

## **GMB Congress 2009 Statement on Manufacturing and the Economy**

### **Summary**

The global financial crisis has triggered the deepest recession since the 1930s. British manufacturing is undergoing its severest decline since records began. The Government and the wider labour movement must ensure that the lessons of this systemic failure are learned.

Delegates at GMB Congress 2009, held in Blackpool, agreed a Statement on Manufacturing and the Economy.

#### **GMB is calling for:**

- **A Royal Commission into the systemic failure behind the credit crunch:**
  - to identify the mistakes made by bankers, regulators and policymakers;
  - to ensure that lessons are learned, and prevent it happening again;
  - to commission studies, and seek evidence from a wide range of sources;
  - to make binding recommendations for reform of the financial sector, including a new regulatory framework to replace the failed FSA;
  - to consider the merits of introducing a public-utility banking system.
- **Immediate Government action:**
  - to protect hard-hit families from home repossessions;
  - to compel the banks to resume lending to credit-starved industry;
  - to protect jobs by investing in short-time working;
  - to speed up the promised £2.3 billion of loans for the car industry from the Treasury and the European Investment Bank.
- **A long-term manufacturing strategy:**
  - to link policy on procurement, energy, transport and climate change to the needs of UK manufacturing;
  - to establish a national investment bank to deliver funding for a strong and competitive manufacturing sector;
  - to reverse the destruction of Remploy, re-equipping it to meet the challenge of a low-carbon economy.
- **A new economic model, based on demand-led development:**
  - to safeguard public services;
  - to significantly expand the Government's homebuilding programme, with a focus on social housing;
  - to introduce improved labour-market regulation, beginning with revision of the EU Posted Workers and Temporary Agency Workers Directives;
  - to end the debt spiral which lies at the heart of the financial crisis;
  - to boost mass incomes through progressive taxation and a substantial increase to the basic state pension;
  - to impose price controls on energy companies;
  - to end the deregulation, privatisation and liberalisation that have seriously destabilised the world economy.

The present crisis is the ultimate legacy of that particularly destructive variety of capitalism known as Thatcherism or neo-liberalism, now totally discredited. GMB has said all along that the market is not the answer. We have consistently raised the issues of City bonuses, private equity, tax havens, deregulation, and neglect of manufacturing.

As we move forward, Government support for manufacturing is the essential first step towards a new economic model that puts working people first. We can have no talk of economic 'recovery' until the tide of job losses is turned.