

Corbyn, Cooper, Thatcher, Savage

Keith Rankin, 12 September 2015

I looked at [ipredict](#) this evening for their odds on a Corbyn victory in today's UK vote for Labour leader. In ipredict's most traded prediction of the moment, 'Other' apparently has a 97% chance of winning. 'Other' is of course Jeremy Corbyn, who did not even make ipredict's shortlist of seven likely contestants. (The 97% needs to be taken with caution, because the sum of the probabilities given adds to 107.5%, with scary Yvette Cooper, the clear Blairite candidate, on 7%. Seemingly she's the only one who can beat Corbyn.)

I watched the debate screened in New Zealand last Sunday (6 Sept), on TV3's [Three60](#) programme. Andy Burnham looked like he would move his position on any issue based on the latest focus group interviews. Liz Kendall spoke well, and may be a leader to watch out for in the future. Yvette Cooper played the 'sound money' candidate, and looked to me like, if given power, she could become a new Iron Lady (possibly more Merkel than Thatcher), committed to monetarist principles and rigid rules-based politics. Jeremy Corbyn spoke very well, and tellingly refuted every bit of neoliberal spin that was presented to him.

[On 22 August](#), I compared Jeremy Corbyn with our much-loved Aussie import, Mickey Savage. Both were of a similar age (60-something), similarly caring more about people than monetary propriety, transparently sincere, and capable of reaching out to people who often do not vote Labour (including people who often do not vote at all) and young people. The orthodox candidates (and their backers), the establishment media, and the Conservative Party all have reason to fear a Corbyn-helmed Labour Party. He's the kind of guy who, the more the establishment try to knock him, the better he looks. (See Polly Toynbee's [column](#) in the Guardian, 13 August, about Cooper's attack on Corbyn.) I'm guessing that, in 2020 when the next UK election is due, 'Corbynomics' will be one of the few nomics not discredited. Indeed it's not much different to Japan's Abenomics; and Shinzo Abe is hardly a left-winger.

I have three main points to add to my earlier posting. First, I lived in London – my OE – from May 1974 to September 1978. So I was there when, in February 1975, Margaret Thatcher defeated Ted Heath in a close-fought poll to become Conservative Party leader. Around my then workplace, the middle-aged white men thought this was a big mistake. She would be unelectable as Prime Minister, they thought. She wasn't unelectable of course. Times were changing, and she was a woman for her time. Significant numbers of unemployed, and lifelong Labour voters, voted for her in 1979, 1983 and 1987. She had crossover appeal, without being a centrist. And she made a permanent imprint on the United Kingdom, just as Mickey Savage did on New Zealand. Jeremy Corbyn, while the polar opposite of Thatcher, may be equally able to harvest the votes of the uncertain; the votes that make the difference when they align. He is no doctrinaire socialist; like Savage, he's a compassionate pragmatist.

My second point is about that bone of contention that really animated Yvette Cooper; Corbyn's proposals to adapt QE (quantitative easing; 'printing' money) towards a Japanese-style programme of public spending. This is precisely what Mickey Savage did in 1936 and 1937 – especially to fund the large scale investment in 'state' housing. Savage was fortunate to have access to a Reserve Bank that was created less than two years before his party gained power. It was because of the success of this policy that Savage's legacy is so enduring.

The inflation that monetarists say inevitably follows such monetary policies never came close to being a problem in the late 1930s. And there was no shortage of monetarist economists in the 1920s and 1930s to condemn Savage's anti-monetarist 'experiments'. (As in the late 1930s, inflation has not been even close to being a problem in the post-2008 world of QE and near-zero interest rates.) This inflation-concern is the monetarist canard that Ms Cooper appears to be putting about. The evidence of history (especially but not only post-1935 and post-2008) is that inflation is not a simple function of the money supply. [My suspicion is that it's more a function of a closely contested class-war than a result of too much bank credit.]

The final matter to mention here is the preferential voting being used in this leadership election. It's the same voting method used by New Zealand Labour in 2014, the method that will be used in the coming flag referendum, and the method used in Australian lower house elections.

In one Guardian article ([Liz Kendall camp claims vote for Yvette Cooper will let in Jeremy Corbyn](#)), Liz Kendall's campaign head muses about "the complexities of the alternative vote [preferential] system". Well it's not actually complex; rather it does allow you to vote 'for' someone, rather than (as 'First-Past-the-Post' requires) having to vote 'against' someone. It means that a vote for a non-contestant (probably Burnham and Kendall are the non-contestants) is not a wasted vote. It simply means that any vote that ranks Corbyn ahead of Cooper will count as a vote for Corbyn, and any that ranks Cooper ahead of Corbyn will count for Cooper. (Kendall's only chance is if Cooper can be eliminated; so she wants anti-Corbyn voters to choose her ahead of Cooper.)

According to ipredict, Kendall will be first to be eliminated, and Burnham will be second. The polling suggests that half of Burnham's supporters will choose Corbyn over Cooper. If so Corbyn will win. The only scenario as I see it that Corbyn can lose is if just about everyone who does not rank Corbyn as 1 will rank him as 4. I just don't think that enough Labour people dislike Corbyn that much.

If Corban becomes UK Labour leader tomorrow, there will almost certainly be a long period as Opposition Leader. It will be four years in which a constructive contest of ideas can take place. I look forward to 'people-first' rather than a 'money-first' approaches emerging from this contest. Money is a social technology. It can serve us if we don't let it rule us. Jeremy Corbyn appears to understand this.
