**Jeremy’s Speech**

Thank you Becky for that kind introduction and for the outstanding work you do as our Shadow Business Secretary.

Thanks too to John and our Shadow Treasury Team for organising this second State of the Economy conference and for their determination to take our message all around the country in these inclusive conferences where we share the ideas and expertise of everyone.

And thank you to all of the workers here at Imperial College who have worked so hard to help us put on this conference.

Yes today is about the ideas and the intellectual debates but it is also about genuinely appreciating and valuing the things everybody does to make our society work.

Last time we were here I talked about the dire state of our economy under the Tories. In the two years since things have got even worse. Wages are lower than they were in 2016, at the time of our last State of the Economy conference and lower than they were in real terms a decade ago.

Zero hours contracts up by 100,000 last year. A 13% rise in emergency supplies from food banks. This in the 5th richest country in the world. And behind the headlines our economy is deeply imbalanced and lop-sided.

Too many areas of our country are being held back by low investment, low quality jobs, low wages and slow growth. Elsewhere, stronger economic performance comes at the price of a rising cost of living.

Inequalities, of class, race and gender are stark. Women being paid nearly 10% less than men. Young people are spending a third of their income just on rent. And the unemployment rate for ethnic minority communities is twice as high as the average.

The Tories have shown that they have no response to these deep structural problems and they are very deep continuing instead to subscribe to the highly discredited theory that economic growth will mean wealth trickles down to those at the bottom.

But in an economy in the grip of big corporate interests wealth flows up stream into the pockets of the already wealthy as we have seen year after year. Last week the Sunday Times Rich List showed the 1,000 richest people in the UK now share a record total wealth of £724 billion up 10% on last year's figure.

But yet despite the record of continuing Tory economic failure and a system that simply isn’t delivering for the majority of our people we stand here today with hope and growing confidence. Over the last couple of years while things have been getting worse under the Tories we have been developing our solutions. Our manifesto, For the Many not the Few, set out a vision of a different Britain. One in which our NHS doesn’t leave elderly people waiting for hours in hospital corridors, where young people aren’t burdened with fifty thousand pounds’ worth of debt after university, where zero hours contracts are consigned to history and where the richest in society pay more in tax because they can afford to rather than less because they can afford lawyers to help them avoid it.

I believe our manifesto published a year ago this week was so popular because we didn’t just aim to reverse the worst aspects of the last eight years. We were and are bolder than that. We promised to put economic power into the hands of the many. To transform the economy from top to bottom doubling the size of our co-operative sector, putting key sectors, water, energy, rail and Royal Mail into new and democratic forms of public ownership.

Yet again this week, we have seen the scandalous cost of the failure of privatisation with the East Coast rail franchise collapsing yet again and the public left to carry the can.

Public ownership for this government is only ever the most temporary solution to clear up the mess left by the privateers so it then can be re-privatised for a few to keep the profits again. What is clear is that our severely imbalanced and skewed economy is unsustainable. Unsustainable for towns across the country with struggling local economies. Unsustainable for public services taken to the edge by eight years of Tory austerity and unsustainable for people struggling to make ends meet.

We need to do much more than just to redistribute through spending and taxation.

We convened our Alternative Models of Ownership conference in February to talk about this in more detail and I know some of the workshops this afternoon will develop that. Because an economics that is truly transformative means going much deeper. **It means restructuring our economy to deliver good jobs and prosperity everywhere, putting power back in the hands of people to take control of their working lives and their local communities.**

**Community Wealth Building**

And the exciting reality is that Labour is already doing that. Take Preston for example. The city was a once thriving mill town. The town where Richard Arkwright started the cotton trade and a hub of manufacturing.

Yet by the new millennium many of these industries had been lost and Preston’s economic future had been staked on little but a shopping centre. Preston did not make things like it used to but the city centre redevelopment would attract customers from across Lancashire and create jobs, Low-skilled, low paid retail jobs, but jobs all the same.

When major retail chains, struggling in the aftermath of the financial crisis started pulling out the plan fell through leaving city councillors stumped. So bankrupt and rigid were prevailing economic theories that it seemed to most that there was no alternative.

But a young councillor inspired by ideas he’d picked up from the United States, largely online saw an opportunity to start implementing them at home. At the heart of these ideas known to some academics as ‘community wealth building’ is the principle that when communities take a bigger stake in their local economy and extend democratic control through public enterprise, worker cooperatives, energy democracy and credit unions, it is easier to build and keep wealth and ensure it is shared.

And that more public money is spent locally, nurturing local economies by creating opportunities for local suppliers, making sure money circulates around local economies rather than leaks out.

Because for every pound spent with a small or medium sized firm 63 pence is re-spent locally compared to just 40 pence for every pound spent with a large or multinational company.

That councillor, Matthew Brown, was elected leader of Preston City Council two weeks ago and I’m delighted to say he’s here with us today. Thank you Matthew, for everything you do and congratulations on Preston’s excellent election results earlier this month.

As a result of the efforts of Matthew and his fellow Labour councillors in Preston in 2012 the city became the first living wage employer in the North of England. The amount of public funds spent in Preston has almost trebled and the amount spent in Lancashire has increased by over 100% even as budgets shrunk. Most local public institutions have dramatically increased the amount they spend locally.

New worker co-ops have replaced private companies in providing public bodies with goods and services, from IT to food, ending the outsourcing racket which benefited companies headquartered in London or beyond.

And in the city centre alongside the usual retail chains sits the covered market recently revamped by and for local businesses. This is what taking back control looks like. And that is what is most remarkable about how Preston’s economy has been turned around. They did it by taking on economic power, showing that when communities stand together, they can be more powerful than big corporations. It’s a truth built into the heart of the labour movement, united we stand, divided we fall.

Communities across Britain from Mansfield to Hastings have felt powerless for decades. They’ve seen industries disappear as the anonymous forces of global capitalism play out above the heads of local communities, local services farmed out to faceless contractors, insecure, low paid, and low skilled work spreads and social security, which provides a lifeline for so many hit by cutback after cutback and so-called reform after reform, each more dehumanising than the last. All of them the result of decisions in which the communities themselves had little say.

Preston shows a genuine way forward for these areas by taking back control of economic decision making reminding us that economic prosperity relies on economic power and that an economy owned and governed by the local community will serve that community rather than distant corporate interests.

And they’re not alone. Many of the ideas being implemented in Preston came from Cleveland across the Atlantic. In Barcelona the city government is bringing outsourced services back into public hands. German cities, from Munich to Hamburg are taking control of their energy systems.

And here in Britain other Labour councils from Liverpool to Southampton are doing similar things bringing local services back in-house so that they truly serve the public. We are witnessing the rebirth of municipal socialism and we want it to grow and grow.

That’s why Labour has set up our Community Wealth Building Unit, to give practical advice and support to Labour councils operating in the toughest of times and to help them start putting our transformative economics into practice now even before we have a Labour Government to work on a larger canvas.

**Brexit**

Many people in these held back areas saw leaving the EU as a way of taking back power and control but the Conservatives want to steer us in a direction that will leave these communities with no more power to control their future. No more control. If anything, even more exposed to the fluctuations and insecurities of unfettered and deregulated markets.

Tory austerity has already run down our economy leaving us as the slowest growing of all the major economies and their chaotic approach to Brexit threatens to make matters worse.

Brexit contains huge risks in the hands of this Tory government, a powerful faction of which is determined to use it to turn Britain into a **deregulated tax haven** off the shores of Europe.

But a jobs-first Brexit and the challenges and opportunities after we leave the European Union demands a more **interventionist approach to strengthen the UK economy in every region with a National Investment Bank and Regional Development Banks to invest in high quality, secure jobs and a National Transformation Fund to invest in and upgrade our infrastructure.**

The Tories claim they want a buccaneering, free-trading and dynamic post-Brexit economy. They’ve got as much clue about how to deliver that as Phil Mitchell has about flower arranging.

You cannot deliver a dynamic economy without world class transport, energy and broadband, areas where Britain is lumbering in the slow lane.

Labour will invest to create the skilled, secure jobs across the country that will strengthen our economy and deliver real change and hope. And we will not allow a chaotic, race-to-the-bottom Tory Brexit to further trash our economy and people’s lives.

**Mental Health**

This isn’t just an economic matter. Loss of income is one thing, but the hollowing out of industries and communities and the loss of a sense of purpose and a sense of control has been inflicted on many communities across Britain.

And we can now see the result. The number of people suffering from mental health problems, is becoming a mental health epidemic. Over a third of GP visits are about mental health. And 70 million working days each year are lost to mental health and stress-related issues such as anxiety and depression, making mental health the leading cause of work absences.

**Poor mental health costs the economy an estimated £99 billion a year.**

The number of small business owners and self-employed seeking advice on mental health conditions, has doubled in the last five years.

But what’s even more important than mental health being bad for the economy, is that **our current economy is so clearly bad for our mental health.**

A perfect storm of economic pressures is feeding this crisis. Too many workers endure stress in toxic work environments or face job insecurity with many more lying awake at night worried about debts rent or mortgage payments not knowing how they will make ends meet at the end of the month.

Citizens Advice has reported a huge increase in the number of people experiencing stress about their finances and struggling to manage debts. The epidemic affects all ages, but it is stifling young people trying to start out in life in particular. A recent study showed that one third of 18-24 year olds have suffered stress due to worries about housing.

Why have we allowed this free-for-all housing system that causes so many of our young people so much worry and anxiety?

The pattern throughout society is clear the more vulnerable people are to uncontrolled market forces the more vulnerable they are to stress and mental health problems.

It’s a simple argument for why we must take power from the market and give that power directly to people themselves. If people have more control over their lives, over their workplace, over where and how they live we will all benefit.

And if working people, those that actually create wealth, are to get their fair share of the wealth they create not only will we have a more prosperous and richer society but we will have a healthier one too.

So as Mental Health Awareness week comes to an end I’d like to pay tribute to the commendable and inspiring campaigning of Princes Harry and William and Kate Middleton to break the stigma around mental health.

And we have to be serious about tackling not only the stigma but also the conditions and symptoms of this mental health epidemic by ensuring NHS Mental Health services get the funding that they so desperately need.

But let’s also **tackle the causes of mental health by transforming our economic system so it genuinely includes everybody and excludes nobody.**

**Conclusion**

I know that today’s conference will be full of thought, debate and intellectual discussion about our society’s economic challenges and we’ll be continuing these debates right across the country.

But I also know that, like me, you all believe that what makes these discussions about economic ideas important is our determination to make people’s lives better.

That belief lies behind everything we’ve said about economic democracy and about our future trading relationships, our commitment to use the economic potential of local councils, our plans to harness the potential of technology for everyone in society. It’s a fundamental belief in an economic system which isn’t just an end to itself but which delivers fuller and freer lives for all people from childhood to old age. An economy that works for the many not the few.