

1

Introduction

I was suspicious, and so were the majority of people around here. It wasn't long since we had been fighting the GLC, over the tower blocks. I said, we don't want them, we don't want them down here, no way.

Connie Hunt, a tenants' leader from London's Docklands, was talking from long experience of a constant, weary warfare that she and many like her find themselves waging against their local councils, Labour and Tory. And here was the new GLC threatening to come down to Docklands, and start poking its nose into their local organisations.

Like it or not, from 1981, many community organisations, trade unionists, women's groups and others found the GLC on their doorstep demanding time and involvement in GLC activities and — sometimes — offering resources in return. Many people found themselves giving up much unpaid time to work with well-paid GLC employees; some now feel it was worth it, others feel resentful. But most of those who were drawn into the GLC network — going to meetings, patiently (or not) answering demands for information, scooping up yet more GLC post off the mat — agree that it was different at least in scope and generally in kind from the demands made by local councils in the past.

Political Activity as Economic Policy

The 'Livingstone' GLC was different however, not only in the

level of demands it made on people, but also in *why* it made those demands. From early on, many people in the GLC came to see the working relationships which developed between the council and its constituents as a crucial element — even the crucial element — of economic and industrial policy. This book explains what this meant, how these relationships were established and why they were important. It explores the contradictions involved in a more democratic approach to economic policy supported from within the state. And it argues that the most important lessons to be learned from the GLC about future Labour economic policy making, at local and national level, are about these relationships between the state, and the majority of its citizens: or in other words about the political *process* by which a state authority develops and implements alternative economic policies. These are precisely the lessons which policymakers are presently ignoring.

The new GLC administration came in with an unusually detailed economic policy in its manifesto. The aim was to create jobs and improve employment conditions, through the co-ordinated use of all the different powers by which the GLC could influence the economy of London. The policies included the formation of the Greater London Enterprise Board (GLEB) to invest funds in the private sector, the improvement of employment and working conditions within the Council, and the use of Council powers such as purchasing and grant giving as tools of economic intervention.

In addition, the manifesto sketched a commitment to an *innovatory method* of making economic policy. It was to be developed with the participation of working people. It aimed to strengthen the control of working class Londoners over resources and policy. In the manifesto's words:

Our vision of the future is a city in which the elected representatives take the lead in economic planning — with maximum community involvement — for a prosperous London.

And, somewhat more forcibly:

We shall set out to increase the element of democratic control over industrial decisions: control by elected authorities and control by working people in their workplaces.

The manifesto gave few details of how these very general aims were to be achieved, beyond a commitment to developing

structures of industrial democracy within the Council, to trade union involvement in planning agreements for firms in which GLEB invested, and to support for workers' resistance to closures and redundancies.

Right from the start, therefore, economic policy at the GLC contained an unresolvable tension: between on the one hand centralised, 'strategic' economic intervention, run by an arm of the state, and on the other hand the democratising of economic policy, which meant giving up some control over economic policies and resources to those people affected.

These tensions rapidly became acute in all areas of economic policy. As the manifesto had promised, the new councillors set up an Economic Policy Group to advise the new Industry and Employment Committee. These new recruits, or 'officers' as professional local government staff are called (appropriately given the almost military hierarchy of local government), came generally from outside local government. They had experience in trade union organising, research and support work, community organising, journalism, academic research and teaching. The new officers had the experience and contacts to work with outside groups. To put flesh on the bones of sketchy policies, they needed information, allies and ideas from outside the Council. And many argued from their own experience that the best way both of defending and generating jobs and of involving people in GLC policy making, was to provide support for non-GLC organisations: campaigning groups, trade union and community resource centres, women's groups, and co-operative development projects.

As the chapters of this book demonstrate, the most effective GLC economic policies were developed and implemented through these tension-ridden alliances. Where the GLC failed to develop a popular basis for its policies by working with organised groups of Londoners, then the policies tended to founder or to become captive to establishment wisdom. As a result, the history of the development of these working relations between the local government politicians and staff, and the GLC's constituents, with all the failures, problems and contradictions that they involved, provides many of the most important lessons to be learned from the GLC. But these are the kind of lessons which get lost behind the statements of policy and proposals for spending which were the main written products of GLC work.

This book then, is an attempt to retrieve and spell out these

lessons. It is not an exhaustive history of GLC economic policies. It contains instead a series of case studies of how the work was done, and what was achieved, and why, in different areas of economic policy. Their central theme is that *how* policy was made determined what was achieved. And they show that therein lie important lessons for future socialist economic strategy at a national as well as a local level.

Policy and Practice

It quickly became clear to the new GLC employment officers that any commitment to going out of County Hall and opening up its resources and decision making to outsiders demanded a wholly new way of working for local government. Far more than most borough councils, the GLC had always been a rather Olympian institution, shut away behind the elaborate hierarchy and formality of County Hall. There were few precedents, and no rules, for a more open working relationship with Londoners. Formally, and within the established traditions of local government, the task of the new staff was to propose to Council committees policies based on the manifesto commitments and their own work. Once approved by the Council's own lawyers as something the Council could legally do (an increasingly serious hurdle as legal constraints were tightened by the government), the proposals would then become 'Council policy', backed by the financial resources agreed by the committee concerned. These policies would then be implemented by other Council officers and the newly established Greater London Enterprise Board (GLEB).

The manifesto description of the new officers' job had contained echoes of this formal division between policy and practice: the new officers' concern, it said, 'would be with overall planning, and not with detailed implementation'. But such a description of how things actually get done is naïve. Local government is notorious for generating Committee papers which don't get much beyond the Committee, the files and the dustbin. Although the new breed of officers knew this, they became known for producing bigger and more ambitious papers. The big policy documents — such as the London Industrial Strategy — often seemed an irrelevant self-indulgence to the small groups outside County Hall struggling to extract some resources from the GLC. But the proposals in the papers depended for their

success on the input from groups in the community. This meant going beyond the traditional methods of research and consultation, and often brought conflict with long serving GLC officers — although it attracted some surprising allies amongst those officers. It also wiped out the neat distinction between policy making and policy implementation.

The manifesto commitment to economic democracy was extremely vague about who was to be involved in policy making and how. A lot of questions immediately emerged, and were answered in practice, unsystematically and in a hurry. For example, which parts of the community were to be involved in policy making, since one cannot involve seven million people individually? How, most seriously, were those people who were the least organised, with the least power, to be involved? How was people's control over their working lives to be increased, and did this imply the transfer of resources to groups in the community and the unions? If so, what happened if those groups used resources in ways which went against Council policy? Or against national trade union policy? What sort of commitments should be asked for in return for the resources? Should the GLC officers work with shop stewards and trade union activists, or only with trade union officials?

These were only a few of the major problems raised by an unspecific commitment to democratic economic planning. In turn, these issues raised questions for the people drawn into the GLC net. How much autonomy would and should they give up in return for GLC resources? How much energy should they devote to trying to influence the GLC, as opposed to an approach of 'take the money and run'? Different answers to these questions by different groups affected the outcome of much GLC policy. The following chapters explore these contradictions, showing how the new GLC staff answered the questions in practice, and arguing about whether the answers were right or wrong. They also reflect at least some of the views of those on the receiving end of the GLC's economic policies.

But first, it will help to understand those answers if we look briefly at the assumptions and ideas with which the new councillors and staff approached the problems. Many of these assumptions came from the experiences and movements of the 1960s and '70s.

Influences and Tensions: Trade Union Initiatives and Restructuring for Labour

The tension between planning state policy, and transferring power to others, was there from the start in GLC policy towards public investment in manufacturing industry. Ideas about this in the GLC were influenced by workers' initiatives during that brief, confident period of trade unionism in the 1960s and 1970s, before the recession had really set in. Faced with the threat of closure and redundancy many shop stewards' organisations, especially in the engineering industry, took militant action such as occupations and 'work-ins'. In a few instances they put forward their own alternative plans to the company's schemes for 'rationalisation'. In the early '70s, the prospect of nationalisation in shipbuilding and aerospace, promoted in particular by Tony Benn, stimulated trade unionists in these industries to prepare detailed plans for industrial democracy: 'workers' control with management participation' as stewards from shipyards on the Tyne put it.

In particular, hopes of government support encouraged the shop stewards' combine committee at Lucas Aerospace to develop a plan for converting their factories and skills to the production of different, more socially useful products. The Lucas workers' plan had become something of an international symbol of workers' control initiatives in the age of multinationals and defence-led, computer-controlled technology. In the GLC, the Lucas plan was an important model to both politicians and officers. It contributed to a strong initial focus on manufacturing industry and to rather over-optimistic assumptions about trade union strength and levels of organisation in London in the 1980s. It contributed too to a wider conception of economic policy — the early basis of 'popular planning' — which saw GLEB investments and other GLC economic initiatives arising out of alternative plans for jobs and services, based on social need, which the GLC would itself help people to prepare.

These workers' initiatives had also by the 1980s helped open up a small but important crack in the rigid division within the British labour movement, that keeps economic policy as the politicians' concern, and restricts trade unions to the defence of wages and conditions. The economic crisis, and the vast rise in unemployment, made some trade unionists more determined to make a substantive trade union input into local economic policy. Regional trade union officials had been involved in discussions

of Labour's GLC manifesto. And in the manifesto there was at least a nod towards closer union and local authority co-operation on making economic policy.

When it came to the aims and organisation of GLEB the 1974-79 Labour government provided a further cautionary tale. For the period when Tony Benn was Minister of Industry there was a brief glimpse of an industrial strategy with some involvement of shop floor workers. But under pressure from the CBI (intending on its own admission to take action outside the law if Benn's policies came anywhere near implementation), the City and the Civil Service, the policies collapsed into the timid, secretive corporatism of Harold Wilson. The disillusion from this experience led a group of trades councils and shop stewards to investigate what had gone wrong. Their report, 'State Intervention in Industry, a Workers' Inquiry', influenced those in the GLC arguing for firm political control over the Greater London Enterprise Board, and the establishment of political objectives for its investments, including the strengthening of labour in the firms where it invested. The tensions in the management of GLEB between the commercial objectives, and the social and political objectives — the latter embodied in the concept of enterprise planning — persisted throughout GLEB's history under the GLC.

Alongside the trade union history, the 1970s had also seen the development of a network of 'committed' researchers: people with research skills, working in the academic world or in trade union resource centres, or research organisations like the Low Pay Unit, the Hazards Centres, Labour Research or local resource centres for community campaigns. Researchers in these networks had been trying to do work useful to the labour movement and the women's movement. This involved learning from people working in particular industries, and providing them with useful information. In addition, they had developed an approach based on a particular strand of Marxist theory, which required a detailed study of how work was organised and the technology used in particular industries. Its subject was labour, rather than the markets of conventional economic analysis.

From these influences came the idea of 'restructuring for labour', as the guiding aim of GLC economic intervention. Generally, this meant intervening in the London economy in a way which strengthened the position of labour. For a major economic restructuring *against* the interests of labour was

already underway, pushed by the market and government policy.

One way of intervening in the interests of labour was to provide resources for the labour movement, and particularly shop floor workers, to help them influence policy. The Popular Planning and Industrial Development units both set out to channel resources to trade unionists in London, to help them research and develop alternative plans. The Project Development Unit gave grants to trade union resource centres in London. In other words, resourcing the self-organisation of labour was regarded in itself as a tool of economic intervention, as well as a way of generating inputs to the GLC's industrial policy and demands on GLEB for investment funds.

'Restructuring for labour' was also embedded in the structure and aims of GLEB itself. GLEB was set up with trade unionists on the board who would, it was intended, report back regularly to the South East Regional TUC. One of the aims with each GLEB investment was to involve each workforce in 'enterprise planning'. In theory this was closely related to the work of strengthening and resourcing labour. However there was a constant tension in GLEB between its relationship with private sector managers and owners and its social and strategic objectives. One chapter in this book examines how these tensions worked out in practice, with detailed case studies.

There were other tensions too. The concept of 'restructuring for labour' at its most ambitious meant industrial investment which sought to reorganise, and make viable, whole sectors of the London economy in a way which strengthened labour in that industry. In principle, it meant 'working from below' with workers where ad hoc demands in failing factories might well conflict with the overall approach 'from above' to investment in a sector. This implied learning from workers in particular industries and providing information in exchange which could be of immediate use to them. One chapter of this book discusses this issue in detail for one industry.

Other Influences: Community Struggles and Feminism

'Restructuring for labour' potentially included public sector intervention, and attempts to develop production and provision for social need. The work on technology, discussed in one chapter of this book, began from the idea of creating jobs from the

provision for need. This stress on need was also a central theme in two other major influences on the GLC's work: community struggles and feminism.

In Wandsworth, Southwark, Coin Street in Waterloo, and parts of Docklands, strong campaigns had grown up in the 1970s against land and property speculators and for community control of land. Local groups fought public enquiries, drew up their own plans and lobbied councillors and would-be councillors for a commitment to use their planning powers to halt the speculators. The campaigns' demand was that councils should develop the land to meet the housing and employment needs of local people. These were an important influence on the new GLC, especially Michael Ward, chair of the Industry and Employment committee and George Nicholson, chair of planning. GLC staff were put under political pressure to respond to these local groups, and to provide resources for them to develop alternative plans for areas of land, including land held by the GLC and land subject to private development. Two chapters in the book — on property-based employment initiatives, and on the Docklands campaign — discuss this work, looking at the issue of choices over which campaigns to support, the problems involved in work with community groups, the difficulty in establishing effective local employment projects and some of the inherent conflicts with sector-based industrial strategies and investment.

Another set of influences on the GLC came from feminism. The concerns of feminists to improve women's job opportunities and working conditions brought them into conflict with many of the initial assumptions about where the GLC would put its energy and resources. In addition to women who went to work for the women's committee, a number of feminists made an (uphill) effort from the start to bring the special interests of women into the wider economic policies, including research, grant giving and investment policy. A chapter of this book discusses some of these efforts and their very limited success. An attempt to shift the focus of work towards women meant arguing for the need to try to change the division of labour in rather drastic ways. It also meant trying to work and spend resources on areas of the economy outside the initial focus on better organised, better paid manufacturing industry. This led to a recognition of domestic labour, unwaged as well as waged, as an important sector of the economy and to research on and funding for childcare. It also led to some work on sectors of waged employment with abominable pay and conditions, such as

hotels, catering, cleaning and much of the clothing industry. And it led to an increasing emphasis on change within the public sector itself.

On the other hand, feminism also influenced the methods of work, in ways which were rarely explicitly acknowledged. It had been the women's movement which had argued most forcibly in the 1970s that the *process* of political activity was integral to its content. It was feminists who had argued for a practice which started from people's experience, and involved working with them and promoting self-organisation. In a watered-down way, some of this had got into the principles of *some* of the wider Left by the 1980s.

Missing Influences: Anti-racism

Many of the weaknesses as well as the strengths of the GLC economic policy work stemmed from these initial influences and the gaps and assumptions which underlay them. By far the most important missing issue, in the assumptions behind the employment work, was in relation to race and anti-racism.

The 1981 manifesto had contained a commitment to an Ethnic Minorities Committee, and many of the Labour politicians were acutely aware of the issues of racism and black unemployment in the wake of the 1981 riots in Bristol and Brixton. But nevertheless, the needs and organisations of Black people in London were not integrated into the wider employment policies.

This was in large part because the other influences just discussed were all in different ways racially exclusive. Consider each in turn. The kind of trade unions which provided the models of industrial intervention were based in the better organised sections of British manufacturing industry. These were areas from which, even during the economic boom of the 1960s, black workers had been largely excluded by the action or lack of action of both management and trade unions. Similarly, many of the community campaigns over land and property were based in predominantly white working class organisations, even in areas with substantial black populations. The concept of the community these organisations were fighting to defend, in the wake of the departure of their traditional employer, tended to exclude local black residents. Feminism, too, had been a movement with a strong bias towards the needs and interests of white women, which was only beginning to be forced in the late 1970s

to learn from the needs, circumstances, ideas and interests of black women.

As a result of this political history, the people hired at the beginning for the Economic Policy Group — later the Industry and Employment Branch — were not only almost all white, they were also largely ignorant of the struggles and organisations of black people in London, and they tended to ignore the issue of racism.

This was rightly a source of a great deal of criticism of the GLC's work. Under pressure from black organisations, the GLC first began to respond to the needs of black communities through the work of the Ethnic Minorities Unit and the Police Committee. The Industry and Employment Branch was much slower to start to integrate anti-racism into its practice. It was in practice left to the efforts of some of the black officers in the Branch, most of whom were not hired until 1984 or later, to start a serious debate on black employment policy. Some relevant work was done, but too late to make much impact on the use of resources.

It is largely as a result of this history that there is no chapter on anti-racism and black employment policy in this book. The chapters were generally written by those involved in the areas of work discussed, and often by people who felt at least in small part responsible for the outcome. Those most qualified to write about race and employment in the GLC felt unattracted to the task for a number of reasons. Some black staff in the Industry and Employment Branch had found the struggle to develop black employment policy, late on, without sufficient political support or commitment from colleagues, difficult and demoralising. The prospect of looking back was depressing, creating remembered resentment and anger at the lack of scope and resources for the work, and there were few achievements to write about. Some felt that they had learned what was involved in forcing a different and more productive starting point for work on black employment, but that they were better employed going on from there than looking back, at least at present. Others felt, more strongly, that to write a chapter on black employment or anti-racist work was not appropriate in this book, because it would serve to legitimise a policy making process which did not in fact have anti-racism as a central theme, and a book over whose editorial process black staff had had relatively little influence. There is therefore perhaps some justice in the absence of a chapter on this subject: the conclusion however contains a summary of

some of the issues raised by black staff and other people interviewed for the book, written by the editors.

While the failure to make a priority of black employment work was a specific problem, it was also symptomatic of a wider problem in the GLC's approach to employment. Many of the influences on employment policy stemmed from a period of stronger trade union organisation and higher employment than existed in the London of the 1980s. The economic recession had undermined trade union organisation drastically in London, and further polarised the fate of the organised and the unorganised, the working and the unemployed. The GLC, with its commitment to working with outside groups, and the (chronic) haste in which it did everything, tended to end up working with those organised in ways with which it was familiar, particularly those in trade unions or long established pressure groups. Many people — working class women, the unskilled, as well as black people — got by-passed again, their forms of self organisation largely unrecognised and unsupported. There were many in the GLC who saw the contradiction, but several chapters, especially the chapter on women's work, show the extent to which it was never resolved.

Finally, there was another, quite different kind of gap: knowledge and experience of commercial practice. Throughout the Labour GLC's history there were never enough people working for it who were both sympathetic to its aims and had the accounting and commercial skills needed for successful investment and intervention in the private and public sectors. The GLC often lacked the skills effectively to challenge plain bad management, to make good investment and management decisions, or to rethink the management strategy and practices of large organisations such as London Transport, then under GLC control. This is bound in part to be a chronic problem of the Left, but it showed up as a particularly telling weakness for this kind of economic policy. The chapters on 'sector strategy' at GLEB and on London Transport engineering discuss some of these issues.

The Economic Problem and the GLC's Leverage

Looming above all these influences, though, was the fact that the problems were much greater than the resources available. The GLC was a big local authority. Its revenue budget of £800m a year had a substantial impact on the London economy. On the

other hand, it was rather an odd local authority: having lost much of its housing stock and some of its other powers, its spending was concentrated by 1981 on transport, the fire brigade and waste disposal, and arts and recreation; its own in-house staff were working on land and planning issues and scientific and other services not visible to its constituents in the way that the housing and social services functions of borough councils are. On to this rather curious institution, the manifesto proposed to graft economic policy by two means: the use of the '2p rate', (the rate money available for general spending), largely for industrial investment, through GLEB; and the use of the other spending powers of the GLC, including the purchasing on behalf of other institutions and the pension fund, for the purpose of economic intervention.

The available resources however paled before the scale of the economic crisis in London. Even a brief description of the scale of the job loss and unemployment in London brings on a feeling of helplessness. A dramatic summary is that the Thatcher government has seen the destruction of more of London's factories than Hitler's blitz. The statistics show that between 1961 and 1981 nearly 800,000 jobs were lost in manufacturing industry in London: a decline of 60%. Predictions show another 100,000 jobs going in the 1980s. Most of the service industries have lost jobs too, and London now has around half a million unemployed.

Against this trend, a local authority, however large, has precious little leverage. Investment decisions in the private sector, which sustain or destroy employment, are made by large, often multinational, firms with an eye to their balance sheets. These firms can control budgets the size of nations, far larger than the GLC. In 1981, 75 of these firms had factories in London; by 1986, at least twenty had found it more profitable to sell their London site and invest elsewhere. These firms' decisions affect industrial organisation, technology, working conditions and commercial survival, not only for their own employees, but for competitors and for a mass of small and medium size suppliers and contractors who go under when they leave. The investment decisions are backed up by London's powerful financial institutions. Controlling assets estimated at £1000bn, these big institutional investors operate too often on a short time horizon for industrial investment and profitability, and have substantially contributed to the London-based property boom which has made the London industrial closures so profitable. This is a vicious

circle for London employment, very hard for a local authority to break into.

The other force shaping the London economy — and increasingly linked to the forces of the private market described above — is the government and the vast, unco-ordinated public sector. Nearly one third of London's waged employment in 1981 was in the public sector. The Thatcher government, pursuing private profitability, the destruction of union strength and reduction in the size of the public sector, has cut public sector employment, sold state enterprises to private owners, and opened up state services to bidding by private firms. This has meant a major attack on the jobs, wages and conditions of one million London public sector workers. In 1983/4 alone, London health authorities cut the equivalent of 4000 full time jobs, a far higher rate of decline than elsewhere in the country. British Airways shed nearly 13,000 jobs at Heathrow in preparation for privatisation. Just because London has for so long been a centre of service employment, it is suffering badly from the attack on the public sector.

In this situation, the way people in the GLC thought about the best use of the GLC's (small) leverage changed over time. Initially, a lot of attention was concentrated on the £30m a year which could be used for industrial investment, through the establishment of the enterprise board. The aim of the Greater London Enterprise Board (GLEB) was to save and create jobs, but to do so in an 'exemplary' way: to concentrate on the quality as well as quantity of employment, and to take a longer term view.

Over time, the focus of the economic policy work shifted from industrial policy to use of the GLC's other spending powers. The GLC was a major public purchaser and contractor. It purchased on behalf of itself, the Inner London Education Authority (ILEA) and many London Boroughs. It also spent heavily on building contracts in addition to employing its own direct labour force in London Community Builders. In principle these purchasing activities gave the GLC considerable leverage over working conditions in the firms to which GLC contracts went. In 1983, the Council set up two Contracts Compliance units to try to make the most of this leverage. The aim of the Equal Opportunities Contracts Compliance Unit was, as its name implies, to use GLC contracts to improve job access and working conditions for ethnic minorities and women in the supplying companies. The Construction Contracts Compliance unit sought to use the threat to remove firms from the list of those approved to tender

for contracts as a lever to enforce direct employment (rather than the 'lump'), better working conditions on site especially in health and safety, and trade union access to sites.

The manifesto had also contained a commitment to establish municipal enterprises producing goods otherwise bought from private suppliers. The intention was to create more and better jobs than those in private suppliers. This project never got underway, nor did the scope of direct labour in construction expand. One chapter in this book reports the views of workers in London Community Builders on the reason for this missed opportunity and assesses the work of the Construction Contracts Compliance unit.

Later on more attention was also paid to the working conditions of the GLC's own workforce. The GLC employed 22,000 people, including the fire brigade, which made it one of the biggest employers in London. In principle, here was an opportunity to improve conditions and involve the workforce. In practice legal and financial blocks, resistance within the unions and by senior officers and problems in thinking through and implementing changes, greatly limited what was done. One chapter of this book documents the changes that were made, notably the expansion of opportunities for women and for members of ethnic minorities, but then goes on to discuss with GLC workers and councillors why so many hierarchies and relationships remained the same.

The GLC was also until 1984 the responsible political authority for the 60,000 transport workers employed by London Transport. Here the dominant issue became the defence of jobs and conditions against a management intending further to run down the industry, against the GLC's aim of expanding it. Two chapters look at aspects of this history: the attempt to keep open London Transport's engineering works, and the research into the problems created by the management's attempts to introduce more one person operation of buses and trains. A central theme in these chapters and several others is the need to turn a formal relationship between GLC politicians and full time trade union officials into a more open working relationship between GLC officers and different levels of the trade union movement. Different points of view are expressed on what was learned from these experiences.

The GLC's last financial lever was the power to give grants, and this became an increasingly important part of the work of the Industry and Employment staff. This is not conventionally

seen as a source of economic power. But given the rhetoric of increasing people's control over economic activity and policy, the transfer of resources to trade unionists, women's groups, the unemployed and Black organisations was clearly a way of furthering this aim. If 'sharing power' meant anything, it began from getting resources — funds primarily, but also research and information — out of County Hall to those groups who could use them. Grant giving work grew rapidly, and several chapters — on health campaigning, on local initiatives in Docklands, and on organising against multinational management — show the extent to which these resources allowed a sharp rise in the confidence, scope and strength of independent action by these groups.

Naturally, there were problems. Despite the rhetoric, the Branch had not been prepared for the rapid flow of applications for cash, and had no clear policy for dealing with them. It tended to be the best organised and most vociferous who had best access to resources. Those who worked on giving grants — often people with community or trade union experience — were cut off from the rest of the Industry and Employment Branch and not given time to work with and develop organisations to be funded, or to create links between those organisations and other Branch work. Further, there were problems for those funded, in a loss of autonomy, and the danger of overexpanding and then being unable to sustain the organisation without GLC support. The chapters on women, and on anti-racism, and on some of the campaigning work, discuss these issues.

Finally, it was not just financial and research resources that the GLC could offer. It was also publicity, a platform, political clout, which boosted confidence in a period of low morale. The chapters on Docklands, on health, on multinationals all provide instances of this process. Increasingly, the GLC came to realise that it got most done, had most impact, where the work it did was enhancing an existing movement. Where there was no groundswell, nothing much happened. The section on arms conversion illustrates some of the difficulties of pushing a 'good idea' from County Hall without a base in the relevant industries.

The State and its Citizens

Progressively, especially as the likelihood of abolition increased, the GLC came to see its role as much in resourcing and supporting the struggles of others as in doing anything directly through

its own spending and investment and powers to command. It also became increasingly aware of the importance of such alliances to the effective use of all its other powers. Most of the attacks from the Right were over this resourcing. But many on the left worried about the dangers of incorporating organisations into the state, and by making them clients, weakening them.

Many if not most of the people who worked on GLC economic policy had started from a political position of opposition to the state, including the local state's lousy record on public services. But many had also come to conclude that movements and trade union initiatives also needed state support, and had a right to demand it of Labour authorities. For many people, the GLC was an opportunity to explore the possibilities and dangers of trying to use the state's resources both to support working class organisation, and to implement some of their aims.

In this the GLC was not alone. The new role of some Labour local authorities in trying to form alliances with some of their constituents against central government has been a feature of the 1980s, but the ground had been prepared for decades, with the growing centralisation of power in central government. The inflation and the spending cuts of the mid-1970s, implemented largely by a Labour government, had fallen heavily on the services provided by local authorities, so the basis for confrontation was already there. The cuts in resources forced on local government, especially in the cities, by the present government were only the final straw.

In this situation there was clearly a material basis for local authorities and citizens to get together to look for alternative economic policies for their local areas. The councillors and officers trying to change local government came from similar backgrounds and political influences. While they would mainly describe themselves as socialists of one stripe or another, they had no serious illusions of being able to 'plan' their local economies, whatever the titles of some of their fancier publications. The best that could be done was to try to understand what was happening and look for points where intervention was possible to halt decay, to redirect some kinds of development and to support the regeneration of self-organisation among their constituents. The 'socialist' content of their work, where people felt it existed, was probably chiefly in the last point.

The proper 'constituency' for the economic and industrial policy was a much fought-over terrain. In principle it included all the working people of London, including the lower paid, out of

work, non-unionised and unorganised. In practice it was more often the better paid and better organised who gained most, however fragile their strength.

It is true however that the number of people who came into contact with the GLC, or supported some of its ideas, was much wider than those who worked directly with County Hall or got a grant from it. The diverse community had no shared political expression, no lasting focus, certainly not the Labour Party. Few members of the public would have made any clear distinctions between the employment work and the wider activities of the GLC: the women's committee work, the ethnic minorities committee, the festivals. The high profile of the GLC, the way it tried to mix politics and entertainment, its effect in drawing younger people into some connection with politics, was exemplified in the big 'Jobs Festivals', the subject of a chapter of this book. The last one attracted a quarter of a million people, and they functioned as publicity for the GLC, as concerts, as political platforms and vast markets for ideas and information between hundreds of active groups.

The final test of the extent to which the GLC's activities did or did not give more power to working class people in London, is the question, what is left now? The GLC was under tremendous pressures, early on, from the probability of abolition, and those pressures affected the way resources were used. Did the GLC resources strengthen organisations or, as some feared, undermine them? No one in the GLC thought we were creating socialism now, but most of those who have written the chapters of this book believe that using state resources to strengthen the organisations of working class people, and developing the capacity of those organisations to put pressure on the state, is an essential element of working towards more economic democracy. It is not a very large ambition, when stated like that, but it is very difficult to do.

This then is a book about the GLC's economic policy, but about *how* as much as *what*; about political process as much as economic policy ideas. It does not cover all of the GLC's economic policies, and indeed omits several major areas of work of the Industry and Employment Branch. Though most of the chapters are written by people who worked for the GLC, we have tried throughout to put forward and discuss not only our own views but also the views of those who were on the receiving end, those who were 'GLC'd'.

All the experiences, diverse as they are, show very clearly that

how policy was developed determined what was achieved. In this, we think lie the most important lessons for future national or local policy makers. The most general ambition of the book is to try to inject into current discussions of Left economic policy a stronger sense of the way such policy must be shaped by a democratic political process. Any future political authority which thinks it can construct a progressive and successful economic policy without developing a *method* of constructing and implementing it in association with (and also sometimes in active contradiction with) those in whose interests it is intended to operate will be wrong. And thinking about the contradictions and the new ways of working this involves — especially at the national level — has to go forward now.