

# Middlesex University Research Repository

An open access repository of

Middlesex University research

<http://eprints.mdx.ac.uk>

Cruddas, Jon and Rutherford, Jonathan (2009) Return to society. In: What next for Labour? Ideas for progressive left: a collection of essays. Harrington, Peter and Burks, Beatrice Karol, eds. Demos, pp. 19-24. ISBN 9781906693176

This version is available at: <http://eprints.mdx.ac.uk/4056/>

## Copyright:

Middlesex University Research Repository makes the University's research available electronically.

Copyright and moral rights to this work are retained by the author and/or other copyright owners unless otherwise stated. The work is supplied on the understanding that any use for commercial gain is strictly forbidden. A copy may be downloaded for personal, non-commercial, research or study without prior permission and without charge.

Works, including theses and research projects, may not be reproduced in any format or medium, or extensive quotations taken from them, or their content changed in any way, without first obtaining permission in writing from the copyright holder(s). They may not be sold or exploited commercially in any format or medium without the prior written permission of the copyright holder(s).

Full bibliographic details must be given when referring to, or quoting from full items including the author's name, the title of the work, publication details where relevant (place, publisher, date), pagination, and for theses or dissertations the awarding institution, the degree type awarded, and the date of the award.

If you believe that any material held in the repository infringes copyright law, please contact the Repository Team at Middlesex University via the following email address:

[eprints@mdx.ac.uk](mailto:eprints@mdx.ac.uk)

The item will be removed from the repository while any claim is being investigated.

See also repository copyright: re-use policy: <http://eprints.mdx.ac.uk/policies.html#copy>

what next for  
Labour?  
ideas for the  
progressive left

---

A COLLECTION OF ESSAYS

DEMOS





First published in 2009  
© Demos. Some rights reserved  
Magdalen House, 136 Tooley Street  
London, SE1 2TU, UK

ISBN 978-1-906693-17-6

Series design by modernactivity  
Typesetting by Chat Noir Design, Charente  
Printed by 1st Byte, London

Set in Gotham Rounded

---

# what next for Labour?

---

EDITED BY PETER HARRINGTON  
AND BEATRICE KAROL BURKS

## **Open access. Some rights reserved.**

As the publisher of this work, Demos wants to encourage the circulation of our work as widely as possible while retaining the copyright. We therefore have an open access policy which enables anyone to access our content online without charge.

Anyone can download, save, perform or distribute this work in any format, including translation, without written permission. This is subject to the terms of the Demos licence found at the back of this publication. Its main conditions are:

- Demos and the author(s) are credited
- This summary and the address *www.demos.co.uk* are displayed
- The text is not altered and is used in full
- The work is not resold
- A copy of the work or link to its use online is sent to Demos

You are welcome to ask for permission to use this work for purposes other than those covered by the licence. Demos gratefully acknowledges the work of Creative Commons in inspiring our approach to copyright. To find out more go to *www.creativecommons.org*



---

# contents

---

Introduction Richard Reeves	7
Staring into the abyss Kevin Jefferys	14
Return to society Jon Cruddas and Jonathan Rutherford	19
Choose Social-ism Neal Lawson	25
Rebuild the middle Phillip Blond	29
Think tradition Alan Finlayson	33
The common good Maurice Glasman	39
Look to the town hall, not Whitehall Tristram Hunt	44
Double revolution Jessica Asato	48
Take to the streets Rushanara Ali	53
Tame the market Michael Meacher	56
Win hearts and minds Lisa Harker and Carey Oppenheim	60

A tale of two campaigns Martin Bright	64
The fight against fate Sunder Katwala	68
An end to Labourism Stuart White	74
Politics as if people mattered Jenni Russell	79
Build a liberal republic Philip Collins	84
Wait for the next St Paul David Marquand	87
A society of powerful people Tessa Jowell	91
Biographies	100

---

# introduction

Richard Reeves

---

The contributors to this volume disagree on a number of important issues: the role of the market, the animating purpose of the state, the relationship between individual and social needs, to pick just a few. But they are unanimous in their assessment that Labour is in a very deep hole. After three election victories, and an unprecedented twelve years in office, the party is falling, broken, to its knees.

Labour is ‘deeply unpopular, stale, directionless and tired’, according to Lisa Harker and Carey Oppenheim, co-directors of the Institute for Public Policy Research: ‘Wiped out in Wales and Scotland, it is already in tatters.’ Compass chair Neal Lawson writes that Labour ‘is in the eye of the biggest storm that has ever engulfed it.’ The party has been ‘humiliated’ in the recent local and European polls, and faces the ‘prospect of a similar rout at the forthcoming general election,’ according to historian Kevin Jefferys. The general secretary of the Fabian Society, Sunder Katwala writes: ‘New Labour has delivered the most successful era of progressive advance for half a century — and that is clearly now over.’ And Jon Cruddas MP and Jonathan Rutherford issue the stark warning that ‘the Labour government faces the abyss.’

The image of an abyss is a popular one among the essayists assembled here — and it does not feel like hyperbole. Labour’s performance in last week’s election was truly appalling. Pushed by the Liberal Democrats into third place and below the 20 per cent mark in the local elections, the party lost its last four county councils. Labour then limped in third — this time behind the UK Independence Party — in the European elections. In this poll, Labour was beaten by the Scottish National Party for the first time in a UK-wide election; beaten into second place in Wales for the first time since 1918 (and by the Tories); beaten into fifth place in the South-East and South-West of England by the Greens; and beaten into sixth place in Cornwall — behind the Cornish nationalists. Labour is beaten. The snatching of two seats by the BNP was perhaps the most painful consequence of the party’s collapse.

In this volume, which collects the views of a wide range of thinkers on Labour and the progressive left, there are few who think Labour can win the next election. All agree that the task is the longer-term intellectual and political renewal of the progressive left.

The Labour Party is currently mired in a leadership crisis. Jefferys points out that Labour has no historical form when it comes to dragging leaders out of office. But the Conservatives have done so three times — to Eden, Macmillan and Thatcher — and won two of the following general elections: ‘There is therefore some historical evidence to suggest a change of guard at No. 10 Downing Street between elections can improve a party’s fortunes in the short term, especially if the new premier appears to mark a fresh start and presents a different persona to the outgoing leader.’ But Jefferys also points out that party unity is necessary, if not sufficient, for political renewal.

Whether Labour is more likely to unify behind a new leader than behind Brown is of course a very big question. But having lost six cabinet ministers in two days, Brown’s claim to be the person to rally the Labour’s troops looks weak, to say the least. Political writer Martin Bright thinks it is time for the torch to pass to a new generation: ‘What is certain is that until someone grasps the nettle and wrests control of the party from the dead hand of the New Labour old guard, the party will continue its drift into oblivion.’ But Bright fears that the failure of other members of the Cabinet to follow James Purnell’s lead out of the government ‘demonstrates that he may be the exception that proves the rule that his generation lacks the political boldness to turn around Labour’s fortunes.’

David Marquand insists that New Labour was always electorally reliant on Blair’s ‘charismatic populism’, and that Brown is simply unable to repeat the trick: ‘charisma can’t be passed on from one leader to the next like an old suit...Blair had strewn the Labour Party with star dust; Brown strewed it with lumps of lead...He doesn’t *do* visions. He never has.’ But it is also clear that the crisis goes beyond well beyond the live question of whether Gordon Brown will continue in No. 10. The renewal of Labour — of the progressive left more generally — requires an honest reckoning of the party’s mistakes, and the mining of fresh intellectual resources.

The three most consistent critiques of Labour in this collection are that the party embraced neoliberal economics too enthusiastically; neglected issues of equality and

fairness; and relied too heavily on a centralist, top-down model of state action. Jenni Russell summarises this triple challenge:

*All too often Labour, with its harsh emphasis on targets, central controls, efficiency, and the unchallenged primacy of markets, has left people feeling impotent, unimportant and alarmingly adrift.*

Specifically, Labour was too overawed by the power of finance capital, and too tempted by a debt-fuelled model of economic growth. Michael Meacher MP urges his party to 'mark out a clean break from the neoliberal finance capital New Labour has worshipped for the last decade'. Lawson warns against 'Blairite' commitment to what he calls the 'market state' – characterised by 'the sugar-coated pill of turbo-consumption leading to a golden age of individualism.' Maurice Glasman suggests that Labour's intense commitment to the free market contributed to the credit crunch and bank bailout: 'the biggest transfer of wealth from poor to rich since the Norman Conquest.'

The second critique relates to Labour's record on equality and fairness. A number of contributors point to a mixed record on poverty reduction and inequality since 1997. 'There has been no lasting change to the inequality in our society,' argue Harker and Oppenheim, 'despite it casting a long shadow over so many aspects of our lives.' Meacher calls for a minimum wage of £7 an hour and a 60p tax rate on those earning over £250,000 a year; Glasman for a 'living wage' of £7.45 an hour.

Third, the party has relied on what Stuart White calls a 'Labourist' approach to governance, with 'a strong attachment to the central state'. Harker and Oppenheim agree that Labour has been 'unremittingly managerialist, churning out well-intentioned policies rather than honing a set of ideas'. Philip Collins, Chair of Demos, points out that since 1997, more than forty institutions have been established, and abolished. 'This faith in a new unit here and a new coordinating body there is touching but not very advisable,' he writes. 'There is an unpalatable lesson to be learned – in most case the state did not work as well as its advocates thought it would.' Historian Tristram Hunt similarly warns against 'ministerial dirigisme' and suggests that the current economic crisis 'has led too many to seek the familiar, paternalist hand of the man in Whitehall knowing best.'

So what now? What can Labour do? Four themes run through much of the collection. Labour should, the

contributors variously argue, be more **democratic**, more **pluralist**, more **social**, and more **liberal**.

There is an almost universal call for electoral reform, with the majority of contributors urging Labour to abandon first-past-the-post voting in favour of some form of proportional representation. Other democratic innovations include the establishment of a citizens' convention to help construct a new political system, an idea fleshed out by Harker and Oppenheim (and not unlike the one held by Demos on June 4). There are also calls from Asato and Rushanara Ali, a community activist with the Young Foundation and Labour parliamentary candidate, for a democratisation of party structure. Asato writes that 'Labour's structures are an unhappy merger of old-fashioned, soviet-sounding bodies such as the local 'General Committee' and powerless New Labour creations such as the National Policy Forum.' She urges embedding 'citizen voice' in local parties by embracing primaries for the selection of candidates, while Ali wants to recover the sense of Labour as 'a party of campaigning (in the broadest sense) and activism.'

There is, secondly, a strongly pluralist strand in many of the essays. A number of writers want Labour to engage more constructively with other parties, or as Stuart White, the political philosopher puts it, to 'let go of the arrogant and false idea that Labour has a monopoly on progressive politics'. Closer working relationships with the Liberal Democrats and Greens are urged. Katwala proposes that Labour could unilaterally decide not to field candidates in seats where the main duel is between Conservatives and Liberal Democrats, and consciously draw up a manifesto that leaves open the possibility of cross-party working in the event of a hung parliament (for example by dropping plans for ID cards).

There is a similar demand for more plurality in local provision, contingent on decentralisation of power away from central to local government. Too much power has accrued to the central state, and Labour needs to make good on its repeated promises of a 'new localism'. Hunt reminds us of a civic socialism, one 'which values the capacity of the state, but does not regard an increase in state spending as a virility symbol.' He offers a partial defence of Labour's record, pointing out that 'the last ten years have seen a magnificent devolution of power — from the Scottish Parliament to the Welsh Assembly to the London Mayor and now (albeit belatedly) further autonomy for local councils in terms of revenue-raising powers and the

much overlooked city-region status.’ But now Labour has to release power to local government, to recognise that ‘the most innovative and intelligent public servants are now to be found in the town hall not Whitehall’. For the decentralisers assembled in this volume – and they are all decentralisers – the current crisis provides the right moment to rethink the balance of power between centre and locality.

The third leitmotif of this collection is a repeated emphasis on the need for Labour to recover a stronger sense of the social – of communities, civic associations and social institutions. ‘We need a politics of social life’ is the claim of Cruddas and Rutherford: ‘We need a philosophy of the individual in society and a political culture that values the social goods that give security, meaning and value to people: home, family, friendships, good work, locality, and imaginary communities of belonging.’ Cruddas and Rutherford align themselves, in this respect at least, with the ‘red Tory’ philosophy of Phillip Blond, director of the Progressive Conservatism Project at Demos, who writes here that ‘ordinary citizens want society back; they want control of their own lives and the ability to form communities with others. They want to create a civic ‘middle’ that gives them back their society.’ Ali adds a more political dimension, arguing that Labour needs to become more of a ‘social movement’ again, and reconnect with the day-to-day issues of ordinary people. In similar vein, Glasman, Lawson, Meacher and Alan Finlayson urge a new focus on ‘civic’ association, ‘relational power’, the ‘common good’ and ‘social-ism’ in place of ‘individual-ism’. Building on the critique that Labour became too wedded to ‘commercialisation’, ‘commodification’ and a ‘market state’, these new social-ists are concerned to find new ways of articulating the necessary interconnectedness of citizens.

This communitarian emphasis contrasts with the robust radical liberalism of Collins and Jowell, who both advocate putting more power in the hands of individual citizens (a disclosure is necessary at this point: I’m with the radical liberals). Collins articulates a liberal republican approach, based on a conviction that each person decides for themselves what a good life is for themselves. This is not a Blairite versus Brownite contest, Collins insists: ‘The intriguing axis in Labour politics will be quite different. There will be, on one side of the argument, those that genuinely want to disperse power and, on the other, those that think that central government is usually the answer. The distinction is not hard and fast. Those who want to make

people powerful do not want to give up the power of the state. On the contrary, left-liberals are keenly aware that the power of the state is a potent part of their armoury — It's just not their weapon of choice.'

The divide may not in fact be quite as great as it appears. Lawson, who writes most fiercely against the pro-market individualism of the 'Blairites', also suggests that 'social-ism should be defined as the ability of people to exert the maximum control over their lives' — a sentiment with which radical liberals would warmly agree.

Katwala and Marquand strike a middle course between the liberal and communitarian positions, with Katwala suggesting that a focus on more equal life chances, or the 'fight against fate' combines liberal ends and social democrat means: 'This argument also has the potential to fuse together liberal and social democratic agendas: if autonomy is the liberal end, then the social democratic concern is for the distribution of autonomy.' On macroeconomics, Marquand urges an alternative to both 'the neo-liberal gods Gordon Brown worshipped as Chancellor', and to 'Keynesian social democracy of the post-war period with its faith in economic growth, fiscal stimuli and macro-economic manipulation from the centre' — but is sceptical that Labour can find it.

These four values — democracy, pluralism, social-ism and liberalism — provide starting points for the ongoing debate about the future of the progressive left. They sometimes collide. Values cannot always be made to fit neatly together, and it would be helpful to admit when this is the case, and have the argument out.

But there is another requirement if Labour is to stand any chance of renewal, which is a change of political and intellectual culture. The party is beset by factionalism and fear. The era of heavy whipping and heavy top-spin must end, says Asato: 'Labour has to get away from its fixer mentality of thuggish whips and bully boys threatening excommunication.' Bright writes that for Labour to survive 'it needs to rediscover a facility for the two things it once did best: efficient political campaigning and radical policymaking.'

Similarly, Labour needs to move beyond the banners of yesterday's battles and engage constructively and respectfully in a proper contest of ideas. As Collins suggests, 'there should be a moratorium on the divisions of Blairite and Brownite, Old and New Labour, left and right, individualist and collectivist. All of them replay ancient blood-feuds that don't matter and none of them will yield anything interesting.'

We should, however, be under no illusions that the renewal of the progressive left will be quick, or easy. The task is very great. This week Alistair Darling said: 'We need to set clearly what we are for, our vision for the country and our purpose for being in government.' All of this requires, of course that Labour itself knows what it is for. Harold Wilson famously declared that Labour was a moral crusade or it was nothing. Successful crusades require a clear ideological purpose, an inspiring leadership and an accurate map of the destination. Right now, Labour lacks all three. As this collection demonstrates, there are some rich intellectual resources available for the renewal of the progressive left. But the work needs to begin now.

*Richard Reeves is the director of Demos.*

---

# staring into the abyss: lessons from Labour's past

Kevin Jefferys

---

What lessons might be drawn from Labour's recent history as it turns from reflecting on humiliation in the local and European elections to the prospect of a similar rout at the forthcoming general election? While ideology, policy and vision stand at the heart of any process of renewal for the future, questions of presentation and leadership cannot be ignored. In particular the issue of how united or divided the party appears in the eyes of the public has always been central to Labour's fortunes; any political strategy, however bold or compelling, can never fulfil its potential if it fails to command broad approval among those charged with conveying it to the electorate. In this respect, a glance back at how the party has reacted to previous election defeats provides a timely warning. Each of the three occasions since the Second World War when Labour relinquished its place as the governing party has been followed by outbreaks of internal strife, twice contributing to the party enduring protracted spells in the electoral wilderness.

Attlee's defeat at the hands of Churchill in 1951 remains the party's most curious setback in the modern era. Although Labour's landslide 1945 majority all but disappeared at the general election in 1950, and despite exhaustion among the senior figures that built the welfare state out of the rubble of war, Attlee need not have gone to the country when he did in 1951. During 1952 the world economy entered a phase of rapid growth from which Labour may well have benefited had they remained longer in office. A further irony was that by piling up huge majorities in its working-class, industrial heartlands, Labour actually won more votes in 1951, though fewer seats, than the Tories. With a whopping 48.8 per cent share of the vote — an achievement in the realms of fantasy today — it was small wonder that Labour was confident of an early return to power. Hugh Dalton, Attlee's first post-war chancellor, described the 1951 result in his diary as 'wonderful', believing the Conservatives would quickly crumble in office.

As it turned out, Dalton was wide of the mark. Thirteen years in opposition followed primarily because

Churchill and his successors proved adept at exploiting steady economic growth during the 1950s. But Labour undermined any chance it had of regaining power by entering into bitter factional quarrels. Bevanite left-wingers advocated building on the nationalisation programme of the Attlee years as the way forward, and clashed sharply with the emerging Gaitskellite revisionists, who placed social equality at the centre of their creed. For voters, the image was of a party that traded in the unity of the immediate post-war era for futile tribal conflict. By 1952 Hugh Dalton was singing an entirely different tune: 'More hatred, and more love of hatred', he wrote, 'in our party than I ever remember.'

In the second example of Labour losing office, Harold Wilson's defeat in 1970 was followed by renewed infighting between the inheritors of the old fundamentalist and revisionist traditions. Beset with problems over policy — notably over attitudes towards the European Community, which Britain joined under Tory premier Ted Heath — the party again presented a picture of disharmony in opposition. But unlike in the early 1950s, Labour this time got lucky. Heath's decision to gamble by calling an election in the shadow of the three-day week in 1974 backfired badly. Wilson's emollient leadership papered over many of the internal cracks and he retained sufficient acumen to steer Labour back to power, though at both the 1974 general elections the party's share of the vote, squeezed by a revival of Liberalism, fell below 40 per cent. This was hardly a ringing endorsement, and confirmed the end of the age in which the two main parties garnered the overwhelming majority of all votes cast.

The final instance of the party surrendering power came when Callaghan's administration was swept away in the aftermath of the 'winter of discontent' in 1979. This crushing defeat has parallels with Labour's plight thirty years on: Gordon Brown, like Callaghan, became an unelected prime minister following the retirement of an election-winning predecessor, and may similarly be remembered for leaving the party with serious questions being asked about its ability to survive as an independent force.

The aftermath of 1979 remains a painful memory etched into the consciousness of Labour activists. Margaret Thatcher's assault on state collectivism got off to a shaky start, with unemployment rising as sharply as her personal popularity sank by 1981. But as the frustrations of the Wilson-Callaghan years came to the surface, Labour pressed the self-destruct button and embarked on full-scale civil war.

Instead of mounting a counter attack on the so-called 'hard left', leading figures on the Labour right decided it was time to jump ship. Within months of its creation in 1981, the Social Democratic Party could claim over twenty MPs, mostly defectors from the Parliamentary Labour Party, aiming to replace Labour altogether on the centre-left by 'breaking the mould' of politics.

Michael Foot, who replaced Callaghan in 1980, used the backing of moderate trade unionists to begin a fight-back against the hard left, beginning moves to expel members of Militant Tendency from the party. But the poisonous atmosphere at Westminster and beyond – combined with savage tabloid attacks on Foot's leadership – meant Labour was in no position to mount an effective challenge in the early 1980s, especially after Thatcher's fortunes were transformed by the Falklands War. Dogged by personal and ideological divisions, Labour's own research in the run-up to the 1983 election described the party as 'implausible as an alternative government'. So dismal was Labour's performance in 1983, when its vote share slumped to 27.6 per cent, that the party faced the real prospect of being eclipsed as the official opposition by the SDP-Liberal Alliance.

Friends and enemies alike spoke of Foot's party as being in terminal decline, racked by dissent and incapable of adjusting to the realities of Thatcher's enterprise culture. In the event, rumours of Labour's death were exaggerated. Under Foot's successor Neil Kinnock, a partial recovery took place, and by the time of the 1987 election the Alliance tide had receded; Labour came in a clear – if distant – second place. Kinnock's party was at least still in business, but the scars of the early 1980s took a long time to heal. Kinnock never reaped the reward of his endeavours and eighteen years in opposition only came to an end when Tony Blair's New Labour project held sway at the 1997 election.

Labour's history thus shows that while maintaining unity is not a sufficient condition of regaining power, it is a necessary one. As the party faces up to the possibility of defeat on a scale even greater than in 1979 and 1983, some semblance of common purpose must be maintained if Labour is to have any chance of avoiding the certainty of another long spell out of power. Although ideological divisions appear less acute than in the past, new fault lines might be provoked by the prospect and reality of electoral annihilation. In the meantime, the difficulties of preserving unity among various groups in the party are

compounded by the crisis facing Gordon Brown's leadership; as at all stages in Labour's history, the standing of the leader plays a crucial role in setting the tone of the party's public-facing image.

While the need for unity remains imperative, there are more equivocal answers to the question of whether it's beneficial to ditch or stick with the chosen leader. In the aftermath of losing power in 1951 Attlee remained in place, his standing high as the architect of major welfare reforms, but he lost the following election in 1955. Wilson too stayed on, despite much internal criticism of his 1970 defeat, yet managed to stage a successful comeback four years later. In Callaghan's case, the departure of the leader a year after Thatcher's victory saw the party's plight get worse before it got better.

What Labour does not have is a tradition (accepting here that Wilson in 1976 and Blair in 2007 went at moments of their own choosing) of forcing out serving prime ministers. For insights pertinent in this regard to the position of Gordon Brown, one has to turn to the experiences of the Conservative party. In two of the three cases where incumbent Tory premiers have been ousted since the war — Eden, Macmillan and Thatcher (though the first two departed partly on medical grounds) — their replacements managed to revive government fortunes sufficiently to win the general election that followed, in 1959 and 1992. In the third case, Sir Alec Douglas-Home failed to pull off the same trick, but it's often overlooked how close he came, losing by only a tiny margin as Labour squeaked home in 1964.

There is therefore some historical evidence to suggest a change of guard at No. 10 Downing Street between elections can improve a party's fortunes in the short term, especially if the new premier appears to mark a fresh start and presents a different persona to the outgoing leader. Macmillan's unflappability when he took over contrasted with the volatility of Eden; Major's diffidence was initially praised as a departure from Thatcher's stridency. But history provides no guarantees. Labour has already 'swapped horses' once during the present parliament, and the removal of Gordon Brown would mark entry into uncharted waters. Aside from the potential impact on party unity, the electoral effects remain difficult to estimate. An untried leader could well find that damage limitation — winning anything more than the 1983 post-war low of 209 parliamentary seats — is the best that can be achieved at the 2009/10 election. In the present febrile mood, voters might simply take the view that

to lose one prime minister in the lifetime of a parliament is unfortunate; to lose two is extremely careless.

*Kevin Jefferys is professor of contemporary history at Plymouth University and author of *Finest & Darkest Hours and Politics and the People.**

**Note**

- 1 Dalton H in Pimlott B (Ed), *The Political Diary of Hugh Dalton 1918-40, 1945-60* (1986)

---

# return to society

Jon Cruddas MP and Jonathan Rutherford

---

The Labour government faces the abyss. The Conservative party cannot break from the discredited orthodoxies of its past. It has failed to win people's trust and can only hope for an election victory on a minority of the vote. Bereft of a credible economic strategy it will divide the country. The politics of both parties now belong to the past, not to the future. As Gramsci said, 'the crisis consists precisely in the fact that the old is dying and the new cannot be born.'<sup>1</sup> The MPs expenses scandal, the constitutional crisis and the profiteering of the banking oligarchy, are all morbid symptoms of this interregnum. We do not know what the next election will bring nor can we predict the fate of the Labour party. The task now is to begin building a progressive left movement that unlike New Labour will break with the legacy of Thatcherism and establish a new hegemony.

## **The era of excess**

Thatcherism was the political response to Britain's failing industrial economy. It broke the power of organised labour, deregulated and restructured the economy, and opened it up to global market forces. New information and communications technologies began to revolutionise the generation, processing and transmission of information. Radical innovations, backed by financial capital penetrated the old order and began to modernise the whole productive structure. A liberal market hegemony was established as Britain entered a new phase of capitalist development.

The social order was transformed. In the name of a property owning democracy, the Conservatives aligned the economic interests of individuals with the profit-seeking of financialised capitalism. It was a new kind of popular compact between the market and the individual. In a low wage, low skill economy, growth was driven by consumerism and sustained by cheap credit. The housing market turned homes into assets for leveraging ever-increasing levels of borrowing. The lives of millions were integrated into the financial markets as their savings, pensions and personal and

mortgage-backed debt were utilised for profit by the financial industries. A similar compact between the business elite and shareholder value created a tiny super rich elite and became the unquestioned business model of the era.

It was a form of capital accumulation that commodified society and engineered a massive transfer of wealth to the rich. The institutions which had once given people access to political ideas and activities, such as trade unions, churches and political parties, experienced steep membership-decline. The civic cultures of democracy were increasingly subordinate to a winner takes all culture of capitalism. The nation state, which took responsibility for the welfare of its citizens, was transformed into a market state that promised them instead economic opportunity. In this climate a business oligarchy accrued a dangerous amount of power and captured the political class. Growing inequalities and the erosion of civic culture opened a cultural and economic gulf between the elites and the mainstream working-class population.

The gulf widened as economic modernisation restructured the class system around the new kinds of production and consumption. De-industrialisation has undermined the income base of the working class and left large sections of the population living and working as if they are a reserve army of labour. Millions are now economically inactive, or work in casualised and temporary jobs, or are threatened with the loss of their job. Traditional working class cultures which once offered a defence against exploitation and protection from social isolation have been destroyed. This cultural destruction now threatens the existence of the Labour party itself as the institutions which once supported it disappear or lose their social vitality.

The collapse of this economic order and its governing ideology has been precipitous. Its toxic culture has brought down the authority of Parliament. The financial boom created the false prosperity of a housing bubble and unsustainable levels of private debt. The market compact that underpinned its social order no longer commands popular confidence. Neoliberal modernisation has created unaccountable monopolies of capital and a centralising, micromanaging and increasingly authoritarian state. Its enterprise culture, flexible labour market, and marketised welfare reform have all helped to generate insecurity, anxiety and isolation. In public services, kindness, care and generosity are out of keeping with the dominant market culture. The chronic housing shortage is a national scandal.

Unemployment is growing and areas of our country devastated in the 1980s are now sinking again in the recession. The social welfare contract that once gave some protection in times of adversity is in tatters.

To make matters worse, the future is full of threats and challenges. A revolution in human longevity is transforming society and leading to an explosion in the burden of care. The value of pension funds has been destroyed by the market. There is food and water insecurity, and oil production will peak sometime within the decade. Looming over all these is the threat of global warming. For the great majority of people there are no individual market solutions to the problems we face.

This should be the moment of the left, but it too is trapped in the same interregnum. It lacks a coherent identity, is organisationally and numerically weak, and is unclear about its values. It has no story that defines what it stands for. It is telling that during the last three decades of resurgent capitalism, social democracy in Britain has failed to produce a significant theoretical work to replace Anthony Crosland's *The Future of Socialism*. Crosland's revisionist answer to Marxism, however flawed, at one time provided an intellectual cornerstone for the centre left. Crosland was always out there on the horizon, keeping alive the language of class, capitalism and equality. He is no longer there. The self-inflicted crisis of capitalism is serving only to highlight the weakness of the social democratic and liberal left.

We need a politics of social life. We must return to first principles and address the big questions of how we live as well as how we create wealth. What kind of society do we want to live in? What kind of economy will sustain it? None of the mainstream political parties ask these questions. Nor do they have the cultures or language to address them with any meaning. Our political future cannot be bound by political institutions that remain unchanged from previous eras. Roberto Unger argues that the political systems we build make us who we are. 'They however are finite, and we are not. There is always more in us, more capability of insight, of production, of emotion, of association, than there is in them'. We are, he says, 'context-transcending spirits'.<sup>2</sup> Now is the time for context transformation.

We need a philosophy of the individual in society and a political culture that values the social goods that give security, meaning and value to people: home, family, friendships, good work, locality, and imaginary communities of belonging. These were the concerns of the nineteenth century debates between social liberals and ethical socialists

which created the modern spirit of the left. We need to re-invent a plural and ethical socialism rooted in the ordinary life of the individual producing and relating in society. The central value of this socialism alongside liberty is equality, because, as the social liberal Leonard Hobhouse wrote, 'it stands for the truth that there is a common humanity deeper than all our superficial distinctions'. The philosopher Charles Taylor echoes this belief in his argument that the democratic search for self-realisation lies deep in our culture. It involves the right of everyone to achieve their own unique way of being human. It is about mutualism not selfish individualism. To dispute this right in others is to fail to live within its own terms: 'your freedom is equal to my freedom'.

The progressive future belongs to a politics which can achieve a balance between individual self-realisation and social solidarity. It will be a politics of alliances between old and new political actors and one that makes common ground out of our cultural differences. Despite the disillusionment with political parties, there is an extraordinary level of political, cultural and community activism in our society. Politics has become more individualised, ethical and rooted in a diversity of beliefs and lifestyles. This is stimulating a search for new kinds of democratic political structures and cultures, which can reconnect institutions of political power with social movements and political constituencies. Networks and databases, facilitated by the web, are of growing importance in campaigning, bringing political power to account and mobilising popular opinion. But political parties also remain an essential part of our democracy. They provide institutional continuity, while networks are often transient. There is much to be gained by synergies between the two. For this to happen, parties will need to allow their own cultures and organisations to be opened up and democratised in the process.

The new forms of politics are being shaped by the production aesthetic of the information and telecommunications economy. In the decade ahead the new technologies will continue to transform the economy, creating a diversity of economic structures, business models and forms of ownership. The effervescent quality of wealth creation will require diversity, flexibility and complexity. A new politics must re-embed markets in society and create strong social foundations for ecologically sustainable wealth creation. Generous welfare support, employment rights, access to education, decent pay and social insurance will improve productivity and give workers confidence to

change, learn and develop. The decades long transfer of wealth and power from labour to capital has to be reversed and capitalism made accountable to workers and citizens through regulation and economic democracy. Climate change, peak oil and the need for energy and food security demand large scale economic transformations that require an active, interventionist style of government. We will need to build a civic state that is democratised, decentralised and networked and which is able to both assert the national interest in new structures of global economic governance and also be accountable and responsive to individual citizens and small businesses.

In the current political turmoil, the political fault-lines of a new era are taking shape. On one side are those who continue to believe that the market and individual choice are the most effective means of maximising individual freedom. On the other side are those who believe that individual freedom is based in social relationships and the democracy of public action. This fault-line cuts across party lines and divides them from within: Thatcherites versus compassionate Conservatives and red Toryism; market Liberal Democrats versus social Liberal Democrats; neoliberal New Labour versus social democratic Labour. The contest between these politics will shape the paradigm of the post-crash era.

In the period before the next election the Labour party and the wider left need to secure the social gains of the last decade and start the groundwork for a new politics. Local government 'place-shielding' can protect vulnerable local communities from both recession and from future Conservative attack. The minimum wage and benefits must be increased and index linked. Constitutional and electoral reform requires an alliance with the Liberal Democrats so let's make one — socialists and social liberals hold much in common. We need to know which banks are insolvent and bring them into public ownership, strip out the toxic assets and use them for economic recovery and development. There is time to shut down tax havens. Let's start making the case for a social Europe and call for a referendum on Britain's membership. It's time to confront the issue. A national debate will expose the reactionary xenophobia of the right. Let's build relationships with European progressive parties and social movements, and create a new internationalism for global justice. The future is about alliances, values and a return to society. Let's start putting down the foundations.

*Jon Cruddas is MP for Dagenham. Jonathan Rutherford is editor of Soundings and Professor of Cultural Studies at Middlesex University. They are co-editors of The Crash: A view from the left.*

**Note**

- 1 Gramsci A in Hoare Q and Nowell-Smith G (Eds), Selections from the Prison Notebooks (1971)
- 2 Unger, Roberto Mangabeira. The Boutwood Lectures, Commemorating 450 years of Corpus Christi College, Cambridge University (January 2002)

---

# choose social-ism

Neal Lawson

---

As I write the Labour party is in the eye of the biggest storm that has ever engulfed it. A big chunk of the party want to junk the leader, some are still supportive and many are unsure.

Let's be clear. Gordon Brown has been the most enormous disappointment as leader. Even on the economy it was little more than a year ago that he was lauding the city bankers for their brilliance and was willing to apply the 'lessons of their success' to the rest of the economy. Both the substance and style of his leadership are deeply flawed.

But for a plot to unseat him to succeed it needs what it says in the title: a plot, a story about what is wrong and what needs to be put right. In the absence of this we have a rather hopeful 'anything is better than this' leap of faith to some unknown future leader with an unknown policy agenda. Again, at the time of writing it is no surprise that thus far Brown has remained seated.

But the truth is that some of the plotters do have a plot; one that reveals a deep schism at the heart of Labour. It is between those that want the New Labour revolution to be sustained and deepened and those that want to break with past and have a fundamentally different vision of the good society. Gordon Brown's problem is not really that he doesn't communicate well or smiles at the wrong moment — it's that he promised a break with Blairism and never delivered on it. Unless and until Labour decides whether it is going to Blairite or post-Blairite then its future will remain as bleak as it feels right now.

The core of the so far non-debate is about how we make change and what is the mechanical and moral building block for a good society. The New Labour or Blairite belief is that everything starts with the individual. It is up to us to think and act based on our own view of our own best interest. The role of the state is to empower us as individuals to spend and demand. This could of course lead to collective action, but that's only if individuals decide what it is they want.

This I think is broadly what James Purnell believes in.

It's just a shame he didn't say so — if he had it would have helped spark the debate we need to have. I think we will be hearing more from James and others on the development of such a politics.

It shares in passing some of the politics of the democratic left as represented by Compass, in that it has a suspicion about the role of the bureaucratic state — both in the sense that the state can crowd out autonomous activity and the unintended consequences of the lumbering central machine. Command and control politics was tried and it failed. And for good reason.

But in rejecting the bureaucratic state the Blairites embrace the market state and in so doing plump for a politics which is in essence about individual-ism and not about social-ism. Of course there are cases for individualised budgets for some care treatments. But the building block for social, economic and political change cannot be the individual. It has to be social.

The story of the last thirty years has been the transfer of risk from the collective, the social and the community to the individual. The crisis of profitability of capitalism created the condition in which privatisation and the commoditisation of the public realm were necessary for the survival of capital. It meant not only that we had to buy more to stave off uncertainty and risk but that collectively our bargaining hand was severely weakened. In the absence of a modernising left alternative and alongside the sugar coated pill of turbo-consumption it led to a golden age of individualism. But all that has unravelled; the debt, the insecurity and uncertainty are palpable. Extending and deepening that counter-revolution offers little hope. It is one reason why the small state agenda of David Cameron cannot fly. There are no individual solutions to global problems.

Instead the challenge is to find new and better ways to be social. The benefits are both instrumental — we can do more together than we can ever achieve alone — and intrinsic — we gain emotional and wellbeing benefits by working together with others. The historic problem for the left is that its approach was bureaucratic rather than democratic in its approach. It trusted the machine not the people. The challenge today is to work out at every level not just how the state can be democratised, to put the people in control of it, but how civil society and the economy can be democratised too.

Of course there will be a role for markets, for individuals, for some command and control and for professionals. We need a rich mix of means to shape a

complex and contradictory world. But the theme of the social and therefore the democratic must run throughout the new plot of the left.

Social-ism should be defined as the ability of people to exert the maximum control over their lives. For this, people have to be more equal; to have the resources to live a free life. But they must also act in concert with other — as citizens shaping the big things in their life and not just as consumers buying the small things that change too little.

Of course the Blairites will disagree because they have a different vision of the good society, starting as they do with the individual and not the social. Such difference should be openly and constructively debated. Through debate we will learn and adapt; find tangents on which we can agree and understand where we don't. Of course the Blairites may win the debate and change Labour irrevocably to a party based on individualism. Perhaps they already have — if so it is a sad day for the left. Other parties represent in different shades the politics of individualism — only Labour offers the hope of a world based on the social and therefore democracy.

Labour should now use the time until the next election to do everything it feasibly can to put in place the building blocks of solidarity and democracy. First, it should protect the people who stand to suffer most if the Tories win. This would include ideas like index-linking the minimum wage and benefit payments to ensure George Osborne doesn't allow them to wither on the vine by not updating them. It should encourage a wide public debate about the need for dependable public services, to end child poverty and the fair taxes necessary to pay for both.

Second, it must radically reform our democracy. Democracy and social-ism are two sides of the same coin. Key here is the call for a binding referendum on change to a more proportional voting system, which David Cameron is implacably opposed to. This represents a perfect dividing line, between Labour who trust the people to decide and the Tories, who don't.

Third, it should rebuild the institutions in which social democracy can thrive in the future: the party itself, the unions, local government and other elements of civil society in which the values of democracy, equality, and sustainability can take root. Places in which the public trumps the private, with the citizens the lone consumer.

But this cannot just come from the top. The whole party should be engaged. The democratic and economic crises are without precedent. We are in uncharted waters.

The party leadership should instigate a discussion among the membership, the unions, affiliated societies and the Parliamentary Labour Party to draft a short restatement of Labour values and policy intent up to the next election. This statement could be put online for everyone to comment on. It would be the vehicle through which the battle of ideas between those who want a bureaucratic state, a market state or a democratic state could be openly and honestly played out. It would be sent to every party member for their endorsement. Unless it signalled a change of direction it would garner little support. This process would be concluded by the end of July and the Party Conference used to establish a plan of implementation.

This debate, however, is not just about Labour and the answer to how to achieve the good society cannot be confined to one party — far from it. One of the reasons for New Labour's failures in office is that it refused to work with others — other parties and movements. It did not embed its project in civil society and was therefore always prey to the whims of a few swing voters in a few swing seats as well as the financial demands of the city and media moguls. Gordon Brown once said he wanted to build a progressive consensus. There has never been a better time to do it. But it will come from below not on high and it will be based not on the individual but the social.

*Neal Lawson is Chair of Compass and author of All Consuming to be published by Penguin in June.*

---

# rebuild the middle

Phillip Blond

---

Where now for Labour? Strictly speaking the immediate future is one of electoral oblivion. But what type of extinction is it? Could we be looking at the removal of the Labour party from the determining political landscape of Britain? At the moment the standard conversation is about the length of time Labour will spend out of power, ranging between two terms and a generation. But the outcome could be more even more extreme. To recover the council seats it has lost from its high point will, if the experience of the Conservatives from their nadir in the 1980s is anything to go by, take at least a quarter of a century. Moreover, the almost complete erasure of Labour councilors from much of southern England denies the party any constituency or activist bedrock in huge swathes of the South and no real possibility therefore of ever electing a Labour MP again.

Labour has just endured its worst council results since local government re-organisation in 1974. It now controls no shire or county councils in England at all, and it has come third in the popular national vote behind the Liberal Democrats. An even more frightening future was outlined in sharp relief by the European elections, which were the worst performance in this poll for Labour since the vote was introduced. It lost the national vote in Wales for the first time since 1918, and in touching less than 16 per cent of the national vote it is the worst electoral share since 1910 and presages an unthinkable elimination of the Labour party from the body politic. In the Labour heartlands of Wales and Scotland voters are abandoning the party of Bevan and Macdonald in droves, and in England the abandoned, diffident and angry poor are ripe for capture by an alternative progressive politics.

No party is guaranteed a permanent political future, and if the Liberal Democrats can position themselves as the defenders of the waged working class (which New Labour has so evidently abandoned) and the indentured and insecure middle class (which new Labour did so much too create) as well as the advocates of the progressive and affluent, then the Labour Party could indeed be consigned

to third party irrelevance. However, the Liberal Democrats have shown no such imaginative triangulation so the permanent relegation of Labour looks as yet an unlikely but not an unthinkable future outcome. Alternatively, and this is the more likely scenario given the relatively poor performance of the Liberal Democrats, both Labour and the Liberal Democrats could become in effect regional parties, with Labour governing only its shrinking welfare bastions in Britain's inner cities and the Liberals holding on to their South Western enclave and scattered university towns. While all the while a resurgent conservatism, if it extends its appeal across the political spectrum, can dictate and shape the centre ground of a new politics.

How did it all come to this? We know the short-term reasons: the economic crisis, the expenses scandal and the psychological limits and dictatorial habits of Gordon Brown. But these causes alone, even if one reaches back and includes the war in Iraq, are insufficient explanations of this current precipitate collapse. To my mind, and I take a longer view, we have seen the final working out via its full expression in New Labour of the legacy of the post-war left: the bastard union of state authoritarianism and personal left libertarianism. And it is this invidious issue that is now being wholly and rightly repudiated.

As I have argued elsewhere — the legacy of central state absolutism and subjective atomisation is a liberal bequest that was taken up enthusiastically and with disastrous consequence by the post-war left. The British left in the middle of the 19th century was associative, civil, reciprocal and religious. That this has now been replaced by atomised personal autonomy, control of and by the state, unilateral rights assertion and enforced secularity is a historical rupture that demands a full and sincere historical analysis, one which must be conducted elsewhere.

In brief, liberalism's true radical basis extends back to Rousseau whose notion of contract was founded above all on a repudiation of society. For Rousseau, emergence into society is the first act of imprisonment, for though we are free we are everywhere in chains. Like all liberals Rousseau conceived individuals as a category prior to and separate from any social formation — indeed society is itself only created when these raw and savage wills are drawn out of a state of nature by the social contract. The trouble is that each person's individuality must find its full expression in the society it now constitutes, otherwise freedom will be replaced once more by bondage. Thus the general will becomes the primary way for the will of each individual to

be reconciled with the will of others. Since this scenario of reconciliation is in essence irreconcilable, the conflict experienced in the state of nature is simply repeated in society with ever greater and more damaging effect. In the political context, the more individualist each person becomes, the more power and control the state must accrue in order to control the situation. So the liberal war of all against all requires an ever more illiberal state to control and protect a society so tragically and illegitimately conceived.

The post war history of the Labour party mirrors almost exactly this debilitating tension. British society has been progressively and aggressively pulverised by the assertions of state authoritarianism and individualist libertarianism. The 1945 settlement, which achieved so much, also damaged and ultimately undermined a great deal more. The post-war socialist state nationalised society and rendered superfluous all of its intermediate and civic structures. Institutions and the associative patterns of behaviour that they encouraged were the creation and possession of an empowered working class, but they were rendered redundant by the new managerial welfare state. As JB Priestly put it in 1949 'the area of our lives under our own control is shrinking rapidly' and that 'politicians and senior civil servants are beginning to decide how the rest of us shall live.'<sup>1</sup>

This vertical state produced a new, disassociative citizenry. Isolated and alone, an increasingly fragmented working class was vulnerable to the next version of the liberal legacy — possessive individualism. The Bloomsbury group in the 1920s tried an earlier formation of the liberal deconstruction of common values and binding codes — but the strong associative bonds of the pre-war middle and working class meant that this social nihilism never passed fully into British culture. However the mass consumption and mindless libertarianism of the late 1960s middle class finally did for the poor. When the decadent individualism of sectional interests and assertive rights had finally destroyed the society of the poor by promising it liberation from family, responsibility and human relationships, the introduction of liberalism into the labour movement had reached its logical conclusion: socialists had finally abandoned society.

In short it is because this liberal legacy that has finally been recognised and repudiated that voters are abandoning Labour. Ordinary citizens want society back; they want control of their own lives and the ability to form communities with others. They want to create a civic 'middle' that gives them back their society. The left, if it

wants to regain the progressive agenda, must firstly come to terms with its own legacy. It must repudiate the easy cultural relativism of the liberal middle class and the state authoritarianism used to control the working class. Instead it must realise the new politics and the coming future.

And what is this new politics? Well, it is the creation of a new compact around intermediate associations and civic institutions. It is a limiting of the centralising state and the monopoly market in favour of an empowered populace and a radical decentralisation and pluralisation of power, property and purpose. But such a renewal can only take place around a cultural recognition of the permanent things. Unless Labour embraces a new conservatism that sees beyond culture and change to a persistent good which can be known, recognised and distributed, its innate cultural relativism will have it spiralling off into irrelevance.

*Phillip Blond is Director of the Progressive Conservatism Project at Demos.*

**Note**

- 1 Priestly JB, 'The truth about democracy', Sunday Pictorial (23 January 1949)

---

# think tradition

Alan Finlayson

---

If Labour is to remain a significant force in British politics then its leadership and its grassroots members need to understand two things. The first is the extent of the disrepute into which the party has fallen; the second is the damage caused by the party's abandonment of its own social-democratic tradition.

Those closely involved with Labour at local or national level may still imagine it to be the party of equality, the rights of ordinary people and community. But everybody else sees nothing of the kind. They see a party lacking such principles, whose leaders like to show off next to celebrities (that they then appoint to the House of Lords), vie with each other for power rather than exercise it and manage property portfolios paid for out of the public purse. For the average twenty-year old (such as those I teach) Labour is the party of war, commercialisation and self-interest. In this respect at least the party has been very successfully re-branded.

Labour people will disagree with this perception. But they must acknowledge it and thus the gulf between how they see their party and how it is seen and experienced by everyone else. Furthermore, they must appreciate that the fault does not lie solely with an unfair press or inattentive citizens and that it will not be remedied by finding the right face, the correct form of words or a better 'narrative'. Ordinary people see in Labour a party that has abandoned much of its ethical and intellectual tradition and fallen into confusion, adrift without a political or ethical compass. And they see this because it is true.

Social democratic parties across Europe in the twentieth-century had two fundamental purposes. The first of these was to represent politically the labour movement and to further the interests of the working class. The British Labour party did this through incorporating trade unions into policy-making, striving for full employment and providing universal public services. The second task was to limit the corrosive force of commodification. The Labour party sustained and fostered institutions and spaces within

society independent of the utilitarian values and commercial imperatives of the market. If the Tory party, classically, drew its supporters from various kinds of commercial interest, then Labour existed for those opposed not to the market as such but to its intrusion into areas understood to be of value but without price.

British social democracy — contrary to the story we are often told — was immensely successful. But the very social changes it engendered altered the class, occupational and cultural patterns of the UK, initiated some ‘class de-alignment’ in voting and changed the sorts of problems experienced by the poorest. None of this vitiated the need for political representation of working people. But the change was sufficient to decrease Labour’s political constituency (although this was exaggerated by those with a political interest in so doing). Social and economic transformations (involving family life, gender relations, workplace technologies and so on) required the British left and Labour movement to think afresh and to create new kinds of political interest to represent.

But what the Labour party, as New Labour, actually did was in retrospect extraordinary. Its leaders decided not only that there was never any real conflict between employers and employees but also embraced commercialisation as a positive value. Its leaders and advisers came to believe that market competition necessarily induces responsibility in producers or providers and generates responsiveness to demand. They confused consumer choice with democratic freedom and introduced rules and regulations to make public services more like private ones. In many cases they directly opened up the former to the latter at prices far below market-value which, when you think about it, is pretty ironic.

The more that Labour abandoned its opposition to total commodification, the more its support has dwindled. British culture needs a party that emphasises our acquisitive and commercial aspect but it also needs a countervailing force emphasising our local and communal variety, an appreciation of the quirkily unmarketable and a suspicion of excess. In abandoning this ground the Labour party ceded the reasons for its existence and until recently the absence of any replacement has enabled it to survive. But, as the results of the European elections indicate, voters in search of seeming fidelity to ordinary ways of life, a sense of security and community, and a rejection of gross consumerism are scattering in all directions and heading to where they imagine (usually wrongly) they might find these

things: Greens, UKIP, BNP and some to Cameron's red, green and blue Tories.

Too many British citizens experience the pain of a world too quickly eroded by the flow of capital, undermining a sense of place and belonging, disorienting life and the values that animate it. The last fifteen years have seen a change in what Raymond Williams called 'the structure of feeling' in Britain. Thatcherism left us with a culture skewed too far towards competitive individualism and lacking in respect for the communal. New Labour pushed this further, transferring more risk from the collective to the individual and telling us to look out for ourselves, to purchase our own pensions and healthcare rather than support anybody else's, and to invest in our houses not as homes but as assets. We are left with a culture of nervously aggressive individualism celebrated by a popular media filled with all kinds of bullying and humiliation. Compass long ago christened this the 'social recession'. Cameron's Tories now call it 'the broken society'. Labour people sometimes feel forced to refute the existence of both but the truth is that everyone knows exactly what is meant. In a society where commerce is the only source of value, you are what you own and you had better get more however you can: steal it at knife-point; evade your taxes; artificially inflate your share price; or fiddle your expenses and flip your house.

Labour has not merely departed from the legacy of European social democracy. It has sought actively to forget it. It has attacked public sector workers, the 'forces of conservatism' that Blair said had left 'scars' on his back. With the intention of promoting aspiration it has, in curricular reforms at both school and university level, intensified insistence on the virtue of the lone entrepreneur rather than that of the servant of the public good. Today we even promote service in the armed forces not because of the virtue of defending your country or saving innocent lives but because of the transferable employability skills it will give you.

Labour has cut itself off from itself. Its recent leaders seem ignorant of what the social democratic tradition teaches us about ethics and politics. Conservatives treat theirs as a living tradition. But Labour people have learned to be scared of theirs, thinking it a dead-weight rather than a springboard. A generation has entered the Labour party and been inculcated into a marketing strategy rather than an ethics and a world view. This is disastrous. Thought properly, traditions do not confine but orient. They don't answer all our questions but help us to ask the right ones. In cultivating

ignorance and hostility to its own ideological tradition, Labour, far from renewing itself, has starved itself. It may have passed through a phase where it looked leaner and more refreshed than before, but this was only one stage in the process of wasting away. A tradition takes centuries to build up and only one generation to wipe out.

The main symptom of this is that many Labour leaders, in their writings, speeches and interviews, seem to lack a concept of power — of the forms it takes, of who has it and the ways it might be exercised or directed. They seem to think that passing a law or a regulation is in itself sufficient to bring about change and when it hasn't worked they have given up like easily bored children or invented a new law, another regulation. They have 'devolved' power to the consumer as if the buyer-seller relation exists in a vacuum and is always one of equality. But the intellectual tradition of social democracy teaches one to recognise the complex interactions between forms of power, and in particular to see how the capitalist market is driven to expand into and to colonise social life in the search for profitable returns. It certainly has dynamism and is something without which a society cannot flourish. But its energy needs to be contained and sometimes directed. Left to itself it gets out of control, crushes what is in its path and then, when it is exhausted, crashes. New Labour thought such an analysis old-fashioned. It fed the market, encouraged debt, artificially inflated house prices and encouraged us all to be investors. When the market failed it decided the invisible hand was insufficient and that the greed of bankers should be paid for by tax-payers. Incapable of understanding market and economic power, New Labour was ruthlessly played by those who understand competition perfectly.

An ethic of public service and awareness of a common good persists in British political life. It is there in small local pressure or support groups, charitable and religious community groups. It is there too in the Social Forum, NGOs and in parts of the activist and protest movements. Such groups will not now be co-opted by Labour. Everyone knows that a successful political campaign does not need to be attached to a political party. All you need is conviction, the internet and right on your side (perhaps also Joanna Lumley). In any case, if you are concerned about climate change or civil rights why would you seek the help of the party that wants to build roads and airports, disregards habeas corpus and colludes in torture?

Labour seems always to be worrying about its own

renewal. But usually this means thinking about how to change others so that they will see Labour as it sees itself rather than actually looking in the mirror. The electorate has now held that mirror before the party and it must acknowledge the truth of what it finds there. The first thing Labour MPs and their supporters must now do is accept that it is over for them. They will lose the next election. Once they accept this they will be able to concentrate on finishing their time in office with dignity.

In their final six to twelve months the Labour government must accept that the financial services sector, important though it is, imposes costs on the British economy by distorting appearances and inducing short-termism over proper investment. The way to deal with this is to tax transactions partly as a disincentive to too hasty a trade but also to build up the funds that will pay for the damage tax payers did not do. In addition they should pass laws requiring fuller disclosure in private company accounts. Freedom of information has enabled citizens to regulate their corrupt politicians. It will also enable them to regulate the corporations. Our national economy is in need of diversification and encouragement for those who make things rather than those who trade in imaginary ones. Labour should initiate a massive investment programme into biotechnology and green energy and the creation of an infrastructure for alternative fuel systems. And before it leaves office it should index link the minimum wage and prepare for two referenda: one on the voting system and one on the House of Lords. None of this will win Labour the next election. But Cameron has not yet secured a coherent coalition to sustain himself in office and policies such as these will force the Tories to actively overturn pro-social, pro-environmental policies. More importantly, they are the right thing to do.

The results in Scotland and Wales are clear manifestations of an underlying historical transformation in British politics. Labour should encourage its members to abandon tribal prejudice and open discussions with the nationalist parties and with the Green party as to how to co-operate in the event of a hostile Tory government keen to claw back central powers and to make a populist appeal to Englishness (for this will surely come). It should also recommend that branch parties halve their number of meetings and instead all participate in volunteer activity (litter clearing, advocacy work for refugees, painting schools and so on). The Cabinet — as many already have — should then announce that they have no intention of standing for

office again. Freed from the vain hope of re-election they can step away from their ministerial offices and do what they should have done long ago: get out and speak with every church, school, union branch, college or charitable association that will invite them. They should apologise and then listen to whatever it is people have to say while re-learning what it is to make an argument for a belief and to really mean it.

Such measures will not win Labour power but they will begin to put it back in touch with itself and with its country. And that is also why Labour needs to learn its ideology again – to remember why working people (and those now put out of work) need representation and why commodification needs to be kept contained; to re-learn what power is in a capitalist democracy such as ours, who has it and who does not and with what effects on social and cultural life. Only when Labour remembers and truly understands where it came from will it be able to work out where it is supposed to be going.

*Alan Finlayson is Reader in Politics and International Relations at Swansea University.*

---

# the common good

Maurice Glasman

---

The reality of Labour's distress needs no rehearsal. What confronts Labour now is pain and rejection. The sources of its suffering are to be found in the intensity of its commitment to free market economics and a type of welfare state which have not only failed to deliver but have actively undermined the integrity of society. In its pursuit of liquidity it has eroded solidarity. In its pursuit of fairness it has centralised power. This is not a trivial matter. The strengthening of both the free market and the welfare state is a good working definition of the political career of Gordon Brown, and of New Labour. With the unprecedented challenge to the assumptions of both welfare and market economics there is now an uncomprehending void at the centre of Labour thinking on policy and politics.

What is at stake now is whether Labour has the resources to renew itself as a potent force in British society or whether its present condition is indeed progressive. It is the argument of this essay that Labour has invested heavily not just in a set of bankrupt banks but bankrupt ideas. It needs to disentangle from both so that it can draw upon neglected resources within the Labour tradition that can better explain its current predicament, as well as providing a credible escape route and orientation for renewal.

Let us begin with the welfare state. The utilitarian approach adopted by Labour means that power is exercised by experts who consider traditional institutions, work-practices and communities as impediments to justice, efficiency and truth. The method itself turns people into powerless units of administration and no good can come of it. Its enforcement leads to the erosion and co-option of the institutions necessary to generate the virtuous and skilful people required to build a good society. The state can redistribute wealth but it has proved incapable of redistributing power.

This in itself is not new. The problem for socialism has always been how to stop the state nationalising society. New Labour's unique contribution to political practice is a

combination of this type of state collectivism with a robust market economics. This is the idea that capitalism in the form it takes in financial markets is the most efficient means of distributing resources, pursuing prosperity and protecting liberty. The withdrawal of Labour as a force within the economy — confining itself to spending the money generated by financial deregulation on welfare — has proved to be decisive in determining its fate.

Labour was born in resistance to the domination of the market and built institutions such as mutual societies, cooperative businesses and trade unions that tried to limit the power of money in the distribution of power. It emphasised, in contrast, the importance of building a politics based on relationships. The selling of things that are not produced for sale and are not easily replaceable such as school playing fields or your body and its organs, is what is known as commodification. The pressure the market exerts to turn people and nature into things that can be bought and sold constitutes a real threat to the status not only of human beings as a purposeful social agent, capable of trust and responsibility, but (as Margaret Thatcher reminded us) of society itself. Against this the Labour movement contested the unlimited sovereignty of capital to determine economic relations. The organising principle of the entire Labour movement was based on achieving the recognition from both employers and the state of organised labour as a partner in production and in politics. They even went so far as to name the entire endeavour 'Labour'.

It was its commitment to financial services as the driving force of the British economy that put the 'new' into New Labour. The scale of its dedication to this principle was expressed in the City of London Electoral Bill of 2002. In this the partners or managers of each firm in the Square Mile were given a vote based on the size of their workforce for electing representatives to the local authority. Five workers gives you one vote, ten workers two and so on. Unfortunately, the workforce itself has no vote. A Labour majority of over three hundred voted through legislation that gave the City of London workforce the same status as slaves and cattle at the time of the American Revolution in order to represent the exclusive power of money in the most ancient territorial civic institution in the world whose home is, of all places, the Guildhall. The bailout of the banks, the biggest transfer of wealth from poor to rich since the Norman Conquest, follows on from that. The fundamental cause of the financial crash, as is the case with parliamentary corruption, was the lack of any effective oversight or

countervailing force to the sovereignty of managers which could have challenged the decisions on the basis of shared information and equal status.

The balance of power in corporate governance is the primary concept here. The market ravages people and their environment to maximise returns on investment through the most effective exploitation of resources. That's what it does and it should be recognised that such a goose as this is more likely to foul its nest than to lay a golden egg. A genuinely prudent politics would assume this to be the case. It has been the fundamental role of democratic politics since Athens to domesticate it and make it serve human ends and Labour needs to reconnect with that idea.

The problem with New Labour's view of the market and the state lies in their shared conception of sovereignty. Sovereignty has two aspects. It gives the sovereign the power to act but it also shields it from any reciprocal relationships or accountability. Machiavelli called this type of unilateral power *potere*. It is the uncontested assertion of the power of a single will. The type of power Labour pursued was inherently corrupting in that the capacity to act without constraint or oversight led to the arrogance and recklessness that have brought the City of London and Westminster so low. The meaning of the expenses outrage is that the dark heart of sovereignty has been revealed as dangerous and dishonest. It is dishonest because Parliament is, in fact, impotent and subordinate to the executive power. Finding themselves powerless, MPs embraced the other side of sovereignty and exerted their prerogative to conceal, which led unsurprisingly to their recognition that they could steal from the public, exempt from any power that could deny them; and that is dangerous. Accountability only has meaning if there is a countervailing power that has an interest in holding people to it.

The alternative form of power is relational, in which the capacity to act is generated through association with others. The trust, skill and solidarity necessary for sustained and effective common action means that relational politics is the most important source of public education for by doing it people learn the necessity of virtue. This, Machiavelli called *potenziale*, or potency, referring to the potential that active relationships possess. Potency is necessary to create life. People lift themselves and each other out of poverty by becoming more skilful, more connected, more experienced and therefore, more powerful. It is something they can only do together. Relational power in pursuit of the common good is the key to each aspect of Labour's renewal.

It is also important to ask why, given the scale of its failure, anyone should be faithful to such a tradition of politics. Why be Labour now? The answer lies in the unique inheritance of the Labour movement. The practices and ideas of mutuality, reciprocity, the balance of power, solidarity and above all, organisation, and their connection to the economic life of society are the distinctive gifts that the Labour movement passes down to us. Our identity itself gives us the resources of renewal.

The English peasantry dispossessed of their land by enclosures and the artisans dispossessed of their status by the repeal of apprenticeship laws built an organised political movement that generated real institutions with real power. The Labour interest, at work and at home, became a significant force in the firm, the locality, the city and the nation through pursuing the common good on the basis of organised interests. This led to a genuine transformation in the distribution of power and wealth. In the most hostile conditions the working poor buried each other, recognised each-others skills and protected the integrity of family life. The choices were hard and the politics were hard. And that is exactly where we are. The builders and creators of the Labour movement are our greatest teachers and we must honour them.

The organisation London Citizens is the closest living embodiment of this tradition. They pursue a common-good politics based upon common action between different institutions through the practice of community organising. So what are self-organised people, naming their own problems and pursuing their interests, claiming to be the important issues and policies?

The first is the establishment of a living wage for every worker at £7.45 an hour. This grew out of the experience that you could work and still not be able to feed your children or spend any time with them. A Living Wage would be a direct cash improvement in the conditions of the poorest workers without any mediating bureaucracy. It would place family life as a central good and provide an incentive to work as well as respecting its dignity.

The second issue is safer streets. London Citizens has provided a framework within which faith communities, schools, businesses and unions can confront the power of drug dealers and gangs and contest their ownership of the street. Would Labour be prepared to give communities greater power over their shared public spaces? Perhaps the most difficult challenge facing Labour is going to be the

necessity of engaging in a common-good politics with religious communities who have succeeded in preserving their associational integrity when Labour has lost theirs. Respectability has always been a far more important concept in English politics than respect and Labour needs to re-engage with what that means.

The third campaign concerns affordable housing, the possibility that families can have a home with enough space to live in. This involves a restoration of co-operatives and land trusts which enables people to build their homes outside the conventional property market. Wages, public order and housing turn out to form the basis of the political agenda after all.

Barack Obama was trained and worked as a community organiser and has consistently recognised its formative influence on all aspects of his politics, including his successful campaign. The energy, the connection with first time voters, the common good content seem like a different world to that confronting Labour now. Hope is only reasonable if you have the power to act effectively with others. The Labour movement is rooted in the rules of community organising which teach that only organised people can change their world through building relationships and engaging in common action. It involves taking sides and holding power accountable to the people it serves. Labour should argue that in order for people to protect the things and people that they love they must organise themselves around the institutions they trust to pursue a common good. Labour used to be one of those institutions but is no more.

So, finally, what now for Labour? The politics of the common good.

*Dr Maurice Glasman is Director of the Faith and Citizenship Programme at London Metropolitan University and the author of Unnecessary Suffering.*

---

# look to the town hall, not Whitehall

Tristram Hunt

---

In the midst of an ugly electoral post-mortem and very necessary debate about constitutional propriety, Labour must not abandon intellectual activity altogether. In less than twelve months time, Britain faces an historic general election which will decide whether Labour can embed the progressive consensus. For what this month's poll has also revealed is the absence of any quickening hunger for Cameron's Conservatives. The electoral hill he has to climb remains steep. Meanwhile, the Labour party needs desperately now to show a continuing instinct for change and a capacity to think creatively. That means drawing on the Labour movement's past to offer meaningful, progressive solutions to an understandably anxious Britain.

The effective response of Gordon Brown and the British government to the global credit-crunch over the last year has rightly led to a renewed belief in the capacity of the state to act as a catalyst for reform. What has prevented recession slipping into depression and saved us thus far from a 1930s-style retreat into protectionism and structural unemployment is responsible and coordinated action by treasuries across the world. After years of lazy Conservative critique of Whitehall and town hall, suddenly the actions of public servants are not so risible after all.

But on the left, this crisis has led too many to seek the familiar, paternalist hand of the man in Whitehall knowing best. As such, it has formed part of a broader reliance upon statist remedies which has accumulated in recent years. This itself is part of a historical trend that sees ministerial dirigisme creep from the economic to the public sphere. All too quickly, in the 1940s and 1950s, the thinking of JM Keynes together with more aggressive economic planners edged its way into social policy as great swathes of British public life fell under Whitehall's dominion. When it came to the NHS, energy policy and environmental controls, much of this centralism delivered a welcome measure of social justice, but the traditional journey from economic intervention to ever greater social activism by the state is no longer the appropriate response to the

failings of 21st century, *laissez-faire* financial capitalism.

For there is another story of Labour which has been all too readily abandoned in the current debate. It is one which values the capacity of the state, but does not regard an increase in state spending as a virility symbol for socialism. Indeed, it has its roots in a tradition which was often hostile to the demands and depredations of the kind of Westminster elites we currently see chasing their own tails.

What shaped the pioneer, early 1900s Labour party was not just trade unions and intellectuals, but also a powerful hinterland of mutualism, associationalism and civil society stretching back to the early 1800s. From the Owenites to the Chartists to the Rochdale cooperators — via the friendly societies and self-help clubs of most British towns and cities — Labour's political ethos was cumulatively moulded. Here were self-governing communities teaching, employing and mobilising themselves. This tradition of mutualism provided vehicles for social mobility, civic pride, political voice and even global activism on issues such as slavery, colonial liberation and militarism. Here lay the origins of the trade union movement and provided the training ground for some of Britain's most effective working-class progressives.

With the advent of the vote, this civic ethos continued to guide the Labour movement in power in councils across the country. In Manchester, Glasgow and, most successfully of all, early 1900s London under the Progressives, left-wing administrations married civil society with political capacity to produce the great epoch of municipal socialism. Experimenting, innovating and delivering social justice on a local scale, Labour councils put the civic tradition into action. From school meals to free transport, public health to parks, swimming baths to political education, art galleries to decent housing, the full panoply of the good life was delivered to the people outside the purlieu of the central state.

Today we are told by David Cameron's 'philosopher du jour', Phillip Blond, that the Tory party is the true home of such local democracy and civic activism. In his new work on 'red Toryism', Blond urges a Burkean force of little platoons to break the monopoly logic of the market state and allow for a new era of 'communitarian civic conservatism.' In effect, his is little more than an updated version of 'villa Toryism' combined with a high Conservative nostalgia for the thick, organic, pre-modern world.

Phillip Blond is right to suggest that Labour has become too close to the big government, corporate interest:

having come to power on taxing the excess profits of the utilities, ministers now run scared of BAA, big oil and big pharma. But in his black and white template, Blond seems to regard the Labour party as interested in the defence of the central state in and of itself. What is more, he argues that the modern Labour party has detached itself from any remnants of its civic tradition.

Few would argue that in 1997, after 18 years of Tory inaction and a monstrously desiccated public sphere, a degree of concerted state activism was not needed. In some policy areas, New Labour went too far with its centralising ambitions for 'Napoleonic control'. But, at the same time, the last ten years has witnessed a magnificent devolution of power — from the Scottish Parliament to the Welsh Assembly to the London Mayor and now (albeit belatedly) further autonomy for local councils in terms of revenue-raising powers and the much overlooked city-region status.

Which is how it should be. In the age of the internet, mass migration, fragmenting multi-culturalism, and a new culture of aggressive consumer power, the old command and control template is over. What is more, recent public policy debacles have starkly revealed how pulling the central levers doesn't work. We have seen, despite over a decade of aggressive policy responses from Whitehall which has lifted hundreds of thousands out of absolute poverty, a continuing inability to transform ingrained social inequality within Britain. The traditional levers for change no longer provide the kind of capacity building and social innovation on the ground which shifts life chances. Only last month came figures showing just how difficult it still proved to eliminate pensioner poverty, child poverty and inequality (at its highest level since 1961).<sup>1</sup>

Meanwhile, an array of high-profile educational initiatives — from 'Building Schools for the Future' to the Learning and Skills Council college building programme — have revealed the hopeless inadequacy of Whitehall planning.

So this, surely, is the terrain for Labour to confront over the coming months. Rather than letting David Cameron get away with the notion that the Tory party — the great arbitrary centralisers of modern British history — has any innate concern for re-engaging civil society, Labour should use the current disgust at big politics to revive its civic tradition. That can mean all sorts of minor policy plans to improve liveability — implementing the Quirk Review on public space, abandoning the big business Barker Review on planning, rolling back the terrible liberalisation laws on

betting and drinking which have done so much to destroy the British high street.

But it also demands a New Deal with local government and, with it, a realisation that some of the most innovative and intelligent public servants are now to be found in the town hall, not Whitehall. And they need a new ‘grey area’ – between local and state power – to allow for new policy innovations free from the fear of judicial review, let alone rate-capping. They need the political capacity to pursue the kind of commercial experiments which Manchester City Council has pioneered, or the plans for the Post Office which Essex County Council are experimenting with, or the city-region powers which Leeds intends to exploit. Labour needs a new mind-set committed to radical policy devolution at both an economic and political level.

The question, of course, is whether it’s possible to carry out such party political re-engineering with the allure of Whitehall – all those civil servants ready to *do things* – ever present. It is also much harder to carry out with a party structure hollowed out of councillors and activists at local level. And then there is the political charge that this is hardly the time, at the tail end of a parliament and after twelve years in power, to bring out the familiar canard of local empowerment. But the current crisis provides the perfect moment to do just that. The Westminster model is crumbling, MPs are reviled, the man in Whitehall does not know best. Now, surely, is the time for Labour to recover its civic identity, abandon its centralism and endow a new social-democratic power balance.

As the great Friedrich Engels once put it, ‘surprise your antagonists while their forces are scattering, prepare new successes, however small but daily ... force your enemies to a retreat before they can collect their strength against you; in the words of Danton, the greatest master of revolution policy yet known: *de l’audace, de l’audace, encore de l’audace!*’<sup>2</sup>

*Dr Tristram Hunt, a former Labour special adviser, is lecturer in history at Queen Mary, University of London and author of ‘The Frock-Coated Communist: The Revolutionary Life of Friedrich Engels.*

## Notes

- 1 Department of Work and Pensions, HBAI 119/5-2007/08, Households Below Average Income, (May 2009)
- 2 Danton G-J, in a speech to the legislative Assembly in Paris (2 September 1792)

---

# double revolution

Jessica Asato

---

As politics as we know it implodes around us, it might seem a little odd to focus on the internal cogs of the Labour party. The typical invocation in times of political crisis is for politicians to look outwards not inwards, but a debate about where Labour goes from here and whether it has any chance of regaining its status as a vehicle for progressive change in the future, cannot ignore the structures of the party itself. The vast majority of political commentators ignore what happens in the constituency Labour parties meeting every month in fusty church halls and tatty pub function rooms across the country. Quite rightly the focus is on those at the top. But it is in the branch meetings of the Labour party and trade unions where Labour's problems start, and where we must shine a light to understand how Labour might try to reconnect.

On evaluation, Labour's structures are an unhappy merger of old-fashioned, soviet-sounding bodies such as the local 'General Committee' and powerless New Labour creations such as the National Policy Forum. As part of New Labour's drive to protect policy-making from hard left elements of the party, a new system of policy formulation was created called 'Partnership in Power'. Scarred by the 1980s where Militant Labour organised within the party and issues such as unilateral disarmament dominated party thinking, modernisers sought to create structures to give voice to the mainstream of the party. The problem was that the vast majority of people who joined Labour in the build-up to victory in 1997 for one reason or another failed to get involved in policy formulation and very quickly the new structures were accurately seen as a way of silencing the grassroots of the party.

By all accounts the new system has become irrelevant to most Labour members, who are now resigned to letting the government make policy. Which means that most Labour meetings have reverted back to pointless discussions, devoid of serious argument or real facts, which are resolved by how many people belonging to one faction or another bothered to turn up for the evening. Motions are

still written, and amended, and sent to various Secretaries of State destined to end up in yet another waste paper basket. To debate ideas and practical policy measures at a local party meeting is like stepping into a time warp. It is a perplexing situation given the many years of modernisation and innovation that we have seen Labour pursue in government, but it is not surprising given that Tony Blair, and Gordon Brown since, have had no appetite for reforming the party. And yet 'producer capture', something which reforms of the public service were often introduced to alleviate, is rife in the Labour party.

The psychology of members in the Labour party would surely be an interesting study in human behaviour. Many join with fierce conviction about their role in helping to tackle injustice and poverty, and fight against elitism and hierarchy. Yet the way people behave once they are Labour members often seems to strike against the very values they say they espouse. The organisation becomes a clique where very little information is shared, dominated by the loudest and those who have served the longest. New entrants are treated with suspicion and not accepted into the fold until they have either given up any sense of a social life by accepting every committee position going, or deliver ten rounds of newsletters on their own. Some members have an extraordinary sense of entitlement and demand the right to be listened to, purely by dint of paying subscriptions. When the leadership doesn't listen, a sense of victimisation takes hold and all manner of conspiracy theories lead to bitterness and sometimes unfathomable anger. For all Labour's history of peaceniks and Christian socialism, entering into local Labour politics can often resemble being thrown onto the battlefield.

This isn't to say that Labour's leadership is always right to ignore the membership. On the contrary, many issues such as the uproar after the 65p increase in the state pension and the fact that not all tenants would accept centrally imposed Arms Length Management Organisations, were spotted quickly by local Labour members and could have been avoided if there had been a little more listening. But if Labour is going to stop its inevitable decline in membership — it reached its lowest in Labour's history in 2008 — Labour's central structures must loosen their grip on the local party just as the local party must loosen its grip on who is allowed to be involved in policy-making, campaigning and choosing Labour's candidates.

Local parties very seldomly involve local residents in their discussions about policy. To get away from the inward-

looking nature of party debates, a duty should be introduced on all constituency Labour parties to hold meetings each year which allow local people to set the agenda. Instead of Palestine, Columbian trade unionists and Trident being key topics for discussion, party members might have to face up to the fact that the vast majority of residents care about more mundane things such as the lack of activities for young people, school places and unaffordable housing.

Labour's manifesto process should demand that local parties only submit ideas and policy documents to the general policy-making pot if they can show that they have reached their conclusions with the involvement of the public. Not only will this bring in a sense of reality to Labour's internal debates, it will also force members to become better informed and to internalise arguments rather than parrot their own prejudices. The Labour movement needs to return to the days of the Workers Education Association set up in 1906, whereby those who are involved are continually increasing the sum total of their knowledge, and crucially, improving the political education and involvement of the least advantaged in our society. It is extraordinary that in all the debates over the last decade about voter apathy, and all the hand-wringing about the fact that it is those from the poorest social backgrounds who turn out the least, Labour has done absolutely nothing as a party to focus its efforts on engaging the very people it says it exists to support. This could be funded, as they do in Sweden, by a state levy to support political education and training.

Embedding citizen voice in the Labour party has to be an important way of ensuring that it reaches out to more than the usual suspects, and also to show that there isn't an inbuilt progressive majority in the public. If anything, the European results show that the public are deeply sceptical of the European Union, and not on the basis that it's a capitalist club, but because they believe that it leaves them powerless. Thence spring the inevitable concerns that many of the problems Britain faces are down to external forces rather than our own ability to shape our circumstances. The fact that the BNP won two seats — despite one of the biggest anti-fascist campaigns in the UK run by Searchlight through the Daily Mirror — indicates racism in Britain but also that some communities are so concerned about immigration that their last resort is an extremist party. Labour has been unable to find the answers to these issues because we have been unwilling to make progressive

arguments within these communities, preferring to leave it to the government who instead of showing leadership decided that giving the EU a dressing down at every opportunity and creating lists of banned migrants to the UK will convince people that Labour is on their side. It is a strategy which has catastrophically failed and progressives can only connect with those voters — who are in the most vulnerable situations and deserve a Labour voice — by becoming a mass political movement again.

One way we can start to create this is by embracing the idea of primaries. If the average electorate in constituencies is 70,000, and the average Labour constituency membership is now around 400, that means that the decision taken to select a Labour candidate is made by a tiny proportion of the eligible electorate. No wonder we have unrepresentative representatives. By allowing voters to register their support for a political party, not only do we give them a stake in the political process much earlier than the election itself, but it will also give them an opportunity to influence the thinking of Labour's representatives before they get into parliament. It means that a politician's base is not in their party, but truly in their community. It will also enable Labour to reach out to supporters rather than just members, thereby bringing in new influences and allowing easier recruitment.

Introducing proportional representation could have a similar effect of forcing the Labour party to take citizens' concerns seriously. At the moment all efforts are focused on winning marginal seats. Core vote areas are often abandoned as Labour noticed to its horror in the Glasgow East and Crewe by-elections. But it would also force Labour to acknowledge that the duality politics we have been operating for more than a century is failing our democracy. Both far left and far right unite in their opposition to proportional representation because they argue it fails to provide strong government and can result in compromise, coalition and concession. But why shouldn't it? The public don't live their lives in black or white, but in shades of grey. The 'yah boo', good versus evil politics of the two bench House of Commons is so out of touch with the infinite choices that ordinary people cope with in their daily lives. Proportional representation would force politicians to be smarter, to listen harder and work to explain why democratic decision making requires difficult choices. Labour has spent far too much time trying to find an answer to every problem, rather than admitting to the public that politicians don't have all the solutions. There is a laziness in the argument

about strong government which suggests that Labour doesn't think it can win on principle, so it has to fix in practice. Labour has to get away from its fixer mentality of thuggish whips and bully boys threatening excommunication. Collective decision-making is important, but only if the decisions are worth pursuing in the first place.

Finally, Labour needs to genuinely embrace decentralisation. Senior government ministers have spoken time after time about double devolution, the new localism and other New Labour buzzwords, but apart from a few local budgets which have been experimented with for community parks and assets, local government has not seen the benefit of their words. The government should be bold and swipe 25 per cent of funding from Whitehall and national quangos and give it, along with the requisite powers, to the appropriate level of elected authority at a local level. This should include introducing elected mayors for every major conurbation with the option of allowing local citizens to get rid of the mayoral system if they really don't like it. Labour must finally get rid of its demons on local government. Good local authorities are much more professional and well run than they used to be in the 1980s, they already have control of millions of pounds of taxpayer's money, but don't have the authority to get on with the job. Give them local tax-raising powers with the opportunity for voters to positively vote for increases dedicated to specific issues such as education or healthcare. It will increase voter connection with the way their taxes are spent and revolutionise the sterile debate we have in the Labour movement about whether we should raise the top rate of tax. If voters can see where their taxes are going, they are more likely to think positively about giving more.

This is no time to hide in a bunker. Labour has one last chance to reveal a radicalism which is at the core of New Labour but has become hidden under layer after layer of timid ministers, over-controlling civil servants, and fear of the right-wing media. Labour needs a double revolution: a reformed party which reaches out to its communities rather than into its ever-shrinking self, combined with progressive and lasting reform from the leadership. Electorally, nothing is inevitable, but if Labour is to avoid spending the next decade in obscurity it must take the leap and not look back.

*Jessica Asato is Acting Director of Progress.*

---

# take to the streets

Rushanara Ali

---

In the past, Labour governments ran out of steam after only a few years. By 1951, 1970 and 1979 they were visibly running on empty. So the fact that it has taken 12 years for us to reach this appalling convergence of ministerial resignations, electoral meltdown and party panic could be read as quite an achievement. But no one can be in any doubt about the gravity of the crisis. An election which saw Labour come fourth and fifth place in some regions, and where at its worst the haemorrhaging of Labour's share of the vote has directly benefitted the far right, is a source of chronic disappointment and shame.

So what is the root of the problem? It is not a lack of talent, intellect or great policy initiatives; we have an abundance of all of these as a party. At root our problem is what so often happens to governments whether on the right or left: it is the capacity of governments to lose touch with ordinary people, a failure to have daily engagement with real life. Everything else follows from that — the loss of empathy, the loss of confidence and the loss of imagination and courage.

Governments come to expect that the public should be grateful to them and then feel upset when none is forthcoming. Yet the first rule of politics is that you should never expect gratitude — the honour of serving should be enough, and what matters more than what you achieved in the past is what you offer for the future. This failure to connect now risks giving Labour a 'reverse Teflon' effect — where expenses scandals and anything else comes to be blamed on the party.

So what can be done? There are few quick fixes, but the basic challenge is to address the growing disconnect. That means re-engaging with the public, getting back in touch, and thinking less like a government and more like a social movement which builds the skills and talents of ordinary people, makes them feel valued and recognised for whatever contribution they make, for the sum of those contributions are what built up the British Labour party from

a workers movement to a political force to be reckoned with in the 20th century.

At Labour's heart is the idea of a political movement built on social action and recognition of people's potential and capacity to make a difference. The Labour party was built on such a rich history. In the East End of London the birth of the Labour movement came from the struggles of the match girl strikes, the subsequent trade union and suffragette movements and later the struggles and battles against Mosley's fascists. It was the combined efforts of workers, social reformers and campaigners that led to better rights for workers and paved the way for a welfare state that we continue to see as a source of pride in our society.

Reminding ourselves of the past and our tradition and political heritage is not an attempt at nostalgia but a vital counter to the risk of becoming too much part of the establishment, too comfortable as what was once described as 'the natural party of government' rather than a movement of people from different backgrounds that helped bring about such sweeping and positive change.

In the post 1997 era too little attention was paid to how we remain a party of campaigning (in the broadest sense) and activism. The momentum and sense of energy, solidarity and goodwill that was built up was quickly whittled away leaving disillusion and a sense of powerlessness not only among activists, but many others whether in government or elsewhere. The highly centralised, advertising and London-media dominated approach in the end brought with it a high cost, just as the Tories found in the 1990s when their long involvement with Saatchi and Saatchi ultimately left their party hollowed out.

This under-current of powerlessness and disillusion is what the Labour party must address if it is to turn itself into a healthy, vibrant movement with a renewed sense of purpose. To do that, we need to build the skills of capacities of the next generation of leaders at every level of the community. We need to rediscover a way of campaigning that builds a strong sense of solidarity and common purpose. Technology has enormous potential, but it is an enabler not a substitute for the face-to-face contact which builds trust. We need ministers to be out listening and sharing peoples' lives, not simply walking from one meeting or speech to another.

At the heart of such a movement has to be a narrative about what and who we are fighting for, one which connects that fight to people's everyday struggles, hopes and aspirations and provides a voice for those who feel

voiceless — whether that is the elderly people who are fearful of rapid change in their communities, the young unemployed graduate who made his family proud but cannot get a job or the recession-struck cab driver who waits hours before he can make a few pounds on a job.

A political party that is truly in touch with the public draws new energy, ideas and a sense of purpose from such insights and direct experiences. The Britain that Labour inherited in 1997 was characterised by a very different set of needs than those we face today — these are more complex psychological needs such as anxiety and depression combined with classic poverty and income inequality. Our only hope now is to combine a more energetic radicalism — on everything from long overdue constitutional reform to social policy — with a return to what have always been the true sources of our renewable energy: that combination of frustration and hope that always ultimately drives progressive change.

*Rushanara Ali is Associate Director at the Young Foundation and Labour parliamentary candidate for Bethnal Green and Bow.*

---

# tame the market

Michael Meacher

---

This is a climactic moment for Labour, losing all its four remaining county councils held and coming third behind UKIP in the EU elections with a devastating slump to a mere 15 per cent of the national vote. The BNP breakthrough sharpens the disaster of the worst election results for Labour for nearly a century.

There are three main reasons for this: the expenses scandal, the impact of the recession and the widespread perception that the Labour Government is badly failing its own supporters. Is the collapse of support for Labour for these reasons fair? The picture is varied. The expenses trauma has hit Labour harder even though the proportion of offenders in the Tory party and the scale of their offences are much greater. The recession has been attributed by the government to toxic debts originating in the US, but it is also true that even if that hadn't happened, the ballooning house price and credit card bubbles would still have burst, probably sooner rather than later. The third count, the belief that the government has simply not looked after its own people, is certainly true. This point offers the best opportunity in perhaps a generation for a fundamental change of direction of politics in this country. Just as it required the horror over the expenses revelations to spark the demand for major democratic reform of Parliament, so the plunge towards the absolute nadir of voter support may finally drive Labour to rediscover its historic role in British politics. The left needs to be ready with a clear alternative plan.

That plan, I believe, should concentrate on just three to four key objectives, no more. They should be chosen to mark out a clean break from the neoliberal finance capitalism that New Labour has worshipped for the last decade and made the centrepiece of all its policies. A strategy focused on deregulation and privatisation, unchecked corporate power and marginalisation of the unions, unfettered markets seen as a solution for every problem, and precedence given to the City over industry and manufacturing has collapsed in a welter of uncontrolled

greed and recklessness. We need an alternative economic model, a rebalancing between the state and the markets and a new modernised social democratic vision.

My choice of priorities would be as follows. First finance, where the global downturn began. The banks should be broken up so that never again by their recklessness can they tip an economy and a whole society into deep recession. The traditional commercial role of the banks – lending to businesses and households – should be split off from the much more risky investment banking role (as the Glass-Steagall Act provided for in the US). No bank should be allowed to become ‘too big to fail’, and their core function of community investment should always get priority. To prevent casino gambling in the financial markets, the banks would be much more closely regulated to ensure adequate capital ratios, to restrict or eliminate use of risky derivatives, to close down tax havens and to monitor financial speculation which would be made liable to a Tobin tax.

Second, housing. A massive house-building programme should be started immediately for three compelling reasons. There are now 1.77 million households on council waiting lists and the lack of social affordable housing is the single biggest cause of misery in Britain today. House building has been allowed to collapse to its lowest level since 1953. A campaign to drive up the number of houses built to at least 300-350,000 a year, including at least 100,000 social housing units a year, would provide one of the best counter-cyclical ways of simultaneously tackling the recession, meeting a desperate social need and providing a big increase in jobs. Both housing and pensions are major components of the Welfare State that New Labour has sacrificed to the market, with disastrous effects in both cases, and social need should once again take priority over the ideology of markets and ownership.

A third priority which stands out currently is keeping the Royal Mail in public hands and dropping the 30 per cent part-privatisation which is souring an otherwise good Bill. There is simply no case for risking a potentially terminal collapse of Parliamentary Labour Party support when all four of Royal Mail’s core business areas are now in profit for the first time in two decades despite difficult trading conditions – only seven years ago it was losing more than £1 million per day. There is even less of a case for handing over Royal Mail to the Dutch TNT, which has just announced a 50 per cent fall in profits and is disputing even the payment of the minimum wage, while a sell-off to the private equity firm CVC is unlikely to offer more than a short-term

asset-stripping operation follows by another re-sale. Dropping the privatisation element – a throwback to an economic model now discredited – would send out a dramatic signal that the government was genuinely listening to public opinion and prepared to change course on an issue of iconic importance to a majority of the electorate.

Fourth, Britain is more unequal than it ever was under Thatcher. This is perhaps the worst indictment of all, though a predictable result of operating an unfettered market system and abandoning social democracy. It requires radical action. The minimum wage should be raised significantly from its present £5.83 an hour to £7 an hour, which would have a big popular impact without provoking an increase in unemployment. Even more dramatic would be the introduction of a maximum ratio between top and bottom pay within an organisation, on the very persuasive grounds that the pay of senior grades was closely related to the performance and commitment of junior grades.

But after the grotesque stretching of inequality at the top over the last three decades it would not be unreasonable, at a time of deep austerity for a majority of the population, to require a bigger contribution from the ultra-rich towards the general welfare. A 50 per cent rate on earnings above £100,000 (affecting only the richest 2 per cent of the population) would raise an extra £6.2 billion according to Treasury estimates, while a 60 per cent rate on incomes above £250,000 a year would raise a further £3 billion above the 50 per cent rate. If that extra funding were redistributed directly to the poorer half of pensioners (with some tapering above) and others on the lowest incomes, it could provide an uplift of £25 per week. That would instil a dramatic change in public attitudes to the Government's direction of travel. Other plausible measures could include charging capital gains tax at the same rate as income tax, ending the non-domicile rule for tax exiles, and introducing a wealth tax with a high threshold to limit liability to the wealthiest 5 per cent of households.

One other measure would signal a radical break from the past whilst laying the foundations for a more progressive civil society, not just more equal but more demonstrably accountable. The momentum of public anger on the back of the expenses scandal should be harnessed to recreate the mechanisms of effective representative politics. The electorate should be given the right of 'recall' of errant MPs who have been censured in parliament for a gross misdemeanour. They should also have the right to have public petitions, if they garner a high threshold of public

support (say 5 per cent of the electorate), debated on the floor of the House of Commons with a vote at the end so that it is no talk-shop.

MPs on their side should be given real power to hold the executive effectively to account, regaining their true role as tribunes of the people, not the willing victims succumbing to tribalism, loyalism and careerism. A Business Committee should be set up elected by MPs on a secret ballot to run the House agenda, whilst of course allowing the government adequate time to get their legislation through. Cabinet Ministers nominated by the Prime Minister should be ratified by the appropriate Select Committee before entering office, as in US Congressional hearings. Select Committees should also be elected by all MPs by secret ballot, not chosen by the Whips, in order to enhance the independent scrutiny of government, and so that their reports don't simply gather dust on the shelf, some of the most important reports (as prioritised by the Liaison Committee) should be debated on the floor of the House on a motion drawn up by the Committee chair with a vote at the end. And MPs should be empowered to set up their own Commissions of Inquiry when the Government refuses to do so, as for example over the Iraq War, extraordinary rendition and the intelligence failures over the 7/7 bombings.

Others will of course have their own preferences for a reform agenda. But whatever is chosen, there are two essential points. The change delivered has to be dramatic — desirable tweaking of policy here and there simply won't have anything like the necessary impact, given that Labour's demise is near terminal. The other requirement is that it must impact powerfully on people's lives. There's little point in making the rich take a hit unless much poorer people feel a significant consequential benefit in their own incomes. Stuffing the mouths of the bankers with gold when they still aren't increasing lending to businesses and homeowners should be replaced by a policy of using temporary public control of them to compel a substantial and urgent increase in lending to the real economy.

Labour is not finished. But, whoever is leader, only a fundamental re-orientation of the party and the government can give Labour a fighting chance over this next year.

*Michael Meacher is former Environment Secretary.*

---

# win hearts and minds

Lisa Harker and Carey Oppenheim

---

The electorate's message to the political class in the last few months has been resoundingly clear. Public apathy towards politics has spilled into frustration and anger. The distance between the people and its representatives has been exposed. Respect for the political class, already at a record low, has plummeted. The local and European elections were, more than anything, referenda on the political establishment. And, as such, all the main political parties will need to reflect on the verdict dished out by the electorate, expressed in the form of a historically low turnout and a shift to the populist vote. Labour nevertheless faces the greatest challenge as the party in power. Deeply unpopular, stale, directionless and tired, its fortunes look dire. Wiped out in Wales and Scotland, it is already a party in tatters.

The worst thing Labour can do is focus on what it needs to do to win the next general election, although this of course is what self-preservation demands. The short term view is dangerous because the disconnect between politics and the populous cannot be fixed with a few policy changes over the coming months; a fundamental shift in the way we do politics is required.

First, Labour must start with an honest assessment of the last decade. It has been responsible for many positive changes: real improvements in public services, action on climate change, achievements on work life balance. But privately and publicly, Labour needs to acknowledge what hasn't worked. No one should underestimate how difficult this will be. Labour needs to find a balance between being blinkered or defensive and self-flagellation, often a tendency for the left.

Several truths need to be acknowledged. Rising unemployment, the stagnation of wages at the bottom and growing repossessions all raise questions about how sustained the progress has been. Substantially greater investment in public services has not yielded equivalent improvements in outcomes. Social policies have been less effective in tackling deep-rooted problems than alleviating their worst effects. Poverty has lessened and inequality has

been contained, but until the banking crisis there was no challenge to the acceptability of very high rewards. There has been no lasting change to the inequality in our society, despite it casting a long shadow over so many aspects of our lives. The bold ambitions on climate change have yet to filter into changes to our economic model. The neoliberal economic consensus has broken down and with it the social democratic model of growth that yields income to distribute in the pursuit of social justice. Aside from devolution to Scotland, Wales and Northern Ireland Labour has failed to modernise the way we do politics, and the gulf between politics and the people has grown.

Above all, Labour (and politics in general) has become unremittingly managerialist, churning out well-intentioned policies rather than honing a set of ideas, appealing to hearts and minds and creating a shared national purpose. This is where Labour now needs to make wholesale repairs, rather than simply devising new policies in a desperate attempt to keep afloat. Labour needs a compelling vision for our future as a nation: the values that should underpin society, the economic model which we now need to build and the measures by which we will judge progress in future.

So what might that vision be? Firstly, environmental sustainability must become integral to our new economy, rather than an add-on. The economic crisis provides the chance to alter our model of economic growth founded on the depletion of our natural resources. We should not miss this once-in-a-generation opportunity. Achieving global consensus and coordinated action will be very challenging — particularly bridging the divide between the developed and developing world — but action is no longer simply desirable, it is now imperative. And there will need to be greater consensus between the main political parties on climate change. The challenge of climate change is too important to be used for political point scoring — we need a consensus for the sake of justice for and responsibility to future generations.

The economic crisis also provides the opportunity to rethink the balance between consumption and savings and to recognise the way income and wealth inequality scars our society. The Anglo-Saxon model of economic growth driven by debt isn't sustainable; the focus has to be on the new drivers the economy, the new jobs and investment that will be required. It will be important to move from 'blaming the bankers' to a deeper articulation of why both the culture and policies that underpin deep inequality need to change. Our model of taxation, for example, will have to be

fundamentally reformed if we are to fully integrate the taxation of income, wealth and carbon to align our ambitions for the future with the way we live now.

Ironically, it looks as though the rescue package for the economy is beginning to work, evidence of the importance of state intervention to kick-start the economy and protect the unemployed. But Labour will have to engage in a discussion of how it is to limit public spending in future years. Fighting the next election on investment versus cuts will not be credible. This is an opportunity to look more closely at the strengths and limits of the state in achieving progressive social change. Where is state intervention essential to support and drive the opportunities for the disadvantaged? Will 'progressive universalism' be too expensive? Where will it be essential to preserve collective provision to bind society and share risks, and where should support for the least well off be prioritised? These questions need attention before the spending cuts begin, not once they are upon us.

It is time for the Labour party to take a closer look at how change happens. In the last decade Labour has often overlooked the cultural drivers of change and how to shape them. It has been too wedded to institutions, overlooking the importance of what happens within families and neighbourhoods. Labour's policies have often been predicated on economic rationality rather than social psychology. Unsurprisingly, well-intended policies have not had the impact hoped for.

More fundamentally, the economic turmoil has put the spotlight on the values that drive us. The dominance of 'neo-liberal' ideas is at an end. The marketisation of many aspects of our lives is increasingly unattractive. As recession bites, people are of necessity saving more, staying at home more, changing some of their daily habits. Crisis brings with it the recognition of interdependence and the importance of mutual support. This is an opportunity to develop a notion of citizenship that values empathy and brings new emphasis to the bonds that bring us together and the common good.

But politics needs to change too. Britain needs a new constitutional deal – one that is more pluralistic, which addresses the unequal sharing of power in society and challenges the professionalisation of politics. There is a need to change the way that politics is conducted, to make politics more inclusive and less alienating. And there is an urgent imperative to open up the state to popular participation and collaboration. Labour could start with establishing a citizens convention, tasked with reviewing the

political system. The convention would be made up of 150-200 ordinary citizens, selected by lot like a jury. It would take evidence at 'town hall' meetings around the country and would recommend a number of options for reform. These could be voted on by parliament or by the public in a referendum. It has been done before: Canada and the Netherlands have carried out similar experiments with positive impacts on people's desire to engage in politics.

All these factors caution against the kind of quick fix approach so beguiling to a party staring into the abyss. But a long-term focus would not only be better for the country, it would also be best for politics and for Labour itself. As long as attention remains fixed on the leadership of the party and its fortunes at the next general election, Labour will be unable to refresh its purpose and its vision for the country's future. And without a compelling vision for the future, the party's fortunes will remain very bleak.

The challenges that confront Labour are simply the challenges that all the main political parties face writ large. In a world that is less deferential and more global, yet seemingly unable to secure its own future we need our economic model to be re-thought, for our own wellbeing and that of future generations. We need to shift politics from its overly managerial focus to restore its ability to transform. And, above all, we need a vision for future that inspires us. In that sense, Labour's challenges are not confined to Gordon Brown, the Parliamentary Labour Party or its members, but are shared by the entire political class.

*Lisa Harker and Carey Oppenheim are co-directors of the Institute for Public Policy Research.*

---

# a tale of two campaigns

Martin Bright

---

The Labour party has two interconnected crises to deal with: a government in a state of collapse and a grassroots movement in a state of despair. Such is the intensity of this perfect political storm that the movement faces the very real possibility of becoming irrelevant to the needs of the British people in the 21st century. In order to survive it needs to rediscover a facility for the two things it once did best: efficient political campaigning and radical policymaking. In order to demonstrate this I will take two examples from recent political history. The first is the Go Fourth campaign launched by John Prescott at last year's Labour party conference. The second is New Deal of the Mind, an organisation launched at No. 11 Downing Street at the end of March this year to lobby the government to recognise the central role creativity and innovation would play in the country's economic recovery.

It would be difficult to forget the sweltering afternoon last summer when I was called to John Prescott's office to discuss the future of the Labour party. It was a peculiar gathering, not least because the former Labour deputy leader decided to wear a very tight short-sleeved shirt, which proceeded to unbutton itself during the course of the meeting. Thankfully a couple of buttons remained fastened, but I couldn't help feeling that shirt was acting as a sartorial symbol of the Labour party's attempts to cover its embarrassment.

The meeting itself had been called to plot the Go Fourth campaign (then rather clumsily called Fourth Term not Fourth Leader), which was designed to build a Labour election victory under Gordon Brown. I thought it was a laughable idea. Prescott and his co-conspirators, Alastair Campbell, Glenys Kinnock and Richard Cabourn clearly had the interests of the party at heart. But the idea that these veteran campaigners were organising anything other than a sideshow seemed absurd.

But the Go Fourth campaign was onto something. The Labour party desperately needed to rediscover its taste for campaigning and begin to make its members feel good

about themselves again. Since then Prescott has been tirelessly touring the country in an election-style battle-bus taking the government case to voters. Since last summer, he has also taken his campaign online and become an avid blogger.

As it turned out, Go Fourth was very popular with the Labour grassroots and acted as one of the few unifying forces at a horribly fractured and sectarian Labour party conference last year. It is, therefore, no surprise that John Prescott was so furious that his party's campaigning for the European elections was so poor — especially as it so nearly invested a different meaning in the words Go Fourth.

The lesson from the Go Fourth campaign is that morale within the party can be shored up, even in the most depressing circumstances, at least for a short period. But this is not a programme for government, merely a coherent expression of the desire not to lose and an attempt to rescue a modicum of pride. Also, and this is crucial, Go Fourth is a campaign run by the old guard of New Labour, a group of politicians from the last century that will find it difficult to build a vision of the future.

This brings us to the next generation. For too long Labour's forty-somethings have lived in the shadow of the big beasts who brought the party back from the brink in the 1990s. This group, which I once dubbed the Adrian Mole generation because they are the same age as Sue Townsend's hero, now dominates the Labour landscape and will almost certainly provide the party's next leader. Ed Balls, the two Milibands, James Purnell, Liam Byrne, Andy Burnham and Yvette Cooper all fall into this category. Their weakness is that they are a naturally cautious group, bruised by the personal experience of leaving university into the last recession and dependent for their political career on the patronage of either Tony Blair or Gordon Brown. They are also a fractured group with no natural solidarity.

Until the resignation of James Purnell, the younger generation had never shown a genuine desire to seize control of the party and make it their own. It may now be that this job falls to as-yet-unknown Labour Party activists in their 20s and 30s, although the concern is that they may be even more conventional and risk averse than the Adrian Mole generation. What is certain is that until someone grasps the nettle and wrests control of the party from the dead hand of the New Labour old guard, the party will continue its drift into oblivion. Purnell understood this (better late than never) and his resignation letter was a model of clarity. The failure of other members of the Cabinet

to follow his lead demonstrates that he may be the exception that proves the rule that his generation lacks the political boldness to turn around Labour's fortunes.

In recent months I had been working with James Purnell and his officials at the Department of Work and Pensions on options for putting into practice the ideas of the New Deal of the Mind, a charity which grew out of an article I wrote for the *New Statesman* in January. In this I argued that British politicians like Gordon Brown, who invoked the spirit of the Franklin D. Roosevelt's New Deal, should look to the cultural projects spawned by US investment in arts and culture in the 1930s (writers Saul Bellow and John Cheever and artists Mark Rothko and Jackson Pollock all worked on New Deal projects). Since then New Deal of the Mind has been working across government and the arts and creative sector to develop a coherent strategy to innovate our way out of the recession and prevent a generation of young people being lost to the nation.

It struck me that Purnell was one of the few Cabinet ministers still thinking strategically about policy (others included Andy Burnham at the Department for Culture and John Denham at the now defunct Department of Innovation, Universities and Skills). One of the consequences of Gordon Brown 'refreshing' his Cabinet has been that much of the work that has been done to build relationships and trust across the creative industries will have to begin again.

Despite the desperate state of the government there are still some potentially promising ideas knocking around. The Future Jobs Fund, which provides a subsidy for employers willing to take on a 14-18 year old at risk of long term unemployment, and the Young Person's Guarantee, which promises to find work for young people unemployed for over a year, are both attempts to tackle the unemployment tsunami about to hit Britain. The Graduate Talent Pool proposed by DIUS to match graduates to internships is the seed of a good idea and the proposals from the Communities and Local Government department to fill empty high street businesses with creative 'pop-up' shops could also help. But without coordination, they risk becoming just another set of eye-catching initiatives.

More seriously, the money for these initiatives will only come through next year when it may already be too late for those it is intended to help and certainly too late to help the government out of its predicament. But if the party believes what it says about putting policy before personality, there is an urgent need to fast-track money to projects that can put people to work immediately. Civil servants are presently

working on funding mechanisms for these schemes. The best thing the Prime Minister could do to provide a meaningful legacy would be to set up an emergency jobs fund for high-profile projects that could be started this summer and put young people back to work right now.

At the same time, one of the most useful jobs that could be carried out by Tessa Jowell in the Cabinet Office or Lord Mandelson in his new Department of Everything would be to coordinate all the work being done to stimulate employment and tackle the recession. This is what the Labour party is supposed to be for, as the name suggests.

*Martin Bright is a political journalist and founder of New Deal of the Mind.*

---

# the fight against fate

Sunder Katwala

---

Labour has not conducted a serious debate about its values, vision or political strategy since the 1992 general election defeat and the creation of New Labour in 1994-95. There was no sustained attempt to do this after a decade in power or during the 2007 leadership transition. This has mostly been deemed unnecessary, mirroring Richard Crossman's observation half a century before, as he described the exhaustion of the Attlee government after a period of unprecedented progressive advance in 1951, that Labour had 'lost its way not only because it lacked maps of the new country it is crossing, but because it thinks maps unnecessary for experienced travellers.'

The recent nadir in Labour's political fortunes make clear that a new route-map is urgent and overdue. But is Labour capable of debating its contours in a way which does not exarbate the party's problems further? The scars of past civil wars have created an excessive fear of open political debate. There is no serious or deep ideological gulf in the Labour party today, yet the party's internal debates remain inward-looking and polarised around a set of no-win propositions between vocal minority factions on the right and left of the party.

The party has somehow fallen into debating which voters it does not want — the left worries about pitching too narrowly to Mondeo Man and Middle England, while the right warns that cheering the heartlands or the Guardianistas will be a recipe for defeat. Neither need to worry about being too popular with the wrong people — the party is retreating to the margins with just 7.5 percent of the European vote in the south-east of England while trailing the Conservatives in Wales.

This electoral strategy debate symbolised a broader existential question: for or against New Labour? So what passes for a debate about 'renewal' involves calls to cleave ever more boldly, and verblessly, to the mantras and methods of New Labour circa 1997, challenged by those who wish the last 15 years had never happened. The truth is that New Labour has delivered the most successful era of

progressive advance for half a century, and that it is clearly now over.

Gordon Brown always faced a difficult task on coming to power, with Labour's electoral coalition fragmenting after a decade in power, even before his premiership coincided with the end of the Faustian bargain of the finance-led growth on which Labour's investment in public services and modest redistribution rested. But the strategic weakness of Gordon Brown's premiership has been that having run on a 'change' ticket, he has governed on continuity, and has not set out an animating argument for his government in terms that the public can understand. Yet there has been no suggestion that anything different would be on offer from anybody else.

There has been very little discussion of how the party can answer the strategic political challenges, which are easy to set out, if somewhat harder to resolve: What is the candid, progressive account of Britain in 2010 which voters will recognise? What would Labour's case be as to what – after 13 years in power – it wants another term in office for? And what distinctively Labour argument could yet challenge the right, and seek to reunite Labour's fracturing electoral coalition?

The key to addressing this challenge may depend on understanding that the call for Labour to be more ideologically rooted is not a recipe for retreat to its comfort zone, but rather a foundation for a more pluralist approach to centre-left politics.

Firstly, if New Labour's breadth was once its core strength, the price has been a difficulty in articulating what Labour is for in positive terms. This has left Labour apparently unable to construct a clear choice between the major parties in terms that are meaningful to the public. The Labour government will be unable to launch a successful fightback on policy while the problem of a lack of clear public political definition remains.

Secondly, generating a progressive policy wish-list will not be enough without also building the coalitions to support them. New Labour's political culture is now a significant barrier to its ability to engage with new sources of progressive change, and recent events have demonstrated that talking about ending command and control is not the same as actually doing so.

For all its troubles, Labour retains a solid parliamentary majority but, in theory at least, the bully pulpit to frame public political debate. The party needs to ask itself how it can use eleven months of power in a way which

would entrench its political legacy by testing its political opponents to accept or challenge its arguments about what fairness means in Britain today.

So what are those arguments? Labour's fundamental proposition is that life chances in Britain are unfair and too unequal — and should be fairer and more equal. The core fairness test could be this: that we should not inherit our life chances at birth. In Britain today, where we are born and who our parents are still matters far too much in determining our opportunities and outcomes in life. And so our own choices, talents and aspirations count for too little.

The vision of a free and fair society would be one that extends to us all the autonomy to author our own life stories, and challenges the extent to which this is determined by forces beyond our control. This fight against fate — breaking the cycle of disadvantage to make life chances more equal — could provide the lodestar to guide future action and campaigns for equality.

The disagreement between the major parties is primarily about the role and responsibility of government. The Conservatives say that the Labour record proves that the state has failed. Indeed, Cameron's claim to be the true progressive is founded on his claim that Conservatives know that it is not the state's job to act on the important progressive causes of social inequality, climate change or international development. What this will involve, beyond the occasional nudge towards social responsibility, is far from clear. Labour's argument must be the opposite: 'fairness doesn't happen by chance'. Labour has tried to advocate the 'enabling state' so as to avoid a 'big state' impression. But this argument about means is unlikely to resonate publicly and has not done so. The way to animate this argument is to find a handful of symbolic but significant 'fairness' policies that test claims to stand for equal opportunity and distributional fairness in an economic recession.

This does not mean that Labour needs to be statist. Indeed, this argument also has the potential to fuse together liberal and social democratic agendas: if autonomy is the liberal end, then the social democratic concern is for the distribution of autonomy. (Hence the centrality of a similar argument in Reeves and Collins' Demos pamphlet *The Liberal Republic*,<sup>1</sup> which stresses that this should be fundamentally an agenda about the redistribution of power, with income and wealth one of a number of means to that broader end). Agnosticism about means is a good idea once the question of what the ends are is clear, and as long as

some credible means are being willed. But the debate about the state this risks being a primarily rhetorical debate when no party envisages the state being much smaller than 40 per cent of GDP in the next few years.

On the response to the recession, the government's position may be much more credible than the opposition's plans to cut spending now — at the lowest point in the cycle — to pay off debt more quickly. But the arguments for a fiscal stimulus, quantitative easing and multilateral reform at the G20, while important and necessary, have not been publicly salient. The great issue should be jobs, and youth unemployment in particular. The government should build on its graduate job guarantee scheme (and look at introducing this earlier than 12 months) and take up Professor David Blanchflower's proposals to defuse a youth unemployment crisis which risks creating a lost generation.<sup>2</sup> This has the advantage of being a cross-class issue where the electoral politics work.

The government also needs to have a 'what not to spend' agenda if it is to protect priority areas. Much of this is politically difficult. But they might as well take those opportunities where the unpopular is also unaffordable: rather than a slow lingering death for ID cards, announce that they are no longer to be pursued in changed circumstances.

### **The need for a new politics**

Labour would have done much more to sow the seeds of its own political revival had it pursued a deeper agenda of constitutional reform and progressive cooperation from a position of political strength in 1997. It is much more difficult to do this at five minutes to midnight. The Liberal Democrats would legitimately fear being tainted by a contaminated Labour brand. So there is little prospect of starry-eyed Lab-Lib cooperation, even if this remains in the strategic interests of both parties in the long-term.

Labour's constitutional record is now underrated. The 1997–2001 Parliament delivered the most significant and enduring constitutional changes. However, this has been undermined by Labour's growing reputation for traditional, and even authoritarian, governing instincts, while Brown's promise to revive the agenda with a 'new constitutional settlement' had largely turned into a tidying-up exercise rather than anything likely to fundamentally reconnect public trust in politics.

Still, there are a series of moves that Labour could make on its own part to revive both constitutional reform

and an agenda of progressive pluralism. Firstly, Labour is in power and well placed to determine whether political reform should be substantive or primarily symbolic. The Prime Minister should set the election date as 6 May 2010, legislate for fixed term parliaments as part of a broader constitutional reform agenda. While David Cameron's reform agenda is largely cosmetic, most of Nick Clegg's proposed 100-day reform agenda would find much support in the Labour Party. And there is growing Labour support for the idea of a citizens convention which would give away to citizens, not politicians, the chance to determine the content of reform. (Demos piloted a version of this on MPs' allowances). A referendum on electoral reform, in which the government would support change, remains the crucial driver of a more pluralist politics. This could be on the Jenkins AV+ proposals or a reform package that involved the Alternative Vote for the Commons with a proportionally representative, elected senate. It could achieve the hybrid solution that Jenkins sought, that is, a tendency to majority governments with pluralist checks and balances on the excesses of majoritarian power.

Secondly, while there is no question of electoral pacts between parties, there is little to stop Labour taking unilateral action if it believes it is in its own interests to do so. In particular, does it make sense for Labour to contest those 30 or so Liberal Democrat seats where the Conservatives are second and Labour not in contention? There would be some Labour anxiety about retreating from contesting these areas. However, a good case can be made for doing so if the party does commit to electoral reform, for the final first-past-the-post election. The voters can probably work much of this out for themselves, but it would again symbolise a commitment to political pluralism, while a Labour fightback could make some of these seats crucial in determining whether the Conservatives can get a majority.

Thirdly, it makes sense to go into an election in which a hung parliament would be a positive political achievement with a manifesto which did not contain 'red line' veto points which would make post-election cooperation across parties impossible. Again, ID cards are one obvious symbolic casualty. In the event that the scenario might arise, it would be much better to change policies before they are put to the voters than afterwards. This would often have the added bonus of removing some veto points for potential voters too.

Above all, Labour's ability to recover as a governing force in British politics will depend on its ability to root itself

more clearly in Labour values and articulate its own positive mission for a fairer society. But this must also be combined with a decisively more open and pluralist approach to the way in which it does politics.

*Sunder Katwala is General Secretary of the Fabian Society.*

### **Notes**

- 1 Reeves R and Collins P, *The Liberal Republic* (London: Demos 2009)
- 2 Blanchflower D and Freeman R, *Youth Unemployment and Joblessness in Advanced Countries* (USA: University of Chicago Press 2000)

---

# an end to Labourism

Stuart White

---

British politics is characterised today by crisis. Not just one crisis, but several. Most fundamentally, there is the emerging environmental crisis of climate change. Second, there is the ongoing economic crisis, precipitated in the financial system. Third, there is a crisis in the political system, epitomised by the controversy over MPs' expenses, but with much deeper roots. And fourth, there is a crisis within Labour. For the media, this is a crisis of leadership. But it is also, more fundamentally, a crisis of purpose, one might even say a crisis of *meaning*. What, after all, is Labour *for*?

Pragmatists in government might regard such questioning as idle. The present government has a ready answer to what Labour is for: it's there to manage crisis. The public expects us to 'get on with the job' of taking the country out of recession, to reform the political system, and so on. But this answer won't do.

For one thing, it too easily evades the question of how far Labour itself is implicated in these crises. Did Labour's conversion to the market in the 1990s go to excess and lead to a failure to appreciate some old-fashioned insights about possibilities of market failure? Did Labour's traditional philosophy of the state, based on a conservative ideal of parliamentary sovereignty, contribute to the current crisis of the political system? Coming to terms with the crises requires Labour to take a hard look at its own, well-entrenched habits of thought.

Second, it is not as if there is one single right way to manage a crisis. There is opportunity — Rahm Emanuel recently said 'never let a crisis go to waste.' Just think of the way Margaret Thatcher used the severe economic crisis of the 1970s to launch a radical attack on the post-war settlement. There was nothing pre-determined about this. The crisis could have been managed in many other ways (with pluses and minuses relative to the Thatcher approach). But Thatcher and her supporters had a clear sense of what they were for. They had a reasonably clear sense of their values and a vision of the society they wanted to create. So they knew what they wanted to do *with* the crisis.

As I cannot address all of the crises here, let's focus on the political crisis and the opportunities it presents. First, the backdrop of Labour's competing conceptions of politics. It may be hard to credit, but Labour was born as a party dedicated to far-reaching political reform. *Labour and the New Social Order*, the party's first statement of aims and values, published in 1918, proposed a range of sweeping changes to the UK political system.

However, Labour very quickly became a party of political conservatism. Having shoved the Liberals aside more emphatically than the party might initially have expected, and emerged as one of the two major parties in a two-party system, Labour grew strongly attached to the established institutions of the British state. A distinctive 'Labourist' philosophy of politics and the state emerged which is still with us today.

Labourism starts with the assumption that that Labour is properly the single representative of progressive opinion. Second, and particularly after the Second World War, Labour drifted towards a strong attachment to the power of the central state. The aim of progressive politics is, therefore, to get Labour control of the central state. Third, Labour became attached to a conservative parliamentarianism. It embraced the doctrine of parliamentary sovereignty and the existing first-past-the-post electoral system. For only this system could credibly hope to deliver Labour — and Labour alone — control of the all-important central state.

The Thatcher era, which saw radical reform pushed through on a minority of the popular vote, increased the sensitivity of Labour-aligned thinkers to the ills of 'elective dictatorship.' Labour's more pluralist and federalist approach to politics, which had been submerged in the 1920s, started to reasserted itself.

Initially, it looked as if New Labour might well incorporate this re-emerging pluralist and federalist approach. Devolution to Scotland and Wales remained an important objective, and one that was swiftly acted on after 1997. The first New Labour government established the Jenkins Commission to consider reform of the electoral system. Blair was clearly interested in coalition with the Liberal Democrats.

However, the scale of Labour's victory in 1997, and its subsequent domination of electoral politics, tempted the party back into its familiar comfort zone. The report of the Jenkins Commission was politely but emphatically shelved. Talk of coalitional politics at Westminster evaporated. In its second term, Labour began to speak about a 'new localism'.

However, this was little more than Orwellian euphemism for old-style centralism. The centre remained firmly in control of what local decisions were to be devolved, to whom and on what terms. What central government determined one day, it could tear up the next.

Retreating into this comfort zone was, of course, a Faustian pact for Labour. Under the first-past-the-post system, Labour can hope to form parliamentary majorities in a way it can't under a proportional electoral system. But to do so it must win over floating voters in a relatively small number of competitive constituencies. These voters have policy preferences on the centre-right — arguably to the right of the nation's median voter. So Labour's dominance in parliamentary terms demands a policy platform that tracks to the centre-right. Over time, this generates confusion and disillusionment. It helps explain why we have reached a point where we have to ask the question: 'What is Labour for?'

At the same time, the existing system has growing problems of legitimacy. Although electoral turnout shows a downward trend in many countries, the decline in the UK since New Labour came to office has been unusually severe. As the main parties jostle for that elusive centre-right floating voter, the range of political choice declines. Citizens are inclined then to ask an even more basic and worrying question: 'What is politics for?'

The scandal over MPs' expenses has produced a rare moment in British politics. Basic questions about the nature and structure of the political system have left the seminar room. Again, the crisis presents opportunity. The opportunity is to fundamentally reshape the political system to make it more accountable and empowering. Proposals for reform are bouncing off the walls: fixed-term parliaments; electoral reform; 'open primaries' for candidate selection; new proposals for devolution of power to the local level.

One approach is for the Labour government to huddle in on itself, decide which of these proposals it likes, and present a constitutional reform package to Parliament. This is the direction in which Gordon Brown appears to be going with his proposed National Council for Democratic Renewal.

This would be a mistake. It fails to see how the process of reform must itself address the problem that has prompted the demand for change: the disconnection between public and political elite — indeed, a disconnection between many people and democratic politics itself. There is also a basic matter of principle here. If we are — finally — accepting the idea that the people are sovereign, and this is a moment of constitutional change, then shouldn't the

people have some real, active involvement in determining the course of change?

Instead of convening a National Council for Democratic Renewal which will tell the people what constitutional reforms are good for them, a coalition of organisations has argued that the government should organise an inclusive and deliberative process that will enable the public to present its own ideas for reform. Key here is the idea of a citizens' convention similar, though probably on a larger scale, to the Demos citizen's convention held last week on MPs allowances. This would bring together an assembly of people, chosen at random, to deliberate about the future of the political system. Their deliberation would be assisted by specialists and advocates who could put the cases for and against alternative proposals. Participants would listen to the experts, talk about the issues between themselves, and develop their own proposals. These proposals might then go to a referendum. Of course, the numbers involved in the convention itself would be small (100-300). So the convention itself would need to be embedded in a wider consultation, ideally going right down to each neighbourhood, each community centre and hall.

Underpinning this approach is a distinctive philosophy of the state, a radical alternative to Labourism, with much wider relevance to addressing our present crises. This is the philosophy of democratic republicanism, whose aim is to disperse property and power amongst individuals, but also to reinvigorate the public sphere by expanding the arenas of democratic decision-making and by encouraging active citizen involvement in these arenas.

In the economic sphere, it directs our attention back to the much neglected issue of the distribution of wealth (not just income, but wealth) and to the even more neglected question of how those who control the allocation of wealth through investment can be made more accountable to ordinary savers. And it certainly has relevance to the incipient environmental crisis: it is only an active, campaigning citizenship, akin to that represented by the Transition Towns and Climate Camp movements, which is likely to bring pressure to bear for serious action on climate change.

Democratic republicanism has always been a dissident strain in Labour thinking. Part of connecting with this tradition, however, is changing the way Labour does politics itself. It means less top-down definition of policy and more attention to how Labour can help organise and participate in

movements for reform from the bottom-up. It means letting go of the arrogant and false idea that Labour has a monopoly on progressive politics. It means that Labour has to connect with and give critical support to a wider citizen activism for a more socially responsible and thereby free, and equal, society. This, at least in part, is what Labour is for.

*Stuart White is a lecturer in Politics and Director of the Public Policy Unit at the University of Oxford.*

---

# politics as if people mattered

Jenni Russell

---

Recently I asked a woman I know from the Midlands what it would take to get her to vote Labour again. She should be a textbook party supporter. Her husband earns only a little over the average wage, although he is in his forties. She has a part-time, term-time-only job that brings in around £12,000 a year. They have three children, a large mortgage on a small and rather dilapidated terraced house, no pension provision and no savings. Their fridge rarely contains much more than carrots, economy sausages, cheap butter and cheap cheese. They holiday by going camping in England; they eat out only on a birthday. Her contempt for Labour now runs so deep that she almost spits as she speaks.

Nothing, she says. Nothing would get her to support them. She now thinks they are nasty, controlling, inefficient and wasteful. She doesn't think they care or understand about the difficulties of ordinary people's lives. She should have been the grateful beneficiary of many of Labour's spending initiatives. But she's scathing about what that has actually meant.

Her family had tax credits for two years, which was a joy, despite the fact that they had three conflicting statements of entitlement in the first year, and four in the second. Hours were spent holding on the phone and repeating herself as she tried to clarify what she was meant to get. Then in the third year, like hundreds of thousands of other families, she had a peremptory letter saying she had been overpaid and must return thousands of pounds immediately. The demand was financially disastrous — the family had to take out a bank loan for repayment — but what was much worse was the manner and the tone of the way it was done. 'We were in a panic, and they made us feel like criminals. They never said "we're sorry, we made a mistake". We'll never, ever, claim again. They give you money and snatch it back — they make you feel so helpless. They treat you like rubbish.'

She is just as disillusioned with the tens of millions spent in her area. The town now has a flashy new pool with slides and wave machines, but — presumably to pay for it —

all the old, convenient, local pools have been closed down. The new one is two bus rides away and much more expensive, so her children rarely go swimming any more. Her children's school was expensively rebuilt, but the new school is full of design faults, now excludes parents from its classrooms, and has, as it reopened, shut down the choirs and orchestras which used to give the place so much of its life. Meanwhile the friendly local sub-Post Office has been closed, meaning a long walk to join a long queue at the bleak Crown Post Office in the centre of town.

I could go on. There are her relatives' experiences in hospitals, with careless or indifferent nurses not bothering to take immobile patients to the lavatory, or dress them again when they strip in confusion, or get them the medicines they need before the pharmacies shut. There is her rage about the ridiculous public-sector jobs she knows of, with one acquaintance so under-employed in his post as a checker of targets in the NHS that he has built up a small buy-to-let portfolio by trawling the net and making purchases in his working time. There is her anger about Labour's threatening tone on civil liberties and its desire to put the state's tentacles into everybody's lives by tracking their behaviour on mass databases. And that's before she starts on her real fear for the family's jobs after Labour's mismanagement of the economy and her fury at the way these bullying, publicly preaching politicians turn out to have been privately cheating their way into greater personal wealth.

This sense of disillusion goes much deeper than the current questions of who did, should, or might lead the Labour party. I write about this woman's reactions — let's call her Sue — because I think her experiences illustrate the deep and fundamental error that Labour has made in its approach to policy over the last dozen years. In the absence of ideology, it set out to provide two things; efficiency and economic growth. Everything would be measured in terms of numbers and money.

Labour thought politicians could measure outcomes just as businesses did. So just as a new modern factory could automatically be regarded as an investment, so a new school or hospital could be assumed to be the same. Thousands of post offices could be shut down because they didn't make enough money, as if they were loss-making branches of a shop. Cottage hospitals, bus routes, train services and local surgeries could all be closed in the name of efficiency. Out-of-town supermarkets could suck the life out of town centres because cheap food mattered more

than maintaining communities. Managers could run public services and measure their success by hitting targets, just as if they were producing refrigerators or cars. And all of those statistics to prove success could be presented to the public just as if they were being presented to shareholders, or a company board.

The fundamental flaw in this approach is that the individuals that make up the electorate are not a company board. To us, what matters is not the numbers, but our experience, and that of the people we know. Sitting next to a dying and neglected man in a new but dirty hospital shapes our opinion of the NHS much more profoundly than being told that health spending has tripled in ten years. Finding that the rigid school curriculum alternately frightens, alienates and bores our children affects our view of education far more than hearing that exam results are on a constant upward rise. The intransigence and robotic responses of staff in benefit offices, social services, or local councils, does not convince us that the state is there to help us or that all the money that's gone into it has been worthwhile.

We do not stand outside the actions of government as observers, dependent on reports for proof. We live what they do to us. We don't make our judgements according to the statistics. What matters to us is how government decisions make us feel about our lives. All too often Labour, with its harsh emphasis on targets, central controls, efficiency and the unchallenged primacy of markets, has left people feeling impotent, unimportant and alarmingly adrift.

Labour cannot revive as long as it holds to this sterile and outdated view of what drives people. It was born of the management theories of the 1980s, and in the business world this has long been discredited. We are not economically driven automatons, seeking efficiency, or growth. As the latest research on the brain proves, we are primarily social animals, driven by emotion, easily hurt or enraged, acutely aware of our relative status and deeply dependent on the daily encounters we have with others to give our lives meaning.

What we want, above all, is to matter. We are terrified of invisibility, of indifference, of being irrelevant to the world. In our private lives, we want love. In public, we want consideration, acknowledgment, respect. And we don't want the world around us to keep changing in ways that displaces our sense of who we are and leaves us feeling that we have no control.

We care less about whether a hospital is new than whether a nurse treats us with tenderness, and a doctor with kindness and concern. When a high street decays and local shops shut we lose the reassurance of familiarity, and the sense of being recognised and known. If we lose our jobs and find the benefit staff treat us with contempt, we are seared by that loss of status and identity.

Politicians and policy makers in the Labour party have been remarkably oblivious to these crucial elements of our lives, perhaps because their powerful jobs provide them with so many positive reinforcements about themselves that they cannot see their significance for those who are less cushioned from the world. Nor did they feel they needed to explore alternative policies, or question the results of their own, while their creed of permanent economic growth looked so successful and unchallenged.

That philosophy has been smashed to pieces by the economic meltdown. Labour has basically assumed that you can constantly increase public spending, while engaging in a little stealthy redistribution, on the back of an endlessly expanding economy. Their promise to the public has been: you may be tossed around on the sea of market forces, but at least we will make you richer. You wouldn't know it to listen to the party's current leaders, but that model is dead. The austerity that's looming, but rarely mentioned, won't be over in the next few years. Our debt to China and the Far East means we've no alternative but to see their living standards increase while ours stays static or falls, perhaps for decades.

Labour's thin, unsatisfying market and target-driven conception of society has been categorically rejected by voters this week. It hasn't met people's needs. Labour cannot continue to base its appeal on promising riches in the future. Instead it must develop a new politics of meaning, in which it has to see people not chiefly as economic actors, who must be freed to maximise their individual interests, but as complex human beings whose sense of self, purpose and satisfaction cannot be separated from their place in the social web. It has to think much more about psychology, sociology, family structure and people's need for social and civil networks than it has ever bothered to do in the past.

A politics of meaning will constantly pose the question of how to make all of us feel that our existence has value and significance. It will draw on research like Robert Putnam's work on the importance of civil society, and Wilkinson and Pickett's studies into the devastating social

and psychological impacts of relative inequality. It is likely to mean much greater localism, so that people have more power over decisions affecting them. It will discourage politicians from authoritarianism or from empty-gesture announcements, since the criteria will always be: how will this affect what the population currently values about their lives?

It will be naturally but not exclusively concerned about the bottom half of society, since richer people have greater agency and status to reassure themselves. It will ask how all children are to grow up with a sense of purpose, how we motivate and give pride to the teenager currently destined for a life on the minimum wage, how we address the desperate loneliness of a wealthy widow, how we integrate excluded minorities. It will recognise and respond to the furious displacement that people feel as their known worlds disintegrate in the face of immigration and economic collapse. The protest votes that we have seen this week, like those for UKIP and the BNP, are cries of anguish from people who are saying; we don't want to feel so powerless, and we don't know where we fit in. It's a plea for meaning.

Labour's founding philosophy was that ordinary men and women mattered, and that everyone should have the chance to flourish. Its origins were based on an understanding of the profound importance of mutual dependence and of responsibility to one another. A century later, we live in a different world. We want to be free and autonomous individuals, but our fundamental human needs for recognition, connection and a sense of stability remain. A politics of meaning could start to deal with those conflicting desires, in an age of austerity, and link the party to its values, to its future, and its past.

*Jenni Russell is a columnist for the Guardian.*

---

# build a liberal republic

Philip Collins

---

The Labour party is about to shift to the left. It will lose very badly at the next general election if it remains committed to its current course. It will then be severely depleted and it will have to conduct an inquest in an atmosphere of recrimination. It is very probable that this will produce a shift to the political left — not a wild lurch, but a move to the left.

This will be welcomed by the bulk of the party who will embrace the leadership's return to the position occupied by party activists. And it will be a colossal disaster for as long as it lasts. Whether or not this position is philosophically correct — in my view it isn't — it is politically hopeless. The electorate never elects the Conservative party because the Labour party is insufficiently left-wing. Yet that is what most people will demand of the Labour party.

In those circumstances, what do political liberals do? It has never been obvious, and it is today less obvious than ever before, that liberals will find the Labour party a hospitable place. The Labour party is not a liberal party and it never has been. There may have been a moment, in its early days, when the trade unionists might have formed a durable alliance with the radical liberals and a consciously left-liberal party might have emerged.

But it didn't. The Labour party became an expressly social democratic party instead and it is futile for liberals to decry Labour for not being something it does not claim to be. For short periods, the Labour party tilts towards that part of its heritage that derives from the radical liberals. But not often and not usually for long. So before any attempt at reconciliation takes place, those of a liberal cast of mind need to think really hard about whether the act of persuasion is worth the effort.

Already it is clear that the argument will be wilfully miscast. Wading through fields of straw men about individualism, the market state — whatever that is — and the evils of consumption may just be the price you pay for being a liberal on the left. No doubt liberals on the right waste as much time trying to counter derogatory remarks about immigrants. It makes being a liberal on the left rather

peculiar. On the right, you can fight xenophobia. On the left your opponents think we are at our worst when we go shopping. I wish we had a proper argument to engage in. As scientists say of a bad theory, this isn't even wrong.

Let's be optimistic and say that the attempt to renew social democracy based on a caricature of New Labour — and the use of the epithet Blairite as a weapon — will blow itself open after five years. Then, perhaps, we will get to where we ought to begin. There should be a moratorium on the divisions of Blairite and Brownite, Old and New Labour, left and right, individualist and collectivist. All of them replay ancient blood-feuds that don't matter and none of them will yield anything interesting.

The intriguing axis in Labour politics will be quite different. There will be, on one side of the argument, those that genuinely want to disperse power and, on the other, those that think that central government is usually the answer. The distinction is not hard and fast. Those who want to make people powerful do not want to give up the power of the state. On the contrary, left-liberals are keenly aware that the power of the state is a potent part of their armoury — it's just not their weapon of choice.

There really ought to be a less ugly term than subsidiarity. But the idea has elegance at least: that power should be exercised at the lowest possible level. Often that will not be very low at all. Some problems are global in scope. Some are best dealt with nationally and some require power to be transferred directly to the individual. It's an empirical question.

Neither does it mean that people cease to be citizens and become consumers. There are very many ways to exercise power, most of which have nothing remotely to do with markets. A liberal republic — which is what I am describing — creates as many mechanisms for popular control as possible.

The central objective of the liberal republic is to create the conditions in which individuals can live as they choose. We all have our own desires for our own lives that, too often, we are unable to enact for reasons not of our own making. This is a central point: who chooses my aims? The liberal republican says that I do.

Of course those aims have to be compatible with an identical right on your part to do the same. Of course those aims cannot be realised unless I have certain resources and capabilities. There is no point articulating aims that are beyond possibility. And of course those aims do not originate in the ether. They will be formed, in part, from my

membership of certain groups. But it is still my life plan rather than anyone else's, even if I didn't just invent it.

This is the argument that the left needs to have. But before it can do so there is a prior condition. There needs to be a serious audit of the time in power, to assess where the use of state power worked and where it didn't. There are more than forty institutions set up since 1997 that have already been abolished.

This faith in a new unit here and a new coordinating body there is touching but not very advisable. There is an unpalatable lesson to be learned: in most cases the use of the state did not work nearly as well to improve the world as its advocates thought it would. That is not to say that it did not work at all, just that the results weren't usually as good as anticipated — especially not as a return on the hefty investment. For social democrats, accepting this means paying a heavy ideological price. It's a matter of theory that it must have worked better than it did.

It is an open question whether the Labour party is interested even in posing such a question. The great irony is that those who protect the Prime Minister do so on the grounds that they hope the Labour party will not turn in on itself. That is precisely what they are ensuring.

*Philip Collins is Chair of Trustees at Demos, co-author of The Liberal Republic (Demos) and a senior visiting fellow at the London School of Economics.*

---

# wait for the next St Paul

David Marquand

---

It is hard to see why anyone outside the narcissistic ranks of the Labour party should waste mental or emotional energy worrying about its current state or future prospects. There is no mystery about the disease that is now killing it. Under Blair, it made a Faustian pact, not just with one devil but with two — neoliberalism in economics and charismatic populism in politics. The combination was astoundingly successful. Blair's governments presided over the world's most dynamic and inventive financial services sector; a decade of continuous economic growth, outpacing most of mainland Europe; steadily rising living standards for the majority and an unparalleled bonanza for the few; marked improvement in public services; three successive Labour victories, two of them crushing, and one more than adequate; and seemingly unshakeable dominance of the political middle ground.

Like Thatcher before him, Blair understood instinctively that in a fluid, shapeless society where class barriers and party loyalties had dissolved, and where traditional authority counted for little or nothing, charisma easily trumped ideology and even principle. But there was a crucial difference between Blair's charismatic populism and Thatcher's. Thatcher's was the servant of her crystalline vision. Blair's was its own justification. Thatcher was a revolutionary. She sought to remake society, and she succeeded in doing so — albeit not always in the way she had intended. Blair was a consolidator. His only aim was to win power and keep it; and he saw that the best way to do so was to soften the rough edges of Thatcher's legacy so as to root it more firmly in the nation's psyche. If anything, he was even more successful than she had been (though to be fair, consolidation is inherently easier than revolution).

But in the end, the devils returned to claim their due. Blair's charisma was beginning to wear out even before his fall, just as Thatcher's had done before hers. And Brown, the decent, honourable Son of the Manse, could not fill the gap left by the fallen Blair any more than the decent, honourable John Major had filled the gap left by the defenestrated

Thatcher. Blair was one of the great political seducers of modern British politics, outdoing even Thatcher in that department, and rivalling Lloyd George. Brown did not want to be a seducer. He wanted to be an educator, a preacher and a national moral tutor. In any case, he was not cut out for seduction. Blair had strewn the Labour Party with stardust; Brown strewed it with lumps of lead. It's not his fault, of course. The commentariat's incessant attacks on him for failing to inspire, failing to lead and failing to offer his country and party a vision are ludicrously unfair. He is what he is — and what he was when Labour handed him the leadership on a plate. He doesn't *do* visions. He never has.

If the charismatic populist devil were the only one to have returned, this might not matter. Unfortunately, the neoliberal devil has returned as well, and in a far more obtrusive and destructive guise. The economic crisis which now has the entire globe in its grip is, above all, a crisis of neoliberalism. The central tenets of the neoliberal worldview have crashed as thoroughly as the debt encumbered banks and hedge funds of London and New York. Brown's boast that the days of boom and bust were over has been exposed as the nonsense it always was. It is now clear that free markets are not self-regulating as neoliberal economic theory presupposed. They have to be regulated, and only public authorities can regulate them. Economic agents do not base their decisions on rational calculation. They are driven by greed, credulity, fear and, above all, the herd instinct.

These are not new discoveries, of course, but the forces of greed and credulity are so powerful that each generation has to learn them afresh. Brown has learned them with astonishing speed. During his ten years as Chancellor, he rode the waves of the global neoliberal revolution, not exactly with panache (he doesn't do panache either), but with impressive fixity of purpose and sureness of touch. Now he has turned his back on the dogmas that guided him in those days with a speed and completeness that no other world leader has displayed. St Paul on the road to Damascus was a tyro in comparison.

But St Paul was not just an apostate from orthodox Judaism. He was a charismatic populist to the nth degree, as you can find out by reading his epistles. He wove the resonant, but frequently ambiguous obiter dicta of his new man-God into a world-class religion. Brown's conversion has produced no epistles. He has done the right things, by and large, but he has not found the right words. In the last comparable economic crisis, the Great Depression that

began with the Wall Street Crash eighty years ago, Franklin Roosevelt turned the flank of the neoliberals of that era with the epochal phrase, 'We have nothing to fear but fear itself.' At first, his policies were halting and uncertain; it wasn't until the rearmament boom at the end of the decade that the American economy finally took off. But Roosevelt understood that, in politics, words matter — that they often matter more than deeds; that it is through words, far more than through actions or policies, that the unthinkable becomes thinkable, and that new political coalitions are built.

Looked at in that light Labour's current squabbles over the leadership are bathetically beside the point. The old Blairites dream of a second Blair, and it is easy to see why. But there is — and can be — no second Blair. Charismatic populism eludes the categories of normal, everyday politics. It has nothing to do with bureaucratic competence; long years of apprenticeship are more likely to smother the qualities it needs than to foster them. Charisma can't be passed on from one leader to the next like an old suit. It strikes like lightning from the sky. Even if he had wanted to — and, almost by definition, he did not — Blair could not have trained up a successor in his own mould. Hence the palpable absurdity of the notion that Alan Johnson or David Miliband or Harriet Harman could fill the rhetorical void at the top of the present government. The nearest thing to Blair in the charisma stakes is David Cameron, not any member of the Labour party.

What Cameron will do with power when he gets it is unknowable. But it is a safe bet that he will not fulfil the blood-curdling expectations of the lumpen left, who have cast him a Thatcherite red in tooth and claw. He will be inclusive, irenic and not a little unctuous. There is no way of telling if that will suffice. Everything depends on the length and depth of the current crisis, and these too are unknowable. The one virtual certainty is that, if Cameron stumbles, Labour will not inherit the crown. Brown has abandoned the neoliberal gods he worshipped as Chancellor, and all credit to him. But he has not grasped the full dimensions of the global crisis. In essence, he has returned to the Keynesian social democracy of the post-war period, with its faith in economic growth, fiscal stimuli and macro-economic manipulation from the centre. Unfortunately, that is a busted flush. We can't solve the problems of the Noughties by going back to the nostrums of the 1950s and 60s. I don't think Labour in opposition will have the wit or the will to jump out of the Keynesian box it

now inhabits, and to develop a more searching critique of post-modern capitalism. The great question is whether the Liberal Democrats and/or the Greens can do so. I think they may, but it will be a long and painful process.

*David Marquand is Chair of the Demos Advisory Council, a visiting fellow at the Department of Politics, University of Oxford and Honorary Professor of Politics, University of Sheffield.*

---

# a society of powerful people

Tessa Jowell

---

Without any qualification, I and all my colleagues are in no doubt about the truly awful election results of last week. Voters are beyond unhappy, they are angry and if we fail to recognise and respond to that anger we will deserve everything that they throw at us.

However, I believe that the worst thing we could do now is give up, betraying the people who elected us and leave the scene with the recession still raging and our political crisis unresolved. The brave, moral and above all the right thing to do is to face that anger, continue the fight against the recession and offer a genuine and profound change in the style and substance of our politics.

But Labour must first acknowledge the public mood, be honest about our mistakes, and assert our confidence in our core values. Then our job is to address the terminal failure of the old politics and prove that we can offer real change in how people influence the world around them. And we must show that Labour can lead the way out of recession to a stronger, fairer society.

I remain optimistic about the future of progressive politics in this country but we must react with energy and ideas. A fearful retreat into inertia would condemn Labour to being seen as a conservative party, the defenders of the status quo. Our goals must always be higher than that: whether that status quo is an indefensible, secretive system of parliamentary allowances, or public services which fail to keep pace with people's rising aspirations.

So our first task is to end the closed, exclusive politics that so offend people. As Tony Blair said, left and right still matter but increasingly 'the divide is between open and closed'. In our open society information flows ever more freely, the barriers to association dissolve by the day, and identity is ours to choose. Contrast that with our closed politics where power, debate, information and decision-making are hoarded at the centre, and where the urge to control is ever-present.

Last week voters told us that they will no longer tolerate our political closed shop.

Barack Obama's election showed that when an open society and an open politics combine, new and unexpected doors will open for progressive politics. It is that opportunity – to build an open politics – that I want Labour to seize.

Fittingly, it was this government move towards greater openness through the historic Freedom of Information laws that exposed the horrific excess of a political system that had been allowed to police itself behind closed doors for too long – and against which voters recoiled last week. That it is why it is so vital that a commitment to greater openness – including an extension of freedom of information – is made central to the much needed clean up of our politics that we are now taking forward.

An open politics means that power rests with people and not institutions. That means our political parties should be open to those who share our values but do not wish to join; companies should be open to the involvement of their employees; and public services should be owned by the people through a new conception of public ownership. That is the very essence of progressive Labourism.

The open politics is thus one that lets people in: to our nation's political conversation; to our political parties; and to the way we govern. It is an open politics for an open society. But it is crucial to see this new and open politics not as a destination but a constant process. Just as the constitutional reforms of New Labour's early years are now part of the established landscape, the new politics of this year will become the old politics of next.

Every political instinct – to hand down the tablets from on high, to reduce risk by retaining control – bristles at openness. But open politics is one based on optimism, rooted in confidence in the ability of individuals to bring about change; belief that the real solutions to problems we face are found in the communities most affected; and faith in our capacity as a society for self-government.

It's easy to talk about openness, but the test is in bringing it about. First, both politicians and citizens must find new ways to talk about the choices our society must take. That means abandoning both the politics of false choices and the politics of no choices.

In our early years, New Labour rightly focused on overcoming a series of pernicious polarisations – between employer and employee, social progress and economic progress, public sector and private sector – that were deeply damaging not just to our image politically, but also to our ability to govern with competence.

But our success at overcoming these polarisations

came at a price. Though we made it seem as if there were few hard choices, that decisions did not involve tensions and dilemmas, winners or losers, all of us know that life is not like this. We know the tensions and dilemmas – at home, in the workplace, and in the communities in which we live – that are thrown up by the myriad of choices that we each have to make every day.

Now it's time, not just for politicians but all of us as citizens, to acknowledge that politics is like this too: traditional economic growth comes at an environmental cost; that if the rich grow richer that carries implications for the overall levels of inequality; that one person's local democracy is another's post-code lottery.

'Power to the people' is an easy slogan, but citizenship requires more from us than simply making our demands to politicians and then expecting them to go away and resolve the conflicting interests and viewpoints in a manner wholly to our liking.

An open political discourse requires us to discard the politics of false choices. People don't believe that one party has all the answers, we should offer our policies as a means to illuminate and demonstrate the instincts and values that we bring to the choices we face. In doing so we put our trust in voters' good judgement and let them decide, on the basis of our values and instincts, who they trust most to wrestle with the dilemmas we'll need to resolve in the years ahead.

The second test of an open politics is whether political parties can find a way to show that we are truly open to the engagement of the millions of people who don't want to join us but want to be involved in crucial decisions. The most powerful demonstration of that would be to open up the process by which we select our candidates, including those for parliament, by introducing open primaries. This provides an opportunity to strengthen political parties, but political parties which must have much more porous boundaries.

In the 2005 general election, 380 Labour party supporters came out to campaign for my re-election in Dulwich and West Norwood. Less than a third of them were Labour party members. Many of those who were not had, however, been drawn into the campaign through their previous involvement in campaigns on a multitude of local and community issues. Primaries, therefore, provide an opportunity for parties to tap this desire which people continually express to get involved – and link it to a clear outcome. I believe that if you are willing to register your support for the Labour party, you should have a say in selecting the Labour party's candidates.

And this is a first step in building a more pluralist politics: one that recognises that progressive values are shared more widely than the Labour party and that the alignment we should be seeking is one of people who share the same value-driven ambitions for their community, town and country. It should, therefore, not seek to exclude people from supporting the candidate who most closely shares their values and beliefs by the simple fact that they choose not to join a political party.

For those worried about entryism and infiltration, it is through widening the circle of participation, not narrowing it, that we best guard against such risks. As Ben Brandzel, a veteran of US progressive politics, has argued, ‘mass movements open to anyone ... will always be pulled towards the commonsense centre. It’s why Wikipedia can self-police for accuracy, why Obama’s open forums never seriously embarrassed the candidate and why the London Citizens’ agenda called for things like ensuring the Olympic Village creates public housing — not erecting statues to Che.’

### **Progressive Labourism**

I have made the case for radical openness. But an open politics doesn’t end the day the ballot boxes are opened and the votes are counted. The final test of the open politics, therefore, lies in how we govern.

For decades, Labour has cited Aneurin Bevan’s injunction that ‘the purpose of getting power is to give it away’ rather more frequently than we have practiced it. Partly for the genuine fear of responsibility without power, partly from the pessimistic but persistent belief that ‘the man in Whitehall knows best’ or even because we feared individuality, that any gain in power for the individual is a loss in power for the community.

But the redistribution of power is not a simple zero-sum game. Strong communities are built by powerful people. The most fragmented and damaged communities — those where family breakdown, poverty, crime and drug abuse are at their highest — are those where individual aspiration, wealth and educational attainment are at their lowest.

Progressive Labourism ascribes not to the ‘centralising’ tradition of socialism identified by GDH Cole in the early part of the last century, but to his belief in ‘government from below’ and ‘a participatory definition of freedom’. Progressive Labourism is, therefore, more than the simple belief that power lies with the people. It is also a

commitment to the notion that, as Richard Reeves and Phil Collins argue,<sup>1</sup> ‘as individuals we can become authors of our own lives and, as citizens, we can become co-authors of our collective lives.’ Thus we recognise the value of collective power, but also believe that it must serve the ends of citizens rather than having value in itself: collective power which negates neither the rights nor the responsibilities of individual citizens.

The overriding goal of progressive Labourism is to break down the barriers to participation and ownership in order to bring about what Cole termed ‘the widest possible diffusion both of political and economic and social power and of the knowledge needed for putting such power to effective use’.

So how should a progressive Labour government show its overriding commitment to this task? First, by building an asset-owning democracy, symbolised by a major drive to encourage employee ownership. Second, by developing a more pluralistic notion of public ownership built around the notion of public service mutualism. Third, by recognising that so many of the challenges we face require individual attitudinal and behavioural change and that government’s role is to encourage a new sense of civic responsibility.

The near-collapse of the financial sector over the past year has been a salutary reminder of the power wielded by markets. This potential threat has long been recognised on the left but for too many years the left’s response – nationalisation – appeared to most individual citizens to simply replace corporate control with state control, swapping one form of largely unaccountable power with another.

New Labour was right to abandon nationalisation in favour of better regulation and measures to promote more competition. Policies such as the Child Trust Fund and the Savings Gateway have put the issue of individual asset ownership, and thus individual economic power, firmly on the political agenda. Progressive Labourism requires, however, that we must go further. In doing so, we can draw on the inspiration of those Labour revisionists of the 1950s and 1960s like Tony Crosland who called for a ‘property-owning democracy’ aimed at spreading private property ownership and expanding social ownership.

That desire to exert ownership and control has growing popular resonance. Given the events of the past year, it’s no surprise that surveys record that vast majorities of the public mistrust the financial services industry,

believing that it puts the interests of shareholders above those of policyholders. But equally large majorities say they would be more attracted to a company run by its customers.

And, critically, it accords with the emerging potential of the post-recession economy: new technologies such as open source software; the rise of the social investment industry and its efforts to make pension funds more accountable for their social and economic effects; the growing power of the third sector, measured not simply in the huge investment potential – estimated at some £50 bn – of charities and trusts, but the aggregate turnover of the voluntary and community sector which now exceeds that of the car industry. Partnerships like John Lewis, which have thrived during the recession, to co-operatives like the Spanish Mondragon Group with its 100,000 employees, the renewed appeal of the notion that workers should employ capital rather than vice versa.

As Geoff Mulgan suggests, the common thread of each of these developments is their potential to spread power more widely, to remake capitalism and capital more clearly as the servant and not the master. A progressive Labour agenda should seize this opportunity to bring about a radical shift of economic power to individuals in their working lives by focusing on the encouragement of greater employee ownership.

The sector of the economy that is co-owned – where employees have a significant stake – already has a turnover of some £20-£25 billion a year, larger than the agricultural sector in terms of GDP. And while John Lewis may be the most famous example there are countless. From professional services and knowledge businesses such as PA Consulting and Arup, who designed the wonderful water cube for the Beijing Olympics, to innovative employee-owned deliverers of public services like Greenwich Leisure, Sunderland Home Care Associates and eaga, which provides energy services to the most vulnerable households.

Employee ownership is the key which unlocks greater employee participation, and with it not just an excellent track record in delivering broader social, environmental and community benefits, but higher rates of productivity and a capacity to manage innovation and change born of a sense that these will not be carried out solely at the expense of the workforce.

For progressive Labourism the appeal of employee ownership is simple: it is the belief that co-ownership brings with it a feeling of co-control, an employee's belief that he or she can genuinely affect change within their organisation.

Progressive Labourism also has confidence in the ability of individuals to bring about change in our public services. This is why I believe that individual budgets and the principle which lies beneath them — that citizens should have control over the services provided for them — are so potentially transformative.

As Charlie Leadbeater argues,<sup>2</sup> individual budgets provide the chance, ‘to mobilise a democratic intelligence: the ideas, know-how and energy of thousands of people to devise solutions rather than relying on a few policymakers to come up with the best approach.’

The evidence so far is compelling that those with individual budgets are more satisfied, outcomes are better and costs are lower. The reason is simple: highly participative services don’t simply unleash the power of service users, thus multiplying the resources available, the solutions they offer are more effective because they are tailored to individual needs and aspirations. In the face of tight public expenditure rounds in the years ahead, the question thus becomes can we afford not to radically increase the scope and extent of individual budgets?

But progressive Labourism also demands a deeper redefinition of the ownership of public institutions. For most of the last century, Labour’s clause IV commitment to ‘common ownership’ was taken to mean state or municipal ownership, despite the efforts of its author, Sidney Webb, to suggest that the party was free to choose other ‘forms of popular administration and control’. While New Labour has rightly opened the door to new providers — both private and third sector — our next challenge should be to define a more pluralist conception of ‘public ownership’.

I believe that just as employee ownership offers the opportunity to spread power more widely in the economy, mutualism — the notion that organisations should be owned by, and run for the benefit of, their current and future members — provides similar possibilities in the realm of public services. Mutuals are, of course, familiar to all of us through the work of building societies, co-operatives, friendly societies and mutual insurers and the recent growth of football supporters’ trusts, child care co-operatives and leisure service mutuals.

However, the most significant step in terms of the public sector has been provided by NHS foundation trusts. In the four years since their creation, foundation hospitals have provided a template for a quiet revolution in our public services: delivering healthcare controlled and run locally, giving staff, local communities and other stakeholders a far

bigger voice. This bringing together of staff, patients and public shows how a new conception of common ownership can replace the producer versus consumer polarisation of old.

Foundation trusts have not been captured by ‘special interests’. Turnouts in elections for the membership of trusts often exceed those in local elections and, in total, the 107 foundation trusts have a membership over one million. But most importantly, research shows that patient and public involvement has changed the way hospitals are run, making them more responsive to local people and more focused on patients’ needs.

The key features of the mutual model — established for a shared community purpose, owned by members and operating a democratic voting system — should now be applied further, not just to schools and hospitals, but also to local community facilities, ranging from youth and children’s centres to parks and sports clubs.

### **Civic responsibility**

We should always remember that issues ranging from climate change and energy use to obesity, binge drinking, tax avoidance and benefit fraud require individual attitudinal and behavioural change. Of course, laws and regulations have their part to play. But, as Martin Kettle has written, the public interest requires something else: that those involved — whether in banking, or baby care, food safety or farming to recognise the need to behave well without being bound by rules.

With good reason, many people dislike lectures from politicians on good behaviour. But government can seek to encourage and reward what Matthew Taylor terms ‘pro-social behaviour’. Seeing the thousands of people who each month register to become volunteers at the Olympics, I believe a non-compulsory, locally run voluntary service scheme might find many willing hands. Such a scheme could help, during a period when money will be tight and demand will be growing, to boost areas such as childcare and the care available to the elderly (and, over the long term, to assist many of those who wish to remain in their own homes).

It might also focus on specific, locally decided objectives, like the creation of after-school sports clubs or summer school programmes to provide enhanced learning opportunities for children falling behind at school and children who speak English as a foreign language. Or it

might build a network of mentors to help those trying to start and grow new businesses, charities or social enterprises, but who may lack the skills necessary to achieve their objectives.

The scheme should be open to all, with school leavers, recent graduates, those seeking work (including the many professionals who have lost their job in the recession), and those near or at retirement particularly encouraged, but in no way compelled, to participate.

All these cases bring to light what I believe will become the new divide in our politics: between those impatient to build the new, open politics, and those determined to cling for as long as possible to the old, closed politics. Fundamentally, it is a simple divide, based on a simple choice: do you favour powerful institutions or powerful people? Each of the ideas: – open primaries, employee ownership, public service mutualism – are linked by a common belief that the promotion of open institutions, open to the ownership, participation and involvement of people, is the next stage of progressive politics.

*Tessa Jowell is MP for Dulwich and West Norwood, Minister for the Cabinet Office and the Olympics and Paymaster General.*

## **Notes**

- 1 Reeves R and Collins P, *The Liberal Republic* (London: Demos 2009)
- 2 Leadbeater C, Bartlett J and Gallagher N, *Making it Personal* (London: Demos 2008)

---

# biographies

---

**Rushanara Ali** is Associate Director at the Young Foundation. She has previously worked at the Home Office, the Foreign and Commonwealth Office, the Institute for Public Policy Research and as a Parliamentary Assistant. In 2007, Rushanara was selected as the Labour Parliamentary Candidate for Bethnal Green and Bow.

**Jessica Asato** is Acting Director of the New Labour pressure group Progress. She was previously a researcher at the Social Market Foundation and Chair of the Young Fabians. She is an Executive Member of the Fabian Society. In July 2008, Jessica founded the Gareth Butler History Trust.

**Martin Bright** is a freelance journalist and former political editor of the *New Statesman*. He worked for the BBC World Service and the *Guardian* before joining the *Observer* as Education Correspondent and later becoming Home Affairs Editor.

**Phillip Blond** is the Director of the Progressive Conservatism Project at Demos. He has been a senior lecturer in theology and philosophy at the University of Cumbria and has a forthcoming book on radical conservatism entitled *Red Tory*.

**Philip Collins** is Chair of Trustees at Demos. He is also a writer at *The Times* and a Senior Visiting Fellow in the Department of Government at the London School of Economics. He was, until July 2007, Chief Speech Writer to Prime Minister Tony Blair.

**Jon Cruddas** is Labour MP for Dagenham, East London. He has worked for the Labour Party since 1989. Until 1997 he worked in the policy department, then in the General Secretary's office under Larry Whitty, and later Tom Sawyer. Between 1997 and 2001, he worked in Downing Street as a link between the trade unions and the Prime Minister.

**Alan Finlayson** is a Reader in the Department of Politics and International Relations at Swansea University. He has published essays and articles on British politics, democratic political theory, social policy, financialisation and political rhetoric. His books include *Making Sense of New Labour*, *Contemporary Political Theory: A Reader and Guide* and, most recently, an edited collection called *Democracy and Pluralism*.

**Maurice Glasman** is Director of the Faith and Citizenship Programme at London Metropolitan University and the author of *Unnecessary Suffering*. He is an expert in the work of Karl Polanyi and Saul Alinsky and is currently working on an AHRC funded project with Dr Luke Bretherton of King's College London on community organising and London Citizens.

**Lisa Harker** is Co-Director of the Institute for Public Policy Research. She worked for two years at the BBC as a Social Affairs Specialist and as a producer on the Today Programme. More recently she was appointed as the Government's child poverty tsar at the Department for Work and Pensions, where she wrote *Delivering on Child Poverty: What would it take?*

**Tristram Hunt**, a former Labour special adviser, is a lecturer in History at Queen Mary's, University of London and author of *The Frock-Coated Communist: The Revolutionary Life of Friedrich Engels*. He is a regular broadcaster, a Trustee of the Heritage Lottery Fund and a Fellow of the Royal Historical Society.

**Kevin Jefferys** is Professor of Contemporary History at Plymouth University and author of *Finest and Darkest Hours* and *Politics and the People*. He has written several works on post-war British politics, including *The Labour Party Since 1945*, *Retreat from New Jerusalem: British Politics 1951-64* and edited *Leading Labour: From Keir Hardie to Tony Blair*.

**Tessa Jowell** has been the Labour MP for Dulwich and West Norwood since 1992. She currently holds the positions of Minister for the Olympics, Minister for the Cabinet Office, Minister for London and Paymaster General. Before her election to Parliament, Tessa had a career in psychiatric social work, social policy and public sector management and innovation.

**Sunder Katwala** is General Secretary of the Fabian Society. Sunder joined the Fabian staff in 2003 from the Observer, where he was web editor and a leader writer. He was previously research director of the Foreign Policy Centre and commissioning editor for politics and economics at the publisher Macmillan. His main areas of interest include political ideas and the left, Britishness and citizenship, foreign policy and Europe.

**Neal Lawson** writes for the Guardian, the New Statesman and the journal Renewal. He is chair of the centre-left pressure group Compass, an associate of Demos, on the Board of CentreForum and a Research Fellow at London Metropolitan University. He was formerly an adviser to Gordon Brown. His first book *All Consuming* is published in June 2009.

**David Marquand** is a political writer and academic. He is a former Labour MP and chief adviser to the European Commission and was a founder member of the SDP, sitting on the party's national committee from 1981-88. David is also a prolific author; his publications include a biography of Ramsay MacDonald, *The Unprincipled Society: New Demands and Old Politics*, *The Progressive Dilemma: From Lloyd George to Kinnock* and *Britain Since 1918*.

**Michael Meacher** is Labour MP for Oldham and West Royton. He is one of Labour's longest-serving MPs, holding the seat since 1970. Michael has held positions across a range of government departments and is a former Minister of State for the Environment. Meacher is a member of the Fabian Society and supports the Child Poverty Action Group.

**Carey Oppenheim** is Co-Director of the Institute for Public Policy Research. She was a Senior Policy Adviser to Prime Minister Tony Blair, working on welfare and employment, poverty, children and equalities. Since leaving No. 10 in 2005, Carey's roles have included Chair of the London Child Poverty Commission.

**Richard Reeves** is the Director of Demos. He previously worked at The Work Foundation, was Society Editor of the Observer, principal policy adviser to the Minister for Welfare Reform, Economics Correspondent and Washington Correspondent of the Guardian, research fellow at the Institute for Public Policy Research, and a postgraduate

researcher at the University of London. His latest book *John Stuart Mill – Victorian Firebrand*, is an intellectual biography of the British liberal philosopher and politician.

**Jonathan Rutherford** is editor of Soundings journal and professor of Cultural Studies at Middlesex University. He is chair of Compass's Good Society working group and author of *After Identity*. He co-edited *The Crash – A view from the left*.

**Jenni Russell** is a commentator and broadcaster who writes for the Guardian and The Sunday Times. She has spent fifteen years in broadcasting, working at ITN and the BBC where she was the editor of Radio 4's *The World Tonight*.

**Stuart White** is a lecturer in Politics at Oxford University where he also runs the Public Policy Unit. His recent publications include *How to Defend Inheritance Tax* and *Building a Citizen Society: The Emerging Politics of Republican Democracy*. White's research interests include normative political theory, public policy and the history of political thought.

## Demos – Licence to Publish

The work (as defined below) is provided under the terms of this licence ('licence'). The work is protected by copyright and/or other applicable law. Any use of the work other than as authorized under this licence is prohibited. By exercising any rights to the work provided here, you accept and agree to be bound by the terms of this licence. Demos grants you the rights contained here in consideration of your acceptance of such terms and conditions.

### 1 Definitions

- A **'Collective Work'** means a work, such as a periodical issue, anthology or encyclopedia, in which the Work in its entirety in unmodified form, along with a number of other contributions, constituting separate and independent works in themselves, are assembled into a collective whole. A work that constitutes a Collective Work will not be considered a Derivative Work (as defined below) for the purposes of this Licence.
- B **'Derivative Work'** means a work based upon the Work or upon the Work and other pre-existing works, such as a musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which the Work may be recast, transformed, or adapted, except that a work that constitutes a Collective Work or a translation from English into another language will not be considered a Derivative Work for the purpose of this Licence.
- C **'Licensor'** means the individual or entity that offers the Work under the terms of this Licence.
- D **'Original Author'** means the individual or entity who created the Work.
- E **'Work'** means the copyrightable work of authorship offered under the terms of this Licence.
- F **'You'** means an individual or entity exercising rights under this Licence who has not previously violated the terms of this Licence with respect to the Work, or who has received express permission from Demos to exercise rights under this Licence despite a previous violation.

### 2 Fair Use Rights

Nothing in this licence is intended to reduce, limit, or restrict any rights arising from fair use, first sale or other limitations on the exclusive rights of the copyright owner under copyright law or other applicable laws.

### 3 Licence Grant

Subject to the terms and conditions of this Licence, Licensor hereby grants You a worldwide, royalty-free, non-exclusive, perpetual (for the duration of the applicable copyright) licence to exercise the rights in the Work as stated below:

- A to reproduce the Work, to incorporate the Work into one or more Collective Works, and to reproduce the Work as incorporated in the Collective Works;
- B to distribute copies or phonorecords of, display publicly, perform publicly, and perform publicly by means of a digital audio transmission the Work including as incorporated in Collective Works; The above rights may be exercised in all media and formats whether now known or hereafter devised. The above rights include the right to make such modifications as are technically necessary to exercise the rights in other media and formats. All rights not expressly granted by Licensor are hereby reserved.

### 4 Restrictions

The licence granted in Section 3 above is expressly made subject to and limited by the following restrictions:

- A You may distribute, publicly display, publicly perform, or publicly digitally perform the Work only under the terms of this Licence, and You must include a copy of, or the Uniform Resource Identifier for, this Licence with every copy or phonorecord of the Work You distribute, publicly display, publicly perform, or publicly digitally perform. You may not offer or impose any terms on the Work that alter or restrict the terms of this Licence or the recipients' exercise of the rights granted hereunder. You may not sublicense the Work. You must keep intact all notices that refer to this Licence and to the disclaimer of warranties. You may not distribute, publicly display, publicly perform, or publicly digitally perform the Work with any technological measures that control access or use of the Work in a manner inconsistent with the terms of this Licence Agreement. The above applies to the Work as incorporated in a Collective Work, but this does not require the Collective Work apart from the Work itself to be made subject to the terms of this Licence. If You create a Collective Work, upon notice from any Licensor You must, to the extent practicable, remove from the Collective Work any reference to such Licensor or the Original Author, as requested.
- B You may not exercise any of the rights granted to You in Section 3 above in any manner that is primarily intended for or directed toward commercial advantage or private monetary compensation. The exchange of the Work for other copyrighted works by means of digital filesharing or otherwise shall not be considered to be intended for or directed toward commercial advantage or private monetary compensation, provided there is no payment of any monetary compensation in connection with the exchange of copyrighted works.
- C If you distribute, publicly display, publicly perform, or publicly digitally perform the Work or any Collective Works, You must keep intact all copyright notices for the Work and give the Original Author credit reasonable to the medium or means You are utilizing by conveying the name (or pseudonym if applicable) of the Original Author if supplied; the title of the Work if supplied. Such credit may be implemented in any reasonable manner; provided, however, that in the case of a Collective Work, at a minimum such credit will appear where any other comparable authorship credit appears and in a manner at least as prominent as such other comparable authorship credit.

### 5 Representations, Warranties and Disclaimer

- A By offering the Work for public release under this Licence, Licensor represents and warrants that, to the best of Licensor's knowledge after reasonable inquiry:
  - i Licensor has secured all rights in the Work necessary to grant the licence rights hereunder and to permit the lawful exercise of the rights granted hereunder without You having any obligation to pay any royalties, compulsory licence fees, residuals or any other payments;

- ii The Work does not infringe the copyright, trademark, publicity rights, common law rights or any other right of any third party or constitute defamation, invasion of privacy or other tortious injury to any third party.
- B except as expressly stated in this licence or otherwise agreed in writing or required by applicable law, the work is licenced on an 'as is' basis, without warranties of any kind, either express or implied including, without limitation, any warranties regarding the contents or accuracy of the work.

## 6 Limitation on Liability

Except to the extent required by applicable law, and except for damages arising from liability to a third party resulting from breach of the warranties in section 5, in no event will licensor be liable to you on any legal theory for any special, incidental, consequential, punitive or exemplary damages arising out of this licence or the use of the work, even if licensor has been advised of the possibility of such damages.

## 7 Termination

- A This Licence and the rights granted hereunder will terminate automatically upon any breach by You of the terms of this Licence. Individuals or entities who have received Collective Works from You under this Licence, however, will not have their licences terminated provided such individuals or entities remain in full compliance with those licences. Sections 1, 2, 5, 6, 7, and 8 will survive any termination of this Licence.
- B Subject to the above terms and conditions, the licence granted here is perpetual (for the duration of the applicable copyright in the Work). Notwithstanding the above, Licensor reserves the right to release the Work under different licence terms or to stop distributing the Work at any time; provided, however that any such election will not serve to withdraw this Licence (or any other licence that has been, or is required to be, granted under the terms of this Licence), and this Licence will continue in full force and effect unless terminated as stated above.

## 8 Miscellaneous

- A Each time You distribute or publicly digitally perform the Work or a Collective Work, Demos offers to the recipient a licence to the Work on the same terms and conditions as the licence granted to You under this Licence.
- B If any provision of this Licence is invalid or unenforceable under applicable law, it shall not affect the validity or enforceability of the remainder of the terms of this Licence, and without further action by the parties to this agreement, such provision shall be reformed to the minimum extent necessary to make such provision valid and enforceable.
- C No term or provision of this Licence shall be deemed waived and no breach consented to unless such waiver or consent shall be in writing and signed by the party to be charged with such waiver or consent.
- D This Licence constitutes the entire agreement between the parties with respect to the Work licensed here. There are no understandings, agreements or representations with respect to the Work not specified here. Licensor shall not be bound by any additional provisions that may appear in any communication from You. This Licence may not be modified without the mutual written agreement of Demos and You.



Demos is grateful to all the contributors to this volume:

Rushanara Ali

*Associate Director at the Young Foundation*

Jessica Asato

*Acting Director of Progress*

Phillip Blond

*Director of the Progressive Conservatism Project at Demos*

Martin Bright

*Political journalist and founder of New Deal of the Mind*

Philip Collins

*Chair of Trustees, Demos*

Jon Cruddas

*MP for Dagenham*

Alan Finlayson

*Reader in Politics and International Relations at Swansea University*

Maurice Glasman

*Director of the Faith and Citizenship Programme at London Metropolitan University*

Lisa Harker and Carey Oppenheim

*Co-directors of the Institute for Public Policy Research*

Tristram Hunt

*Lecturer in History at Queen Mary, University of London*

Kevin Jefferys

*Professor of Contemporary History at Plymouth University*

Tessa Jowell

*MP for Dulwich and West Norwood. Minister for the Cabinet Office and the Olympics, and Paymaster General*

Sunder Katwala

*General Secretary of the Fabian Society*

Neal Lawson

*Chair of Compass*

David Marquand

*Chair of the Demos Advisory Council and Visiting Fellow, University of Oxford*

Michael Meacher

*Former Environment Secretary*

Richard Reeves

*Director of Demos*

Jenni Russell

*Writer, broadcaster and columnist for the Guardian*

Jonathan Rutherford

*Editor of Soundings and Professor of Cultural Studies, Middlesex University*

Stuart White

*Director of the Public Policy Unit at the University of Oxford*