A BEACON FOR MERSEY MUNICIPALISM AND A SOCIALIST CITY REGION
First thing’s first: starting a conversation

This manifesto is a collective effort of Beacon, a new non-party platform for Liverpool.

The following is intended as a beacon for building a municipalist – that is, a radically democratic, socialist and sustainable – political economy for the Merseyside metropolis we now call the Liverpool City Region.
A CITY REGION OF CREATIVE CONTRADICTIONS

Is there any other city region that boasts such incommensurable – and creative – contradictions as Liverpool?

For its modest size it punches well above its weight in the global imagination, famous the world over for its football clubs, popular music, ingenuity and irreverent sense of humour. Yet historically it has been scapegoated and condescended to by its British – especially southern English – compatriots, labelled a 'basket case', a 'self-pity city' by the London-based press(30).

This ‘city of radicals’(5); of political militancy(3); of revolutionary ferment(55); of an entrepreneurial and anti-authoritarian ‘irebrand’ form of organising fed by strong anarcho-syndicalist currents of a transatlantic seafaring culture(53) – such fertile ground for democratic radicalism is simultaneously soaked with corruption, cronyism, clientelism, patronage and an anti-democratic, tribal ‘boss politics’.

Former Liverpool Mayor Joe Anderson is just the latest in a long lineage of political bosses who, unlike Joe, tend to evade arrest for alleged crimes.

The Caller Report(8) – publishing the damning diagnoses of a recent government inspection into Liverpool City Council's...
These recent controversies only aggravate the city’s deeply antagonistic, fractious relationship with London and the British state.

Regeneration Directorate – was less an exposé than an ‘official’ confirmation of what everyone familiar with local politics already knew.

These recent controversies only aggravate the city’s deeply antagonistic, fractious relationship with London and the British state.

In 1911, then Home Secretary Winston Churchill’s ordering of gunboats down the Mersey in response to the transport workers’ strike – when Liverpool famously came “near to revolution” — is matched today by the Tory despatch of government inspectors recommending the imperial near-takeover of the local state.

Those defiant working class agitations that provoked military intervention in 1911 – and spawned Liverpool’s foundational myth of radicalism — are now nowhere to be seen.

All that is apparent is an ongoing internecine struggle within the Labour Party and a Mayoralty looking increasingly superfluous next to the longstanding ceremonial Lord Mayor and the recently established Metro Mayor, with devolved powers across a range of policy areas and the opportunity to politically unite and synthesise economic strategies across Liverpool City Region’s six authorities.

While heartened by the Combined Authority’s growing powers and collaborative practices, we believe that pushing this emerging city-regional technocracy down more progressive paths is a necessary but not sufficient response to the conjuncture in which we find ourselves.

With most eyes still fixed on the parliamentary road to (municipal) socialism, we write this as a provocation to invest our collective energies in an extra-parliamentary radically-democratic movement for a new economic and social contract in this city region.
RED BOLOGNA AND THE NORTHERN QUESTION

What would a democratic municipal socialism look like today? That’s the question we hope might be answered in the Liverpool City Region in the years ahead.

In this call to action, we take inspiration from Bologna, Italy, and its project of municipal communism in the 1960s and ‘70s. Written in 1977, Red Bologna is an inspiring departure point, opening with this reflection with great political resonance for us today:

"The Communists in Bologna have not solved the crisis of capitalism in one area; nor have they developed a conception of socialism in one city. Rather they have offered a perspective on what it is possible to achieve within a determinate social system. They have provided the basis for introducing norms of conduct and public management different from those which have prevailed in Italy over the last thirty years. Most significantly, they have harnessed popular energies through an extensive system of democratic participation" (26).

The ‘determinate social system’ spoken here of Italy in the 1970s was marked by "a disequilibrium between North and South, country and town, seldom equalled in Europe" (26) – a claim that could just as convincingly be made about Britain in the 2020s.

But whereas Bologna was governed by the Italian Communist Party for thirty years, with a history of radical municipalist politics stretching back to the nineteenth century (27), located in the wealthy north of Italy, the capital of Emilia-Romagna, a region with strong traditions of cooperative organising, containing Europe’s most developed and concentrated cluster of cooperatively-owned manufacturing firms (28).

Liverpool, by contrast, is located in the peripheral, deindustrialised North of England – in many ways the equivalent of Italy’s poorest regions in the South.

Thirty plus years of agglomeration economics centred on London has loaded the UK with a world-beating ‘regional-national economic problem’ in which inter-regional inequality is unmatched by any other OECD country relative to national growth and development (38).

The UK economy is increasingly decoupling into a diverging range of fast and slow speed regional economies, with London at one end and the northern city regions at the other – their rural hinterlands lagging even further behind.

While the UK is merely average relative to Europe across important indicators – GDP per
capita, wages, R&D, innovation, immigration, energy and environment, quality of life, institutional engagement and social inclusion – the range of disparities on all these factors between regions within the UK mirrors the range across the entire Eurozone itself, a regional polarisation unlike any other European nation. The UK’s North-South Divide is now arguably deeper than Italy’s has ever been.

Writing on Italy’s ‘Southern Question’, Gramsci protested that the “northern bourgeois has subjugated the South of Italy and the Islands, and reduced them to exploitable colonies”. Just as Gramsci saw Italy’s Southern Question as “one of the essential problems of the national politics of the revolutionary proletariat”, Tom Hazeldine frames England’s Northern Question as one of the bourgeois domination of London and the Southeast over English (and British) political economy.

Qualifications to this parallel notwithstanding – for instance, Northern England’s historical role as the industrial powerhouse of Britain versus Southern Italy’s industrial underdevelopment – the Northern Question highlights the gross disparities in political power. While London and the Home Counties have produced ten post-war prime ministers, only two have come from the North. Hazeldine quotes Tom Nairn’s skewering of the UK as less a national state than “a southern-lowland hegemonic bloc uniting a hereditary elite to the central processing unit of commercial and financial capital”.

Yet Liverpool has never felt comfortable as a mere provincial outpost of London; vying with the capital in the nineteenth century as a centre of economic, cultural and even diplomatic power – with foreign embassies choosing to locate in Liverpool over London owing to its imperial importance; the first consulate of the United States of America opening here in 1790. The city’s meteoric rise as the preeminent port of the British Empire’s transatlantic slave trade bestowed immense and illicit riches – evident in its architectural and infrastructural heritage, with more listed buildings than any other British city outside London; the iconic Liver Building inspiring art deco imitations in Manhattan and Shanghai’s Bund district.

The subsequent fall from colonial grace was swift and brutal. By the 1980s, with the reorientation of global trade away from the Atlantic and Britain’s turn towards Europe, Liverpool was “marooned on the wrong side of the country”, languishing with mass unemployment, depopulation and deepening deprivation following closures of the docks and collapse of maritime industries.

Like its northern counterparts, the city region was left stranded on the outer margins of a new, neoliberal economic model based on financial services and tightly orbiting around London. Thatcher’s brave new world of market deregulation, public asset stripping, financialised commodity trading and private property investment stoked the flames of the FIRE industries (Finance–Insurance–Real Estate) to overheat the economy of London and the
Southeast while leaving to smoulder – sometimes, with violent pyromania, burning to the ground – the maritime, mining, manufacturing, logistics and foundational sectors of the North and West.

England’s North-South Divide had never felt starker than in the Liverpool City Region of the 1980s.

Unemployment rates in the dockside communities on both sides of the Mersey reached astronomical levels – at its worst, over 90% for young black men in Toxteth, helping spark the 1981 Uprising or what the press labelled the ‘Toxeth Riots’. Then Minister for Merseyside (now Lord) Michael Heseltine was parachuted in to the city, with missionary zeal, to heal the pain in the aftermath of the riots.

His leveraging of substantial public and private investment in property-led redevelopment of the docks, including the Albert Dock, in the whimsical Garden Festival project, and in enterprise zones, through the Merseyside Development Corporation – one of the first of its kind globally, alongside London Docklands – no doubt had some hand to play in pulling the city ‘back from the brink’ of economic ruin.

For his efforts, Heseltine was honoured with his name bequeathed to a new public policy institute established at the University of Liverpool in 2011 – an institute overseen for many years since by Michael Parkinson, in some sense the protégé of Heseltine, and who published policy reviews such as ‘An Independent Assessment’ of Liverpool’s Elected Mayor 2012–16, which opens with this quote from Heseltine himself:

Joe played a pioneering role in delivering devolution in this country. He was the first of the big city leaders to seize the opportunity of an elected mayor.

The economic vision promoted by Heseltine provided fertile soil for the seeds of what was eventually exposed as a corrupt model of property-led development that aimed to attract Chinese investment into Liverpool and line the pockets of speculators.

It was part and parcel of the centralising and privatising neoliberal approach ordained by Thatcher and dominated by London; Heseltine just the latest – albeit relatively benign – parachutist despatched from the central state.

Fast forward thirty years, and little had changed. The next round of Tory parachutists – led by George Osborne – came in ceremonial hard hats and hi-vis jackets with promises of high-speed rail.
The Northern Powerhouse was yet more agglomeration economics – only centred on Manchester, to provide a counterweight to London – dressed up as an integrated industrial strategy and transport connectivity plan.

If the Tories had ever been that serious about creating a genuine Northern Powerhouse to compete with London, they might have invested early in the much-promised Liverpool–Hull high speed railway rather than relegating it to HS3 behind the London-centric HS2 and Crossrail.

But even if this grand infrastructure project ever materialises, this will likely only further concentrate resources in Manchester, pulling in commuters while pushing up property prices along its route – just as HS2 is likely to do for Birmingham and the northern cities.

With the changing of the guard in successive Tory governments, as Chancellor Osborne was succeeded by Hammond, Javid, then Sunak, the Northern Powerhouse was likewise replaced by Local Industrial Strategies based on ‘inclusive growth’ and then by the confused and inchoate non-policy of ‘levelling up’ – with no real departure from the neoliberal norm.

In response to the Covid-19 pandemic, the Government pledges to ‘Build Back Better’ and urges localities to develop plans in this alliterative vein – but ‘better’ remains a slippery term; better for whom, for what exactly?

Little wonder we now see stirrings in the North for an alternative political settlement. The search for alternatives to a neoliberal Labour Party, both outside and within the party itself, will continue. However, the lack of leadership for the labour movement – both politically and in the workplace – is an ongoing problem.

With Labour councillors and Labour councils imposing austerity cuts of previously unimaginable magnitude since 2010, removing stable jobs from the post-industrial North, exercising agency at the local

level is one of the few options still available to us.

In the Liverpool City Region, Beacon has been founded as a non-party platform to promote the cause of democratic socialism and self-governing regional independence from London and the Southeast.

Beacon aims to provoke a public conversation and political action about autonomy at the more tangible, governable and lived scale of the city; to provide an initial framing and manifesto for a radical municipalist vision for the Liverpool City Region.
A HISTORY OF MUNICIPAL SUCCESS AND FAILURE

Beacon is not starting from nowhere, but building on a legacy of municipal innovation and defiance and working class radicalism. Liverpool City Region has all the modern makings of its own distinctive brand of radical municipalism.

Liverpool’s municipal engineers pioneered the construction of inter-city railways, underground, over-head and underwater metro systems, electric tram networks, modern sewers and technical schools, including the world’s first dedicated to urban planning, Liverpool University’s School of Civic Design, and built amongst the world’s first public parks and municipal housing.

The Liverpool Corporation – predating the city council – passed path-shaping legislation on health, housing and sanitation that would inform national state intervention in these areas.

Municipal entrepreneurialism runs right through its history – a history that urgently needs rediscovering today.

Yet the city also made some cataclysmic public policy mistakes that still reverberate through the region.

Not least amongst them the decision, in the 1960s, to relocate tens of thousands of inner-city residents out of decaying Victorian housing into ‘overspill’ new towns and outer estates on the metropolitan periphery, in places such as Huyton, Kirkby and Runcorn in the surrounding boroughs of Halton, St Helens, Knowsley, Sefton and Wirral, which together with Liverpool constitute the city region’s six local authorities (as well as beyond the current city region boundaries, in the likes of Skelmersdale and Winsford).

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Writing in 1980 in Merseyside in Crisis – an inspiring pamphlet for our present purposes – the Merseyside Socialist Research Group characterises local state officials as “managers of discontent” and their comprehensive redevelopment schemes, including the so-called Slum Clearance Programme, as the city’s “Second Blitz”:

“Between 1966 and 1977 the heart was torn out of Liverpool… 15% of land is either vacant or derelict.

The largest amount of open space in any city in Britain.

A testimony to the folly of politicians and planners... Clear the slums, build a motorway system to the docks, rehouse people on the estates... The population of the inner city was cut by half in these ‘boom’ years – 800,000 to 500,000...

The docks were rationalised, rates were lost and the money ran out...The people of Liverpool...
have to live with the devastation that remains."(42)

The situation was possibly worse for those ‘decanted’ under these brutal policies.

The new jobs in manufacturing branch plants, the social infrastructure and transport connections promised for the ‘overspill’ estates never fully materialised, leaving these fabricated communities isolated from economic opportunities and severed from the social ties and solidarities that had sustained everyday life in the old ‘slums’.

Tony Lane, a prominent member of the Merseyside Socialist Research Group, put it like this:

“The situation of the perimeter estates is in many ways similar to that of the dockside areas.

The recent run-down of manufacturing industry, mostly located on the city perimeter, has shoved up the unemployment rate in those areas.

While multi-storey blocks are not quite such a prominent feature, the vast open spaces, the absence of localised meeting places and the fact that most of these estates have only been populated by two generations has left them without a collective character, without a history. The blitz is evident here too.”(29)

These bleak conditions – and the failure of the Liberal minority-controlled Liverpool City Council to improve upon them in the ‘lost decade’ of the 1970s – provided the ground for an upswell in popular support for a Militant Tendency-led Labour administration (1983–86) to pursue a municipal socialist programme of council house-building and investment in public services and urban infrastructure, with its creation of new jobs in construction.

This paved the way for Liverpool’s economic recovery in the following decade – arguably doing much more to propel the city ‘beyond the brink’ than Michael Parkinson claims for the subsequent neoliberal growth model.

In 1985, the refusal of Liverpool City Council to set a budget, in defiance of new government restrictions on local spending, led to an ‘extraordinary audit’ and the surcharging and disqualification from office of 49 councillors.

The rate-capping rebellion demonstrated both the power and the limits of municipalism. The parliamentary road to socialism is so often blocked by obstacles.

Yet Liverpool’s Militant brand of municipal socialism also undermined and alienated the real source of municipalism – those grassroots social movements experimenting with forms of local democracy and democratic ownership.

Believing housing cooperatives to be an ‘elitist’ device for ‘queue-jumping’ council waiting lists – a ‘Tory-Liberal plot’, the ‘gravedigger of municipal housing’ – Militant set about ‘municipalising’ any local co-ops under development and ‘smashing’ the burgeoning co-op movement.

In response, the co-op movement took wing to
neighbouring Knowsley, where it nested through the 1980s, before hostile neoliberal reforms ensured all eggs were smashed. Militant mistook their cooperative allies as their political enemies, revealing their hand as uncompromisingly centralist, anti-democratic and authoritarian in their paternalistic prescriptions. Any radical resurgence today should heed the various failings of this municipal socialist project.

Through the neoliberal era, local authorities’ hands have been increasingly tied by central state impositions restricting their financial borrowing and spending powers, their capacities to build, own and manage public housing, and to deliver essential public services such as street maintenance and social care.

The introduction of competitive compulsory tendering and best value regimes – by Tory and New Labour Governments respectively – for the procurement of public services previously delivered by councils themselves has presented additional resource and capacity burdens as well as barriers to achieving municipal socialist ends.

Since 2010, austerity was brought back in by the Tories with a vengeance, of up to 60% budget cuts for Labour-run urban authorities across the North, leading to the ‘strange death of municipal England’(14).

Prior to the Covid-19 pandemic, local authorities were being pressured to become financially self-sufficient by the early 2020s, through the local retention of business rates and the phasing out of block grants from central government.

This would have left multiply deprived authorities such as those in the Liverpool City Region in dire straits.

The tightening knot of constraints has led council leaders and officers in the Liverpool City Region to take increasingly desperate and creative measures to square the circle of meeting rising demand with dwindling resources.

In Liverpool, in a curiously titled article ‘Miracles can happen…’, then Cabinet Member for Neighbourhoods Cllr Steve Munby celebrated the council’s ‘innovative’ and ‘entrepreneurial’ approach to dealing with the cuts by, for instance, offloading six expensive buildings to the voluntary sector to “concentrate our spending on providing youth and play activities in them, not building maintenance”(44).

The latter, presumably, gets left to the voluntary sector to pay out of charity and philanthropy; while staff numbers were “cut by half” to save “50 per cent out of spending on direct council provision”.

Government cuts handed down to voluntary associations reliant on civic volunteerism to mop up the mess is nothing to celebrate. Creatively passing the ball of austerity to weaker players rather than tackling it head on is a far cry from Militant’s refusal to play this game rigged from the start.

Munby also cites the outsourcing of street cleaning, maintenance and refuse and
recycling to a spin-out subsidiary Liverpool Streetscene Services Ltd – a company coming under fire in the Caller Report for mismanagement, stating it’s “hard to see if this operation is truly being operated as a company” with a “lack of control over expenditure making the management of budgets impossible”.

These are the outcomes one would expect from a neoliberal model of ‘municipal entrepreneurialism’ driven by councillor diktat and bureaucratic incompetence lacking any clear accountability.

Things look better in Knowsley, where the council leader and leading officers have reimagined their ‘influenceable spend’ as a regeneration budget to reinvest locally through firms that employ local labour and generate social value for deprived communities.

This involves utilising the 2012 Public Services (Social Value) Act to pursue a progressive procurement strategy to match Preston’s as part of their ‘keeping the £ local’ agenda; alongside redirecting 1% of their £100 million procurement pot into a £1 million grant fund for smaller community-based organisations who otherwise would struggle through the tendering process.

Knowsley’s successful model is now influencing city-regional policy, where the real opportunity for change resides.

With local authorities so constrained by government regulation and successive waves of neoliberal straight-jacketing, we should look to the city-regional scale for transformative potential.
However, with the defeat of Militant, the Greater London Council and the other metropolitan municipal socialists of the 1980s, and the consolidation of Thatcher’s neoliberal project in New Labour and its Tory successors, the devolved city-regional governance structure taking shape in Liverpool from 2010 was made in her image. For the newly-formed Local Enterprise Partnership, the public-private partnership responsible for the city region’s economic development, Heseltine’s ‘build it and they will come’ approach to local economic development was the only game in town.

The contemporary embodiment of this is Mersey Waters Enterprise Zone, split between Wirral Waters and Liverpool Waters on each side of the Mersey, both led by the omnipresent private developer Peel Holdings. Peel’s original £5.5 billion Liverpool Waters scheme – Britain’s biggest planning application – was inspired by the colossal architecture of the 2010 World Expo in Shanghai, Liverpool’s twin city, but had to be scaled right back in light of threats to its UNESCO World Heritage Site status.
After nearly a decade of enterprise zone designation, we are yet to see anything like the complex of towers dubbed ‘Shanghai-on-Mersey’ – nor have any idea how this would resolve the complex socioeconomic problems facing neighbouring dockside communities or the rest of the city region’s population.(64)

The latest policy concoction cooked up in Sunak’s home economics class is for ‘freeport’ designation – for which Liverpool has competed and ‘won’.

This half-baked rehash of the 1980s Enterprise Zone aims to stimulate commercial port activity through the usual tax concessions, customs deregulation and simplified duties.

But new businesses and jobs are not newly created so much as displaced from elsewhere, relocating to take advantage of state subsidies. And so neoliberalism continues to be a zero-sum race to the bottom.

None of these boosterist interventions – relatively unchanging from the 1980s to the 2020s – has made a dent in the multiple deprivations and huge inequalities dividing the Liverpool City Region.

In the 2019 Index of Multiple Deprivation, Knowsley and Liverpool local authority areas scored 2nd and 3rd worst performing out of the 326 local authority areas in England – a ranking remaining remarkably consistent since the 1990s, if worsening slightly since 2015. Sefton and Wirral remain far less deprived – and St Helen’s and Halton to a lesser extent too – but all remain within the top 100 most deprived nationally.

Adequate access to health, education, transport, housing and even food in these disadvantaged areas is sorely lacking.(49)

The spatial concentration of multiple interlocking deprivation in particularly marginalised neighbourhoods across the city region creates an uneven, fragmented geography and imposes additional strains on health, welfare and other essential public services.

Liverpool is identified as a low wage, high welfare urban economy, with high levels of worklessness and in-work poverty, and low levels of skills and qualifications attainment(11).

Liverpool’s labour market is polarised between, on the one hand, highly paid, high value creating and high skilled jobs in, for instance, advanced manufacturing, pharmaceuticals and digital industries and, on the other, extremely precarious, under-paid and purportedly ‘low’ skilled jobs in the hospitality, retail, tourism and social care sectors(49).

A big problem is poor student retention, with graduates leaving
for Manchester or London rather than investing their skills locally; another is the continuing in-flow of commuters from wealthier suburbs, often outside the Liverpool City Region – and the out-flow of their incomes earned in high value jobs in the ‘innovation assets’ identified by the Local Enterprise Partnership (LEP).

Plugging the leaks in the local economy remains a major priority.

The LEP’s ‘Growth Strategy’ focuses on supporting high-tech but low employment industries – across seven ‘growth sectors’ – that may well generate productivity and profits for firms but fail to deliver the employment generation the populace desperately needs, especially in the context of technological unemployment, as machines, robots, computers and algorithms continue to replace human labour in these sectors.

Better yet would be to focus on improving conditions and increasing opportunities in the high employment-generating sectors in the social economy and foundational economy, such as health and social care, education, food growing and distribution, retail, entertainment, green energy and logistics.

The conspicuous drivers of wealth creation remain tourism, higher education and property investment.

The universities attract thousands of domestic and foreign students with deep debt-lined pockets, driving up rents and creating a bonanza in student accommodation.

Tourists continue to pour into the city centre, likewise creating a boom in construction, catering and night-time entertainment.

But where is the money going? How is it flowing and multiplying through local labour markets and supply chains, if at all?

It’s no secret that much of Liverpool’s urban revitalisation is tied into dodgy deals, with alleged links to money laundering and organised crime networks, some cases reaching as far as council officers and elected representatives, both past and present.

Following multiple council related arrests, the Caller Report suggests as much as £100 million in public assets have been squandered by Liverpool City Council alone in “dubious contracts” amidst “an environment of intimidation”.

The various Conservative-led administrations that have been in power in Westminster since 2010 have boasted of “record numbers of people in work” and job creation.

Official unemployment has remained lower in the UK than in many comparable economies, yet this masks the true picture. In the last decade, zero-hour contracts have exploded.

Workers are exploited through bogus ‘self-employment’ in sectors such as food delivery and courier services; while companies control the work process and shed their responsibilities, categorising employees as ‘independent contractors’, leaving workers with little or no rights.
Much has been made of the construction ‘boom’ in Liverpool in recent years, yet many workers in the construction industry are subject to similar employment practices, often made to wait months for pay by unscrupulous contractors awarded public contracts. The Liverpool City Region has prioritised attracting ‘inward investment’ to create jobs. This is a strategy that has been tried before with disastrous consequences – many companies were enticed to the area by government inducements in the post-war period (particularly to the new industrial estates in places like Kirkby) only to shut down production and move it elsewhere a decade or two later, leaving behind a legacy of unemployment and deprivation.

Capital is more fluid and free-flowing than ever; able to extract ever larger public concessions. Municipalities are falling over each other to offer tax inducements to the likes of Amazon to locate ‘fulfilment centres’ in their locality, overlooking gross worker exploitation and serious health and safety infringements to do so. In this familiar race to the bottom, to score the political victory of attracting a ‘major employer’, Liverpool recently ‘lost out’ to Warrington, but not for want of trying.

But the Liverpool City Region is much more successful at playing the entrepreneurial ‘regeneration game’(58). Since the post-war invention of urban regeneration policy, almost every single government programme has been tried and tested in Liverpool – from the Community Development Projects of the late 1960s, through the Inner City Partnerships and Housing Action Areas in the 1970s to Urban Development Corporations and Enterprise Zones of the 1980s to the Single Regeneration Budget and City Challenge in the 1990s to New for Communities and Housing Market Renewal in the 2000s.

The EU has awarded Merseyside billions of euros from EU Structural Funds since the 1990s. Boosterist culture-led regeneration – exemplified by European Capital of Culture in 2008 – has pulled people and purchasing power into Liverpool city centre, but left surrounding areas untouched.

Without structural changes to ownership of economic assets and resources, all that such regeneration amounts to is ‘gilding the ghetto’ – as the damning final report for the Community Development Projects put it back in 1977, telling us all we needed to know about the subsequent thirty years of under-performing regeneration programmes(10). But with Britain now out of the EU and regeneration funding all but halted under austerity – aside from such tokenistic gestures as the Towns Fund and the empty rhetoric of ‘levelling up’ – the city region can rely on winning state handouts no longer. This is a bankrupt model; it pathologises people and place, forcing communities and organisations to demonstrate their deprivation in order to qualify for support, risking a self-fulfilling prophecy.
At the same time, boosterist private sector investment strategies pull in opposing directions to demonstrate to potential investors the existence of lively labour and dynamic property markets that can turn a healthier profit than global competitors.

Public funding is thus used to subsidise a plethora of cultural, creative and knowledge quarters, fashion and fabric districts, technology centres, incubator hubs, sensor cities, science accelerators, innovation spaces and so on – spaces that tend to be located in vibrant urban centres and so often fail to reach those who most need help to access new labour markets (37).

This schizoid mentality of simultaneously promoting poverty and primacy only helps perform this socio-spatial polarisation more dramatically into material existence; distracting policymakers and politicians from the real task at hand.

That task is to develop local supply chains that employ local labour and create social value and to connect these to the seven growth sectors and the procurement flows of key anchor institutions;

It’s to create new jobs in the green economy through municipal enterprise for those currently excluded from, or exploited by, the polarised labour market;

It’s about investing in skills training and apprenticeships, as well as political education and collective capacity-building for self-governance and participation, in those communities most isolated from the limited new economic opportunities; and it’s about democratising the economy and socialising land through community wealth building.

Rather than desperately looking upwards to state subsidies or outwards to global speculative investment – competing with other places duped into this false economy, further inflating illusory economic bubbles and widening the disconnect between city image and lived reality – the Liverpool City Region should instead turn inwards to develop latent capacities, invest in communities and cultivate its plentiful place-based assets.

Faced with the prospect of repeating the failures of neoliberal growth ‘strategies’, the Liverpool City Region now has a choice to make:

Whether to continue the zero-sum game of playing the regeneration racket and global property casino or, rather, to pursue a different trajectory based on its rich cooperative and democratic-socialist history; whether to mimic an authoritarian state-capitalist regime to build Shanghai-on-Mersey or, alternatively, to take inspiration from cooperative exemplars in Emilia-Romagna and the Basque Country to build ‘Mondragón on the Mersey’.

A Beacon For Mersey Municipalism And A Socialist City Region
From Shanghai-On-Mersey To Mondragón On The Mersey
A Beacon For Mersey Municipalism And A Socialist City Region
If Cleveland And Preston Can Do It, Why Can’t Liverpool?

IF CLEVELAND AND PRESTON CAN DO IT, WHY CAN’T LIVERPOOL?

The Mondragón Cooperative Corporation in Basque Spain is the world’s most successful large-scale cooperative federation, employing over 80,000 workers in around 260 high-tech, industrial, service, construction, financial, and other cooperatively-owned businesses.

A key early innovation was the establishment in 1959 of the Caja Laboral bank – a ‘co-op of co-ops’ which enables Mondragón member co-ops to pool their resources to finance further co-op development autonomously from the state and capital.

The Mondragón model is for a regionally federated network of co-ops which are each mandated to reinvest 10% of their surpluses in charities, 45% in Mondragón’s collective reserves, leaving 45% for co-op capital accounts.

Although the group hasn’t always lived up to the political desires invested in it, compromising on its cooperative principles in order to compete in global capitalist markets, cooperative ownership ensures high levels of equality, wellbeing and welfare for its members and democratic participation in the management of the local economy.

Mondragón has inspired community wealth building models in both Cleveland, Ohio, and Preston, Lancashire.

In Cleveland, a Rustbelt city suffering from severe deindustrialisation, city leaders adopted innovative local economic development centred on anchor institutions – large civic organisations anchored to their locality – and their powerful local spending capacities.

The logic is simple: rather than continue relying on big multinational corporations or private investors – whose footloose profit-seeking encourages restless roving for pastures more profitable – Cleveland policymakers focused instead on existing place-based assets and the power of anchor institutions to cultivate those assets through their supply chains.

Cleveland shares many characteristics with the City of Liverpool: losing over half its population to economic decline since its demographic peak in 1950 of around 900,000 inhabitants to Liverpool’s comparable drop from its post-war high of over 800,000 to around 400,000 by the turn of the millennium.

To reverse this downward trajectory, Cleveland has adopted a ‘three-legged stool strategy’:

1. Leveraging the purchasing needs of anchor
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institutions for the local economy;
2. Cultivating a network of community-based and worker-owned cooperatives based on Mondragón and geared towards meeting those procurement needs;
3. Exploiting strategic opportunities emerging in the green economy to link up educational and medical institutions with future sustainable growth.

With the financial support of the region’s largest philanthropic institution, the Cleveland Foundation, the Evergreen Cooperative Initiative was established – a connected group of co-ops dedicated to worker-owned job creation, democratic workplaces and ecologically-sustainable community economic development.

Three prominent co-ops currently comprise the network:
1. The flagship Evergreen Cooperative Laundry provides laundry services for local hospitals and universities, with the smallest carbon footprint of any industrial-scale laundry service in Ohio;
2. Ohio Solar Cooperative installs and maintains photovoltaic solar energy panels for anchor institutions and other commercial buildings;
3. Green City Growers Cooperative runs a huge hydroponic greenhouse for local food production for retailers and wholesalers as well as export.

Co-op employees have democratic input into decision-making; after a six-month probationary period, employees begin to build an equity stake in the co-op, with potential for a large share to provide much-needed economic security for families in declining neighbourhoods.

Further co-op development is encouraged through the Evergreen Cooperative Development Fund, initially capitalized by $5 million in grants, largely from the Cleveland Foundation, but increasingly replenished from co-op surpluses.

Modelled on Mondragón, each of the Evergreen co-ops pay 10% of pre-tax profits back into the fund to help seed the development of new co-ops.

Whilst this initiative hasn’t solved all of Cleveland’s problems, it’s made huge progress towards economic revitalisation – employing hundreds of local people otherwise stuck in structural unemployment; creating spin-off economic activity through local multiplier effects;
• Strengthening connections between anchor institution and local people for place-based civic engagement;
• Refocusing highly-competitive, futile inward investment strategies on existing assets, self-sufficiency and ‘foundational’ everyday economic activities like food, energy and laundry;
• Re-localising production and consumption and
strengthening self-sufficiency, by cutting reliance on economically and environmentally costly global imports;

• Transitioning to a more ecologically sustainable economy;

• Creating the conditions for economic democracy and empowerment in marginalised communities;

• Improving workplace conditions; and providing a new vision for future prosperity.

The Cleveland model has already been successfully imported to the UK – in the Preston model(12).

Early achievements of a strategy led by local councillors, notably Matthew Brown, was for Preston City Council becoming the first formally accredited Living Wage Employer amongst local authorities in the North of England – encouraging local anchor institutions to follow suit.

From 2013, the Manchester-based ‘think and do tank’ Centre for Local Economic Strategies (CLES) supported the council to engage anchor institutions – including both city and county councils, FE colleges, a community-owned housing association – and push for ‘influenceable spend’ to be redirected through local supply chains.

The 300 suppliers for these initial six anchor institutions amounted to £750 million per annum in 2013.

As a result of the procurement reforms, procurement spend with Preston-based organisations of Preston City Council alone rose from 14% in 2012/13 to 28% in 2014/15, and by 2016, some 26% of employees of suppliers to the City Council were resident in Preston; 43% were resident in wider Lancashire; with 800 jobs created in Preston and 950 in wider Lancashire.

With the University of Central Lancashire (UCLAN) and the Lancashire Teaching Hospitals joining the project, there are now 12 anchor institutions participating, with over £1.2 billion spend available to be strategically reinvested back into the Preston economy.

Allied to this is the extension of local democratic ownership through community land trusts; the development of a new credit union, which now has over 500 members; and leveraging of local public and trade union pension funds towards investment in the local economy, with about £50 million secured for local investment thus far.

Here, much can be learned from the ‘Solidarity Funds’ that have been so successful in developing an inclusive social economy in Quebec, Canada(41).

The important second stage of the Preston action-research project is to strengthen the capacity of local cooperative suppliers to meet procurement needs.

Preston Co-operative Development Network has been established with the support of UCLAN and philanthropic funding from the Open Society Foundation for the incubation of 10 local work-owned co-ops.
Cooperative business training is being built into entrepreneurship courses for students and graduates of UCLAN.

The cooperative development agencies Co-ops UK and Stir to Action have been commissioned by the Council to advise on strategy and begin the long, slow process of promoting public awareness, cooperative education, skills training and capacity building specifically in those marginalised, ethnic-minority communities that could benefit from it most.

While worker-owned cooperative development has lagged behind progressive procurement in Preston, due to a lack of existing social infrastructure – this is something the Liverpool City Region has in abundance.
A Beacon For Mersey Municipalism And A Socialist City Region

If Cleveland And Preston Can Do It, Why Can’t Liverpool?
With the Liverpool City Region’s existing ecosystem of cooperatives and social enterprises, coupled with its strong base of regional anchor institutions (including four universities, six local authorities and many more large housing associations) and complemented by a growing network of ‘community anchor organisations’ at the neighbourhood level, there is great scope for replicating the best parts of the Mondragón, Cleveland and Preston models to create Mondragón on the Mersey.

There is already a flourishing social and solidarity economy rooted in longstanding traditions of cooperative action. Liverpool and Knowsley boast one of the largest and most innovative urban housing co-op movements in Britain if not Europe, driven by working class former-council tenants to produce around 50 co-ops of which 35 are still functioning today, despite Militant municipalisation and neoliberal degeneration.

Multiple community development trusts emerged alongside the co-ops in the 1980s, notably Alt Valley Community Trust, with a resurgence in the 2010s in response to austerity, including...
SAFE Regeneration and the community land trusts Homebaked and Granby Four Streets.

These stewards of community-owned land; catalysts for neighbourhood regeneration; incubation hubs for social enterprise start-ups; centres for skills training, apprenticeships and health and wellbeing provision; and arenas for local democratic decision-making – community anchor organisations have great potential to form the missing link in the Preston and Cleveland models; conduits for anchor institutional spend to flow through those communities most isolated from limited market opportunities.

Developing the cooperative ecosystem here would require less top-down intervention than in Preston or Cleveland; opportunities are greater for democratic coordination and cultivation of existing practices.

Multiple networks and associations already operate to coordinate the activities of various overlapping movements and sectors of the social and solidarity economy.

For instance, the five Councils for Voluntary Services (CVS), representing the countless charities and informal voluntary associations of the six districts (Halton and St Helens CVSs merged due to financial difficulties), are formally federated at the city-regional scale as VS6, and at the northwest regional level as Voluntary Sector North West, bringing Liverpool and Manchester city-regions together.

The social enterprise sector had its own platform, the Merseyside Social Enterprise Network – established in 2000 as the first city-regional organisation of its kind in the UK – until it folded (due to mismanagement and financial difficulties)

The co-op movement, meanwhile, is more marginal and less well-organised; the Merseyside Federation of Housing Co-operatives was founded in the early 1980s, during the heyday of co-op movement-building, but disbanded in the 1990s.

The Social Economy Panel was established in 2016 precisely in order to fill these gaps and unite these disparate sectors around the common goals of economic democracy, equality, solidarity and justice; to provide a political voice and platform for promoting these principles within local policymaking agendas.

As we explore below, the Panel has had some success in opening the Overton Window in the city region.

At the same time, the national funder of community business,
Power to Change, has been investing heavily in the city region; supporting the development of a network of community anchor organisations such as SAFE, Alt Valley and Granby Four Streets and Homebaked CLTs. Some participants of this emerging network are exploring the idea of connecting ‘Fearless Neighbourhoods’ together, riffing off the Fearless Cities global network of radical municipalist city platforms led by Barcelona en Comú(51).

In the realm of housing, this organising has led to the formation, in 2020, of the Liverpool City Region’s Community-led Housing Hub, following in the footsteps of similar hubs in Manchester, Leeds and London. Its official launch in February 2021 as Breaking Ground with a week-long programme of public events represents the beginning of a more open city-region-wide conversation about how to build a community-led movement in housing and other foundational sectors of the economy; about how to scale up and mainstream activities without undermining their democratic potential or bureaucratising their creative energies.

Yet Breaking Ground is precariously reliant on the time-limited philanthropic funding of Power to Change, itself endowed by the National Lottery Fund. This is no way to finance movement-building for the social and solidarity economy. An alternative investment source is urgently needed – something comparable to the Cleveland Foundation but without the burdens and prescriptions of philanthropy.

One route is to follow Preston’s lead and explore the possibility of public pension funds investing in local enterprise – but this comes with the fiduciary strings attached of having to turn a healthy profit for the expansion of pension pots, something unsuitable for the solidarity economy.

A more convincing route would be to pool the existing assets of the cooperative movement – particularly the housing sector, with some £2 million estimated reserves just sitting in co-op bank accounts crying out for redeployment in patient capital lending(48). But is this enough?

Another is to harness the funding made available through the devolution process – the £900 million Strategic Investment Fund administered by the Combined Authority providing £30 million p.a. for 30 years. But is the emerging city-regional governance structure sufficiently democratic or accountable to its citizens?
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Red Bologna And The Northern Question
Our present problems of governance have been largely imposed on us from central government. Some of these problems stem from the fiscal crisis that faced Liverpool City Council in the 1970s – ‘the lost decade’ of Liberal minority rule\(^{(14)}\) – the continuous under funding of public services leading to the stand-off between Militant and Thatcher in the 1980s.

One of the main lessons to take from the embittered arguments of that time has to be the unity gained from the wider city region working collectively.

Between 1974 and 1986 Merseyside County Council operated as a second tier of local government, acting as a strategic body for Merseyside and based on the model of Greater London Council (GLC).

It was a short-lived experiment, initiated by Heath’s Conservative Government (1970-74 and abolished by Thatcher undoubtedly in response to the political resistance offered by the six Metropolitan County Councils and the GLC. Merseyside residents were served well by favourable public policies over transport, police, the environment and coordination of borough authorities.

This provides a recent historical experience of metropolitan collaboration to be resuscitated in the Liverpool City Region in the 2020s.

Devolution to English city regions has since 2014 created 10 Combined Authorities, 8 of which with directly-elected ‘Metro Mayors’, including the Liverpool City Region, modelled on US cities.

Working within this new Mayoral metropolitan structure are Local Enterprise Partnerships (LEPs) – 39 established across England in 2010 with responsibility for local economic development and enterprise strategy.

Combined devolved powers include local economic strategy, housing, transport, some education and some healthcare with very modest financial support, without displacing local authority grant funding or statutory responsibilities.

Influencing the policy instruments of these new governance institutions is an important goal of democratizing the local economy – and progress is already being made in this direction – but, as we argue below, unless the governing processes themselves are radically democratised such progress remains vulnerably dependent on the ideological whims of elected politicians and unelected officers.

The lobbying of the Social Economy Panel for inclusion of the social and solidarity economy (SSE) into city-region policymaking resulted in the formation, in 2020, of the SSE Reference Panel under the...
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Kindred’s mission is to offer finance that is more empathetic and sensitive to the needs of the SSE. It is developing solidarity funding and ‘pay it forward’ reciprocity in finance to overcome the alienating language of ‘loans’, ‘capital’ and ‘investors’.

Membership of Kindred – the basis of its ownership – will be incorporated organisations in the city region’s SSE demonstrating social impact, active engagement in communities and asset locks.

In September 2020, Metro Mayor Steve Rotheram commissioned CLES to facilitate the Liverpool City Region Land Commission, the first city-regional land commission of its kind in the UK (57).

The Commission’s remit is to make radical recommendations for combined and local authority policy over the use of publicly-owned land and under-used or vacant privately-owned land.

The forthcoming final report will outline a radical policy agenda for public-common partnerships, a democratically-governed regional land trust and community land banking designed to better enable co-ops, social enterprises and community associations to access land coming up for sale or public disposal or through new compulsory purchase powers granted to the Metro Mayor as part of the devolution deal.

The LEP and Combined Authority’s draft Local Industrial Strategy, published in March 2020, makes a commitment to the SSE, stating that by empowering social innovators, public policy can expand “the social economy by providing investment opportunities for new start-ups and scale-up funding for existing social organisations with growth potential” (67).

Alongside the Metro Mayor’s Fair Employment Charter (68) and the Fairness and Social Justice Advisory Board (69), these initiatives show the Liverpool City Region moving in the right direction.

The Combined Authority has partnered with Power to Change to establish Kindred, an independent social enterprise governed by activists and practitioners in the local SSE, funded by but formally outside of the Combined Authority.

Auspices of the Combined Authority, as well as an additional sector board to represent the SSE within the LEP, alongside the existing seven growth sector boards.

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A POLICY PLATFORM FOR MERSEYSIDE MUNICIPALISM

In addition, a municipal socialist Liverpool City Region would develop a more radical policy platform. Rather than pursue Heseltine-style public-private partnerships, the Combined Authority should focus on developing public-common partnerships, as it has already begun to explore with initiatives such as Baltic Creative\(^{(56)}\).

Public-common partnerships are democratically-governed joint enterprises jointly-owned and managed by the local state and community associations; jointly-capitalised by state investment and community shares, crowd-funding, charitable grants and membership fees; with surpluses reinvested for public benefit and the incubation of further public-common projects to “create an ever-expanding movement of de-commodification and collective democratisation.”\(^{(43)}\)

Alongside Mondragón-inspired cooperative development, the Cleveland anchor institutional model, Preston-style progressive procurement strategies and Liverpool-inspired community anchor institutional provision, public-common partnerships provide the foundations for an alternative industrial strategy for the Liverpool City Region.
“The Combined Authority should focus on developing public-common partnerships, as it has already begun to explore with initiatives such as Baltic Creative.”

**Socialising The Economy: Cooperative production**

- Establish a Cooperative Incubator for the development of worker-owned co-ops and their eventual coordination as a Federation; drawing on the resources of cooperative educators in the universities and development expertise in the co-op movement.
- Establish a city region co-operative bank, a Caja Laboral for Liverpool, to offer patient capital for co-op development, replenished by 50% surplus reinvestment from the Federation.
- Form a network of anchor institutions (including universities, housing associations, local authorities, hospitals, FE colleges, Academy Trusts etc.) and large ‘anchor’ firms in the private sector (such as Jaguar Land Rover and Unilever) and work to develop local supply chains with the Federation and other local enterprises.
- Democratise Kindred and multiply its resources by re-diverting Community Infrastructure Levy (CIL) and S106 planning gain from property development for expanded capital funding for social enterprise and co-op development (see ‘Common Land’ below).
- Work with home-grown makerspaces such as Make Liverpool(70) and digital and creative developers such as Baltic Creative(71) to create an integrated city region industrial strategy for developing a network of makerspaces and digital workspaces designed explicitly for marginalised groups to access skills training and enterprise development for capitalising on the fourth industrial revolution. Fund this through the Combined Authority Strategic Investment Fund.
- Lobby the Universities for staff and resources (especially public policy and practice action-research centres such as the Heseltine Institute) to establish an ‘Office for Civic Imagination’ as a public-common partnership jointly-owned by the Combined Authority and Community Anchor Network (see below), designed to develop social innovation in deprived communities, including enterprise incubation, governing urban commons and developing participatory budgeting; utilising the co-city protocol methodology developed in Bologna(16).
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**Equitable Consumption, Distribution and Provision:**

- **Work with trade unions** to demand all public agencies and anchor institutions – and their supply chain contractors, including charities and social enterprises – pay at least the regional living wage to all their employees.
- **Form a Network of community anchor organisations across the city region to develop strategies for urban regeneration, coordinate activities, identify gaps in provision and meet the needs of all residents; acting as an interface between community organisations, public agencies and anchor institutions.**
- **Bring together the combined expertise of the Network as a Community Anchor Accelerator to provide technical support and capacity building for the development of further anchors in under-served neighbourhoods. Fund this work through the Combined Authority Strategic Investment Fund.**

- **Develop an integrated strategy for skills training and apprenticeships in new cooperative and green sectors (see ‘Greening Infrastructure’ below); working with schools, FE Colleges and the Community Anchor Network and Accelerator to develop training programmes centred on green energy, digital technologies and cooperative business.**
- **High street renewal across the city region, based on democratic design, community enterprise, mixed uses, environmental greening, collective ownership; build on existing exemplars such as Homebaked’s vision for Anfield.**
Establishing a Green New Deal:

**Municipal Supply:**

- Invest in municipal enterprise development in green energy, the circular economy and sustainable logistics, focusing on tidal, wind and solar power.
- Establish a municipal energy company (governed as a public-common partnership) to construct and maintain wind turbines, develop other renewable sources and distribute affordable electricity across city region households to end fuel poverty.
- Lobby government for funding for a Tidal Barrage across the Mersey, acting as a transport link for cyclists and pedestrians between the Wirral and Liverpool, creating new tidal habitats, and generating substantial green energy.
- Transform Merseytravel into a publicly-owned and accountable Transport for London style body to invest in improved public transport infrastructure, including the reopening of disused Merseyrail stations.
  - Provide a fully integrated train, bus and ferry service, upgraded to smart and concessionary ticketing, and supplemented by an extended cycle network and the community-led design of low-traffic neighbourhoods (LTNs) in congested areas.

**Community Demand:**

- Develop public-common partnerships for the development of neighbourhood-based zero-carbon energy systems based on roof-top solar and wind power and district combined heat and power systems.
- Build zero-carbon, renewables-powered affordable housing developments, structured as community land trusts; based on the pioneering Plymouth Energy Community model of PEC Homes and PEC Renewables.

- Develop public-common partnerships for ecologically-sustainable local food growing, processing and distribution to end food poverty and decrease carbon footprints. Link this to school meals, anchor institutional catering needs and skills training and jobs creation, on the model of Liverpool-based social enterprise Can Cook.
Commoning land and Housing

Common Land:

- Follow the recommendations of the Liverpool City Region Land Commission to establish a permanent, sitting Land Commission comprised of democratically-elected representatives to oversee the implementation of policies for the socially just use of land.
- Establish a City Regional Common Land Trust to own and steward for community use all public land coming up for disposal and under-used or vacant private land; with a focus on reparations for slavery and enduring injustices, by transferring assets to community groups in disadvantaged areas and those fighting for racial and social justice.
- Designate any areas of underused or derelict ex-industrial use and dilapidated residential use dominated by private buy-to-let landlords and multi-occupancy dwellings as Mayoral Development Corporation ‘Community Wealth Zones’ (35); utilising devolved compulsory purchase to acquire and retrofit housing and industrial units for the transfer into City Region Common Land Trust ownership for community use. Consider possibilities for re-designating the Mersey Enterprise Zone as a Community Wealth Zone.
- Create a Digital Land Database that brings together existing public datasets across the city region and maps the ownership of all land; including an online portal for citizen-scientists to crowd-source data on under-used/vacant land in their neighbourhoods.
- Following the example of Barking and Dagenham, redraw the boundaries of ‘neighbourhoods’ to cover the entire borough for each of the local authority areas for the purposes of pooling Community Infrastructure Levy (CIL) funds into six pots that can then be used to seed Community Funds (like Barking and Dagenham Giving (75)) managed democratically by elected residents for reinvestment for community benefit.

Affordable Housing:

- Pool the resources of existing housing co-operatives into a central pot administered by Breaking Ground for patient capital investment in new community-led housing, including co-ops, co-housing and CLTs.
- Invest a proportion of Combined Authority Strategic Investment Fund to finance the core costs and capital finance needs of Breaking Ground; embed community-led housing into combined and local authority strategies.
- Pool the skills and resources of Breaking Ground, the City Region Land Trust and Community Anchor Accelerator to establish public-common partnerships for managing land and buildings as zero-carbon affordable housing and other community uses in the public interest; and link the supply chain opportunities of municipal house-building to local skills training and jobs creation.
- Following the failure of Liverpool Foundation Homes (76) (Liverpool City Council’s
arms-length subsidiary for building market and council housing), invest in a City Region Municipal Housing Company for the construction and management of affordable community-owned housing, based on the Plymouth’s PEC Homes.

Such a radical economic strategy would be a huge step towards a new social contract in the city region. But on its own, without democratisation of governance, it would amount to little more than technocratic tinkering with progressive policy. For enduring structural transformation of the city region’s political economy, we need a mass movement of municipalist activism to not only put pressure on existing elected representatives (largely of the Labour Party) but to occupy and transform these institutions through novel electoral strategies for broad-based non-party platforms and bureaucratic insurgency.

Additionally, movements must work outside the existing state apparatus to build new institutions such as the following.

**Democratising city regional governance**

- A network of Neighbourhood Assemblies – one for each ward across the city region – to enable face-to-face deliberative democratic decision-making over local issues; to hold MPs and councillors to account; and to elect or delegate representative members to:
  - An elected City Region Assembly to complement the elected Metro Mayor and hold to account and coordinate the actions of the Combined Authority, LEP and Metro Mayor.
  - A City Region Council for Organised Labour to connect and coordinate activities of existing trade unions and to organise unorganised and exploited workers; working closely with neighbourhood assemblies to provide a conduit between economic and political democracy.

These institutional innovations may be realised through the municipalist method of dual power...
BUILDING DUAL POWER

Bringing together left wing activists, trade unionists and community campaigners, Beacon begins the work of building a non-party platform that promotes working class unity, grassroots activism and community cooperation; generating policies and stimulating actions and campaigns for the collective good in the Liverpool City Region.

Beacon aims to build a ‘dual power’ strategy of organising and coordinating grassroots movements for economic and political democracy while keeping an eye on electoral opportunities and transforming existing institutions from within.

Beacon is inspired by the growing global movement christened ‘new municipalism’ and its departure from conventional modes of social movement organising – from ‘occupying the squares’ to ‘occupying the institutions’; its move beyond traditional party politics to build broad-based citizen platforms based on Spanish exemplars such as Ahora Madrid and Barcelona en Comu.\(^{(61)}\).

Working ‘in and against the state’\(^{(36)}\), municipalism takes inspiration from the thinking behind the insurgent takeover by

Municipalism means ‘feminising’ politics for more open, honest, accountable, accessible, cooperative and caring forms of decision-making – so that the toxic macho ‘boss politics’ present in Liverpool becomes a thing of the past.

Dual power is at the centre of municipalist strategy. It aims to build an alternative polity of regionally ‘confederated’ self-governing, directly-democratic neighbourhood and city-regional assemblies to compete with and potentially supersede the nation-state(77). This entails two interrelated strategic approaches:

1. Building new, autonomous institutions through which a more cooperative, anti-racist, feminist, ecologically-sustainable social and solidarity economy and confederated direct democracy can be instituted ‘in the shell of the old’(78);
2. Supporting this approach by taking hold of existing political institutions through mobilising social movements for winning electoral office, and reimagining and transforming the local state from within through guerrilla occupation of bureaucracies and, crucially, transferring power to the confederated network of directly-democratic communal assemblies(45).

Cooperation Jackson in Mississippi is a great contemporary example of dual power(1).

There, activists pursued an electoral strategy that propelled Chokwe Lumumba into office, where as Mayor he was committed to challenging ‘racial capitalism’(7) and making Jackson:

‘the most radical city on the planet’(60).

Following Lumumba’s untimely death in 2014, and the active suppression of his policy programme by stronger white supremacist Mississippi state forces, Cooperation Jackson activists turned inwards to focus on the primary flank of dual power – building a democratic solidarity economy in deprived Black-majority neighbourhoods through neighbourhood assemblies, cooperative enterprise incubation, food growing projects, community land trust formation, renewable energy production, and cooperative supply chain development.

How can we apply some of the lessons learnt and strategies developed by the global municipalist movement to the Liverpool City Region?

A central part of Beacon’s remit is to campaign for greater
A Beacon For Mersey Municipalism And A Socialist City Region
Building Dual Power

democracy at the city-regional and local levels through the (re)formation of governance institutions along municipalist lines.

While a step in the right direction, an elected Metro Mayor likewise stops short of the directly democratic federated structure of assemblies the Liverpool City Region deserves. This starts with a network of neighbourhood assemblies, one for each electoral ward, providing an arena for all residents to deliberate and vote on important local issues.

These would be governed according to municipalist principles based on face-to-face direct democracy, non-hierarchical power-sharing and open deliberation.

Neighbourhood assemblies should not be established by the state but by a movement of citizen-led associations.

They could be initially assembled using the organising and convening powers and capacities of networks and organisations such as Acorn (the Liverpool branch of the community organisers’ union) (79), housing tenants’ associations, Breaking Ground, VS6 and the CVSs, the Social Economy Panel as well as more informal and possible networks such as Fearless Neighbourhoods and the Community Anchor Network and Accelerator.

Each neighbourhood assembly would send delegates to represent their interests in the Liverpool City Region Assembly. Assembly delegates would be selected by ‘lot’ out of the full membership of each assembly; to be held accountable to the assembly through the principles of ‘imperative’ mandate (obliging delegates to follow closely the decisions taken by the neighbourhood assembly) and ‘revocability’ (recallable by the assembly for the continuous rotation of responsibilities) (62).

Such a confederated system would ensure that the Liverpool City Region Assembly would remain fully accountable and answerable to the popular will of the neighborhood assemblies, which would be responsible for proposing policy and strategy to then be deliberated and coordinated at the city region level.

The Assembly would work in close partnership with existing elected councillors, the Metro Mayor and unelected officers in the Combined Authority, the LEP and Merseytravel, as well as experts and practitioners in the City Region Common Land Trust, the Cooperative Incubator and Community Anchor Accelerator, to ensure that policy passed by the assemblies could be implemented in practical and technical terms, as well as coordinated across the region and with neighbouring localities.

But these politicians, experts and officers would remain accountable to the Assembly and ultimately the neighbourhood assemblies.

While this represents a more deliberative and directly democratic vision for Merseyside municipalism, it may prove more politically
feasible and effective in the short-term to institute a more conventional process of electing by vote representatives of each neighbourhood assembly as delegates to the Assembly, and likewise for the Assembly to take a more advisory and auditing role over the Metro Mayor and Combined Authority’s practices.

As well as electing or delegating members of the Assembly, neighborhood assemblies would undertake the important task of holding their ward councillors and MPs to account through ongoing democratic processes of scrutiny and audit to complement periodic elections.

This would provide a deeper democratic conduit above and beyond ward councillors, local authorities and parliamentary constituencies.

For anything like this to work effectively, fairly and inclusively, participation in assemblies would need to be paid, in order to ensure that working age people and those excluded from the labour market can realistically participate.

Barking and Dagenham Giving is a good example of a recent municipal innovation in which a community endowment fund is to be administered and managed democratically by citizens who will be trained and paid the London living wage for their time in making funding decisions.

Can funding streams be found in the Liverpool City Region to do the same for diverse and widespread participation in neighbourhood assemblies?

In dual power terms, the policy initiatives put in place by a progressive Combined Authority to support the flourishing of community associations and anchor organisations, worker-owned cooperatives and spaces for political education would, through positive feedback loops, begin to strengthen the capacities, skills and interests in democratic governance for more effective political democracy within the neighbourhood assemblies – and, in turn, redouble to strengthen the social infrastructure for democratic ownership and management of a more just, equitable and sustainable economy.

Such institutional innovation for political democracy needs to be matched by something comparable for economic democracy.

The Liverpool City Region has a proud history of struggles for greater economic democracy, from the Transport Strike of 1911, when Home Secretary Winston Churchill sent Royal Navy gunships up the Mersey and pointed their guns at the city, to the resistances at the car plants of Ford and British Leyland in the 1960s and ’70s, to the Dockers Strike of the ’90s(9).

The organised working class played a key role in institutions such as the Liverpool Trades Council and the Liverpool District Labour Party and in the education and politicisation of the working class.

Yet the hollowing out of both political institutions and trade unions has led to a situation in which large sections of the working class of the Liverpool City Region are unorganised and
left to face the worst excesses of capitalism alone.

Although not the role of Beacon to organise workers directly, we believe this is critical to improving the conditions of workers locally as well developing the political consciousness necessary for economic transformation.

We propose the establishment of a new City Region Council for Organised Labour. This would incorporate existing union branches, as well as helping to develop new branches in precarious industries and those with low-density, such as in hospitality and exploitative so-called ‘gig’ work.

The Council for Organised Labour would be used to develop stronger bonds of solidarity between different groups of workers; to pool knowledge and resources; provide political education to workers, to debate and develop innovative and (where possible) co-ordinated strategies; and to increase recruitment of workers.

The Council would be connected to the neighbourhood assemblies, through shared education and solidarity projects, that would help to link workplace struggle to other forms of struggle in the wider community.
A Beacon For Mersey Municipalism And A Socialist City Region  
First Thing’s First: Starting A Conversation

FIRST THING’S FIRST: STARTING A CONVERSATION

This document has outlined one possible vision for how to build a more cooperative, equitable and flourishing Liverpool City Region. It is intended not as a blueprint but as a beacon for those committed to the difficult, democratic task of building socialist municipalism on Merseyside.

How that eventually looks is a matter for the people of the Liverpool City Region to decide. The suggestions outlined above are meant only to provoke that conversation.

Ultimately it’s about education. That means creating spaces for people of all ages to unlearn, relearn and teach each other anew about the cooperative ideas, skills and practices generative of a municipalist movement for democratic self-governance. Academy Trusts, FE Colleges and the Universities all obviously play a huge part in this endeavor – and any municipalist policy platform should work hard to introduce new ways of teaching, learning and bespoke course content within and without these institutional walls.

But more informal spaces of public debate and engagement urgently need cultivating, too. In nineteenth century Emilia Romagna, radical spaces such as the Chambers of Labour and Houses of the People (containing libraries, theatres, assembly rooms, cafes and bars for public conversation as well as offices and workshops for co-ops and mutual aid societies) were foundational to the flourishing of early municipalist movements and cooperative enterprises in Bologna.

We need to build comparable spaces for the Liverpool City Region in the year ahead. Community anchor organisations already offer promising ideas – for instance, Alt Valley’s evocatively named ‘Communiversity’ for adult education.

The World Transformed festival organised by Momentum to run alongside the Labour Party Conference was originally held in Liverpool in 2016 and again in 2019 – an excellent space for political education for both the young and old.

From a different political perspective, Liverpool Salon is a “public space for critical discussion of contemporary issues” allied to the controversy-courting Battle of Ideas and based on the ‘enlightenment salons’ of the seventeenth and eighteenth centuries.

Meanwhile, Ignite Liverpool is a regular event for “movers and shakers, creators, thinkers, tinkers, innovators and doers, makers and dreamers” to share and showcase ideas for how to transform the city and everyday life in an open forum.
Born out of the Liverpool Dockers Strike of the late ’90s, Writing on the Wall has become an important local institution for the cultivation of critical and creative writing for community empowerment, therapy and mobilisation of change.(83).

But how to replicate and recreate new political festivals, communiversities, political salons, community libraries, resource hubs, reading groups, public seminars, discussion forums, makerspaces, open access evening courses, union meetings, town hall debates and prototype neighbourhood assemblies right across the region that can act as catalysts for social encounter and collective education in the lost art of self-governance?

This is no easy task; at least decades in the making. But it has to start somewhere. Red Bologna concludes with a message for us today:

"Bologna does not need to call on exceptional educational intellects; for in the red city, people’s representatives, parents and teachers are themselves seeking the way to create schools in which children learn something other than pre-digested facts.

In Bologna, the attempt to create more humane schools has not been postponed till some day after the revolution."(26)

Let’s not leave it till after the next election to begin that task in the Liverpool City Region.
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