of unfairness**: that the odds are stacked against them however hard they try, that the rich and the privileged will always do better. This is made worse by fundamentally dysfunctional systems of government and politics, in which access to money increasingly determines the results, and a voting system which enables parties to win large numbers of seats in

the Commons while ignoring the views of most of the population. No wonder people feel that governments neither represent nor listen to their views, that no one cares what they want.

Why we demand a better society

- Britain is the world's sixth largest economy – but **over a million people use food banks** and 10 per cent of households in England live in fuel poverty.
- **Thirty per cent of the country's children – more than 4 million – live in poverty.** Government welfare reforms are projected to increase this number by another one and a half million by 2022.
- **The UK ranks 95th in the world for income equality between men and women;** while the gap is closing, at its current rate equality will not be achieved for another hundred years. Almost eight in ten companies and public-sector bodies pay men more than women; on average women are paid a median hourly rate 10 per cent less than that given their male colleagues.
- The heads of Britain's top 100 listed companies earn on average almost 400 times more than a worker on the minimum wage and almost 200 times the average salary.
- Almost **half of children whose fathers have high earnings now grow up to have high earnings themselves.** Less than a fifth of sons born to low-income fathers make it to the top earnings group.
- **Black Britons are more than three times as likely to be arrested as their white peers.** Less than two-thirds of people from ethnic minorities are in work, compared with three-quarters of white people; working-age people of Pakistani and Bangladeshi origin are the least likely to be in employment.
- **The richest 10 per cent of households own 45 per cent of the nation's wealth,** while the least wealthy 50 per cent of

households own just 9 per cent. Wealth inequality is set to increase further among future generations, largely due to housing inequalities.

- **Fewer than half of the millennial generation (those born between 1981 and 2000) are expected to own their own home by the age of 45.** Every generation since the post-war 'baby boomers' has accumulated less wealth than the generation before them had at the same age.
- **The rate of house-building has been falling since the 1960s.** The early years of the current decade saw house-building at its lowest peacetime level since the 1920s. England is projected to need about 250,000 new houses each year, but less than three-quarters of this figure were built in 2016/17.

Only by giving people the opportunity to succeed can we allow everyone to live their lives as they want. Only by giving them the power to grasp those opportunities can we address powerlessness. Only when people have a voice will they make themselves heard. This is the Liberal Democrat approach.

Liberal Democrats want a different Britain, where everyone is supported in time of need, everyone pays their share of the costs of public services and the burdens are shared fairly by everyone. We demand:

- **An end to austerity**, with the reversal of deep cuts to the benefit system and an end to the cap on pay rises in the public sector.
- **Fair taxes**, ensuring that those with the highest incomes make a fair contribution to society; taking action against corporate tax evasion and avoidance; and raising the basic rate of income tax by 1p to fund health and social care.

- **A fairer distribution of wealth**, equalising the tax treatment of income from wealth (primarily capital gains and dividends) and income from work; abolishing inheritance tax and instead taxing all intergenerational gifts above a tax-free allowance at income tax rates; and reforming pension tax relief and making council tax more progressive. We would use the revenue to reduce taxes for young people and low earners, increase investment in infrastructure and education and establish a Citizens' Wealth Fund.
- **Better childcare** for parents who want to work, including the extension of free childcare for all two-year-olds and for the children of working families from the end of paid parental leave, and encouragement for new fathers to take time off, with an additional month's paid paternity leave.
- **A better deal for young people**, by increasing the rates of Jobseeker's Allowance and Universal Credit for those aged 18–24 at the same rate as minimum wages.

Liberal Democrats want a different Britain, where everyone has the chance to live in decent homes in safe and clean communities. We demand:

- **More and better homes.** We would increase house-building to 300,000 homes a year, including direct building by government, and allow local councils to borrow more in order to build new affordable homes, in both urban and rural areas; help renters to buy a home without a deposit; provide loans to people struggling to meet the upfront costs of renting a home; and build houses to zero-carbon standards, drastically cutting energy bills.
- **New communities.** We would create new garden cities in England, providing tens of thousands of high-quality, zero-

carbon homes, with gardens and shared green space, jobs, schools and public transport.

- **Safer communities.** We would increase community policing, investing an extra £300 million a year in local police forces; ease overcrowding in prisons by bringing down short-term sentences that don't work and re-focusing prisons towards rehabilitation and recovery; and make all hate crimes aggravated offences, allowing for harsher sentencing of offenders.
- **Better public transport,** including investment in new train stations, lines and modern trains, and rail franchises with a stronger focus on customers; the expansion of bus services and a bus fare discount for 16–21 year-olds, and support for cycling and walking.

Liberal Democrats want a different Britain, where everyone feels part of a society that gives them opportunities to succeed regardless of their race, gender, sexuality, age or disability. We demand:

- **Equality at work,** including extending the Equality Act to all large companies, requiring them to monitor and publish data on gender, BAME, and LGBT+ employment levels and pay gaps, extending the use of name-blind recruitment processes in the public sector and encouraging their use in the private sector, and requiring diversity in public appointments.
- **Equality for women,** with more extensive childcare and better back-to-work support, aiming to reach the goals of one million more women in work by 2025.
- **Equality for people from ethnic minorities,** including developing a government-wide plan to tackle BAME inequalities, and reviewing the Equality and Human Rights Commission to determine whether it is effectively fulfilling its role and whether its funding is adequate.

- **Equality for people with disabilities**, including increasing accessibility to public places and transport, setting up a benchmarking standard for accessible cities, and bringing into effect the provisions of the 2010 Equality Act on discrimination by private hire vehicles and taxis.
- **Equality in partnerships**, including introducing mixed-sex civil partnerships, extending rights to cohabiting couples and abolishing remaining marriage inequalities.

Liberal Democrats want a different Britain, where everyone has a chance to make their voice heard. We demand:

- **An end to wasted votes**, by introducing proportional representation for Westminster and local elections, and giving 16 and 17-year olds the right to vote in elections and referendums.
- **An end to centralised government**, decentralising decision-making from Whitehall and Westminster, inviting local areas take control of the services that matter to them most, and greater powers for Scotland and Wales.
- **More power for people**, with democratic local government exercising greater control over the resources it needs, with customers holding companies delivering services to account for their failures, and with communities able to take charge of aspects of their own local development – through, for example, establishing local banks, community energy cooperatives and tenants’ management of social housing, and playing a full part in local planning decisions.

Personal message: why things will be better under the Liberal Democrats

- Young person?
- Benefit recipient?

Demand high-quality health and social care

Britain's National Health Service used to be the envy of the world. Free at the point of delivery and based on need, not ability to pay, high-quality care was provided to rich and poor alike. But seventy years after its foundation **the NHS is facing crisis**. The Conservative government, obsessed with austerity and shrinking the role of the state, has systematically failed to give it the resources it needs to cope with changes in life expectancy and patterns of ill health and rising demand for services.

Inequalities between the treatment and funding of physical and mental ill health persist despite the Liberal Democrats legislating for equality between the two when we were in government. Responsibility for health and social care services is fragmented between different agencies. The threat of Brexit is causing the foreign-born staff on whom the NHS depends to leave and preventing its ability to recruit any more. **Inequalities in standards of health between rich and poor are unacceptably high and growing**, and good health is being increasingly undermined by poor housing, poverty, pollution, lack of exercise and poor food and drink.

Why we demand better health and social care

- **The gap between rich and poor in healthy life expectancy – a life free of disease or disability – has widened to almost 20 years.** People living in the most deprived areas of the country run a greater risk of premature death, experience higher levels of infant mortality and have a greater chance of ending up in hospital as an emergency case.
- If the rate at which local authorities are currently using up their reserves to meet the demand for social care continues, **one in ten councils with social care obligations in England will have exhausted their reserves within the next three years.**

- **In January 2018 missed A&E waiting time targets hit a record level** – 15 per cent of patients were seen more than four hours after admission, compared to the target of 5 per cent, which has not been achieved since 2015.
- **Nearly £4 billion has been redeployed from long-term NHS capital spending to shore up services**, with the result that equipment and ambulances are breaking down and some hospitals lack the money to repair leaky roofs and replace windows.
- **The UK spends 9 per cent of GDP on health compared to 11 per cent in France and Germany.** In 2016 the UK had 2.8 physicians per 1,000 people, compared to 3.4 in France and 4.1 in Germany.
- **The UK has never trained enough staff for its own needs.** About 200,000 EU nationals work in the health and social care sectors; thanks to the Brexit vote, March 2017 saw a 92 per cent drop in registrations of nurses from the EU in England.

Poor health is a fundamental barrier to building the lives people want and deserve for themselves and their families. Liberal Democrats believe that everyone, however much they earn and wherever they live, deserves high-quality health and social care services. It is a basic duty of government both to provide these services and to stamp out the gross inequalities in standards of health that disfigure British society.

Liberal Democrats want to **restore the NHS**, improve social care, care for mental illness and standards of public health, and tackle the factors that underlie inequalities in life expectancy, disease and disability. And we need to invest in the health and social care staff that keep these vital services going. We demand:

- **Proper funding for decent care.** The government has belatedly acknowledged the crisis in the NHS but has not come clean over the funding and failed to promise anything extra for social care. We would inject an immediate £4 billion for health and £2 billion for social care, funded by a 1p rise in income tax, and consult on the longer term development of a dedicated health and care tax to bring together spending on both services into a collective budget and set out clearly and openly what the country spends on them.
- **Joined-up services.** Better integration of health and social care services, including mental health and services for people with disabilities, and a limit to the amount elderly people have to pay for social care.
- **Parity for mental health.** Additional resources for mental health to ensure that waiting times match those for physical care, and better training in mental health for all front-line public service professionals, including in schools and universities.
- **Services fit for the future.** Greater use of the opportunities promised by digitisation, and support for innovation in how organisations can empower staff and patients, including learning from innovative social enterprises delivering community and mental health services.
- **A national workforce strategy,** ensuring that the country never again experiences a shortage in the GPs, hospital doctors, nurses and other professionals that the NHS needs, and the reinstatement of student nurse bursaries.
- **A greater focus on public health,** including greater promotion of healthy food, restrictions on marketing junk food to children, a levy on tobacco companies to contribute to the costs of health care and smoking cessation services, and minimum unit pricing for alcohol.

- **A healthy environment**, including cutting air pollution, improving housing standards and home insulation to reduce energy bills and end fuel poverty, and expanding access to green spaces.
- **A sensible approach to drugs**, breaking the grip of the criminal gangs and protecting young people by introducing a legal, regulated market for cannabis, including limits on potency, permitting cannabis to be sold through licensed outlets to adults over the age of 18 and legalising the medical use of cannabis.

Personal message: why things will be better under the Liberal Democrats

- Doctor / nurse / social worker

Demand lifelong learning

Education is critical to ensuring that everyone can reach their full potential. **Yet too many children never receive the education they deserve.** The quality of schooling you enjoy should not be determined by where you are born, where you go to school or how rich your parents are – yet in Britain today it is. People who receive a poor education are far less likely to enjoy a decent opportunity to make the best of their lives – diminishing their own futures and damaging the country's prosperity as a whole.

These problems have been exacerbated by the Conservatives' drastic under-funding of schools. **School spending per pupil has been reduced in real terms every year** since the 2015 election. Schools are increasingly cutting back on some subjects, particularly the creative arts, and resorting to asking parents for donations to maintain standards. The backlog of school building repairs is mounting. Teachers are leaving the profession because they feel unable to do their job properly.

Inequality in standards of education is high and rising; while in parts of London almost 70 per cent of local secondary school places are in high-quality schools, one in five of all local areas in England did not have access to a single high-performing school. The government's obsession with creating new grammar schools will only reinforce entrenched inequality. Further and adult education are in crisis, starved of resources by a government that neither understands nor cares for them. Brexit threatens the ability of Britain's universities to attract funding to maintain top-quality research and deliver the best teaching.

Why we demand better education and lifelong learning

- Children from high-income backgrounds who show signs of low academic ability at age five are 35 per cent more likely to become

high earners than their poorer peers who show early signs of high ability.

- **The child of a parent with low educational attainment has only a 21 per cent chance of gaining a degree-level qualification at college or university**, compared to 71 per cent of those with parents who themselves possess a college degree.
- **The proportion of local government-run secondary schools in England with a deficit reached more than a quarter in 2016/17, compared to 9 per cent in 2013/14.** These figures will get worse: in the same year, 60 per cent of local authority primary schools and two-thirds of secondaries spent more than their income.
- In 2016, **44 per cent of UK students were taught in schools in which the head teacher reported that inadequate infrastructure**, such as poor-quality buildings and grounds, hindered performance at least to some extent.
- **Further education has been cut more than any other sector.** By 2019/20 spending per student in FE is projected to be the same in real terms as it was thirty years before, although public spending will have almost doubled over the same period.
- Britain's universities are being dragged down by falling levels of research funding and by employing fewer highly qualified staff than their international rivals; **world university rankings for 2018 show three-quarters of UK institutions receiving lower ratings than in 2017.**

Education liberates everyone. It fosters understanding and tolerance and equips people to play a full part in democracy, in making their voices heard over the decisions which affect their lives. A fair education system provides children with the **skills they will need to make the most of their lives** and contribute to society regardless of where they are born or of which school they attend. A fair education

system prevents any student, school or community from falling through the cracks by providing adequate and equitable funding and resources. A fair education system is crucial to Britain's future prosperity, ensuring an adequate supply of skilled and adaptable workers – which will be of particular importance as automation and artificial intelligence change the world of work fundamentally, requiring regular retraining and reskilling.

Liberal Democrats believe that one of the most essential responsibilities of government is to provide high-quality lifelong education to all those willing to learn. We demand:

- **Guaranteed funding for schools**, including a commitment to reverse cuts to frontline school and college budgets, protecting per-pupil spending in real terms, including in further education, and the introduction of a fairer school funding formula. We would make places planning, exclusions, admissions and SEND functions the responsibility of local authorities.
- **Good schools which work for everyone**. We would scrap the planned expansion of grammar schools and devolve all capital spending for new school spaces to local authorities.
- **Better support for children**, including protecting the pupil premium, introduced by Liberal Democrats in government to provide more resources to schools teaching disadvantaged children; an increase in the early years pupil premium; and the extension of free school meals to all primary age children, improving children's readiness to learn.
- **Better support for teachers**, including maintaining school standards by replacing Ofsted with a reformed independent inspection system, scrapping existing mandatory SATs tests at key stages 1 and 2, replacing existing school league tables with a broader set of indicators including data on pupil well-being,

ending the cap on teachers' pay rises and reducing unnecessary workloads.

- **Support for further education and apprenticeships** by reforming the apprenticeship levy into a broader skills and training levy to support a wider range of high-quality training, and localising a share of the apprenticeship levy.
- **Support for universities and students**, by establishing a review of higher education finance in the light of the latest evidence of the impact of the existing system on access, participation and quality; and ending any retrospective raising of rates and selling-off of loans to private companies. We would reinstate maintenance grants for the poorest students, ensuring that living costs are not a barrier to disadvantaged young people studying at university.
- **Promotion of lifetime learning**, including dedicated funding for every adult through new Lifelong Learning Entitlements, to enable access to education and training throughout life.

Personal message: why things will be better under the Liberal Democrats

- Teacher

Demand a green society and a green economy

Climate change and the degradation of the natural environment are among the **most urgent challenges facing Britain**. But the Conservatives, still clinging to the economic theories of the past, are failing to rise to them. The government has repeatedly **flouted EU limits** on air pollution and scrapped energy efficiency schemes that would reduce energy bills and end the scourge of fuel poverty. They privatised the Green Investment Bank and cut support for renewable energy while promising billions of pounds for nuclear power and legislating to force fracking on communities that don't want it. They are **not on track to meet the UK's own climate targets** and are dragging their heels on reducing the use of plastics. They claim to want to uphold high environmental standards but their proposals for an environmental watchdog post-Brexit are completely toothless, and they are backing down from their promise to phase out petrol and diesel cars.

Why we demand a better environment

- **Air pollution contributes to 40,000 premature deaths a year** and costs the NHS £15 billion; more than 4.5 million children in the UK are growing up in areas with toxic levels of air pollution. The government has now lost three court cases over its inadequate plans to tackle the problem.
- **More than 3,000 people die each year in the UK because they cannot afford to properly heat their homes**; the UK has the second worst rate of excess winter deaths in Europe.
- Climate change is a real and pressing emergency. **2017 is the 41st consecutive year in which global surface temperatures exceeded the twentieth-century average**. 2016 saw atmospheric concentrations of carbon dioxide reach a level not seen for 800,000 years. Extreme weather driven by climate change is placing one in six homes in Britain at risk of serious flooding.

- **UK investment in clean energy fell by 56 per cent in 2017**, although worldwide spending on renewables climbed by 3 per cent, and in China by 25 per cent. Investment in renewables rose every year during the coalition government.
- In May 2018 the government announced their intention to open the way to fracking, allowing drilling for shale gas without the need for planning applications, environmental impact assessments or any local democratic say.
- Although nearly 5 million tonnes of plastic waste is generated in the UK each year, **just 50 per cent of plastic bottles and 12-15 per cent of mixed plastics are recycled**. About 5,000 items of marine plastic pollution per mile of beach have been found in the UK.

A healthy natural environment lies at the heart of the society and the economy Liberal Democrats want to create. A healthy society, where everyone can make the best of their lives, is a **green society**, where people breathe clean air, drink clean water and use clean energy. A modern, successful and competitive economy is a green economy – low-carbon and resource-efficient, investing in innovation and new technology and building infrastructure and making products to last. The UK has real strengths in sectors such as renewable energy, low-carbon vehicles and green finance, and **Britain could become a world leader in green energy and green industry** if government gives the right support.

Liberal Democrats want to give people the chance to live in ways that **respect the natural environment**, not destroy it, and ensure that industry does too. We want to support businesses to innovate and invest in green solutions and ensure big business can't evade its environmental responsibilities. We want Britain to be a leader in the fight against climate change. We demand:

- **Ambitious action to tackle climate change**, supporting the Paris Agreement by setting new legally binding targets to reduce UK net greenhouse gas emissions to zero by 2050.
- **Clean and cheap energy**, keeping energy bills down by investing in energy efficiency in buildings, including providing 4 million properties with insulation retrofits by 2022 (prioritising the fuel-poor), and restoring the zero-carbon standard for new homes, at least doubling renewable electricity to 60 per cent by 2030, and banning fracking.
- **Cutting pollution from aviation**, including opposing Heathrow's third runway, which is incompatible with the UK's climate targets, and ensuring no future net increase in airport runways across the UK.
- **Everyone enabled to protect the environment**, through expanding community energy schemes, encouraging councils to develop community energy-saving projects, local electricity generation and green transport schemes and developing new green savings accounts for individual savers.
- **Clean air**, cutting air pollution through a diesel scrappage scheme, ensuring all urban taxis and buses run on ultra-low-emission or zero-emission fuels within five years, banning new diesel cars and vans by 2025 and new petrol cars by 2030, and supporting the manufacture and use of low-emission and electric vehicles.
- **A dramatic reduction in the use of plastics**, including a plastic bottle return scheme, a charge on disposable coffee cups, reducing the use of plastic packaging in the public sector and eventually banning the production and use of non-essential, single-use and non-recyclable plastics in the UK.
- **Protection for the countryside** and an increase in green space, with an ambitious programme of tree planting and

legislation to set legally binding targets to protect wildlife, clean air and clean water.

- **Support for green innovation and investment** by setting up a British Housing and Infrastructure Development Bank to mobilise finance for the low-carbon and sustainable infrastructure the UK needs to remain competitive, setting legally binding targets for reducing the consumption of key natural resources, and introducing incentives for businesses to improve resource efficiency and invest in better product design to improve product repairability, reuse and recycling.

Personal message: why things will be better under the Liberal Democrats

- Anti-fracking campaigner?
- Green energy investor?

Demand a stronger economy

The Britain that we want requires a **successful, sustainable and balanced economy** – to create jobs and opportunities for everyone who is willing to play their part, and to generate the revenue needed to fund public services.

But **the Conservative government has consistently put their own short-term priorities above long-term prosperity**. They have chosen to risk the long-term future of the country by limiting vital spending on infrastructure and creating an over-reliance on consumer spending fuelled by debt to prop up growth. They have neglected action to improve Britain's poor levels of productivity and failed to stimulate innovation in industry. They have done nothing to redress the major economic imbalances between London and south-east England and the rest of the country – the worst regional economic disparities in western Europe. Above all, their disastrous determination to pursue a hard Brexit – supported by Labour – casts a huge shadow over Britain's economic future. As a result, **the economy is at its most fragile since the 2008 crash**.

Why we demand a better economy

- **In 2016 GDP per head was two and half times higher in London than in Wales or north-east England** – yet in London almost five times as much is spent on transport infrastructure per person than in northern England.
- **Only London and south-east England have higher levels of productivity than the UK average**; Wales and Northern Ireland are 20 per cent below the average.
- **Britain's growth rate has fallen from the strongest in the G7, just before the Brexit referendum, to the weakest now**. The Office of Budget Responsibility projects that growth will be even slower in 2019.

- **In 2016 labour productivity – output per hour worked – in the UK was 15 per cent below the average for the rest of the G7 advanced economies.** This is contributing to the biggest squeeze on wages since the end of the Napoleonic Wars: the average pay packet in Britain in 2022 is projected to be more than £20 lower, in real terms, than it was before the start of the financial crisis in 2007.
- **The UK's spending on research and development has barely risen as a percentage of GDP for the last twenty years;** in 2016 it was almost 20 per cent below the EU average.

Liberal Democrats want to ensure that the energy, imagination and effort of entrepreneurs and workers alike is harnessed to the full rather than held back by unfair wages, discriminatory practices, regional economic inequalities or a lack of support for training and innovation. We need to support businesses who pay their employees what they deserve and punish those companies which skirt the rules and cheat the system. We need a **government that will think for the long term**, investing in the critical infrastructure that future generations will rely on for energy, transport and communications. We need a government that will work with the private sector in preparing the economy for the transformation that will come from artificial intelligence, machine learning and automation. And we need a government that will regulate the market properly, to protect consumers and employees from the abuse of market power, fraud and predatory behaviour, including the misuse of personal data.

Liberal Democrats want to see a thriving economy, providing opportunities for people and their communities. We demand:

- **Investment for the future.** A major programme of capital investment aimed at stimulating growth across all areas of the UK and encouraging business in turn to invest, including the

establishment of a British Housing and Infrastructure Development Bank.

- **Support for innovation.** An industrial strategy targeting government support on science and innovation, training and business finance, including doubling innovation and research spending in the long term; and expansion of the state-owned British Business Bank, aimed at supporting the growth of small and medium-sized enterprises.
- **Investment in the digital economy**, with a programme of installing hyperfast fibre-optic broadband across the UK, and support for digital skills in education and training and for businesses to adapt to the challenges of the digital economy.
- **Power for communities.** A significant decentralisation of economic decision-making to cities and regions in England, including greater control of revenue-raising and spending on infrastructure, housing, transport and skills.
- **Support for small businesses**, helping them access skills training and finance, and encouragement for the creation and maintenance of mutuals, co-operatives, social enterprises and community-interest companies; an economy with a greater diversity of types of business is more competitive, resilient and productive over the long term.
- **Investment in skills**, in particular in lifelong opportunities for retraining, so people can better adjust to the fast-moving economy of the twenty-first century, with a national skills strategy, enhanced apprenticeships and new Lifelong Learning Entitlements.
- **Better jobs and protection for workers.** The modernisation of employment rights to make them fit for the age of the 'gig economy', action to stamp out the abuse of zero-hours

contracts and a powerful new Worker Protection Enforcement Authority to protect those in precarious work.

- **A real say at work.** Encouragement for employers to promote employee ownership and strengthen worker participation in decision-making, with a requirement for worker representation on boards.
- **Companies thinking for the long term.** Reform of company and market governance to entrench a longer term, more sustainable approach so that large companies fully reflect the interests of all stakeholders, serve the common good and are accountable for their actions – including an annual fair pay report and action plans on diversity.
- **Protection for consumers.** Effective regulation of the abuse of market power, particularly by the giant data companies whose global platforms dominate the market. A digital bill of rights that ensures that personal data belongs to the individual, who controls it and can charge for its use if they want.

Personal message: why things will be better under the Liberal Democrats

- Investor in innovation?

Demand a Britain open to the world

Brexit threatens every one of the aims we outline in this paper. Even if the negotiations were being handled well, leaving the European Union would cost Britain investment, jobs and prosperity, restrict British businesses' ability to export to our European neighbours and erect barriers to the flow of people, ideas and goods – but the **utter shambles** of Theresa May's pursuit of a hard Brexit, and her repeated failure to put the interests of the country ahead of the interests of the Conservative Party, is causing even more damage. Her assumption that a Britain outside the EU can build a closer relationship with the US is being comprehensively undermined by President Trump's launching of a trade war, his fawning over dictators and his enthusiasm for attacking America's allies.

None of the global challenges of the twenty-first century – conflict, terrorism, climate change, the power of the big corporations – can be met by countries acting alone. In reality the **insular nationalism** of Theresa May's Tories and the **tired revolutionary socialism** of Jeremy Corbyn's Labour Party each reduces Britain's ability to protect its citizens and realise its aims in foreign policy.

Why we demand a Britain open to the world

- Foreign investment flowing into the UK **dropped from £196 billion in 2016 to just £15 billion** in 2017.
- Spending on preparations for Brexit is taking away money from public services. The six government departments most affected spent at least **£400 million in 2017/18, rising to a projected £900 million in 2018/19.**
- According to the Bank of England, the prospect of Brexit has meant the economy has already grown by 2 per cent less than forecast since the 2016 referendum – making every household **£900 a year worse off.**

- The Brexit referendum led to a spike in race hate crimes. **The number of hate crimes recorded in England and Wales rose by 29 per cent from 2015/16 to 2016/17.**
- Between the referendum and the end of 2017 over 10,000 EU citizens working for the NHS and over 2,300 EU university academics left their jobs. In 2017 there was a 12.5 per cent shortfall of seasonal workers required to work on British horticulture farms; **99 per cent of seasonal farm workers come from Eastern Europe.**
- **At least 5,000 British citizens of the 'Windrush generation' have been detained or denied access to health care, work, housing benefits or pensions.** The government still does not know how many it has wrongly deported.

Liberal Democrats want to build **stronger international institutions and frameworks of cooperation with our neighbours**. A place at the heart of the EU is best not just for Britain's economy but for maintaining peace in Europe, for cooperating in the face of global threats such as climate change, for working together with Britain's closest neighbours in research and education and culture. Liberal Democrats are the party of Europe because of what it says about the nation we want Britain to be: open and generous to people, ideas and commerce.

These beliefs also govern our approach to the free movement of people. **Immigration has enriched our country**; many enterprises and public services depend on foreign-born workers. In a few places the influx of immigrants has caused a strain on local services, but the root of the problem lies with government under-funding, not with immigration. And **free movement enlarges opportunities** for British citizens to study, work and love abroad.

Liberal Democrats want to see a Britain open to and engaged with the world. We demand:

- **Opposition to Brexit.** Parliament should give people the final say on the Brexit deal: at the end of the negotiating process, there must be a people's vote on the terms of departure, and one which includes the option of remaining within the EU.
- **Close cooperation with our European neighbours** on combatting serious and organised crime, including international fraud and child sexual exploitation, by retaining the European Arrest Warrant, membership of Europol and access to EU information databases.
- **A positive immigration policy**, including an immediate end to Theresa May's 'hostile environment' policy, allowing refugees to work and contribute to society, operating a policy of detention as a last resort and taking immigration policy away from the Home Office.
- **The defence of international co-operation** against the rising tides of nationalism and isolationism, and support for multilateral organisations, such as the UN and WTO, which are increasingly under threat.
- **Support for peace, human rights and the rule of law worldwide**, including working to end violence against women and girls, the death penalty and the use of torture, controlling arms exports to countries listed as human rights priority countries in the FCO's annual human rights report and suspending arms sales to Saudi Arabia.
- **Encouragement for sustainable development worldwide**, continuing to spend 0.7 per cent of national income on aid (a Liberal Democrat achievement in coalition), thereby helping to reduce poverty, defend human rights, protect the global environment and prevent violent conflict.

Personal message: why things will be better under the Liberal Democrats

- Businessperson affected by Brexit?

Personal message from Vince Cable

Demand Better sets out our Liberal Democrat approach to building a better Britain.

Last decade's financial crisis left a long-term legacy of economic damage and depressed living standards. Many people got hurt through no fault of their own. They feel let down by the politicians who promised better, and whose complacency led to the crisis.

The crisis exposed Britain's over-dependence on banking and property markets, its over-reliance on household debt rather than investment and competitiveness. There is, partly as a result, inequality of wealth and opportunity, a palpable sense, in parts of the country, that people who work hard have been left behind. Many people feel powerless, neglected and excluded. Young people face a bleaker future than their parents, especially in the housing market. Together these factors fuel much of today's political anger and frustration.

I believe Britain deserves better than this. And Liberal Democrats demand better than this. People are looking for the politics of optimism and purpose, for a party that believes in an equal chance for everyone. As the Brexit story reaches its denouement, for better or worse, people will want a clear sense of direction.

I have fought for this kind of Britain all my political life. As Business Secretary during the coalition government, I expanded apprenticeships, supported innovation and set up the Green Investment Bank and the British Business Bank. Growing up, I saw how my parents were able to climb the economic and social ladder through further and adult education. I worked, in Britain and abroad, to enlarge opportunity for poor people and their communities.

I want our party to be in the forefront of a movement to demand these kind of opportunities for people once again: a country where – instead of being trapped by inequality, poverty, debt, ill-health, a failing economy and the shambles of Brexit – everyone has the opportunity to make the best of their lives.

We can help to create a Britain where people feel they get something back for the work and the taxes they put into society; where young people can hope for a better future than their parents; where families can build a decent quality of life, with life-long education, a good job and a secure home; that attacks inequality and discrimination, that provides high-quality health care and protects the environment.

Under my leadership, Liberal Democrats will challenge the status quo, stand up to power and privilege and demand better for Britain.