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What kind of society will we be in the 21st Century?

Let me begin by saying that the BBC's wisdom and taste is exemplified by our Chairman rather more than by me appearing rather often on Question Time. After a while you get to guess what the questions are, it does help. Let me also say I am delighted he reminded us all that Nick [Hinton]'s early initiation in politics. Nick was always bold and imaginative and it was appropriate that it should have been the SDP that he stood for and I regret that he didn't actually win, but as the Chairman rightly said, it was a boon to the voluntary sector and a boon to society that in the end he didn't.

Let me begin by saying a few things about Nick, because I knew Nick, not as well as I would have liked to have done but quite well, and I think it is an appropriate thing in the presence of his wife, and also of his daughter Josephine, that we should be here remembering Nick. I remember at the very beginning that his life was exemplified by, of course, the famous quotation from that great poet's sermon, John Donne, when he said that "no man's an island - everyone is part of the main." That almost, in a sense, could have been said about Nick, that he was part of the main. As far as he was concerned he had a complete obligation to humankind, not just to make this country or our society a better place, but above all to make humankind itself better than it was. When he worked for the National Council of Voluntary Organisations he did so as someone who had a deep commitment to public life, the kind of deep commitment that exemplifies the best in a society. I think the same is true of his directorship of Save the Children Fund with a difference that, I think, Nick always felt happier on the wide canvas and in many ways on the international scene.

It was perfectly true, I think, that he was a man of action rather than an administrator. He came to prominence and became widely admired as an administrator, and was a very fine administrator, but at his core he was always fundamentally a man of action. One of the things I remember very well was in 1995 when he decided

there had to be some sort of response to something both he and I were outraged about. We were both outraged about what had happened to what had previously been Yugoslavia, in what the historians today would call a war of the Yugoslav Succession. Many of you will remember that when President Tito left the scene what had been called Yugoslavia began to fall apart into a dramatic period of fission. That period of fission began of course with the civil wars in Croatia, extended to Bosnia Herzegovina, and ultimately extended to Kosovo and to the very heart of Serbia itself. Nick felt, and I remember how strongly he felt it, as oddly enough of someone with a very different political persuasion, namely Mrs Margaret Thatcher, felt also, I called her by her Priministerial name, properly, rather than as her later name, Lady Thatcher. She to my knowledge, was deeply upset by the fact that Britain and France, the two countries most involved at that time in trying to deal with the wars of the Yugoslav succession, accepted a term of engagement from the United Nations which only permitted them to intervene to make sure humanitarian aid reached those who needed it. The tragedy was that as the people of Bosnia Herzegovina and earlier of Croatia saw the blue helmets come into their former country they believed they would be protected, and that was not the case. The rules of engagement did not allow the protection of civilians by the United Nations troops but only the safeguarding of humanitarian aid. A distinction that a bureaucrat might understand, an ambassador might understand but an ordinary, terrified human being would not readily understand. Nick felt outraged by this and deeply upset. He therefore decided that one of the things we had to think about was the preparations that we took before a crisis broke out. Not after the crisis had broken out. Not after the great men and women of the world had decided how to deal with it, but when it was on its way, when there was still time to decide what was the best thing to do, when there was still time to listen to those most affected.

That was what I think led him to start asking a group of his friends and colleagues, I was one of them I am very proud to say, to talk about an idea of his. The idea of identifying a crisis at a very early stage and to consider how one could intervene to prevent one from getting worse and looking at the human consequences of unthought-through crises. It led him to the idea of the International Crisis Group. I am proud to say that I was, for ten years, a member of that group from when Nick led it to the period when he was

succeeded by the former Foreign Minister for Australia, Gareth Evans, who retired finally as president of the ICG in 2009.

During that whole period of time, the ideas that Nick had inspired, this constant thought about the need to find out exactly what was going on and where coloured and shaped the future of the International Crisis Group. Today it has spread worldwide and throughout the world there are groups of intense, well-informed people, not just flying in for a few hours and flying out again to file a journalistic story but people who are actually committed to staying, week after week, getting to know what really is going on, getting to know some of the people involved, and that International Crisis Group team is now to be found as far apart as Indonesia at the time of difficulties, all the way over to, of course, Kosovo and Albania and to other parts of the troubled world.

I think that Nick could not possibly have imagined how far and how fast his idea went but it is wonderful to see that the whole structure is there because of what Nick thought of. I think it is also fair to say that the idea that he first came up with has led to such concepts as the, what is sometimes called the Liberal Intervention, which is not a hundred miles away from what has happened in Libya. And whether one thinks that the intervention of France and Britain into the Libyan war was right, what is so striking is that France and Britain behaved together quite differently than they did when Nick was involved in Bosnia Herzegovina.

In many ways I think that Nick's tragic death in a fatal accident summed up the kind of man he was. A man of utter determination; utter commitment; very little concern for his own safety and a driving desire to make the world a better place. So I would like to pay my tribute to Nick and what he meant to many of us during the years when he was so active in the world.

Let me go from that to talk about the development since that time. Because of course, we had a brief period, the so-called immediate post-cold war period, when it looked as if a means for peace might break out. Some will remember for example, the amazing meetings between Mikhail Gorbachev, still the Secretary General of the Soviet Union at the time and Ronald Regan, the president of the United States, talking about the need to get rid of weapons of mass destruction. We can remember when Mikhail Gorbachev met with President Bush, the elder, if that is not an improper way to

describe him and actually produced more peace-making outcomes than anybody remembers today.

During this brief period when President Bush, the elder, and Gorbachev worked together there was an amazing reduction in the international level of weapons of mass destruction, in particular, nuclear weapons because of the trust the two men built up between one another. It continued for some time under Boris Yeltsin but we understand that this was a rather less stable relationship than the earlier one had been.

I am a member of what in the United States is called the Nuclear Threat Initiative. It's a body that was started by that great Senator, Sam Nunn, over twenty years ago and has recently produced the so-called, Gang of Four Statement by George Shultz, Henry Kissinger, Bill Perry and Sam Nunn about the need to end the proliferation and building up of specifically nuclear weapons. It is worth looking back to that brief period of peace in our world when there was consensus at the very top of our leadership about the need to do that. I have to add a quite sour footnote. It seems to me that when in 1995 these men had worked together in the past years and one of the leaders in the group had tried to make sure the weapons were secure and reduced and the proliferation was stopped was Richard Lugar, the senator for Indiana, who is today under an extreme threat from the Tea Party. In order to remain an incumbent, one of the finest Americans there are in the forthcoming senatorial elections. I won't go further into that, but it is a useful symptom of what in my speech I am about to say.

Not all of the developments that broke out after the short dividend period, and you may remember some of you, that there were a few months when we talked about how one might spend the peace dividend. About how one might use the peace dividend in more constructive ways. It is also the case though, at the end of that time, that the new world that filled the vacuum that was emptied by the cold war exemplified several things. One of the things that emerged during that time was a myriad of civil wars. Civil wars all over the world. Chaos if you like. Some of the civil wars were straight forwardly ethnic, like the wars in Sudan. Some of the wars were essentially to do with the breakdown of governance and we see that today in places like Somalia and not so long ago in countries like Liberia. Some of them were in a way even more challenging, like the gradual takeover of governments in some

parts of the world and in some individual countries by what one might only describe as criminal oligarchs. Don't take your eyes from what has happened in Mexico. It is a terrible example of what can happen when governance by democracy and by proper standards is challenged and eventually challenged almost to the point of destruction by organised crime, which is much more serious than most of us in a country like Britain begin to recognise. But not all the developments of that period are bad. Some of them, I think, have been very encouraging. The most encouraging of all, at least so far, because none of us can predict the outcome, is of course, the Arab Spring.

People have talked about how there was long ago, we all remember, a period of enlightenment followed by a period of Liberal development in the Western World, we date our own back to 1688. We know the way in which the French Revolution marked a huge gulf between the past ancient regime and the challenges that arose to a modern state. But it is something quite amazing to see the Arab world which has been so long caught up in a kind of stasis suddenly emerging into the world of democracy, human rights and all the rest of it and having to try to cope with ideas many of which are not particularly familiar, some of which are. The Arab Spring, I think, is very hard to say which way it will go, but in many ways is so extremely encouraging. For instances there have been the relatively peaceful holding of elections in Tunisia. I recognise that there are suspicions that there may have been fraud around. I was slightly inclined to say how many elections pass without that charge being made. But the straight forward fact that a large number of people in Tunisia voted peacefully and without fear for the first time in their lives for a new parliament and for a new president is an extraordinary mark, I think, of the way in which the modern world may move. If you like, it is the bright side of a very mixed picture.

What is so hard to address, in the modern fragmented world, apart from what I have said about the good news about the Arab Spring is, however, the distinction between what one might describe as economic globalisation and political parochialism. A good example of that is the Eurozone crisis. It is an extraordinary example of that parochialism applied in a world which is globalised, which constantly tests what happens in the Eurozone by different criteria than the ones that would apply to the governments that are involved in that particular experiment. And I think it goes much

further than that. It isn't just the international crisis in the Eurozone. It is also the fact that time and again the parochial national governments have got neither the capacity nor the will to deal with the great, indeed the extraordinary international companies and international banks that actually shape the planet. They can tinker with taxes and benefits but we all know that the real action is to be found elsewhere, and there are great limitations and what even the most energetic government can actually do.

Because the inchoate, but passionate new movements for occupying Wall Street, taking over Tokyo, or for that matter, reclaimed the city exemplify the sense of extreme frustration, I think, with this disjunction between politics and economics. The conventional constitutional structures are seen by so many people who took part, and are still taking part, in those demonstrations, as ineffective. It is this ineffectiveness as much as the financial or personal scandal that has undermined trust in democratic politics, in politicians in the last decade. Let me give you one example, the loss of trust is dramatic. Those holding public office, for example, to take the case of the United Kingdom only, I could take so many other cases, is one where the belief that most elected politicians and most people in public office who have low or very low standards actually doubled between 2000 and 2010, an extraordinary short period of time. For 20% of the population, one fifth who had no trust in the standards of people in public life doubling to nearly 40%, and half the population believing that those standards no longer held good. Of course there are reasons for that. One was the banking crisis which shook people very badly and affected them financially in ways they had not expected. A lesser issue, but nevertheless extremely significant in its effects was, of course, the political expenses scandal.

The great challenge, which I think is now advanced by young people, is aimed at social injustice and inequality. It is not yet well organised, it lacks precise objectives but it would be a huge mistake in my view to dismiss it for those reasons. It is fuelled by the huge differences between the way in which men and women live, not only within a society but between societies. It is fuelled also by a feeling that the older developed countries like our own are not really addressing these issues very seriously anymore. It is perfectly true that in some of the developing countries and in underdeveloped countries, there has been a substantial reduction in poverty. People often quote the economies of China, to a lesser

extend India, and point to the number of people who have been taken out of poverty. Having said that, it remains true that a large part of the world, particularly in Africa and in parts of South Asia and beyond, continue to be at the most basic form of human life. They still are extremely poor. If one takes just the example of Africa, the continent that is incredibly rich in resource terms, one has to say that a very toxic mixture of some not very moral corporations together with some very corrupt governments has deprived the African people of many of the resources that should have been there to fuel their own development.

These massive inequalities are reflected in the recent evidence in many highly developed countries. There is an eye-watering discrepancy between the salaries, pensions, bonuses and rewards of senior managers and directors in the financial sectors of the economy despite their being perceived as having been part of the recent world-wide banking crisis, and that of flat or falling incomes of the average working man or woman. Let me offer one example out of many. In 1979 according to the new think tank called The Poverty Site, confirmed with other sources like the OECD, the proportion of total national income in the UK, and I am sticking here for the moment with the UK, the proportion of the gross national product going to the poorest 10% of the population, and please listen carefully to that, is now 1.3% of gross national product. If you then add to that the 5% of the next group, the next percentile above it, you have still got a situation where there is very acute and growing shortage among those who are considered to be poor. But on top of that, one has to say that the next tranche, the group between 30 and 20 percentiles, what is sometimes called the squeezed middle has only seen its income increase by 15% and it is itself 10% of the population. So the squeezed middle, has only increased its own position in a very moderate way. It is the rich who have prospered the most in the last 30 years, whose incomes in the 80s and 90s became markedly more unequal.

The Labour government between 1997 and 2010 made real efforts to raise the position of the poorest of all bottom 10% and they did that mainly through benefits and through pension changes. But they failed to reverse income inequality, indeed by the end of their period in office, despite their efforts, the poor, the 10% at the bottom, had incomes that were, after being adjusted for inflation, slightly lower than they had been in 1979. There are worse cases of inequality in the industrialised world than that of Britain. Among

the most is the United States, where the top end of the population has seen incomes sour. According to that seminal recent book, *The Spirit Level*, and I recommend it to anyone who is interested in my subject, the salaries of the twenty highest paid people working in the private corporations exceeded those of the twenty best paid people in public service, such people as generals, senior civil servants by no less than a ratio of 200:1. That ratio simply meant that one section of society among the elite, the influential, those with the power to influence events was a different world than the other part that did the same thing in the private sector.

One of the difficulties about this is that the rewards in much of the private corporate sector remained high even through the travails of the 2008-2011 recession and banking crisis, though it is hard to find a close relationship between their rewards and their performance. What exacerbates anger towards the rich nationally and internationally is the evidence of extensive ways of avoiding inconvenient laws that impose fairness. For instance, wealth and income taxes. Big corporations engaged in global business can avoid them through a network of tax havens and offshore operations. FTSE companies in Britain estimated to have 8,492 subsidiaries. When the chairman of Barclays Bank, Mr Bob Diamond, was asked in a select committee of parliament how many offshore subsidiaries the bank has, he didn't know the answer. It turned out there were 249. But the problem with all this is not that citizens resent some people making a lot of money, though some do, but rather the feeling that somehow they are not affected by the laws that affect you and me. In particular they are not reached by taxation.

What that has meant is a general sense of distrust among the citizens of being cheated and the problem with that in the end is that trust is the mortar of any good society. When trust goes, one falls back on laws and regulations and then they have to be enforced, but I can say without any doubt in my mind that the beginning of a decay of a society is associated with more and more laws and more and more regulations which are replacing the trust between people that does keep a good society alive. It troubles me to see that kind of development in my own country and it has been very true in recent years. In *The Spirit Level*, one of the things that comes out very clearly, and it is very exciting and very frightening, is that the correlation between societal ills ranging all the way from murder, suicide, illness, child mortality and all the

way up to alcoholism, mental illness and so forth shows an astonishingly close relationship between how unequal a society is and where the figures go for these obvious social evils. The argument in *The Spirit Level* is very clear. It is that the happier societies are the most equal ones and, of course, all of us look with some envy at the perpetual social stability and indeed happiness of the Scandinavian countries and a few others.

If it is true that a more equal society is a more happy society, a more healthy society, a more mentally stable society, then we have to ask ourselves, it is also obvious, why are the English speaking countries, in particular, among the rich, the developed world being so reluctant to pursue greater equality for very many years now and certainly not much at all in the last thirty years?

Some extraneous factors must be mentioned. Many people, particularly young men found reasonably well paid jobs back in the 1960s and 1970s in mining and manufacturing, jobs that did not demand academic qualifications but strength and flexibility. Technological advances destroyed many of those jobs and incomes were increasingly related to professional qualifications. Traditional mining and manufacturing regions like the North East and South Wales became what the Americans call rust buckets, based on their own experience of the decline of skilled manual jobs. There were also job losses because imports above all from China and those losses exerted a downward pressure on wages. But there is little doubt that the most significant single thing has been the advance of technology into skilled manual jobs and the destruction therefore of a whole culture and way of life which gave many people great satisfaction and which allowed them to hold their heads high even when confronted with those with academic and professional qualifications.

But the factors were not all extraneous in this development I have just described. Politicians began to see increase income and wealth taxes as so unpopular it would be foolish to advocate them at all. One of the great elements of this development was the defeat of John Smith, Labour's Leader in 1992. John Smith was widely admired. He was seen by many as an almost inevitable successor to Margaret Thatcher, as Prime Minister. He was also a man who was widely respected for his own integrity and his very considerable willingness to work very hard to achieve the goals he believed in.

The defeat of the 1992 general election of John Smith followed a man who had been candid with the electorate in setting out in detail exactly what taxes and benefits a Labour government elected in 1992 would have done. He made no bones at all about the fact it would involve some additional taxation. His defeat, unexpected and very substantial, brought an end to the belief that one's politicians could be candid with the electorate. It became widely believed in political circles that such candour was toxic: would mean that one would have little chance at all of being elected and that therefore it was wiser not to talk on such matters at all. Much the same can be said of the United States where there has been very little resistance in the recent years to the sweeping tax cuts, that were brought in particularly by George Bush II who actually pay a smaller, by this I mean the very rich, the top 2%, who pay a smaller proportion of their income in taxation than do the so-called squeezed middle. It was a point made forcibly, only recently by one of the richest men in America, who pointed out that his taxation was lower than that of the lady who did the cleaning for him, Warren Buffet.

It was strange, and I think in this country would have been very hard to sell that this distinction between high taxation and middle taxation was able to turn out to be not particularly popular with the American people. I think one of the reasons for that is this deep American belief that somehow every one of us can succeed if we work hard enough and therefore we don't want high taxes which might mean that when we do succeed, we pay a lot of them back to the State. Let me mention one unpalatable fact, that now in the Western world the country with the lowest social mobility is the United States.

So can nothing be done about social injustice and inequality within or between countries? Yes, it can. It is all about political will. Let me tell you in my concluding section a story. Brazil was one of the most unequal countries in the world. I remember going to it years ago, travelling from one of the more luxurious hotels where the conference I was attending happened to be, which lined the beaches of Rio de Janiro, in order to see what luxury life was like. From there I went to one of the most poverty stricken regions of Brazil, the North East, and in particular, the province, Mahia. It was so poor that I remember as we travelled through it that children has put vine tendrils across the road in order to stop cars in their

tracks so that they could beg from the cars for any money, any biscuits, any bread the cars might have. It was a heart breaking place to be. And at the same time these children didn't go to school; they scrubbed around in rubbish dumps trying to find food to eat and they also, of course, went in for small scale pick pocketing and so on in a desperate attempt to keep their lives together.

The favelas around the town where streams of raw sewage, untreated and the children lived at best in shacks that were far from being even rain proof let alone weather proof. Yet that particular huge gap between rich and poor has now dramatically declined. It is perhaps the most outstanding story of any in the world of attempts to deal with the issue of poverty. And let me therefore say a little bit about it. In 2003 a remarkable leader, Mr Luiz Inácio Lula da Silva became elected as President of Brazil. It is worth saying that he had tried three times already and every time he had been defeated. He came from the background of extreme poverty himself, he came from a very poor rural area. And what he did was to gradually organise the poor, partly through the trade union movement, that was relatively weak in Brazil, much more through community organisations of the rural poor, including that very tragically poor region I talked about in Mahia, in order to try to show the people that in democracy they would have amazing power. Brazil, as you all know, had for years not been a democracy and then for a short time had been a sort of democracy, but now it was a democracy that was alive where a very large portion of the people bothered to use their vote.

Elected by a substantial majority Lula de Silva got to work right away and it was very striking that in doing so within a few months he had created two huge poverty programmes. One was called *Fome Zero* which means zero hunger and the other was called *Bolsa Familia* which means grants for families.

My late husband, Richard Neustadt, was invited by Brazil to train the staff of President Lula's office to tell them how a President ought to staff; how he might make an impact on the country. I remember at that time there was a great discussion among the staff of the President, only elected in 2002, at the end of that year, about what could be the most dramatic effect on poverty in Brazil that could be mobilized relatively quickly because President Lula understood that the poor would not wait forever. One of the things

that emerged in that discussion was oddly enough the experience in the United Kingdom during the war years when those of us, like me, who are very old can recall that there was a programme of free school meals, of milk, of vitamins, of vaccination, of all the things that held together the needs of poor people and that led, despite rationing to the most rapid single increase in the health of children in the United Kingdom that we have seen in any time before or since. What it did was to mobilise the poor, not just around getting food but importantly around all the other things that added up to a life with some promise in it. Education, health, food, all went together in a collective war time effort.

The Brazilians looked at that and did something not so far away from it. When they brought in *Bolsa Familia* and *Fome Zero* they did a very clever thing. They linked up the benefits of the poor with the obligations of the poor. In other words, if you wanted your children fed you had to make sure they attended school. That absenteeism went down. That the low levels of involvement in primary education in Brazil would be transformed because for the first time the children would have adequate nourishment and that is what happened, the children went to school, the girls went to school, the proportion of children at school rose dramatically. The second thing that happened was a very striking change in the level of child health. I'll give you the figures from 2009, they are staggering. A 73% decline in child malnutrition in just six years, 2003 to 2009; 45% drop in the level of child death; the reduction or position of 20 million Brazilians who were taken out of poverty, not into riches certainly, but into at least an adequate standard of living. Figures like that never seen anywhere else, not even in China and India which have made remarkable inroads on their poor populations.

And it was this combination, this bringing of the poor into citizenship that was so effective. It was also the fact that over and over again the total identification of President Lula with his anti-poverty programmes meant that all over Brazil civil servants, officials, head teachers and all the rest of it identified themselves with the same programmes. It was a very dramatic example well summed up by the head at the time of Action Aid, who said that it was not the levels of wealth that mattered, it was the commitment of the State to opposing and fighting poverty.

Let me just say finally then, on Brazil that the key thing was not just the commitment of the State, it was the State's dependence upon a huge number of poor who had for the first time mobilised behind the process of voting, the process of democracy and the process of maintaining what happened from *Fome Zero* and *Bolsa Familia*, and one additional point about that is that, rather cleverly, the Congress of Brazil passed a law which said that 30% of all the food that was going to be involved in the school's food programme had to come from local farming families and that meant that places like the North East which were desperately poor began to have an assured market. Because the government assured that market for their products going into to the school meals programme and that meant they were able for the first time to invest because they knew the market was there for them. There are many other instances I won't go into (technical assistance for farmers and so on), but it was the holism; the bringing together of different departments of State into this single purpose that was such a remarkable feature of Brazil.

Well, could we do it in the Western world? Could we do it in the United States where the levels between the top 10% and the bottom 10% are now much worse than they were in Brazil only recently, they are as bad as they were in Brazil ten years ago. Is there any way in which we can mobilize political forces in that direction? Let me end by telling you a different story.

Three days ago I went at the invitation of the BBC to see a new film which is just out called *The Ides of March*. It's a dramatic story directed by George Clooney who also plays the lead part of the Governor of Pennsylvania who is called Mike Morris and in the film is running for the Presidency of the United States. It's a brilliantly made film, brilliantly photographed and about as cynical as anything I have ever seen. Mike Morris starts out by having all kinds of moral scruples; he can't employ a leader of the black community called Mr Thompson because he knows he is opposed to the United Nations and wants to get rid of it, so he says on moral grounds we can't do that. On moral grounds he says that he feels that he has to make it clear that he is not a regular church attender and he is not prepared to compromise. On moral grounds he lets it be known that he cares deeply about the welfare of his staff. And through the film, each of these promises and pledges is broken, and what you get from the film, and is something which is generally very true, is a kind of addiction to politics which becomes

a drug, where people stop asking the moral question and ask only the question about whether ambitions can be fulfilled. What is also very worrying about the film is that many of those who are terribly excited by politics, who are part of Mike Morris's team, very young people who begin to believe that that is all that matters too.

Well, what does it mean? It shows in the most dramatic way the extraordinary power of money in politics, at its most extreme in the United States. Martyn described me rightly as having taught for ten years in Harvard, as the Professor of Elected Politics at the Kennedy School and indeed I was. And one of the things that most frightens me about the United States, which is in many ways a most remarkable and open democracy, is the way in which, at the federal level money has become all important. And what that means is that fewer and fewer people among the poor in America bother to vote. The votes of the young poor are remarkably low. Because they feel shut out from politics which is so centrally revolving around the ability of huge sums of money to be spent. Much the same could be said of Britain, with one great difference. The great difference is oddly enough the BBC. The fact that we cannot spend money on electing a candidate once the election has been declared through television and through radio. The fact that we cannot therefore engage in vast amounts of negative advertising directed at some candidate we don't care for, is the tiny thread that today distinguishes politics in this country from politics in the United States and it is a thread which grows thinner as more and more money pour into lobbying and politics. So my final conclusion is, that one of the most difficult reasons for the Western world to have failed to largely to have addressed the huge inequalities within its own societies is because the poor are increasingly not part of the electorate; not out demanding what they would regard as their own forms of social justice and we need very seriously. My last thought: we need this very seriously to address this because unless we do, the safeguards which democracy presents to a world of money will disappear and along with it will disappear democracy itself.

Questions:

1. Martyn Lewis

There are an increasing number of people, these days, who are saying that to create a new kind of society, to address the core

issues you were talking about, that you need a new kind of leader and none of the existing leaders because they have grown up under the existing system are capable of rising to the challenge. It maybe that, as you said, that candid politicians don't appeal to the electorate, which is what happened to John Smith and his budget. Do you agree that we need a new kind of leader, or do you think the existing leaders can adapt and change and if so how would they do that, and if they can't where do the new leaders come from?

Answer

First of all, we should say a little bit about the extraordinary changes that are happening in politics. I give you a couple of examples of that, one you know very well, which comes out of the Arab Spring and out of many other revolutions and that is the extraordinary power of the mobile phone linked to social networks. We don't really know what the outcome is going to be, we have no idea. But what we do know is that the mobile phone and the social network together enabled very rapid organisation of powerful and influential groups but very little time to what they want to do with that power. And I think one of things we may assume and I made clear, a movement I find I am against, the occupy Wall Street, etc, kinds of movements, are still very unclear about what their objectives are.

They managed to get together within a few hours sometimes, certainly within a day or two. They managed to get there with their tents; they managed to occupy, as we know, a large part of the surroundings of St Pauls, but they don't actually know very clearly what they want. They know what they don't like; they know what they are angry about; they know what I have talked about in terms of the ineffectiveness of their point of view of modern politics but they aren't focused on any clear outcome. So that means that what you would then get is the political scene swept by almost immediate, almost instantaneous, winds and torrents across the political scene, let me give you one example. I have been very much involved in the endless effort to try to amend the proposals for the health service. I spend most of my time on nothing else and all of a sudden a group called 38 Degrees stepped in and within a day and a half, a couple of weeks, no one week ago, I suddenly got 800 emails. Now owing to the fact that British politics is a rather, ill-financed business still, which I approve of, how am I

supposed to answer 800 emails. I can't. If I am going to do anything else at all, it would take me a week, by which time 1600 more would have come in. Now, that is one of the problems. The association, the person-to-person association which we base much of our politics, the mini surgeries every month in a constituency; the willingness of any good MP to take up cases; the acceptance of seeing groups who want to come and talk to you, whether they are lobbyists or just your fellow citizens, all of that is being swept away by this huge expansion of the technologies that enables people to express an opinion within a matter of, in some cases, hours.

Sometimes it's good. I remember seeing the Forestry Commission restored to its rightful place because in a day and a half 500,000 people had signed a petition saying don't get rid of the Forestry Commission. But let's be quite clear, we like some of it, we don't like others of it, but it is all about instant politics, instant reaction, instant response, instant results or reactions by the politicians: what does that mean? Well, it means one of two things. It first means politicians who have some understanding of the new technologies. It then means politicians who are, I have to say this rather sadly, sufficiently charismatic to make the 800 email people feel they have got a contact. It also means that much of our deliberative politics is going to be very hard to maintain. How do we get over it? Not just a new generation of leaders but probably a completely different approach to what one might describe as the consultation aspects of politics and coming from a high level to a very pragmatic level. I think one example of that in the United Kingdom is that we have to move away to a much smaller level of law making; much more carefully thought through from the beginning with pre legislative scrutiny and post legislative scrutiny, by which I mean that after a law is passed you see what the effect of it has been, you don't pursue endless new legislation while you don't even know what the new legislation did. We have to think and liberate in a funny way, to counterbalance this instant significance of the new media and that means, I think, not just changing the political leadership, so much as changing the way in which our political institutions work, particularly, Parliament, which I think is in very bad need of being forced to deliberate and to talk to other people about those deliberations.

Question

Do you think that change will happen? That Parliament will change, will adapt to these new circumstances?

Answer
Slowly.

Question

And if it's slow everything around it is not slow. I mean 24 hour news to add to the Twitter and the social networks and demanding all these instant decisions. I mean could politicians find themselves by-passed?

Answer

They have already been by-passed to some extent. No doubt about that. I think part of the answer lies in a great deal of devolution downwards, and we have seen that with the fact that, particularly Scotland, is actually developing different sorts of approaches to a number of things that England is. I think we are going to see it much more with a development of, some would say, a big society, a more effective local government, either way it's a passing of power down to some extent. But the trouble is you then get the demand that there should be an immediate response which can only be done very quickly at the level of the centre, so it is a real dilemma. I have no easy answers.

Question:

2. Alun Michael MP

I am intrigued that we have ended up looking at the internet and communications because, would you not agree, that the internet has also freed up the possibility of a different style of governance, cooperative governance, illustrated through the multi stakeholder engagement in internet governance, terrible phrase, but an interesting development. Secondly, that during the summer although some things were going wrong during the period of the riots in terms of people twittering as to where the next break ins were going to be, there were also police twittering saying, fine we will come too (Manchester Police) and also then the upsurge of energy in local communities, where people were saying, where they should go to help clear up and build together. The other thing is you referred to the poor being left out of the electorate. Are you not worried about the fact that we are about to exclude even

further by deleting the right to vote and replacing it with the right to register, which I think in principle is a massive mistake.

Answer

On the last one I am inclined to agree with you. It may be the policy of my government but it is not mine. I think there are great worries about that and I am impressed by the way in which our registration of voters works, I think it is very efficient and very well done and makes it quite hard for people to not vote but it makes it hard for people to not register and I have seen registration issues in the United States and they are very serious and so yes, I think you are right about that. On the earlier part of your question, again, yes, I don't want to sound as if I am completely negative about the internet. I mean one thing it has allowed millions of more people to be a part of political issues, to be involved in them and so on and I agree with you that we may see new forms of stakeholder emerge in things like, cooperative and mutual benefit systems and so on, but they are damn slow to come through. If I take one slightly sour aspect, I endlessly grieve about the fact that shareholders are so almost totally mute and almost totally passive, and when one saw what happened in the most recent Murdoch News International Board it really was the case for watching more closely for whether the Murdoch sons were fit and proper persons and we just got the institutional investors saying, they make money that's good enough for us, and they take that kind of view. So I think that you have got to look at even things like the internet in a huge extension of holding people responsible, which includes looking much more closely at the way in which we run market systems because the effective governance of market systems no longer really exists. The executives run the show not the shareholders.

Question

Seb Elsworth – ACEVO

Thank you very much for your lecture I really enjoyed it and agreed with much of it, particularly the point about the middle voting against their interests when it comes to opposing policies around wealth redistribution and taxation changes. I wanted to ask two very quick questions about the role you think voluntary sector leaders can have in this. You talked about public trust diminishing in public officials; public trust in leaders of charities remains relatively high, public understanding of charities maybe isn't necessarily as good as the trust suggests, but I wonder if you think there is a role for

voluntary sector leaders in perhaps bringing some of that trust back to public office. The second part of my question is the role the charities can perhaps play in mobilising the poor in being more politically active. I think some in the sector feel worried about whether rules around political campaigning in the sector can perhaps prohibit the kind of mobilisation that might be needed but it is difficult to see where else that mobilisation can come from. I doubt the trade union movement can deliver it amongst the most excluded in society, so how can the voluntary sector's role there evolve?

Answer

It is a very good question and I am not going to be quite as nice as you would hope I would be. I do recognise that there is a very large role for the voluntary sector and a very large role for charities. I am also aware that a number of charities play power games with one another and are sometimes rather keen to lobby against each other and that maybe because you have now got much more power than you had and therefore you are beginning to see some of the accretions of power applying to the voluntary sector, to charities, just as in the past they applied to government and to corporations and so on. I think there is a huge, huge opportunity for charities. I was saying earlier that I have been working a long time on the NHS and one of the things I am very struck by is the role of charities in the hospice movement produced a much more attractive and much more full experience for people in the last years of their lives than the geriatric wards of even the best run hospitals because they are necessarily run according to rules and according to timetables and so on and the great thing about the voluntary sector is as long as a piece of string, if there are volunteers you can always use them for further activity which many people in a rather lonely society, the lonely crowd can actually use very effectively. So I think what I would say to the charities is be a bit humble; realise that a lot of you can actually learn from those who serve, because some charities don't really think they can. We have all got to learn a certain humility, then I think you have a huge role in making the old public services much more responsive to the people that they serve than they have tended to be. But I do want to emphasise, sorry to put this again, that some charities are beginning to get very seriously caught up in what one might call, selfish forms of politics and I think they need to think quite hard about that.

The final point I want to make is a more complicated one which is, I think, the Charity Commission tends to have sort of conventional views on what constitutes a charity and I think we need to be a bit more innovative and think in some ways of accepting that some places registered as charities may actually fail because they are trying to do something very new and therefore there ought in my view a kind of innovative sector of the Charity Commission which a chance to charities just starting out, trying new things out, even if they have to be closed down after ten or fifteen years because they are not working very well. We have got to encourage people to get away from, what I call, establishment charities. Not that they don't do a good job, but they shouldn't be there on their own without innovative charities as well. Like the kind I was talking about in Brazil which I am very impressed by.

Question: Martyn Lewis

A quick reaction which you partly answered to Oliver Letwin's comment that he didn't think the charity should be campaigning and we at the NCVO are not exactly in favour of that, and think charities should be allowed to campaign.

Answer

So do I. I think charities should be allowed to campaign and that is not my objection. My objection is not about campaigning, my objection would be is where they don't consult the people who are members of their charity about their campaigns.

Question: Belinda Phipps

My name is Belinda Phipps and I am Chief Executive of NCT which is the largest parents organisation in the UK. You have run through a series of rather uncomfortable symptoms the world is suffering from and I agree and see those myself happening here in the UK. And you have given us some examples of where some particular outstanding leaders have done things to make things different but my concern is that we don't have very many outstanding leaders and I would rather that we looked at the systems in which our leaders work to make it possible for the way we organise the world for ordinary people, for good ordinary people to be good leaders. We don't have enough spectacular leaders for what the world needs and the bit that concerns me, the bit I really would like politicians to get hold of and deal with because it makes our job with the work we do as a charity very difficult is the fact that there seems to be a dilemma going on all

over the world, but particularly I can see it here in the UK, where in order for us to have the kind of society that works for all its members, now and in the future, we definitely need innovation and wealth creation and in order to have innovation and wealth creation there is a point of view that says we must have unfettered power of the markets, capitalism. Because there is no doubt that it does produce great innovation and often wealth creation, it may go into the wrong pockets but it does do that. But to have a society that works for all of its members now and in the future we must also have enough for everybody. Everybody must be lifted off the poverty floor and in order to do that you often need the opposite of capitalism, what might have been called a more socialist or communist, that end of the spectrum and yet those two points of view are in conflict with each other and they fight with each other. What we need is our politicians to come up with a way of organising the world economically and politically that creates innovation and wealth and at the same time enough for everybody and what I want is to see leadership that will do that.

Answer

Well, your comment is one that raises a whole lot of questions and I will necessarily disappoint you because I will have to talk about one or two of the things you talked about. First of all the issue about leadership. It is quite clear, not that there aren't a great many people with leadership capabilities but they frankly have not gone into politics. Well, who would? I mean who wishes to be treated as toxic all the time. I have been in politics all my life and I have noticed, I have seen a process in which respect for politicians, the people as it were who give their life up to be in parliament, has descended into almost a feeling that politicians are a toxic bunch, that if they do anything you shouldn't trust it. It's very tough being a politician nowadays, I am not asking for sympathy, but it is very tough and you tend to find people raise an eyebrow, and the nicest thing they ever say is that, well you're not like the others, are perfectly terrible. It's not fun. So what we are seeing, and this is really serious, is that the level of people now entering parliamentary politics is steadily declining. The brightest young men and women don't go that way. Some do, thank God, but an awful lot don't. They much prefer the City, where they will get much greater rewards for much lessSome of them like to see the pleasures of actually living off politicians but getting more fun for it and not half as savage treatment. I mean who today would really go into politics, and on top of all that, as it

that wasn't enough, you also have on top of that the danger that your entire life, your friendships, your families will be exposed to very ruthless media analysis and in some cases attack? So it's tough to be a politician and I think what we are going to see is consistently declining level of quality among elected politicians both in this country and in much of the rest of the old democracies. That may mean that we have to look elsewhere for leadership but I don't think we can kid ourselves we will not find the vacuum is filled by people who think that they have leadership qualities. In the United States that's very often business people who bring their leadership policies into politics but with politics playing a secondary role to business. In some other countries, for example, Italy at the moment, politicians appear to think that it is more fun to be a media proprietor and a sort of film buffoon than it is to be a politician. So, I think we are going to have to look for leadership elsewhere, but again, we can't kid ourselves. We talked to Mr Alun Michael who very seriously brought forward the area of collective leadership and that maybe the way to go. Let me finally say, because I think it is important to say it, that I myself believe that both communism has destroyed itself, essentially by being deeply inefficient and creating a kind of new class of power that didn't work. I actually think capitalism is very close to destroying itself, certainly the loss of trust, and it is notable, and therefore we are looking in a way at a completely new economic structure because both the old rivals have essentially failed us. I think at the moment I can only see that new structure as being some form of regulated market. You said yourself that one did not want too much regulation. I think at the moment we suffer from the fact that the regulation failed and that's why we had to end up paying billions of pounds to rescue the banks. The big mistake made by Mrs Thatcher and I think subsequently by Gordon Brown and to a lesser extent Tony Blair was allowing regulation of the banks to disappear which it did in the mid 1980s, I think that was a huge mistake. So we think out what kind of regulation should we have, what kind of market system can we have and then we move over to Mr Michael's view that there are other forms of ownership and of control and management. He is right, but they are still at a very nascent stage and it will take a lot of encouragement to get them emerging.

Question: Kevin Curley, NAVCA

Your Brazil case study was compelling. The story of strong government leadership. Government including the poor and the

government spending on big programmes in education and food and the government intervening to create a market for farmers. Your government, Baroness Williams, in proposing the Big Society talks about something very different. It talks about a smaller state: a state that does less; spends less and somehow by doing so releases communities from volunteers, from the private sector. Given the compelling nature of your Brazil case study do you think the Big Society approach can deliver social justice and tackle inequality in Britain?

Answer

No. But what I do think is that the society and particularly, the voluntary sector in society, can complement a government that is very clear in its objectives. In other words, the difference between Brazil and the government I am part of, or the government that I support, I think comes out of the clarity of the objective in the case of Lula da Silva, which is after all a lifelong commitment to clarity about the need to attack poverty in this desperately unequal country. I think at the moment in this country we haven't got anything like a clear objective and in all fairness, as I also pointed out, even though Labour started by having that, it too was not successful in completing and carrying it out in the way that it wanted. The reason that I think very strongly, coming out of the Brazilian experience are two things: it is not a story of tough leadership, it is a story, first of people, and particularly, government departments and people associating with government departments working very closely together, a holistic approach rather than a divided approach, which we still have in the UK and in most of the Western democracies. Secondly that a fine leader can essentially sweep people behind him into sharing the objective not pursuing it on his own, but sharing that objective, and the one example I gave, I don't want to bore you stiff, but the one example I gave about the hospice movement was a very good example of the voluntary sector enriching the difficult question of how one cares for the elderly in the last years of their life and actually proving at a lower cost that they could produce a higher quality of life for them than was being produced by the State. I think most of us would say now that the poor should be subsidised to be able to go to hospices because they could not afford the actual cost of it because hospices have proved themselves to be such an effective form of support for them.

Question

David Cobbold, House of Lords

May I ask you whether you believe the House of Lords should be converted to an elected Senate?

Answer

Lord Cobbold is a very good example of someone who has embraced young people in a kind of big society. The straight answer to that is, I am a strong believer in the 20% argument, that is I think the House of Lords should be elected but I think there should be 20% independence. I am very struck by the beneficent effect of the cross benchers on the outcomes of the House of Lords. One of the great delights of the House of Lords, having spent an equal amount of time, 17 years of my life in the Commons and 17 years of my life in the Lords is that the Lords actually amazingly listen to the outcome of debate. They don't go into the debate knowing what they are going to vote, they go into debate actually, especially the cross benchers of which Lord Cobbold is a distinguished member, actually listened to the argument and amazingly occasionally vote on the grounds of who they think won it. This is unprecedented in most democracies and it is a very good thing to do.