

Economic policies which can deliver growth and a Labour victory

Conference notes:

- *The 9 August National Institute of Economic and Social Research report that Britain's economy shrank in July, increasing the possibility of recession.*
- *The cost of living continues increasing: the ONS reporting on 16 August inflation rising to 0.6% with sterling devalued more than 10% since June.*
- *Austerity has not eliminated the government deficit, contrary to Tory predictions.*
- *Instead, due to Tory policies, the economy has stagnated.*
- *Living standards are declining - real wages down 10.4% since the 2008 financial crisis (the TUC reports), similar to Greece.*
- *Labour's successes this past year in forcing some Government U-turns on austerity policies.*
- *Public opposition to austerity, which will have assisted Labour's recent parliamentary by-election victories and Labour beating the Tories' vote share at May's local elections.*
- *The widespread view of voters in 2015 that Labour lacked a credible economic policy.*

Conference believes:

Government economic policy needs fundamental change. Austerity should end and public investment significantly increase to stimulate growth and raise living standards.

Labour should propose a £500bn public investment programme in: infrastructure, manufacturing, green and new industries, building 1m homes in five years.

A National Investment Bank should be established.

The government deficit should be cut by raising its income – by growth not austerity.

To succeed both economically and electorally Labour needs credible fiscal rules, borrowing for large scale investment whilst balancing the current budget over the economic cycle, as proposed by the Shadow Chancellor.