

# **Feel-bad Britain**

**a view from the democratic left**

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# Feelbad Britain

The starting point for this analysis of contemporary British society is simple: the observation that in an era of apparently unprecedented overall material prosperity and economic stability, people seem to feel no better than before and quite possibly worse. Obviously the “feel-bad factor” affects us all in different ways and to different degrees, but there is enough of it about to suggest a general trend across society, amounting to what we would characterise as a crisis in social relations and others have called a “social recession”.<sup>1</sup> We are a society of people who don’t appear to like themselves or each other very much. Twenty-first century Britain, our country, is afflicted with a deep-seated and widespread social malaise.

## Crisis? What Crisis?

In recent years a serious reappraisal of British society has begun, based upon the realisation that there is something fundamentally amiss. One example is Richard (now Lord) Layard’s popular book on *Happiness*.<sup>2</sup> Its main assertion, supported by substantial and authoritative research, is that despite increasing material prosperity people are on average no happier now than they were twenty or thirty years ago. Even the impeccably mainstream magazine *The Economist* took up the theme for its Christmas 2006 special issue. Sociologist Richard Sennett has written several books on the increasing strains of modern life, whilst there is mounting concern about the widespread incidence of clinical depression and anxiety amongst both adults and children. Little of this should surprise any normally perceptive person. Britain today is a divided and sour country. It can quite reasonably and properly be described as unhappy with itself.

Layard’s group at the London School of Economics observed that “*crippling depression and chronic anxiety are the biggest causes of misery in Britain today*”,<sup>3</sup> with one in six so suffering. This is the view not only of this one group. You can tell a lot about a society from the health of its children. According to another appraisal, there are “*sharply rising rates of depression and behavioural problems among under-17s. This year, the British Medical Association reported that more than 10% of 11- to 16-year-olds have a mental disorder sufficiently serious to affect their daily lives. At any one time, a million children are experiencing problems ranging from depression to violence and self-harm. What is truly sobering is how abruptly these problems have arisen. The incidence of depression in children was almost flat from the 1950s until the ‘70s. A steep rise began in that decade, doubling by the mid-80s, and doubling again since. The rises have affected both sexes and all classes, although children in the poorest households are three times as likely as wealthy ones to be affected.*”<sup>4</sup>

There are other indications of serious social crisis. Under New Labour, the steep rise in inequality that distinguished the Thatcher years has been checked though not halted let alone reversed. The figures for 2007 show that Britain is now more unequal in terms of income than any year since 1961 when statistics were first published whilst the numbers of those in poverty are actually increasing. Every index – income, property, health and longevity, educational and occupational achievement – reveals a less equal society than at any other point in modern times, creating a new super-rich elite, casting the lower orders into lumpen drudgery, and leaving everyone in between anxiously insecure. British society is made up of an overclass, an underclass and what we might call a “de-class”, unsure where they belong.

This is what Will Hutton some time ago characterised as the “30/40/30” society, split three ways between the securely prosperous, the anxiously aspirational, and the permanently poor.<sup>5</sup> Growing inequality damages everyone, not just the worst off. In his cross-national study of health in the 1990s, Richard Wilkinson of Sussex University showed how the health of a whole society and of every group

<sup>1</sup> Compass, **The Good Society**, Lawrence and Wishart, London 2006.

<sup>2</sup> R. Layard **Happiness**, Penguin Books, London 2005.

<sup>3</sup>[http://cep.lse.ac.uk/textonly/research/mentalhealth/DEPRESSION\\_REPORT\\_LAYARD.pdf](http://cep.lse.ac.uk/textonly/research/mentalhealth/DEPRESSION_REPORT_LAYARD.pdf)

<sup>4</sup> Jenni Russell, **The Guardian**, Tuesday September 19, 2006

<sup>5</sup> W. Hutton, **The State We’re In**, Vantage, London 1995.

within it suffers when income gaps widen.<sup>6</sup> This is a new, modern take on the old collectivist insight that an injury to one is an injury to all.

More recent research in Britain indicates a stalling of social mobility, so that people are less able to rise up our social hierarchies through personal talent and application. This ossification of social relations also seems to have set in at some point in the mid-1970s. Prior to that, there had been considerable movement both up and down the social scales of wealth and income, status and occupation, primarily because of new, wider educational opportunity. This was one of the undoubted benefits of the post-war social-democratic consensus, even if it also had the side effects of detaching bright young people from their families and communities, consigning the rest to 11-plus failure and a secondary-modern education and, arguably, deepening the cultural impoverishment of the British working class.

But even the old social-democratic ideal of equal opportunity within a classless meritocracy has fallen away. Nowadays, wealth and status and the power they confer are being steadily accumulated by the already wealthy and powerful, and transferred between generations in a way not seen since Victorian times. Inequality in Britain is growing, entrenched and multifaceted. There is a growing clamour about this throughout British society even extending to the newly cuddly Conservative Party. But, obstinately, the Labour government, now headed by the supposedly socially-conscious Gordon Brown, still retains an almost mystic faith in the virtues of the super-rich believing, for example, that any attempt to reduce Britain's status as a tax-haven for them will cause them to flee to more welcoming homes.

Again, this damages us all. The rich use their wealth to purchase privacy and separation, another markedly recent development. The retreat of our ruling classes from any serious notion of social engagement and responsibility means that Bill Gates-style philanthropy stands out as the exception that proves the rule. We still enjoy the legacy of public works commissioned by the morally conscious elements of the Victorian ruling class in sanitation and public health, decent housing, libraries and the beginnings of mass education and transport. It is hard to identify any comparable legacy to wider British society bequeathed by our contemporary elite, unless we include such follies as the Millennium Dome and the National Lottery.

Consumer-capitalism splits the rest of us into self-contained niche-markets and discrete, like-minded enclaves. We all have less to do with those 'others' who are not 'people like us'. Conviviality, surprise and delight give way to suspicion, fear and gloom. The closing-down of meeting points between differences – of all kinds (not just ethnicity) – such an important ingredient in the vitality of any modern society, leads to the decline of the public realm and, more visibly, cultural stagnation.

Much of our popular culture is now imbued with an air of self-reflexive, nostalgic yearning. There is constant recycling of tried and trusted form and substance, so that only in the realms of high or elite art is innovation possible, and then at the whims and favours of wealthy patrons or the dispensers of what remains of state subsidy. This is why British popular culture today largely consists of repeats, remakes and re-mixes, paradoxically at a time of ever-proliferating modes and techniques of cultural delivery. We have a million new ways of saying the same old thing. The only apparent novelties are the freak-shows of celebrity and reality TV, sad and sordid parades of exhibitionists and attention-seekers, craving fame for its own sake rather than for any discernible talent or achievement. Even these are simply hi-tech versions of much older forms of ritual public humiliation and titillation.

With the decline of shared – or even inter-connecting – ways of life, experiences and values, we are all left to fend for ourselves, in our enclaves of class, ethnic or more loosely defined lifestyle identities. The upper and upper-middle classes are doing pretty well for themselves, as they always have, with their extensive networks of social and professional support, at a time when society-wide forms of mutual support are being consciously dismantled. Golf club membership has doubled every five years since the mid-1980s, while all mainstream political parties have shrivelled. Gym membership, presently at 14% of the British population, is fast approaching the 16% who belong to trade unions.<sup>7</sup>

Much of our new knowledge economy of media, fashion and art, the so-called creative industries that make up an increasing proportion of our productive activity, relies heavily on US-style internship systems to perform the necessary but routine gofer roles that hold it all together. The interns are paid next

<sup>6</sup> R. Wilkinson, **Unhealthy Societies**, Routledge, London 1995.

<sup>7</sup> **The Guardian**, 15<sup>th</sup> December 2006. It long ago outstripped regular religious observance (a mere 7%).

to nothing and have to rely on the continuing support of their parents. These are confident, advantaged and well-placed young people, encouraged and recommended by their families and broader social networks, who will learn the ropes and then, in turn, rise to the top of their chosen fields and dispense the same favours to selected underlings among their own and each other's offspring. It is effectively a system of bourgeois apprenticeships, at a time when openings for self-advancement for working class kids – such as traditional craft-based apprenticeships or even decent jobs for school leavers – are fast disappearing.

We could go on. The prison population – at an all-time high of 82,000 – has increased in exact proportion to the decline in secure facilities for the mentally ill. No doubt the old mental asylums needed closing, but without serious prison reform and rehabilitation of offenders, we are simply locking up our mad people without any pretence at therapeutic treatment, and then chucking them back out at the end of their sentences. More people leave the prison system with a drug addiction than enter it. There are currently 3000 children in prison at any one time in Britain, an 800% increase since 1993 and the highest proportion in the developed world. Twenty-nine of them have killed themselves since 1990.<sup>8</sup>

Britain has the highest rate of premature birth in Europe, primarily, a Leicester University study suggested, because of stress amongst women in the mid- to late stages of pregnancy.<sup>9</sup> Stress in pregnancy has also been identified as a prime cause of learning and behavioural difficulties among children. We also have the highest rate of teenage pregnancy, partly because of poor sex education and sexual health promotion, but also because of low levels of general education and health, diminished expectations and achievements, and a quest for at least a sort of socially recognised identity, amongst some young mothers. They frequently respond, when interviewed, that having a baby turned out much harder than they expected, but that they thought it would give them some sense of purpose in life and “someone to love”. Alongside this, many better-off, older women are struggling to conceive, not least because many postpone the decision while they are working hard to establish their careers. Our general birth rate is in historic decline, a profound expression of loss of confidence in the future and a sure sign of chronic imbalance between the household sector of the economy, where human beings are born and nurtured, and the business sector, which is only interested in us as earners and spenders.

Levels of personal indebtedness in our credit-fuelled economy are at an historic high, while personal savings are at an historic low, something which has become a major economic problem as the credit-crunch bites hard. When most people understand that good times do not last forever, it is not surprising that opinion polls reveal widespread worry and pessimism. Most of us are living on borrowed money as well as borrowed time. We could include statistics on family and relationship breakdown, whilst other indices of social breakdown appear in the quality press on a daily basis, and in more hysterical and simplistic terms in the sensationalist press, thus adding further layers of disquiet to our public discourse. Even a new Conservative leader, David Cameron, can refer to Britain as a “broken society” without any fear of rebuttal – though his policies for healing verge on the risible.

## ***This is a Political Crisis***

If there is a growing, uneasy awareness that Britain today is slipping deeper into social crisis, there is less understanding of how and why. There is a common feeling that it can be neither contained nor explained within the dominant political story of our time. People seek explanation in their own immediate surroundings and preconceptions – the alleged decline of good manners and civility, immigration, drugs and drink, hoodies and burkas, some basic flaw in human nature – but they usually identify what are, at most, symptoms.

We would argue that this social crisis has quite specific political causes within what passes for our political culture, now a largely degenerate and discredited arena – something which is itself a major political problem. New Labour Ministers endlessly recite a mantra of targets achieved, money spent, growth delivered and jobs created. Yet at the same time, these same Ministers oversee a continual process of denigration, reorganization and structural change, which implicitly denies any success in the past and offers only a vague hope of success in the future. No wonder everybody thinks everything is

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<sup>8</sup> BBC Newsnight, 4<sup>th</sup> December 2006.

<sup>9</sup> The Observer, 7<sup>th</sup> January 2007.

getting worse, even when it isn't. In the absence of much real political or ideological discussion or action about the future of our society, government needs a steady supply of 'problems' to 'solve', just to look as if it's doing something.

To take almost random examples, a new system of school examinations is painstakingly developed and agreed by virtually every responsible agency and person in the field. It is presented to, and then contemptuously rejected by, an Education Minister a couple of weeks into the job on the fiat of an adviser in Downing Street possessing neither wisdom nor authority but with the ear of his master. Then, another new Minister brings back the rejected proposals but neutered to remove most of their original purpose. New academy schools are built to replace 'failing' schools with a student intake largely from poor families then it is discovered that many of such schools are, as part of their entry selection, requiring applicant parents to pay 'voluntary' financial contributions up-front to ensure that poor students are excluded. 638 so-called 'failing' schools, almost wholly drawing their intake from low-income families, are then told to shape-up or be replaced by...academy schools which will then be able to exclude such children by their entrance criteria. An energy policy is adopted which essentially lets the market have free rein. Then, within a couple of years a new policy is devised to allow the nuclear industry a bite of the cherry the markets will not give it. It is then discovered that a nuclear-industry consultancy was employed to carry out the policy consultation process.

A new green turn to limit carbon emissions is announced without any reference to previous policies, which have in general served to increase just these emissions. The new limits are then wiped out at a stroke by projected aviation growth which is just accepted as inevitable. A large chunk of NHS services concerned with bulk purchase is handed over to an American company already under investigation in its home country for massive fraud totalling billions of dollars. We lurch from regional to local health authorities and back again, and express surprise at the resulting financial and administrative chaos in the NHS. An entire department of state is condemned by its Minister as useless ("not fit for purpose" in the pseudo-managerial jargon) and threatened with being broken up even as it attempts to carry through the conflicting and chaotic policy initiatives of its previous Ministers. In a culminating farce, no fewer than thirteen Ministers have supported local campaigns against hospital closures that are a direct, planned consequence of government policy on NHS reorganisation: an extraordinary new twist on "the politics of protest".

In the midst of this cacophony, Ministers are appointed with new names such as "Minister for the Third Sector" or "Communities", "Social Inclusion" or "Business Enterprise", as though new forms of government can be devised by first naming them and then discovering their purpose. For much of its ten-year history, there has been no readily discernible principle or coherent strategy in New Labour government, other than a relentless determination to introduce markets or market principles into ever more areas of social life whatever the cost, resulting in just a string of unrelated and often contradictory policy initiatives. Increasingly, much of what government does from day to day is not even policy but a series of wheezes forgotten soon after they have, it is hoped, achieved their purpose of an unchallenged TV sound-bite and favourable newspaper headline.

And why should we be surprised? New Labour has had remarkably little real, lasting impact on the country it purports to govern. Its period in office has been preoccupied with appearance, surface and spin. It has proved wholly conjunctural, to use Antonio Gramsci's useful couplet, rather than epochal. The only major exception are the wars in Iraq and Afghanistan, which are proving all too epochal for Brown, Blair and the rest of us. Otherwise, underlying the frenetic activity and spin, the continuing hegemony of Thatcherism, which was and remains a truly epochal force, has been explicitly accepted by New Labour and given a further insidious and deepening twist, consolidating and extending the neo-liberal agenda. This is what, beneath the spinning and the wheeze-ing, New Labour has really been up to.

## ***The New Labour Story***

The dominant political story or common sense of our times runs like this. In 1979, a Britain gripped by economic and social crisis accepted the leadership of a strong right-wing ideologue, Margaret Thatcher. She pushed through a set of necessary, if unpalatable, remedies in the face of aggressive opposition from a die-hard left unable to recognise the necessity of change. In the 1980s the British economy was transformed, but society was deeply divided. So the New Labour story goes. By this

account, the early 1990s was a period of drift, in which an alternative but ineffectual right-wing leadership under John Major failed to heal the country's social divisions. Then on that golden dawn in 1997 a new centre-left government which, having repudiated the failed socialism of the 1970s, took over, with policies which would both consolidate the economic changes of the preceding years and create a more inclusive and cohesive society.

This story has sustained the current government for almost ten years. It has become so dominant as to be the unquestioned – indeed *unquestionable* – hegemonic principle of our times, the backdrop to the tide of daily news and comment. But it ignores two fundamental problems. First, the British economy is more exposed to potentially destabilising external forces than at any other point in its history, and than any other major economy. An example is the incorporation of the British steel industry into an Indian industrial conglomerate with the inevitable closures and redundancies that are bound to ensue. The decline of manufacturing is accepted as necessary whilst a burgeoning financial industry is praised as a mark of international excellence. Yet the global financial crisis beginning in 2007 caused an immediate collapse of one bank and continues to cripple this sector with ripple effects throughout the economy. Britain moves into a recession largely because of the lack of restraint by Gordon Brown when Chancellor to hold back an increasingly reckless financial sector. This is accepted without question as an irresistible consequence of market forces, even though no other major steel-making country would ever have accepted such a shift nor has the rest of Europe allowed its financial sector such headroom. Indeed, a CBI leader points out approvingly that Britain is uniquely exposed to globalisation and chides the rest of the world, including the US and all other European countries, for clinging onto forms of national protectionism!<sup>10</sup>

More germane to our purposes here is the deliberate extension of market forces into all aspects of social life. This is the main cause of Britain's social malaise. There is a basic contradiction at the heart of New Labour policy. Under the rigid control of Blair and Brown, variations of the market principle have been driven into all areas of British life, creating the very social tensions other policies purport to remedy. The result, far from "government that works", is government that is almost totally dysfunctional. This is what explains the policy-itis, spin and wheezes – increasingly desperate attempts to square this circle.

As effective government fails, its obverse – a knee-jerk authoritarianism – becomes more obvious. Thatcherism re-balanced the Gramscian consent/coercion pairing, the dual functions of engagement and intimidation practised by any modern state. From the very beginning Thatcher specifically targeted any centre of power outside central government, whether civil, such as trade unions, or elected, such as local councils. She physically faced down the miners, using orchestrated police violence in a way that was unprecedented in post-war Britain, and casting a long shadow over large parts of the country and its population. She demolished resistance from elected councils by a combination of centralised administrative and financial authority. This meant, in the case of the Greater London Council (GLC) and Inner London Education Authority (ILEA), simply abolishing them.

Local democracy was fatally undermined everywhere by capping the budgets of local councils and, ideologically, by fostering the notion that council resistance was a product of the "loony left" (future New Labour luminaries David Blunkett and Margaret Hodge being prime examples). Local councils became little more than branch offices of central government and, in whatever political purpose they retained, pointless talking-shops. In inner-city Britain, Thatcher resisted outright civil uprising by physical force and racist policing. In all these cases her government introduced, none too subtly, the idea of the "enemy within", the force which opposes all things proper and British and is traitorous to the developing hegemony. In the end, Thatcher was brought down by widespread disorder and the inner-party machinations of MP's worried about retaining their seats, when she went just a stage too far in her attempts to bring local authority finance under central government control by scrapping the old household rating system in favour of the so-called poll-tax and treating Scotland as a provincial guinea-pig. But her ideological legacy, Thatcherism, lives on.

Labour manifestos from 1983 onwards all included some form of resistance to this imposition of central authoritarian control. Even in 1997, Scottish and Welsh devolution, an elected London assembly

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<sup>10</sup> J. Sunderland, quoted in **The Times**, 27<sup>th</sup> November 2006.

and a vague resolve to reverse some anti-union legislation remained. These commitments at least proved impossible for New Labour to slide out of entirely, despite the evident distaste for them felt by both Blair and Brown. However, the results of devolved elections provided nasty shocks to central government, and there developed the same attitude towards any concentration of power outside Downing Street as under Thatcher. This time, though, it lacked any clear, easy targets or institutional scapegoats, given the wasteland created in civil society and the public sector over the previous two decades.

Rhetorically at least, New Labour chose to pursue the same internal enemies, though these had been left much chastened and weakened by Thatcherism, and to court the same allies in big business. The refusal to contemplate any significant change in the legal framework of employment relations was one feature of this, but its main objective has always been to limit and where possible diminish the power of agencies outside central government. A prime example was Blair's oft-stated belief that the entrenched power of professionals in the public services had stymied his plans to modernise them, leaving him with "scars on his back". A line of education ministers, from Blunkett to Balls, have made it clear that they regard teachers as the problem, and some grotesque form of market forces (targets, league-tables, parental choice, academies and so on) as the solution.

Financial control over local authorities and other semi-autonomous spending agents has been extended beyond the capping introduced by Thatcher. Brown has brought in much more complex and detailed measures, including ring-fencing and the panoply of "service-level agreements" and, most notoriously, the various forms of private financing introduced to keep public debt-obligations off the public sector borrowing statistics with which the Iron Chancellor is obsessed. There is little evidence that Private Finance Initiatives (PFI's) yield any public benefit, whilst obvious defects are simply ignored.

It cost £455 million in external fees to set up the PFI contracts for London Underground when a virtually cost-free financing alternative was on the table. The problem was that it would have augmented the authority of a power-centre outside central government. The private-sector alternative then collapsed and, lo, it was discovered that the public purse bore the ultimate risk and a further £2 billion then floated out of the Treasury. There is much talk in New Labour circles of "the new localism" and of "empowering communities". But without any practical steps to release central financial control over such spending as is not handed over to privatised agencies, this is just another example of the government saying one thing and doing quite another.

Accompanying this centralism has been another of the key impulses of Thatcherism, the identification of the 'other', the "enemy within" alleged to threaten some British way of life. This now includes the key Thatcherite ideological folk-devil of the scrounger, the hard core of benefit claimants who, according to a minister responsible, John Hutton, "can work but won't work". The gradual assumption of a *Daily Mail* agenda, obsessed with the threat of aliens of all kinds, has shifted the focus from asylum seekers to illegal immigrants and, most recently, to all immigrants. John Reid sought to blame them for defects in local education and health service provision without the slightest supporting evidence. The strain placed on the health and education services by young, hard-working Polish plumbers is unclear whilst the impact on the Spanish health service of the emigration of elderly British citizens to southern Spain is well documented.

Current types and levels of immigration are placing a real strain on our social fabric. New immigrants inevitably gravitate towards neighbourhoods and areas where poor people are already clustered and compete with them for low-wage and semi- or un-skilled work. This is the experiential basis for xenophobic and racist prejudice and violence and for the revived political fortunes of groups like the BNP. Our wider push for political revival and measures to combat inequality and social fragmentation would remove the experiential basis for racism, but in the meantime real inter-ethnic tensions have to be carefully acknowledged and resolved. This does not excuse the pandering to such grievances by Labour politicians, usually for their own electoral and careerist purposes. On occasions, this has come close to outright racism towards anyone who is not one of the white, working class "core vote" of labourism. Brown's slogan of "British jobs for British workers" set a new record; stealing policy ideas not from the Conservatives but from the BNP.

A similar racism has underpinned the demonisation of Muslims, so that even a Deputy Commissioner of the Metropolitan Police has felt it necessary to protest, while civil liberties are whittled away to the point

where the judges seem to be our best bulwark against arbitrary detention. A further, insidious ‘other’ created by a combination of a malign press and a government, clinging to any explanation for social problems other than its own actions, is the hooded youth. The nation’s adolescents, barely out of childhood, are now supposed – despite an eight-fold rise in their numbers in jail, and constant proclamations of their improved efforts and achievements at school – to be at the root of the generalised fear and uncertainty which mars the lives of many individuals and communities. The old-fashioned clip round the ear has been replaced by the ASBO, which the warped logic of our fractious and fractured society then converts into a badge of honour among many of its recipients.

War, terror, economic and social threat and environmental doom have become the commonplace of news headlines. We are encouraged to believe that we have very little protection against looming Armageddon. For the last twenty-eight years, the social infrastructure of solidarity and support in Britain has been systematically stripped away and undermined. Trade unions, social housing, welfare systems – all have been reduced to shadows of what they were even thirty years ago. Education and health have been turned into competitive pseudo-markets in which, to quote Sennett, “*the reformers are impatient with the messy realities of being ill; they instead treat the sick like entrepreneurs*”.<sup>11</sup> Sennett’s comment is specifically aimed at American health policy, though like so much about the US it is now readily applicable to British experience particularly as US healthcare companies are being encouraged to bid for franchises for new polyclinics to replace neighbourhood general practice. Indeed, this approach has now been adopted as official policy by New Labour, with the Department of Health advocating a move towards “*patients as entrepreneurs*”.<sup>12</sup> However, Sennett also has a more general comment about the New Labour project, which he suggests has produced “*anxiety of a sort the psychoanalyst Margaret Mahler once called ‘ontological insecurity’. This is not a piece of jargon; she aims to describe the fear of what will happen even if no disaster looms. Anxiety of this sort is also called ‘free-floating’ to indicate that someone keeps worrying even when he or she has nothing to fear in a specific situation*”.<sup>13</sup>

## **Ontological Insecurity**

It is reasonable to suppose that ontological insecurity, fear without any real cause, is compounded when it is suggested daily that real disasters do loom. The furore about climate change provides a good example. For over ten years, the government has treated environmental issues as peripheral. Policies such as green taxes have been studiously ignored or, as in the case of fuel taxes, actually reversed. The result is that when the scale of the disaster of climate change becomes obvious in the weather we all live with, as well as in increasingly conclusive scientific research, there are neither policies nor mechanisms available even to begin to cope with it. Alarming rhetoric abounds, but practical response is limited by the fact that outside vague references to what individuals can do and to clearly inadequate market mechanisms, the government is trapped by its own ideological base and political habits.

The social crisis of Britain is real and close to hand. It has been carefully documented in terms of mental disorder and anxiety. But if it is treated in terms of individual psychology, it can easily be dismissed as pathological. The responsibility can then be laid at the door of inadequate or disordered individuals, who are blamed for letting themselves – or in a subsidiary moral panic, their children – become fat, ill, incapacitated, old, sad and lonely, or simply defective. The remedies proposed usually involve similarly individualised therapies, which people have to seek out, purchase and administer for themselves, because they are not readily available on the NHS. This is the response of those, like Professor Layard, who can see a problem but cannot provide societal solutions.

Our epidemic of unhappiness sustains a burgeoning, multi-million pound industry of self-help books and courses, complementary medicines and therapies, and anti-depressant or mood-altering drugs. The popular psychologist Oliver James has coined the term “affluenza” to identify precisely the kind of consumer-driven malaise we are talking about. He attributes this “virus” directly to unrestrained capitalism, and offers the sensible – albeit individualised – solution of simply buying, using and owning less. James considers “affluenza” to be “a contagious disease of the middle-classes”, which may be

<sup>11</sup> R. Sennett, **The Culture of New Capitalism**, Yale University Press, Yale 2006, p.169.

<sup>12</sup> H. Clayton, **The Guardian**, 17<sup>th</sup> January, 2007.

<sup>13</sup> *op cit* p.175.

partially true, but the capacity and confidence to implement the major “life-changes” he prescribes are certainly middle-class attributes.<sup>14</sup> The masses also experience malaise, possibly to an even greater extent, but their therapies are largely confined to prime-time TV. A huge proportion of this is given over to makeovers or de-cluttering of our houses or ourselves, and to experts sorting out dysfunctional families and other forms of so-called life-coaching, with a current emphasis on “fatties” losing weight.

We have no problem with any of this if it does actually make people feel better. We all have to live in this world and our own small parts of it as we find them. Likewise, we accept the use of the word “happiness” to describe both a state of mind and a general social condition, and we have no difficulty with taking the pursuit of happiness to be a proper goal of public policy. We do, however, have serious reservations about recent research on happiness. Efforts to track changes in personal happiness over time, to compare patterns of happiness across countries and to gain a better understanding of what makes people happy, can undoubtedly improve public policy. But unless researchers recognise the pervasive influence of neo-liberal capitalism on the way we live and relate to each other, their work will fall short of its full potential. More fundamental opportunities for reducing human misery and increasing human happiness by reorganising society will be missed.

Nor will it do to concentrate on happiness as a transient subjective feeling and on the factors that determine it. The proper timeframe for the study of human happiness is a whole human life. This shifts the focus away from owning, earning and spending – the central preoccupations of consumer capitalism – towards the questions that concerned moral philosophers in the ancient world and which still exercise many of us today: How should we live our lives? What is ultimately worth doing? What kind of care do children need to grow into useful, independent, well-adjusted adults? How can I ensure that I will die with no unnecessary regrets? How do we acquire the skills and wisdom to live well? Traces of these age-old questions can still be discerned in Layard’s “new science”, and even in New Labour’s welfare-to-work programmes, but they are crushed or distorted by the crass materialism of the global marketplace.

Layard writes: “*A society cannot flourish without some sense of shared purpose. The current pursuit of self-realisation will not work. If your sole duty is to achieve the best for yourself, life becomes just too stressful, too lonely - you are set up to fail*”.<sup>15</sup> It is impossible to disagree. But when he goes on to say that “*The secret is compassion towards oneself and others and the principle of the Greatest Happiness is essentially the expression of that ideal*”, he comes very close to the banality of a self-help manual offering life-long contentment in seven easy steps, or the shallow guff of New Age religion. It is not as simple as this. In order to understand the roots of the crisis we must first look at the way in which our society has developed, how it is ordered and, then, how it can be changed.

To sum up, the Britain which enters its second decade of New Labour government is a deeply troubled place. It may not seem that way from the metropolitan perspectives of New Labour’s luminaries, advocates and dwindling band of supporters. A striking feature of our social crisis is the detachment of our political/media class from the lives and realities of the mass of British people. They find little echo of their daily experiences, problems and passions in the official accounts unless it is filtered through the weird distorting prisms of reality TV, tabloid press and celebrity magazines. This in itself is a dangerous failure in our systems of political representation, and leads people to seek fulfilment and expression on the darker margins of our culture.

It is revealing that the policy which appears to have finally broken the myth of the caring and healing New Labour project was so very simple – the removal of the 10p tax band to pay for an overall reduction in the main tax band. The gross inequity of this was immediately obvious yet its implications appear to have been literally erased from the thoughts of the Labour leadership. When Brown asserted that no-one would suffer as a result of the change he was, probably, not lying; he simply had not thought about it. Even now after the Crewe by-election, he and his acolytes seem unable to get the basic message; that the increasing inequity of British society is felt a deep social wound.

This breakdown in popular political representation is accompanied by a kind of historical amnesia, a great forgetting, which distorts and downgrades or even dismisses altogether the lessons of

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<sup>14</sup> O. James, **Affluenza**, Vermilion, London 2007.

<sup>15</sup> *ibid*, p.234

our past.<sup>16</sup> This is not accidental. New Labour has imposed a kind of foundation myth on the rest of us, with various “Year Zeros” to choose from – the “suicide note” manifesto of 1983; Kinnock’s defeat of the hard left in 1985; the “successful defeat” of the 1987 election, then the “surprise defeat” of the 1992 election; the Blair/Brown ascendancy of 1994; the landslide victory in the 1997 election. With passing time, it becomes ever harder to present New Labour as “new” (now its major marketing problem). But wherever you start from, we are expected to believe that New Labour sprang phoenix-like from the ashes of old Labour and the wastelands of Thatcherism, without historical antecedents or causes of its own.

This is simply not true, but it serves the purpose of absolving New Labour from responsibility for what it has actually done or failed to do. If you deny your past and dwell in a perpetual present, you cannot be held accountable for either. Devise a new policy; announce a new initiative; appoint a new minister (or leader) – and watch the great British public stifle a yawn. All the signs are that the old confidence tricks aren’t working any more. New Labour has been governing long enough to accumulate a historical record of its own, which is beginning to impose a dead weight on its political trajectory. What comes next? We shall return to this critical question and our own part in trying to formulate an effective answer,.

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<sup>16</sup> We are grateful to the American sociologist Fred Block for the term “the great forgetting”, which he coined in 1999 to describe the way in which the progressive impulses of recent American history had been written out of the official story during the 1980s and ‘90s. Like so much else that starts in America, we observe the same kind of re-writing or rather obliteration of history happening here now. Fred Block, **The Great Forgetting: Neoliberal Globalisation and the Unmaking of the Postwar Order**, Center for Research on Social Organisation, Ann Arbor 1999.

## The Roots of Crisis

We make no apology for proceeding next to questions of social theory rather than immediately proposing concrete policies. We shall come to these. New Labour's policies are underpinned by a very specific neo-liberal conception of society, and it takes a theory to kill a theory. It might be better to write of 'vision' rather than 'theory'. Benedict Anderson once described nations as "imagined communities" and the social malaise which besets Britain can be encapsulated by suggesting that we have been overtaken by a malign imagination.

We start with the organising principles of capitalism. In the eighteenth century, the great Scottish economist Adam Smith showed how individual striving and competitive markets gave rise to the creation of wealth on an unprecedented scale. Smith saw no reason to doubt the association between material wealth and human well-being. Nevertheless, he regarded avarice as a useful, but never admirable, characteristic, seeing it as a driving passion, though not a deadly sin, which could be harnessed for the benefit of society.

Smith deprecated some of the social consequences of commercialism such as the stultifying effects of factory work on manual workers and the "effeminacy" (his term) induced by love of luxury. Moreover, while the spread of commerce served to lift entire nations out of the "rude and barbarous" stage of human history, Smith envisaged that the accumulation of capital and the growth of production would eventually tail off in a "stationary state", in which opportunities for profitable investment would all have been exhausted. These crucial qualifications are usually ignored by Smith's contemporary neo-liberal acolytes, who focus on the dynamism of the market system and ignore the social and environmental limits to economic growth.

In the nineteenth century, the major achievement of Karl Marx was not a crude quasi-physical model of a capitalist economy, but a perceptive analysis of a social system in which the increasing scale of commodity production led towards an increasing concentration of property ownership. This was a highly dynamic but also destructive process, which led to recurrent economic and social crises. Marx also showed how capitalist production gives rise to what he called "reification", turning social relations into commodities and human beings into things, with these things in turn crumbling into dust. Classical Marxism emphasised economic crises and mass unemployment. But Marx himself also noted the resistance that capitalist development provoked and the consequent emergence of countervailing forces, like the factory inspectorate and the trade union movement, which sought to protect living standards and create a more civilised social order. These insights were generalised in the 1940s by Karl Polanyi, who argued that the development of capitalism, which he called "the self-regulating market", was so destructive of human society that it created a recurrent societal crisis and called forth a historical counter-movement. For this reason, Polanyi described the attempt to create a fully self-adjusting market, today's neo-liberal agenda, as "market utopianism", in the sense of being impossible to achieve.<sup>17</sup>

More recently, James O'Connor has emphasised the dynamic of capitalist accumulation as the cause of ecological crisis, which in turn has given rise to the green movement and the environmentalism of the poor.<sup>18</sup> These different forms of crisis – economic, societal, ecological – interact in different ways to shape the underlying contradictions manifested at each stage in the development of capitalism. Michael Burawoy has outlined three principles of a contemporary *sociological* Marxism, which draws heavily on Polanyi and Gramsci, goes beyond classical Marxism, and revises its basic tenets:

"Capitalism creates the conditions for its own demise through deepening crises and the creation of an industrial reserve army" becomes "capitalism generates a society which contains and absorbs its tendency to self-destruct";

"Capitalism creates class consciousness and class organisation, as antagonisms intensify" becomes "struggle within capitalism takes place on the terrain of hegemony"; and

<sup>17</sup> K. Polanyi, **The Great Transformation**, Beacon, Boston 1944.

<sup>18</sup> J. O'Connor, *The Second Contradiction of Capitalism*, reproduced in Ted Benton (ed.), **The Greening of Marxism**, Guildford Press, New York 1996.

“Capitalism creates the material conditions for a new socialist/communist order” becomes “the struggle for socialism is a political project for the subordination of the economy to a self-regulating society”.<sup>19</sup>

In this formulation, capitalism generates a society that acts as a kind of social shock absorber, tempering its inherently destructive effects. Struggle takes place over the ways in which this defensive reaction occurs, on the terrain of hegemony or political leadership. The struggle for socialism is a longer-term political project for the subordination of the economy to a self-regulating society, rather than merely the defensive, temporary amelioration of its destructive dynamic. It is about extending the basic principle of democracy, the involvement of everyone in making decisions, to every area of our lives, rather than the destructive competitiveness of the market. This brings us to the central importance of Antonio Gramsci, the great Italian Marxist, for understanding today’s gathering crisis.

Gramsci distinguished three forms of social consciousness – corporate, class and hegemonic – concerned respectively with narrow sectional interests, economic class interests and with the presentation of a particular class interest as the interest of society as a whole. For him, politics takes the form of a struggle for hegemony, in which different classes seek to present their interest as the interest of all and thereby establish their claim to leadership over a whole society. This struggle predominantly takes the form of what Gramsci called a war of position, a kind of political and ideological trench warfare characteristic of advanced capitalist economies like our own, with developed civil societies and a relatively consensual democratic state. It is fought on a wide front, taking in ideological, cultural, moral, legal and political, as well as economic, conflict. Alliances are built with the object of constructing a historic bloc of social forces gathered around the dominant class and held together by that class’s hegemonic ideology. This then becomes the common sense of the age, constantly and creatively adapting to changing circumstances. Breaking the hold of this dominant ideology then requires the deliberate construction of what can be called an ‘anti-common sense’, a new vision of what society can be.

In order to create and sustain a historic bloc, the dominant class has to make concessions to the subordinate social forces, giving them a material interest in its maintenance. Elites among subordinate or “subaltern” groups are recruited into the ruling group’s historic bloc, in what Gramsci called a process of “transformism”. They in turn facilitate the maintenance of hegemony, not least by reinvigorating the dominant culture with their own fresh energies, insights and supporters. Meanwhile, the lower orders are maintained in their position of subalternity, a kind of grudging, grumbling acquiescence in the prevailing ‘common sense.’ They might complain about the conduct of the “signori”, what we might call the ‘toffs’ or the ‘establishment’, but in most times and circumstances they have neither the capacity nor the confidence to mount a serious challenge to the ruling order.

To be historically specific, as Gramsci always insisted was essential, the British Labour Party has provided numerous examples of subalternity and transformism (Gramsci himself cited Ramsay MacDonald as one of the most obvious), and has thereby contributed to the deep and lasting hegemony of capitalism in this country. By and large, Britain’s economy and society have remained remarkably stable and cohesive for much of our history through repeated re-negotiation of our own particular historic compromise to reflect the prevailing relations of class forces. It is when this process ceases to be possible that an organic crisis sets in. What Gramsci called a “war of movement”, of manoeuvre and sudden thrust, then takes place until a new historic bloc is created, society is re-stabilised, and social relations revert to a more settled “war of position”. Gramsci was among the first Marxists to understand that this historical process of crisis and resolution is not necessarily progressive.

As early as 1919, in the pages of *Ordine Nuovo*, he adopted the slogan for which he is perhaps best known: “Pessimism of the intellect, optimism of the will”. What this slogan represents was central to his thinking, because of his insight into the complexity of civil society, its inextricable meshing with the state, and the depth and solidity with which the leading class’s hegemony is entrenched within society. While he might hope that a new, revolutionary hegemony would be developed from below, he recognised that by far the most likely outcome of any organic crisis was a “passive revolution”: change imposed from above by elements within the ruling bloc. This would have the effect of containing the new social forces and pressures that had built up, adapting the social order to accommodate some of their lesser

<sup>19</sup> M. Burawoy, *For a Sociological Marxism: The Complementary Convergence of Antonio Gramsci and Karl Polanyi*, **Politics and Society**, Vol. 31 No. 2, June 2003.

demands and personnel, dismissing others and punishing or disciplining their proponents. In time, this would create a new and stable historic bloc. In Gramsci's own time and society, the outcome of this organic crisis and passive revolution was fascism, which led to his own imprisonment and premature death.

Such historic moments in capitalist societies can appear tumultuous, with everything up for grabs, and we remain almost morbidly fascinated with them. The only thing that is not negotiable, in this creative/destructive process of organic crisis and passive revolution, is the continued domination of capital and the continuous reproduction of the underlying social relations of capitalism. Yet even as these social relations are reproduced, any capitalist society exhibits deep contradictions. Capitalism is profoundly undemocratic, something as true today as ever it was in Marx's time. The market is not a democratic agent in any respect, but in most capitalist states democratic rights of various kinds have been conceded as the price paid by capital in times of social crisis for the restoration of order and stability, when its subordinate opponents have been relatively strong and well organised. Capitalism is hostile towards any kind of social organisation which might restrain commodity formation and accumulation, yet labour and various other forms of association have won particular legal rights which seek to do precisely that.

Early Marxists saw the state as a mechanism whose essential function under capitalism was to defend national capital against international competition and to repress internal dissent. Yet with the development of democracy, the state has become a much more ambiguous agency, dispensing both benefit and repression in forms that vary widely between countries. In this respect, capitalism has had to make democratic concessions that constrain market forces, thereby limiting their effectiveness. Otherwise, the system would collapse under the weight of social dissent. Simultaneously, such concessions, once granted, are always under threat, either from direct political intervention by reactionaries or from spontaneous market forces. The history of post-war Britain provides a clear example of this process.

## **1945-79: From Post-war Settlement to Organic Crisis**

In Britain, as elsewhere in Europe, the post-2<sup>nd</sup> World War settlement involved a three-way deal between capital, labour and the state, at least in the economic and industrial spheres. It also had major implications for our society and culture. This deal or "social contract" was more implicit and informal in Britain than in most other European countries, precisely because Britain won the war and enjoyed institutional continuity. It rested on three pillars: the maintenance of full employment by means of Keynesian counter-cyclical demand management; a mixed economy with a major role for public ownership, planning and regulation; and, most significantly, the welfare state which provided a wide range of tax-financed social services and cash benefits, the former available mostly free of charge, the latter subject to various qualifying and means-tested conditions. The ongoing management of the national economy became the joint responsibility of government and the corporate organisations of employers and workers, though this tripartite arrangement was largely informal and operated behind closed doors.

This post-war historic compromise was unavoidable, following the near-collapse of capitalism as an economic system in the pre-war period and the victory against fascism in which the decisive factor had been (lest we forget) the armies of the Soviet Union. The conduct of this total war had required levels of popular involvement, democratic consent, state intervention and a command economy that could not just be brushed aside. The social-democratic consensus produced a period of twenty or thirty years that remains, in many respects, a capitalist golden-age, when economic growth was unprecedentedly high, inflation and unemployment low, and social dissent minimal. It seemed as if the business cycle of boom and bust had been tamed. Elsewhere in Western Europe, some form of this settlement still holds, though by now much battered. In Britain, it broke down decisively and catastrophically in the early 1970s, leading to a growing sense of national disaster as that decade wore on.<sup>20</sup>

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<sup>20</sup> Space does not allow any full analysis of this period. For an extended discussion of the transition from the post war consensus to New Labour Thatcherism, see P. Devine, *The 1970s and After: The Crisis of Social Democracy*, *Soundings*, Spring 2006. A fuller account can be found at [www.hegemonics.co.uk](http://www.hegemonics.co.uk)

At this time, British capitalism was on the ropes. From 1973 onwards, price inflation accelerated sharply, peaking in 1975 at an annual rate of 26%. Thanks to the system of index-linking introduced by the Heath government in 1973, many workers' wages were rising on a monthly basis. Profits were in free fall whilst running through large sections of society there was a kind of general mutiny. The most prominent part of this was trade union activity, emanating not so much from national head offices as from local rank-and-file activism. But there was also a widespread sense of social disaffection, a decade-long 'winter of discontent', ranging from women dissatisfied with their status in society, through black power activists and small groups of violent anarchists, to groups with aims as specific and traditional as Irish nationalists.

By the end of the 1970s, the situation in Britain could best be summarised as follows: "*British society has been gripped in a state of socio-political deadlock. Neither the dominant social groups and their political leadership, nor the subordinate groups and theirs, have proved able to develop, to win broadly based support for, implement and, if necessary, impose a decisive solution to the country's problems. Each side has possessed the defensive capability to block and frustrate the other's designs. But neither has shown the directive, constructive capacity to alter the social and political balances in its favour and set the economy on a new course*".<sup>21</sup> This was written by two of us at the time. The fundamental crisis of Britain in this decade was a breakdown in the socio-political story of the post-war consensus: that some form of tripartite collaboration could sustain a rate of economic growth sufficient to satisfy the divergent aspirations of government, capital and labour. The breakdown of consensus made itself felt in a series of inflationary crises, which from the late 1960s onwards brought the British economy to its knees.<sup>22</sup>

In a sense, the struggle between the left and the right in 1970s Britain was fundamentally unequal, as it almost always is. The left needed to make a complex and difficult adjustment. Up to then, it had pursued a political strategy of "militant labourism", as one historian has recently put it. Trade unions would demand higher wages from their members' employers, whilst simultaneously pressing government for more social regulation and welfare spending. The hope was that this contradictory and unrealisable strategy would force a final and successful showdown with the entire capitalist system.<sup>23</sup> The strategy failed totally and ignominiously. The 1970s was the decade in which the left lost its historical role as the moral standard-bearer of freedom and progress, and, instead, became identified with the form of left-wing conservatism now so sharply derided as "old Labour", a narrow, sectional and increasingly outdated subaltern class interest. Control over the political climate passed to the new radical right. Unless we grasp this, we cannot begin to understand our present predicament, let alone build a counterweight to the dominant neo-liberal ideology that has become the common sense of the New Millennium.

Yet there exists widespread historical amnesia about the political economy of the second half of the last century, in particular the way in which the right achieved a new hegemony around neo-liberal economic ideology. For them, there was no fundamental problem over the cause of the crisis in the 1970s. The increasingly mutinous working class, no longer corralled by the niceties of the official trade union movement, and in growing if undefined alliance with other disaffected social groups, provided a convenient explanation, an explanation which has increasingly become a common-place political cliché despite it being a caricature of the complex events of that decade. Nor was the immediate remedy a problem: a crackdown on class militancy and unions together with associated groups had been touted for some years within the Conservative Party. The issue for the Tories was how to give such an approach sufficient legitimacy to ensure success over at least two elections. This was the heart of the matter. The whole of the 1970s can be seen as a complex legitimacy crisis between leading and subordinate classes, with neither being able to win out. The right needed to find a legitimate authority on which it could base its decisive assault. It found this in the "market", as formulated in the work of resurgent neo-liberal political philosophers and economists such as Friedrich Hayek and Milton Friedman.

<sup>21</sup> M. Prior and D. Purdy, **Out of the Ghetto**, Spokesman, Nottingham 1979 in [www.hegemonics.co.uk](http://www.hegemonics.co.uk)

<sup>22</sup> See P.Devine, **Inflation and Marxist Theory**, Marxism Today, 1974 in [www.hegemonics.co.uk](http://www.hegemonics.co.uk)

<sup>23</sup> G. Andrews, **Endgames and New Times**, Lawrence and Wishart, London 2004.

## **Neo-Liberal Ideology**

Friedrich von Hayek was an Austrian political economist whose most famous work, *The Road to Serfdom*, published in 1944, rejected any form of socialism root-and-branch. However, it was a later book, *The Constitution of Liberty*, which Margaret Thatcher is famously reported to have produced from her handbag and brandished when asked what she believed in (though given the book's size, it must have been a very big handbag). Hayek's pitch was freedom of the individual. He believed that true freedom only existed in conditions when the individual alone faced and participated in the market. The sole legitimate role for the state was to protect private property. Hayek believed, for example, that private business could take over from government the job of issuing currency. Just why he never suggested that state-organised security should be supplanted by private armies and police forces is not clear. He would, no doubt, have been much cheered by recent developments of this type in Iraq and a number of gated communities in the US. Hayek was also opposed to any form of collectivism, even of a voluntary kind, and particularly trade unions, which caused 'stickiness' in money wages and generally impeded market adjustment.<sup>24</sup> He blamed the global inter-war depression on precisely this role of British trade-unions.

The classical liberal concept of negative freedom, being left alone to find one's own way, and the related commitment to a minimal state, were one strand of the right's ideological story. Another, of quite separate provenance, was the monetarist economics of Milton Friedman. Friedman started his professional life working for Roosevelt's New Deal and thereafter acquired a reputation of sorts in mainstream economic theory. But his fervent belief that "business knows best" was non-economic, even anti-economic and unashamedly ideological. In almost any situation, Friedman believed, the most important thing government could do was get out of the way. Instead of trying to fine-tune the economy, he proposed that government should set a fixed rate for the growth of the money supply in line with the long-term rate of growth of GDP – around 2.5% per annum in the UK – and then instruct the central bank to maintain that rate year in and year out. All other government efforts should be directed towards dismantling any kind of government control over any kind of market on the grounds that business, not government, knows best. The recent re-badging of the old Department of Trade and Industry as Department for Business, Enterprise and Regulatory Reform reflects the obsessive way in which the Labour government has taken Friedman's mantra on board.

To these two strands, one further ingredient was added: the idea that the market is 'efficient'. Economists continue to debate exactly what this claim means and in what conditions it might hold good. In any case, scholarly disputation is beside the point. Abstract propositions such as this form part of what J.K. Galbraith called "the conventional wisdom".<sup>25</sup> They resemble ritual incantations in religious worship, providing policy- and opinion-makers with intellectual balm and psychological reassurance. And since the watershed of the 1970s, the notion that free markets are inherently efficient has bewitched the political class.

These three basic ideas – markets make us free, business knows best, and markets are efficient – derive from quite distinct intellectual positions, which are sometimes contradictory. But then, we are not discussing consistent economic theory here but ideological formations, condensed into what Polyani would have characterised as "market utopianism". The Conservative government elected in 1979 was willing and, more to the point, able to adopt and deploy the whole package amid the political wreckage of Britain's social-democratic consensus. Hayek's faith in individual freedom justified the attack on the trade unions, which he largely blamed for the alleged ills of all European states. Friedman's belief that business knows best allowed the industrial destruction of the 1980s to be conducted in the name of rational restructuring. And the alleged efficiency of the market justified any form of privatisation of public utilities and state enterprises, as well as initial steps towards privatising both the health service and state education.

Although most closely associated with the Thatcher era, neo-liberalism did not suddenly emerge from nowhere. Thatcherism had long been germinating among right-wing think tanks, prominent amongst them the Institute of Economic Affairs, which, under the influence of Hayek, developed a radical right wing alternative to the social democratic welfare state. As real incomes rose and memories

<sup>24</sup> See Hayek, F. A., *Competition as a Discovery Process*, **Quarterly Journal of Austrian Economics**, Vol. 5 No. 3, Summer 2002, pp.9-23.

<sup>25</sup> J.K. Galbraith, **The Affluent Society**, Penguin, Harmondsworth 1958.

of inter-war deprivation and instability faded, the right's new ideology caught the popular mood. In particular, it resonated with people's rising impatience with state paternalism, their aspirations to own goods and property and run their own lives, and their desire for more responsive public services. However, the right sought to articulate these popular frustrations and aspirations in terms of neo-liberal individualism, rather than in any kind of popular democracy. And it now had a clear field of operations. Both corporate capitalism and militant labourism had effectively collapsed in the organic crisis of the 1970s. The radical neo-liberal conservatism of Thatcher stepped into the vacuum. It won out, though initially only just, assisted by splits within the Labour Party and the contingencies of the Falklands war.

1979 was the moment when the breakdown in the post-war social democratic consensus finally entered the nation's 'common sense'. Not fully – no Conservative government ever commanded majority popular support – but there existed a sullen acceptance among the majority that something had to be done, that "we couldn't go on like this". The left had failed to provide the radical alternative needed to revive and carry forward a stalled collectivist project, and had little more to offer than militant workerism. The Wilson and Callaghan governments had conducted a prolonged holding operation in a desperate attempt at crisis management, but had gradually been worn down by mounting popular discontent and Labour's own loss of purpose. The new Conservative government, particularly when purged of its fainter-hearted souls, offered a twin-track approach: moral regeneration of a nation in crisis and reform of an economic system stifled by a supposedly socialist or statist straightjacket.

## **Thatcherism**

Capitalism offers for most people a life of recurrent unease and tension. This is precisely its dynamic, celebrated by its apologists as the creative force of market competition. Constructive resistance generally takes two forms: the creation of voluntary organisations of mutual support and, often arising from these, the mobilisation of democratic power to pressurise the state into providing some form of defence against market forces. Collective self-help is now sadly much reduced relative to state protection, but it is worthwhile taking time to appreciate the role of such institutions as the once-important friendly societies and just why they were so-named. Limited financial support in hard times, health care, education, compensation claims for industrial injury: all these were provided by mutual support agencies. One can also include the mutual building societies set up to provide help in house purchase for regular savers. This was the basis of much early socialist politics. It extended into every aspect of its proponents' and beneficiaries' lives and, via pre-figurative struggle to build a new society amid the ravages of the old one, into the hoped-for future.

At a moment when Conservative ideologues of a new cuddly variety have attempted to claim the virtues of "fraternity" as their own policy,<sup>26</sup> it should be remembered that one of the few places where "brothers and sisters" is the common mode of communal address are trade union conferences. In time, the state took over many of these mutual support functions, commonly through local councils rather than central government. Except in the workplace, voluntary mutual support tended to diminish. But what was left was the concept of a network one could trust, which would provide healthcare, education, welfare benefits and housing on a lifetime basis. Furthermore – and this is important – it was both created and controlled in some degree by a democratic process. Much of this popular trust and sense of democratic ownership persists, especially around 'our' NHS, and explains the outbursts of wary protectiveness whenever changes – however intrinsically sensible they might be – are proposed. State collectivism has deep roots in Britain, even if only on a sentimental and last-resort basis.

The Thatcher regime had at its heart the dismantling of this system and its replacement by its alleged alternative: looking after oneself, saving for the future, encouraging individual enterprise, charity begins at home – all the nostrums of the Rotary Club and Alderman Thatcher. There were numerous strands to this programme, but one was central: allowing unemployment to rise unchecked to whatever level was required to rein in inflation and curb the power of the trade unions. The mass redundancies of the early 1980s, primarily amongst working class men in manufacturing and allied sectors, did more than anything else to disrupt and fracture our society. Even now the shock-waves continue to make themselves felt in family and community breakdown, ill health and premature death, persistent inter-generational

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<sup>26</sup> See, for example, D. Kruger, *Prospect*, September 2006.

poverty, and above all a pervasive sense that a whole generation, gender and social group were at a stroke declared useless. As someone once colourfully put it, “the salt of the earth” was all of a sudden “the scum of the earth”. There is currently a view which seeks to see the white working-class as a group marginalised within efforts to adapt to a multi-cultural Britain. Gordon Brown appears almost obsessively concerned to create a new ‘Britishness’ to compensate for this loss by providing a kind of nationalist comfort blanket. It needs to be asserted even more strongly than ever that the roots of this alleged dispossession lies in the ravages of the 1980s rather than the presence of immigrant groups.

The second feature of Thatcherism was an assault on local authorities, aimed at curtailing their ability to finance practical social assistance, which had formed a large part of their activities. The best known example was the enforced sale of council housing at below market prices and the refusal to allow the proceeds of this to finance further social housing. This particular policy can be seen to parallel the other public sector privatisations of the time and, like them, it had several motives. One was to provide a temporary boost to public finances. In the case of local authorities, the proceeds of council house sales were firmly ring-fenced but still appeared on their balance sheets. Another aim was to enable a section of the population to acquire assets at below their full price, in the case of council housing, at a deliberate discount; in the case of state enterprises and utilities, by setting a flotation share-price at a level which would guarantee immediate windfall profits. A third objective was to promote an ideology of self-interest. The fact that the personal gains of a section of the population were acquired at the expense of those unable or unwilling to participate in the bonanza was obscured by huge expenditure on advertising campaigns. A chorus of excited support was enlisted in the mass media.

The underlying process, the sale of state assets at knockdown prices followed by concentration of ownership as the ‘little people’ cashed in their handouts, was no different from the blatant rip-off in post-communist Russia ten years later, followed by the rise of the oligarchs. But in Britain, at least, it was accompanied by assiduous promulgation of the myth that these public sector agencies had been wasteful and inefficient, a drag on society. In fact, as any glance at national income accounts showed, most public industry made a substantial profit remitted to the Treasury, whilst most council housing showed a balance of income and expenditure.

Of course there were genuine problems with the public sector. Some parts were over-centralised and given to gold-plated investments whilst others were under-resourced and poorly maintained. Public servants were often arrogant and paternalistic, and usually more inclined to block than facilitate change. There were deep currents of hypocrisy and, occasionally, corruption. Far too often, one size was indeed deemed sufficient to fit all. Thatcherism, like all successful hegemonic projects, tapped into genuine popular grievances and frustrations. Again, council housing and “the right to buy” provide an instructive example. The ambition to own one’s house is not ignoble, but there were plenty of ways in which this could have been accommodated within the rented council sector. Some of these are now popping up within private housing developments where, to obtain planning consents in some of the hottest property zones, so-called “key workers” are being offered part-rent, part-buy deals to allow them to live in places otherwise inaccessible on their incomes. But sorting out the problems of a council-house sector that had expanded rapidly and needed radical overhaul was not part of the Thatcherite agenda. Nor was any serious evaluation of the role of public industry.

Finally, careful but systematic inroads were made into the twin bastions of the public sector, education and health. Public support for these was far too entrenched for any frontal assault. Instead, the government embarked on a confidence-sapping war of attrition, encouraging private-sector health and education both directly and by none too subtle hints that their public equivalents were second-rate. Conservative ministers made no secret of their use of private health and education services, and reinforced the message with the appointment of Chris Woodhead as Chief Inspector of Schools. This man – who was kept in post for some years under New Labour – departed after years of denigrating state schools and teachers and immediately took up a professorial post at the only fully private university in the country and became chairman of a company running a string of private schools. Meanwhile, direct private-sector involvement and forms of market competition were introduced into both health and education.

The prevailing response on the left, especially the ‘softer’, anti-Bennite elements around Neil Kinnock (a key transitional figure in the emergence of New Labour), was to decry the ‘dogma’ of

Thatcherism. In fact, Thatcherism was never mere dogma, a body of fixed and abstract principle, which inevitably loses touch with changing reality. Simple dogmatism is rooted, and eventually stuck, in the past. With its ideological commitment to the market, neo-liberalism was always more forward-looking than traditional Conservatism. Thatcherism projected us towards an ideal future quite unlike anything in the past, where markets had never worked perfectly and society had always required some level and form of state intervention. This was precisely why Thatcherism was abhorred by more traditional, “one-nation” or “wet”, Tories, and why those few still left have never wholly accepted the brutal ramifications of unfettered, global neo-liberalism.

Thatcherism was (and remains) a kind of market-utopianism, easily discerned among contemporary right wing commentators, especially those uneasy with David Cameron’s blatant attempt to re-position the Tories in the centre ground of British politics. Thus David Green of the Thatcherite think-tank Civitas could write, on the last day of 2006 and without any supporting evidence or examples, that “*The political process... can't manage schools and hospitals. A market system can. It invites innovation and creativity among diverse suppliers who compete to find better ways of meeting human needs and thereby provoke a chain reaction of mutual learning from the successes and failures of others*”. This is highly seductive nonsense, with no historical or theoretical basis other than the popular loss of faith in politics and politicians, but as Green astutely notes, it has seduced “*most thoughtful people, including some in the Labour Party*”.<sup>27</sup>

Such is the power of neo-liberal ideology. It hardly seems to matter if it has no basis in historical reality: indeed, faced with the tawdry realities of the modern world, it serves a transcendental, almost religious function. Neo-liberalism has always been a curiously abstract, vague and ultimately utopian creed. As so often, they spell it out more clearly in the USA, unhindered by our British niceties. Ronald Reagan famously lauded “the magic of the market-place”; his critics called it “voodoo economics”. Reagan set in train a process of deregulation, privatisation and profiteering that led directly to the false accounting and outright fraud of Enron, arguably the most spectacular single confidence trick ever perpetrated within capitalism.<sup>28</sup> Back in the 1980s, this was all (literally) still in the future. Market utopianism swept all before it.

Amid the collapse of the various political projects of the left, which had themselves always contained utopian elements, it offered an exhausted society a glimpse of a better or at least different future. The result was a decisive ideological victory for Thatcherism, though, in electoral terms, it was won quite narrowly. It required the defection of the Social Democratic Party from Labour in 1981 to lift persistently minority popular votes into clear parliamentary majorities. In 1983, the Labour Party fought a general election on a manifesto much derided since as “the longest suicide note in history”. It was in fact a detailed plan of conservative, quasi-nostalgic social-democracy: a massive increase in public expenditure to expand the economy out of recession, progressive policies on education, health, social services, women’s rights, and the arts, cancelling the Trident programme and removing American bases from Britain.<sup>29</sup> There was almost no nationalisation, no unilateral nuclear disarmament, though there was a commitment to phased withdrawal from the European Community. The programme was actually less radical than the manifestos that had won Labour two electoral victories only nine years before. But with a narrow military victory in the Falklands and a split left-centre vote, the Conservatives won 42% of the popular vote and a Commons majority of 144.

Beyond electoral politics, the Thatcher government routinely demonised various particularly vulnerable sections of society, a practice previously eschewed by respectable, moderate one-nation Tories. The targeting of “enemies within”, assiduously carried on by New Labour, would prove a crucial stepping stone towards the current crisis of social relations in Britain. Young people, students, single parents, ethnic and sexual minorities, so-called scroungers of any kind were all singled out quite systematically. Thus began the process of social fracture of a previously relatively cohesive nation. It is important not to romanticise the past of our British nation. It has always been highly stratified on class lines, and undercurrents of prejudice and intolerance run deep through our culture and have occasionally

<sup>27</sup> Sunday Telegraph, 31<sup>st</sup> December 2006.

<sup>28</sup> Perhaps the best representation of this is the film “Enron: The Smartest Guys in the Room”, dir. A. Gibney, 2005.

<sup>29</sup> [www.labour-party.org.uk/manifestos/1983/1983-labour-manifesto.shtml](http://www.labour-party.org.uk/manifestos/1983/1983-labour-manifesto.shtml)

erupted into sectarian or ethnic violence. They are all still there, alive and occasionally kicking, alongside counter-balancing traditions of respect and diversity best summed up in the phrase “live and let live”.

Perhaps this nastier side was easier to accept as a shared moralism, embodied in the tribal, judgmental collectivism of the ‘respectable’ working class. It generated a social discipline alongside the broader systems of mutual support, and made daily life broadly bearable for those within its firm, if sometimes stifling and occasionally punitive, embrace. However, the ‘respectable’ working class was Thatcherism’s biggest and most significant victim. It was shattered into fragments, some edging upwards into the lower middle class and some free-falling into lumpen, underclass drudgery. What we see now is that old, national-popular moralism freed from its natural constituency and coupled with the individualised, aspirational, materialistic appetites of Thatcherism’s new petty bourgeoisie. Detached from its traditional social class moorings, good old-fashioned British ‘decency’ makes for a much more toxic brew, which the *Sun* and the *Mail* articulate daily.

## **The New Labour Turn**

In 1997, the Blair government was elected on the basis of a new start for a country worn down by years of outright Thatcherism. There is little need to rehearse the euphoria of that moment, except to emphasise the extent to which it was based upon popular expectation rather than any concrete shift in policy. One important, though largely overlooked, aspect was that it was not based upon any popular enthusiasm for Labour. John Major achieved a higher popular vote for Conservatives in 1992 than Blair and Brown did for Labour in 1997. The Labour victory was based as much upon a decline in electoral turnout with the Labour vote holding up better than Conservative as upon great hopes for Labour. The Labour manifesto for the 1997 election<sup>30</sup> was based on three key elements. First, and given the mood of the time, probably foremost, there was reliance upon general weariness with the Conservative administration.

Second, there was the promise of a new path between the old left and new right, a transcendence of previous division. “*In each area of policy a new and distinctive approach has been mapped out, one that differs from the old left and the Conservative right. This is why new Labour is new.*” Thus in education, “*we reject both the idea of a return to the 11-plus and the monolithic comprehensive schools that take no account of children's differing abilities*”. In the health service, “*we will safeguard the basic principles of the NHS, which we founded, but will not return to the top-down management of the 1970s*”. In economic management, “*The old left would have sought state control of industry. The Conservative right is content to leave all to the market. We reject both approaches. Government and industry must work together to achieve key objectives aimed at enhancing the dynamism of the market, not undermining it*”. On crime, “*we believe in personal responsibility and in punishing crime, but also tackling its underlying causes*”.

And so on through all the various areas of policy. In general, New Labour offered the comforting balm of the Third Way, which would “*put behind us the bitter political struggles of left and right that have torn our country apart for too many decades*”. These struggles were presented as arising from a previous historic period, as “*conflicts [which] have no relevance whatsoever to the modern world*”. It is a sign of New Labour’s loss of confidence after eleven years in government that Brown still warns, in words that could have come from the mouth of any old right-wing Labour fixer, against comfortable left-wing drift. In 1997, we were supposed to be beyond all that.

Thirdly, and as it would transpire the trademark feature of the Blair government’s style, there were the eye-catching wheezes: the partnership with Premier League football clubs to attack underachievement in urban areas; the Internet National Grid for Learning; the University for Industry. This was a set of carefully selected new ideas with the common feature of bringing together the public and the private into a synthesis that would, painlessly and without cost, heal the wounds of the past. That is, if they were ever to happen.

It would be too easy simply to dismiss the New Labour ‘project’ as vacuous. Its attraction lay in the fact that it correctly identified many problems of British society, assiduously tested their resonance in

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<sup>30</sup> [www.labour-party.org.uk/manifestos/1997/1997-labour-manifesto.shtml](http://www.labour-party.org.uk/manifestos/1997/1997-labour-manifesto.shtml)

focus groups, and then laid out a set of targets to resolve or, at least, alleviate them. It suggested that government could be reduced to appropriate management, freed from ideological preconceptions. “*New Labour is a party of ideas and ideals but not of outdated ideology. What counts is what works. The objectives are radical. The means will be modern.*” In fact, there was little that was new in this approach. It had many similarities with that of the Wilson government in 1964, which itself drew on the old Fabian predilections for ‘scientific’ social democracy and technocratic ‘expert-ism’. These had long been a strong current within labourism, something for its organic intellectuals to busy themselves with while the movement’s hard core of ex-councillors and trade union officials got on with the mucky business of running the party and, in its brief periods in office, the country.

Blair and Brown were essentially re-using Harold Wilson’s rhetoric of a dynamic modernism but in a crucially different context. Wilson came to power at a time when the post-war settlement had delivered the most successful epoch of capitalist growth in Britain, before or since, but was beginning to show the first signs of internal fracture. New Labour came to power, some thirty years later, at a time when resurgent neo-liberal capitalism had re-stabilised the economy, but at the cost of massive social damage. The career politicians of New Labour were prepared to embrace the new order as the price for electoral success. “*I want to renew faith in politics by being honest about the last 18 years. Some things the Conservatives got right. We will not change them. It is where they got things wrong that we will make change. We have no intention or desire to replace one set of dogmas by another*” was Blair’s personal affirmation.<sup>31</sup> We hear echoes here of Neil Kinnock’s rejection of “dogma”, which underpinned his rather feeble critique of Thatcherism, but also conveniently enabled New Labour to decry its own labourist legacy and embark on a thoroughly 1990s-style (i.e. shallow) makeover.

Unfortunately, the market utopianism of Thatcherism was a seamless garment. It contained internal inconsistencies, and the compromises necessary to retain popular support. But it represented an ideology a good deal more complete and worked through than anything devised by old Labour in its death-throes or by Kinnock’s soft-left, whose late-‘80s policy review was notoriously insubstantial, with its emphasis, sustained by New Labour, on what Labour would not do, with little positive strategy of its own. Blair and Brown seemed to believe that they could cherry-pick bits of the Thatcherite legacy and ditch the rest, but they seriously underestimated its vigour and its reach, and massively overestimated their own.

It remains for future political historians to decide whether Blair and Brown appreciated that they were adopting Thatcher’s full outfit rather than naively stumbling around in her wardrobe trying on the hats. It is possible that Brown was more aware than Blair, which rather belies his supposedly greater attachment to labourist values. Brown’s enthusiasm for the economic aspects of neo-liberalism was apparent from the start. Ceding control of interest rates to the Bank of England was an early indication, a classic Friedmanite gesture of relaxing government interference, a convenient technical cloak for dispensing with a key piece of democratic control. This decision, much praised at the time, now looks distinctly dodgy as the Bank of England pursues its own agenda as Britain collapses into recession.

A starker insight into the political mindset of Gordon Brown comes from his obsessive belief in the role of the private sector in new investment projects in the public sector, the now-notorious PFI deals. Seen from one angle, these are simply Enron-style accounting wheezes to limit visible public-sector borrowing and defer final repayment until some distant future date. The state finances new building by getting a private company to borrow the necessary funds, which are then repaid by the state agency concerned, effectively leasing the building over extraordinarily long periods from the private company, which retains ownership and laughs all the way to the bank. In the meantime, the government enjoys the political benefits of all these new buildings and facilities it has ingeniously ‘enabled’.

PFI is Enron-style accounting in that whilst the actual debt is kept off the public balance sheet, thus reducing apparent state indebtedness, the repayments eventually must appear on the cash flows of the agency concerned, invariably at higher levels than if the money had been borrowed directly by the government.<sup>32</sup> This financing process might have seemed plausible in terms of the need to stabilise apparent government borrowing and allay the suspicions of the banks about the financial probity of a

<sup>31</sup> <http://www.bbc.co.uk/election97/background/parties/manlab/labmanintro.html>

<sup>32</sup> This accounting wheeze was to some extent busted from an unlikely source when the Office of National Statistics in a burst of professional energy refused to accept the wilder excesses of PFI as outside the National Debt.

Labour government. Recourse to this ‘fear of the City’ syndrome has proved a reliable standby, in various guises and at certain supposedly crucial moments, for Labour governments of the past to quell opposition.

However, the option of extending construction contracts to cover all future operation and maintenance (O&M) of the buildings could never be justified as a requirement of the financing procedure. It was made a normal part of the PFI process because of direct Treasury interference and can only be explained by Brown’s fervent belief in the efficiency of the private sector compared with public agencies. Private contractors would supposedly do a better job than council caretakers. Unfortunately, Brown and his acolytes failed to appreciate that the real efficiency of capitalism is in making profits, and that making profit out of O&M contracts requires doing minimum work for maximum fees. Those who staff the schools and hospitals maintained under PFI management contracts are now learning the hard way what this means, with constant downward pressure on their wages and conditions and, whenever anything goes wrong, battles with the contractors to fix faults and snags.

New Labour’s embrace of neo-liberalism has been stealthy but consistent and is now effectively total. It has been a tortuous, complex process, not without internal opposition within the Labour Party, but its outcome is clear and rather simple. Before Thatcher, Britain was a relatively democratic capitalist society in which each individual had a number of roles: as employees, employers and consumers; as voters, taxpayers and users of public services; as members of households, families and friendship circles; and as members of voluntary associations of different shapes, sizes and purposes. The various components of the welfare state – whether education, health, social services, housing or social security – all served to provide a nexus of social solidarity which transcended the atomised limits of individual self-help. Additionally, the public industries provided growing numbers of people with employment which, whilst in some ways very similar to the private sector, always had an aspect of public service. These were state functions achieved by various forms of democratic collective political activity and formed the basis of the post-war settlement in most western European countries. It wasn’t particularly democratic in its day-to-day operations, or even especially popular, and it certainly wasn’t socialist; but it felt like a kind of progress.

This old regime is often presented as though it was a privately negotiated agreement between defined agents: trade unions, employers’ organisations, political parties and so on. Indeed, one of the downsides of the post-war social-democratic settlement (especially in Britain) was that it was mostly conducted behind closed doors, famously over “beer and sandwiches at Number 10”. This was the downside of corporatism or tripartism, but for all its lack of democracy, its necessary precondition or backdrop was some level of popular and democratic involvement by all citizens in the operations of society. Everybody, especially after the nationwide efforts and sufferings of the first truly total war in the country’s history, had a new, shared stake in the state and its future.

Conversely, the assault of the neo-liberal politics of Thatcherism thirty years later, although ostensibly an attack on specific institutions such as trade-unions or local authorities, was at its core an assault upon this altered position of individuals within society. At the heart of Thatcherism was Hayek’s contention that individuals are only truly free when entirely dependent upon their own resources, and that any social provision of services or benefits is just a step along the road to totalitarian dictatorship. This was what Thatcher really meant when she famously declared “there is no such thing as society”: a declaration of ideological belief and political intent, rather than a description of the world as it is.

This view was sufficiently deranged and brutally anti-social – not to mention ‘un-British’ – to require considerable camouflage, initially by raising such a cloud of social and economic mayhem that it was difficult to grasp what was really going on. The problem with these diversionary tactics was that specific and open attacks induced direct and frequently violent confrontations, which at times in the 1980s reached outright civil disorder. Subsequently, into the 1990s and beyond, a more sophisticated justification was required, a re-branding which would hide neo-liberalism’s most vicious aspects and provide at least a veneer of social unity. It is this, a classic piece of Gramscian “transformism” within a larger historical project, which has been the task of the New Labour ‘project’ and its small elite core.

To appreciate just how this works, one can start with a statement of the role of government, as set out over Blair’s signature in the last stages of his reign, in the capability reviews of four government

departments.<sup>33</sup> After the usual vainglorious affirmation that “*the Government has delivered unprecedented and sustained increases in funding for key public services...*” which have “*brought about major improvements in our public services*”, Blair asserts that “*having achieved this, the public’s focus is already moving on. Globalisation is profoundly changing the nature of our society. It forces businesses and people to step up a gear simply to keep abreast with the pace of change: commercial transactions are completed without delay; communications happen instantly; goods can be moved rapidly across huge distances. Government is not immune to these changes. For it to continue to maintain its legitimacy, it needs to change its outlook radically. The technological innovations driving global change have not just opened up new opportunities for delivering services, but increased people’s expectations of what they want from those who serve them. To meet these challenges the State must provide the same level of customer service as the public have [sic] come to expect in every other aspect of their lives. To achieve this, the role of the State is not to control but to enable - where the State provides strategic direction not micro-management – and this requires a transformation of how we deliver our services.*”

This attempt to explain and justify the New Labour state is revealing in its progression. First, there is the ritual affirmation that it has already done wonderful, indeed unprecedented, things. However global market forces are inexorably working to alter the foundations of social life – altering it for the better, not just because service delivery improves, but because individual expectations of service delivery rise. The state, necessarily lagging behind in satisfying heightened customer expectations, must seek to meet the performance standards set by global business. To this end, it must constantly transform itself. That then becomes the central task for New Labour government, having withdrawn from any serious attempt to reshape or even protect the society around it. Hence the dizzying resolve to keep its own departments, committees and ‘units’ under constant review and reform.

Now, even if we accept this retreat of government into itself, it is easy enough to point out the internal logical and factual problems in its programme of ‘constant self-improvement’. Why, for example, having achieved such huge improvements in public services, are sudden transformation and permanent revolution required? And just what are the expectations of public service delivery which are now so much higher than they were ten or twenty years ago? Nor is it clear just how “strategic direction” as against “micro-management” improves customer service. Surely the lesson of, say Tesco, is that it is precisely micro-management of all aspects of service delivery that achieves results not strategic direction. We might also wonder just how the tender attentions of the security services can be seen as “customer service” delivery, outside the world of Terry Gilliam’s *Brazil*.

However, pointing out the logical flaws in this line of argument fails to get to the heart of its message. The world, it claims, is in the grip of inexorable market forces. These are ultimately irresistible but also beneficial provided one moves with them. This is held to be self-evidently true for businesses, individuals and also the state, which in this discourse is simply a kind of laggard business. There is no collectivity possible within this perspective, no kind of social response to external change, which takes us back to our earlier CBI leader, Mr. Sunderland, and his rather curious statement that Britain alone has embraced globalization: global capitalism in one country perhaps.

But the most revealing sentiment of Blair’s “capability review” lies in its grammatical solecism: even “the public” is plural. Society has disintegrated to the point where each individual consumer is his or her own public.<sup>34</sup> Truly, as Margaret Thatcher (echoing Hayek) affirmed, there is no such thing as society, just individuals and the markets wherein they buy commodities and sell themselves.

Blair’s rant is capable of further interpretations, most obviously as a circular, self-justifying, but also self-defeating apologia for the actual weakness of the British state and the ineffectuality of its government. For much of the post-war period, the state has ultimately failed in the developmental or directive tasks it has set itself. This was of course, another facet of Thatcherism: that free individuals neither could nor should put any abiding faith in a failing state except, paradoxically, when the state was doing Thatcher’s bidding by suppressing resistance, waging war or selling off bits of itself.

<sup>33</sup> [www.civilservice.gov.uk/reform/capability\\_reviews/index.asp](http://www.civilservice.gov.uk/reform/capability_reviews/index.asp)

<sup>34</sup> Linguistic habits and social practices feed each other. In a minor, but telling enactment of New Labour’s rhetoric, the Office of National Statistics has published an on-line facility that enables each individual to calculate their own personal rate of inflation.

Politicians' exasperation with the state they were nominally in charge of, coupled with deep and recurrent spending cuts, amounted to a peculiar, almost masochistic, round of admonition and punishment of public services and the slow destruction of any public-service ethos. Inevitably, fewer capable people wanted to work in public service, so competence and morale fell into a downward spiral. This resulted in further deterioration in the quality of services, which justified a further round of denigration, constraint and cutbacks and ultimately, wherever possible, privatisation. Again, New Labour has gleefully sustained this central Thatcherite refrain, even while apparently boosting public spending. In fact, much of New Labour's extra spending of the last five years has simply disappeared in dodgy PFI deals, changes in accounting procedures, or in heavy pay increases for certain favoured public-sector workers. The shift in leadership from Blair to Brown, once hoped for by some on the left as a moment which would release Brown's hidden virtues, has proved to be no more than a continuation of the same policy. If anything, deference to City financial interests has increased even in the face of the mounting evidence that these financial interests have been guilty of staggering incompetence and, at the very least, corporate malfeasance.

## **New Labour: Consumer Thatcherism**

Along the way, many of these public services have actually renamed their clients "customers", a development which reaches full, self-evident absurdity in areas like social services that offer very little real choice to their "service-users". Arguably, they can not and should not. How can you treat as "customers" a seriously dysfunctional family, a dementing elder or a sectioned schizophrenic? But the point was to impose a *faux*-market ethos on the public services which successive governments had cut back and run down. This enabled New Labour to allot the British citizenry the economic and social role that fitted most snugly with the new needs of capitalism, and to elevate this above all else: that of the individual as consumer.

This shift towards re-branding the individual as a consumer/customer was, initially, a smart one for the Blair/Brown project. It gave a friendly face to what had, at that point in the mid-1990s, come to seem an inhuman and blatantly profiteering process of allowing market forces free rein. Consumers have rights, customers have choices, and New Labour seemed to be standing up for them in the marketplace. Blair, Brown et al were the champions of the 'consumer interest'. This piece of image-making was a crucial device in consigning 'old Labour' – the champion of the 'producer interest', canonised in Clause 4 – to the historical dustbin.

Under the Conservatives, the individual had had precious little role except as the hapless, subdued recipient of greater 'efficiency'. Manufacturing industry had collapsed because it was more efficient to operate overseas: by the 1990s, "Made in Britain" was a rarely seen label, let alone a guarantee of quality. Schools had been given greater control over their entry criteria, and market forces had been allowed to penetrate the health sector, but most people saw little appreciable improvement in achievement or treatment. Discounted council house sales had sparked an initial flurry of proprietorial pride and then an upward house-price spiral, which crashed in the late-1980s and left many locked into a negative-equity trap or with their homes repossessed. Full-blooded Thatcherism had become increasingly unpopular in its social consequences.

But far from seeking to overturn the new common sense of Thatcherism, New Labour chose to pursue a particular strand within it. While Thatcherism had destroyed the old consensual historic bloc and created the basis for a new neo-liberal era, it had also unleashed forces of social disorder which, at times, threatened to undermine the state culminating in the riots and civil-disobedience over the Poll Tax which ended Margaret Thatcher's personal involvement in neo-liberal government. It had not yet wholly enlisted a new and stable historic bloc in Britain for global neo-liberal principles and policies. This was to become the historic mission of New Labour. Economically, New Labour has pursued a relentless neo-liberal free market strategy, seeking to create and consolidate a corporate business-friendly domestic and global environment. It has set about extending the 'business state' into every aspect of our lives. However, it is in relation to the welfare state that the distinctive character of New Labour's neo-liberalism is most apparent. This is where it has been able to bring elements of its own tradition to the mix, albeit in an inversion of the traditional social democratic nostrum about re-shaping the market to fit

the people. Instead, as Roy Hattersley and others have pointed out, New Labour has set about re-shaping the people to fit the market.

After an initial period in which it accepted the public expenditure plans of the Conservatives, and incidentally frittered away much of the goodwill that swept it to power, New Labour has significantly increased public expenditure, but on strict conditions. It has sought to impose these conditions through an unremitting centralisation of power, the proliferation of unaccountable charitable or not-for-profit agencies, and the further sidelining of local government. And always, they have transmitted the message, loud and clear, that the public services and the people who deliver and receive them are not good enough for the shiny new world of market competition.

The organising principle of the so-called modernising reforms on which New Labour has insisted as the price for increased public expenditure has been the replacement of the ethos of public service by market principles and “value for money”. Patients, students, passengers, clients and citizens have been redefined as consumers and customers. Wherever possible, public servants have been replaced by business people, by managers of marketised state and non-state agencies and “social entrepreneurs”.<sup>35</sup>

The latest portent of this process is the proposal by hired management-consultants, ever sensitive to their clients’ aspirations, that head-teachers should be drawn from the business community. Even the funding of Blair and Brown’s own political party has switched from collective and to some degree accountable agencies – primarily the trade unions and Labour’s own membership – to compliant, venal elements amongst the new business-elite (with embarrassing consequences). In such a context it is entirely natural that a General Secretary of the Labour Party appointed in 2008 after the forced resignation of the previous incumbent should be a hedge-fund manager rather than a trade-unionist. It is also quite natural that this appointee should then run for cover when the true scale of Labour indebtedness was revealed to him.

The rationalising spin for all this has been ending the power of bureaucracy and vested professional interests, transferring power from producers to consumers, “personalising” services, and giving people control over their lives by providing choice. This ideological thrust was initiated by Thatcherism, but has been generalised and universalised by New Labour, and given a material basis by the increased public expenditure. Freedom from the paternalistic state, empowerment, assuming personal responsibility for one’s own life through the exercise of market or quasi-market choice: this has been the gloss under which the role of the state has been transformed.

It has been changed from collective provision and solidarity on behalf of society as a whole, of people as citizens, into “helping people to help themselves” in the marketplace, as individual consumers. Policies to encourage or coerce those not working back into the labour force initially resulted in some reduction in poverty, especially child poverty though this has stalled and gone into reverse in the last two years. However, even this initial success has been accompanied by an increase in inequality as corporate directors and managers have also helped themselves, irrespective of corporate success, to massive bonuses, capital gains and golden handshakes. The process of elite self-enrichment has reached obscene extremes in the City of London, but it is happening less spectacularly right across the economy with hugely enlarged pay differentials even in education and the health service. Those who can, really are helping themselves. What remains of citizen-based solidarity principles is confined to the provision of a safety net for those who cannot be brought to fend for themselves.

New Labour’s attempted recasting of the welfare state’s central metaphor of the safety net as a trampoline is a characteristic piece of clever wordplay. But it cannot disguise the fact that those who fall into it, or supposedly bounce back up, are already deeply disadvantaged by the cumulative historical effects of the capitalist economy. Thus, New Labour is consciously creating a two-tier system, in which those who can, look after themselves, and those who cannot or will not, receive charity provided by a reluctant and disapproving state. When anybody can be bothered to ask recipients of New Labour welfare, in Sure Start, Welfare to Work or the various supposedly New Deals, what it actually feels like on the receiving end, the demeaning multiple stigmas of inadequacy and dependence quickly emerge.

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<sup>35</sup> For an extended discussion of the transition, see Devine, **Soundings**, *op cit.*

The consumerist edifice constructed by Blair and Brown is illusory, particularly with regard to choice. The so-called consumers of public services are not looking for some balance between quality and quantity, the kind of choice that weighs twenty frocks from Primark against one from Harvey Nichols. What they want is a single, indivisible thing: a timely and competently performed heart operation or an adequate pension or a decent education for their child. They are not generally interested in the technical detail of where or how it is delivered, or in accountancy-style calculations of its strengths and weaknesses. The illusory exercise of choice is reduced in this situation to some form of quality differentiation between different institutions. This requires setting up external, quantifiable and, ultimately, artificial, criteria that get nowhere near the real human experience of living, learning, being treated and recuperating inside these institutions. Instead we are supposed to measure our “customer-satisfaction” by the proportion of A-C GCSE passes, percentage of post-operative deaths for heart bypasses, whatever takes the fancy of the consultants hired to set up a quality tariff. Then, given that each unit ‘succeeds’ according to its place in this ‘quality’ hierarchy, it in turn sets about choosing its customers according to those who contribute most to ‘success’.

This is another factor that differentiates public services from the high street: the ‘quality’ of the product depends on the ‘quality’ of the customers themselves. Take education, for example. Given that by far the best indicator of success in any public examination is the income of the family from which the student comes, all schools try to maximise the proportion of children they take from high-income backgrounds. This is not cheating but a rational and predictable response to market forces, and explains why middle-class flight is the ultimate nightmare of any half-competent head-teacher. The best schools or universities or hospitals or general practices become not those best at teaching or curing, but those best at choosing their ‘customers’. The revelation in 2008 that many of those schools able to conduct their own entry selection have practiced the crudest possible methods to sieve children from higher-income families is really only a grotesque extension of what has been practised for years particularly by faith-schools and, more recently, by the new private-sector sponsored academies. The highest GCSE grades, the lowest rates of heart disease, the most marked improvements in exercise and diet are delivered by the highest income parents, the least socially deprived families, the more physically fit and mentally healthy, and so on.

The only barrier to such “cream-skimming” is the level of professional scruple and social responsibility among the staff of the various institutions plunged into this pseudo-market. But the New Labour state has devised and deployed a new and largely unproved science of performance-management, some of it drawn from the private sector and some of it simply made up, to deal with such resistance among public sector employees. They are subjected to twin pressures to conform: first, hugely increased rewards to those who actively champion the new way of working and meet their performance targets; and second, the constant denigration of public-sector workers who stand in the way of ‘progress and modernisation’, whether from genuine principle or cussed, sectional or tribal defensiveness.

The social consequences of converting public services into quasi-commodities are subtler than the brutal class-conflict prompted by Thatcher.<sup>36</sup> Experience both in Britain and in other countries during the 1980s demonstrated that direct application of neo-liberal policies can lead to levels of civil disorder which come dangerously close to social breakdown, if not outright civil war. New Labour’s carefully orchestrated introduction of “consumer Thatcherism” has largely avoided this, but has led directly to social problems more insidious and just as dangerous as the confrontations of the Thatcher era. The New Labour project to reduce all citizens to consumers by systematically introducing market forces into all corners of social life has engendered a malign form of Sennet’s “ontological insecurity”.

One form this takes is a kind of consumer panic: each person is lost in a crowd of frantic searchers after the best bargain, the lowest price, the latest fashion. And just like the January sales, the best bargains have always just gone, you can never reach the right counter in time, the crowds are always

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<sup>36</sup> Quasi-commodities, not real commodities, as long as services continue to be financed by taxation and are provided free of charge at the point of use. In practice, various hybrid arrangements are emerging. Take, for example, the education of undergraduate university students domiciled in England. This is now financed partly from general taxation and partly from “variable, top-up” tuition fees. The fees must be paid up-front, but students may borrow the requisite funds at a zero real interest rate, repaying the debt incurred in instalments after they have graduated and are earning more than £15,000 per annum.

too thick in one place, too thin in another. And when you get the thing home, you realise you've already got one just like it anyway. We have already made much use of psychological pathologies to illustrate our analysis of feel-bad Britain. At this point, it seems apt to mention one with all too obvious physical manifestations, to illustrate the effects of rampant consumerism. The spectacular increase in clinical and morbid obesity during the New Labour years makes a vivid metaphor for the prevailing mood; as constant consumers, with ever-expanding appetites and waistlines, we can never be finally satisfied. No matter how much we take in, we soon want more, not least because everyone around us, our consumer-competitors, seems to be doing so much better and feeling so much happier than we are.

New Labour, particularly its Brownite current, makes much of the sustained economic growth recorded by the British economy during its period of office. With some justification, Tories like Kenneth Clarke protest that New Labour has simply benefited from changes they set in motion, but let us leave that issue aside. The fact is that whether Britain's recent macroeconomic performance is due to good luck or good management and whoever takes the credit for it, unbroken growth has relied on a booming retail sector based on rising personal debt and an inflated housing market. In both cases, continued buoyancy depends on the magical, indefinable factor of consumer-confidence. Put simply, the economy has kept going because most of us have kept shopping and moving house, in many cases way beyond our means and real incomes.

In a bizarre double twist, we are made to feel that our social and political obligation to the new globalised economy is to borrow, shop and consume. Saving, thrift and restraint have, weirdly, become irresponsible, deeply unfashionable and by implication unpatriotic. But most of us know at some level that we cannot go on like this. That is the real political challenge of the dawning green common-sense, because the consumer boom is literally unsustainable. Capitalist prosperity is inevitably followed, sooner or later, by recession, a recession which will be worst in those economies which have boosted their consumption beyond realistic limits. The burgeoning debt levels and balance-of-payments deficits of the U.K. were brushed aside, year-after-year by Gordon Brown when Chancellor. Now Prime Minister he is manifestly unable to contemplate the likelihood of an economic recession in which just these factors limit ameliorative action. Unbridled consumerism harms not just environment and society, but ultimately business itself. Apart from anything else, the market-relationship is not especially profound or durable: the customer may be "always right", but he or she is notoriously fickle, and may just decide (as a rational response to signs of downturn) to stop buying stuff altogether. Our society, and especially its weaker sectors, is now dangerously exposed to market fluctuations.

It is clear that at one level, primarily the social, New Labour is aware of this looming crisis. Government policies are full of references to empowering communities, to the third sector of voluntary organisations, to developing mutual respect and understanding. The problem is that all this vague rhetoric floats like froth on an ideological ocean of expanding market forces, thwarting any efforts to give the rhetoric a solid institutional foundation. Just where this process is leading is unclear, particularly because the precarious state of social and economic stability created by consumerism has become intimately mingled with various external threats, whether real or exaggerated.

The dangers of climate change are real and imminent and the government has recently been converted, in rhetoric, to the need to act to forestall it. However, despite the fact that this is a crisis demanding a social and political response on a global scale, the most audible government reaction lays almost total emphasis on the tweaking of market mechanisms and on individual green-consumerism. What needs to be stressed is that the government's feeble response to global warming stems not from inadequate short-term policy-making, but from the market-driven changes that have reshaped our society, with New Labour's knowing encouragement and acquiescence.

The exaggerated threat is that from international terrorism and the associated and progressive assault upon the social status of Muslims and all of our civil liberties. It is universally accepted, if not always acknowledged, that the main source of such threat as exists derives from British foreign policy in the Middle East. Our participation in the invasion, occupation and ensuing civil war in Iraq has put us all at serious risk from terrorist attack. And the fact that the Blair government chose to ignore the biggest demonstration in British history in 2003 did immense damage to British democracy as well as to the credibility and standing of the government itself. Yet all that ministers can offer by way of explanation is facile comparisons with the threat from Nazi Germany and the perils of "appeasement". Tough talk and

posturing seem for a while to play well in the opinion polls, but do precisely nothing to bring about sustainable peace and security.

The vicious circle of state repression and terrorist outrage we are embarked upon is wearyingly familiar from the thirty years of “troubles” in Northern Ireland. The government is rightly proud of having brought an end to that, but now seems willing to import the techniques of Abu Ghraib and Guantanamo into our own prison system, and to turn Britain into the most intensively ‘surveilled’ society in the world. It is unclear just why this deliberate policy of increased scrutiny, fear and suspicion is being followed and whether ministers’ inept interventions on the subject of a few Muslim women wearing the veil are linked to this. The clear fact is that the fear aroused by this policy is being used to justify a massive erosion of civil liberties extending far beyond anything necessary to counter possible terrorism. The combination of a socially divided, dissatisfied and fearful country with a central government prepared to use unprecedented authoritarian control to suppress real or imagined dissent provides, at the very least, a cloudy prognostication.

It is, of course, not enough to explain how things have come to such a sorry pass. The question, as always, is: What is to be done? For most of the past hundred years in Britain, all serious answers to this question have taken the Labour Party as a central point of reference, variously calling for a change of leadership, policy or party organisation. In the next section, we argue that the emergence of New Labour renders the old map of politics obsolete and that the democratic left need to rethink its entire project.

## **What on Earth is to be Done? Sketches of Post-capitalism**

As we have described, after three decades in the political wilderness after 1945, the free market right began in the 1970s to overturn the post-war settlement. A full thirty years on, the remnants of the British left are an endangered political species. Beyond a few small groups and fringe publications, it is hard even to see any consciously, recognisably left wing political force in Britain. Since 1989/91, the end of the Cold War, and the final collapse of what passed for communism in the east, all conceptions of socialism – whether as a form of society wholly beyond capitalism or as a transforming presence within it – have been largely written off as the late, unlamented pipe dreams of the twentieth century. A mood of deep disillusion with ambitious plans for social improvement has set in. As the logic of the market swamps the logic of citizenship – to the point where even the principle of progressive taxation is called into question – it has become fashionable to argue that politics has now moved beyond established notions of left and right, or any kind of transforming purpose, and become merely a process of administering given realities. There are challenges to the state from a new generation of activists. But, in the main, they do not see socialism any more than other kinds of organised politics as relevant to their causes. If anything, they are informed by a new kind of anarchism; the flag they march under is green and black not red.

Pressure to conform to this new common sense – that there is no viable alternative to turbo-capitalism and that we had all better buckle down and make the best of it – has been intense, especially for those with careers to pursue and reputations to build. Time passes, and everyone has to make a life and a livelihood in the era and the circumstances we are placed in. No one wants to be branded a crank or a dreamer, let alone a loser, the ultimate put-down in an age that equates personal virtue with competitive prowess. For those of us seeking to challenge neo-liberal hegemony and win support for a new approach to public policy, the outlook is bleak and a long hard road lies ahead. Most people simply do not know what we are on about, though if you have got this far in this pamphlet we can assume that you do.

The first step is to find a suitable name for the task. In recent years, critics of New Labour's neo-liberalism who refuse to be identified as “old”, “real” or “continuity” Labour, have taken to calling themselves the democratic left.<sup>37</sup> The label is an apt one. The old left was often equivocal in its commitment to democracy; there must be no such ambiguity today. Democrats can have no truck with the use of authoritarian methods for political ends. Of course, it is sometimes necessary to fight fire with fire, but force is a blunt instrument: it cannot mend a broken democracy or breathe new life into jaded citizens. Indeed, it is doubtful whether revolution in the traditional sense of a violent and cataclysmic seizure of power is even, or has ever been, possible in an advanced, complex democratic society.

In any case, far from heralding a new dawn, the disintegration of the state as an administrative-coercive organisation is more likely to lead to even further social breakdown. Likewise, capitalist crisis – long hoped for by the doom-mongers of the left as a necessary prelude to socialism – is more amenable to extreme right wing solutions, as in continental Europe in the 1920s and '30s and in Britain in the 1970s and '80s. As Gramsci well understood (pretty much alone among contemporary communists and socialists), the left can never rely on capitalism to do its own work, dirty or otherwise. The plain fact is that in Britain's present political climate, an authoritarian response to the looming economic crisis is much more likely than some socialist upsurge.

Until the 1970s, it all seemed so simple. The left-right axis and the radical-conservative axis were superimposed to form a single line. The left was radical and the right was conservative. The emergence of a new political phenomenon, the radical right, tore the ideological map apart. The single line of British politics became a four-cornered cross. From Peterloo to the General Strike, the right's reflex response to social unrest was to demand firm action to suppress it and restore the old order. In Thatcherism, this atavistic, repressive impulse clearly existed, but it was coupled with a radical programme for unleashing market forces. The old Tory aversion to big ideas, bold initiatives and wholesale regime change was simply cast aside.

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<sup>37</sup> An alternative, recognising the centrality of the environmental and ecological challenges facing society, might be the green left.

Conversely, having no hegemonic project of their own, the left and the labour movement were forced onto the defensive, vainly seeking to resist or retard reforms that had once been unthinkable and were still unpalatable, but were widely if reluctantly accepted as inevitable. And just as Mrs Thatcher and the new radical right, in presiding over the first wave of the neo-liberal revolution, killed off one-nation Conservatism, so Tony Blair and New Labour, in completing Mrs Thatcher's unfinished business, has killed off British Labourism, our own peculiar national variety of left-conservatism.

With the demise of the two class-based traditions that had dominated British politics for sixty years after the First World War, Britain has acquired, for the first time since the industrial revolution, a thoroughly bourgeois pattern of politics. Both old Tory and working class opposition to unfettered capitalism have been crushed, while the mainstream parties, jostling to win votes in the crowded centre ground, offer minor variations on the theme of job-centred, credit-fuelled consumerism and boundless economic growth. They may acknowledge that our lives are insecure, our society atomised and our planet at risk, but they seem to think that these problems can be tackled without restraining the growth machine itself. Their ideal, we might say, is an inclusive, cohesive, sustainable yet endlessly expansive capitalist cornucopia.

This *is* a pipe dream. Capitalism is indeed a powerful engine of accumulation, innovation and growth. In an age of gross material scarcity, there were grounds for arguing that the overall benefits of economic growth outweighed the costs incurred in human toil and misery, periodic slumps, social dislocation, cultural loss and environmental degradation. This view is no longer tenable. Economic growth is good for business, but it has ceased to make us any happier, at any rate in the West. The evidence adduced by Layard and others shows that in all societies the rich are happier than the poor. Likewise, below a certain average income threshold, as countries grow richer their inhabitants become happier. But above this threshold, the correlation breaks down. People in already affluent societies do not become happier as they grow richer. In the US, for example, people are no happier now than they were in 1950 even though per capita income has more than doubled in the meantime, while in the UK measured happiness has remained static since 1975, the point at which we have already argued social relations were frozen.

There is no need to rehearse, accept or dispute the whole of Layard's argument. It is enough to point out that Gross Domestic Product (GDP), the dominant measure of a society's success, can no longer be taken as reliable proxy for human happiness and arguably never should have been. The idea that capitalism is still a broadly benign, if manifestly disruptive, engine of progress is further undermined when one considers the most recent phase of capitalist development. The spread of market forces, relationships and commercial norms to social activities in which their role was previously circumscribed – from child rearing and education to postal services and pensions – weakens social cohesion. It further undermines the sense of belonging to a wider community, essential if the culture and practice of democracy are to flourish. The rampant commercialisation of what were previously protected, private spaces cheapens and brutalises what should be sources of intimacy, pleasure, joy and consolation. If everything is for sale, nothing is sacred. And the environmental damage caused by unlimited growth is so serious as to endanger the future of life on Earth. In short, capitalism has outlived its useful social purpose and the democratic left should say so.

This is not an outrageous conclusion. In the 1980s, it might have seemed so, when consumer capitalism still held some genuine allure, especially to those of us who had grown up amid post-war austerity. It clearly offered us a quality of service and quantity of product we'd never had before, at little obvious extra cost, and seemed like some sort of compensation for the social and industrial devastation wrought by high-period Thatcherism. For all those whose livelihoods were lost and whose lives were blighted, there were others who saw real improvements in their personal and family fortunes. But we have now come to the end of that line. The allure has faded and been shown to be an illusion. From anybody's perspective, capitalism is now doing far more harm than good.

## **Projects and Policies**

What might a sustainable post-capitalist world look like? Is it attainable? How long would it take to construct? And how can it be brought closer? How can the majority of people, with daily lives to lead, jobs to do and families and households to maintain, and the usual bundle of personal hopes and worries

and preoccupations that we all carry around, embark such a huge, historic undertaking? What use can be made of existing democratic arrangements and political structures? What new arrangements and structures are needed?

This is the scale of our task. How can we re-connect progressive politics to people's feelings, their desires and resentments, in the way only the right has succeeded in doing in recent times? How can we restore faith in democratic politics, so tarnished by the worst efforts of our current crop of career politicians, as the best way to manage human affairs and exercise social control over the market? How can we create some kind of political agency that is recognisably and coherently green and left wing, while avoiding the horrors, the wasted time and effort, and the sheer tedium of most of what has gone before?

These are big questions for a short essay and it would be presumptuous to suggest that the answers we offer below are anything more than rough sketches and examples. We do, however, maintain that these are the right big questions to be asking. Max Weber once said that there are only two questions in politics: What should we do? And what shall we do? What we are saying is that, while there are undoubtedly tensions between "should" and "shall", between morality and practice, between visions and realities, they all need to be considered together if we are to begin making a political difference.

Every political tradition invokes certain distinctive values that convey some image of the good society, however sketchy, and provide adherents with a sense of direction amidst the flux of events. Old Tories, for example, argue that social hierarchy is both inevitable and desirable because human beings are naturally unequal: some people just are more able, intelligent, wise or forceful than others. Liberals and socialists both reject this view, but disagree about what equality entails. The liberal ideal is a society in which all members have equal moral standing – "each counts for one and none for more than one" – and everyone is assured the same basic liberties and opportunities. Socialists argue that this is not enough. There are wide, persistent and historically determined inequalities in the distribution of resources and power: notably by class, gender and race. Such systemic inequalities are both unjust and divisive, making it impossible to build a self-governing democracy in which people's shared identity as citizens tempers the individual or sectional interests that divide them.

The democratic left seeks to combine the characteristic socialist belief in social equality and human solidarity with the civic republican ideals of positive freedom and democratic self-government and the green commitment to sustainable development and post-materialism. Do these values cohere? Could a society embodying them exist? Or is it a chimera? Two issues need to be distinguished here. One is whether a society with the requisite features would be able to cope with perennial problems facing all human societies – such as how to handle conflicting claims on available resources – and thus maintain itself as a going concern. The other, more obviously political, issue is whether such a society can be brought into being, starting from where we are now and taking into account probable barriers and sources of resistance.

How can we decide whether some imaginary social order could exist? It seems safe to assume that current social arrangements do not exhaust the range of possibility. After all, modes of production, systems of government and patterns of culture have varied enormously in the past and, *contra* Fukuyama and other disciples of neo-liberal triumphalism, there is no reason to think that history has come to an end. There are obvious tensions; between what is ideal and what is realistic, between grand aims and fine detail, between what needs to be sketched out now and what can be left for later elaboration, between defending what has already been achieved and fighting for something better. The important thing is to keep on exploring ideas for 'living otherwise', deliberately blurring the line between the way things are and the way they could be without confusing possible worlds with the realms of fantasy.

There is one important reason why this process is not just a political dream but practical necessity. Climate change is already upon us and will come to dominate our lives in a very few decades. Either we alter the way we live by progressive change based on social recognition of the problem or our lives will be wrenched into new and almost certainly dire paths under the impacts of climate. The need to pursue an 'ethical' or 'green' lifestyle is already becoming a common ambition. The difficulty is that at the moment, there is little on offer to achieve such aims save versions of green consumerism with only the "bleeding hearts and artists" attempting to move beyond this.

There is, however, a difference between visualising possible worlds and pursuing political projects. In politics, we have to reckon with constraints and pressures that can – indeed *must* – be set aside when articulating visions: institutional inertia, cultural habits, structural bias and political resistance, including the complex games that ensue when political agents try to anticipate the moves and counter-moves of their opponents. Thus, while values and visions are the stars we steer by, we still have to navigate in real time and space.

By way of illustration, we might cite a model developed by one of us of a post-capitalist economy, in which the co-ordinating principle is neither market forces nor central planning but a system of democratic decision-making that he calls “negotiated co-ordination”.<sup>38</sup> The model combines social ownership of the means of production with stakeholder democracy. Current production decisions would still be reconciled beyond the work-place by means of market exchange, but bigger, strategic issues affecting the pattern of economic and social development, such as major investment projects and the adoption of major new technologies, would be decided beforehand through co-ordinated processes of collective deliberation, problem-solving and negotiation in which all stakeholders are involved. The model certainly describes a possible world, but it is far removed from the world we are in, and could not come into being without a long process of institutional and cultural change.

To take just one aspect: before people can govern themselves, they must acquire the requisite outlook, attitudes and experience. At present, democracy is more or less limited to voluntary organisations and periodic parliamentary and council elections to decide which party or coalition should form an administration. Private business firms are accountable only to their owners, not to any other groups of stakeholders. Public bodies are accountable only to central government. As a result, very few people gain experience of running things, whether in politics or the business world. But if people are not involved in making the policies and decisions that govern their lives, they are unlikely to feel any responsibility for them. In fact, they’re liable to behave irresponsibly, putting their personal or sectional interests – especially as job-holders, wage-earners and consumers – above those of their fellow citizens and the society as a whole. The case for enabling and persuading more people to play a bigger part in running a wider range of social organisations is not just that it makes for better government, but that it makes people better citizens. It is clear that the Labour government is dimly aware of the social problems which arise when those agencies which in the past provided scope for democratic involvement have their hearts ripped out. The mantras of ‘community empowerment’ or ‘local involvement’ are repeated endlessly. But without recognition that the neo-liberal Hayekian programme in which Gordon Brown *et al* are signed-up members explicitly *requires* the elimination of social agents little practical can be done.

In the socialist tradition, it is customary to describe the period during which a new society is emerging as “transitional”. There is no harm in this manner of speaking as long as we bear in mind the difference between space and time. In space we can move back and forth at will, but in time one-way traffic is the rule. Moreover, history has no terminus or timetables and all historical journeys involve a leap into the unknown: we are perpetually poised between an irrevocable past and an uncertain future and no outcome is ever final. So we must accept that social transformation of the kind and magnitude we are after is unlikely to be achieved within our own lifetimes. On the other hand, it will not do to say, with Keynes: “In the long run we are all dead”. If transforming society is to be more than an aspiration, then our short-term actions and choices must be framed accordingly. In tackling the urgent problems of the present, we must acknowledge that we are also creating the future.

It helps to keep this point in mind if we distinguish between policies and projects. Policies are not just practical responses to perceived social problems: they are also political acts that impinge on the prevailing balance of forces. Hence, correctly judged, they are instruments for changing the political landscape, building new institutions and securing vantage-points for further advance. But timing is crucial. Policies need to be tailored to specific situations and adapted, dropped or picked up again as the situation changes, normally within an electoral timeframe. A project, by contrast, is a long-term undertaking informed by deep and lasting values. It should make sense of the past, identify the main problems facing society in the present and propose a strategy for tackling them in the future, including general principles and guidelines for producing policies (a policy paradigm).

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<sup>38</sup> P. Devine, **Democracy and Economic Planning: The Political Economy of a Self-governing Society**, Polity Press, Cambridge 1988.

To be effective, any political formation needs both these things – flexible policies and a firm project – but the latter is vital for two reasons. It provides a sense of direction and purpose, essential for maintaining morale in the face of unavoidable compromises and setbacks, and it provides a framework for building a new, hegemonic, historic bloc. In a further twist, it makes sense not to be too prescriptive on policy, because the new allies you wish to recruit to your bloc/project will have views and needs of their own that you will need to accommodate.

Thatcherism and New Labour make interesting historical case studies in the contrast and relationship between policy and project. Thatcherism was above all a project, to transform the terrain upon which its politics were to be conducted and its specific policies advanced. It did not need to be rational, thought-through or even wholly conscious, because it worked at the level of ideology, the deep and complex terrain in which people make collective sense of their daily, individual, lived experiences. Besides, Thatcherism was never a wholly transformative project – a large part of it was about restoring aspects of the past, even if only at the level of popular mentality. As Stuart Hall put it in his definitive 1980s analyses, its attempts at “modernisation” were simultaneously “regressive”. It touched the souls of important sections of the British population precisely by voicing their grievances at “the way things are going” and their nostalgic yearning for “the way things used to be”, while at the same time propelling them towards what we have already described as a “market utopia”.<sup>39</sup>

Nor did Thatcherism need to be democratic, because it was a top-down process of change, determined and implemented by the ruling elite: in Gramscian terms, a classic example of passive revolution. It had no need to engage people in continuing discussion or decision-making, or even really change their minds. It merely had to chime in with what they already thought and co-opt them into its “market utopian” ideology, or bully them into submission. Indeed, its primary beneficiaries, the petty bourgeoisie who form the classic audience for passive revolution, were only too happy to be told what to do by ‘her’, the conviction-politician, the ultimate strong man.

Thatcherite government policy was also often almost wilfully confused, especially when it touched upon persisting differences within the ruling bloc. But this did not necessarily matter either, so long as policy served the broader project of deepening the hegemony of neo-liberal capitalism, sustaining the alliance behind it and further marginalizing its opponents. On the policy front, Thatcherism could be surprisingly non-prescriptive and pragmatic, strongly focused on “what works” in furthering the grand project. Every policy area of the 1980s and ‘90s Tory governments contained surprising pockets of progressive practice, even if only because the Tories’ basic disdain for the detailed business of government allowed for experimentation in its more marginal niches and some creativity amongst its paid operatives.

New Labour, by contrast, has produced a torrent of ‘policy’: a lot of it finely wrought and detailed, mulled over by sympathetic think-tanks and committees of the great and the good, refined and sound-bited for media transmission and public consumption. Barely a day has gone by in the last ten years without some new policy initiative, often a repackaging of an old one, but buffed up and re-fashioned for the morning papers and news broadcasts. Then, within a day or two, we get another ‘bold’ new departure from some other department or agency. New Labour government is afflicted with policy-ititis, an epidemic of proposals and targets and executive summaries. It assumes a kind of political Attention Deficit Disorder on the part of the British public, who are not supposed to notice that it’s all been said before and that it doesn’t really amount to much anyway: the essential feature of the New Labour decade.

Policy-ititis also helps to explain why the government has steadily lost the support of so much of the anti-Tory coalition that propelled it into office into 1997. Every new ‘policy’ provides at least something for someone to disagree with and cite as reason for their broader disenchantment, and that’s without reckoning on the most common final straw of all, the ultimate policy disaster of Iraq. There is precious little to hold people in the coalition, because, despite the optimistic use of the word in the period after 1997, New Labour has completely lacked any true overarching sense of a project. This has left it incapable of challenging Thatcherism, of developing a strategy for constructing a new historic bloc and transforming British society in any meaningful sense.

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<sup>39</sup> **The Hard Road To Renewal: Thatcherism and the Crisis of the Left**, Verso, London 1988 in [hegemonics.co.uk](http://hegemonics.co.uk)

The original New Labour clique of Blair, Brown, Mandelson *et al* might have called what they were up to “the project”, but this was always a slightly flippant, self-conscious in-joke. All they were doing was mounting a palace *coup* within a historically ailing party. New Labour’s only discernible historic mission has been to expose our society and economy to the full force of neo-liberal capitalism under the rubric of globalisation. In the process they have consolidated the truly historic project of Thatcherism in ways the Tories either couldn’t attempt or wouldn’t have dared, by driving consumer capitalism into aspects of our lives previously considered sacrosanct.

Again, it is clear that a glimmering of this problem has penetrated the recesses of the metropolitan New Labour think-tanks and policy-movers. The call is for a new ‘narrative’ to underpin the plethora of policy. But, again, there cannot be any new narrative without some renunciation or at least reformation of the old. Most New Labour acolytes proceed as if unaware that they already possess a narrative which is itself the problem.

It seems as if, in mid-2008, the New Labour vehicle has finally lost all its wheels. The coalition constructed in 1997 has been progressively stripped away year-by-year to the point where it is now difficult to suggest that, politically, Labour stands even marginally to the left of the Conservatives. The effective congruence of the two main parties means that electoral support for either is febrile and depends upon very short-term perceptions. Labour is, currently, being dismissed as doomed to electoral rejection but this could easily shift under a new leader or a new external shock. In any significant policy sense, it makes little difference whether current Labour or Conservative rules. The danger is that the British political system has become unstable and could shift into uncharted, probably authoritarian, territory. Within the current neo-liberal hegemony, Britain cries out for a ‘strong’ leader.

The left needs to recognise both the urgency and also the complexity of its problem. What we now need on the democratic left is a renewed sense of our project: where we want to go and how we propose to get there. It will be harder for us than it has been for either Thatcherism or its New Labour offspring, because we need a project which is both radical and progressive; truly democratic rather than merely electoral; popular rather than populist; and amounts to more than wheezes, fixes, spin and sound-bites. It will have to offer genuine, not regressive or superficial, modernisation of our country; challenge the existing common sense of the age and not just pander to existing prejudices; catch people’s imaginations as well as their eyes; reach their souls and not just their pockets. We need to transform our social relations and not just freeze them. In the following sections, we look at some specific aspects of the overall passage to a new society with, very briefly, examples of the kind of policies required to bring it about. We shall return finally to the issues of agency: what kind of politics and project might take us towards where we need to be, firmly on the road to a sustainable and socially just society.

## **Convergent Global Development**

The pattern of economic development that has prevailed for the past two centuries is no longer sustainable. The challenge of our age is to limit and repair the damage caused by unbounded economic growth – to society, nature and humanity. Cleaner forms of energy and increased energy efficiency will buy us more time. The same goes for recycling and other ways of reducing materials used or wastes produced per unit of output. But however much we succeed in greening capitalism, efforts to conserve resources and protect habitats are bound to be an uphill struggle as long as global business keeps on growing and we remain its willing slaves.

Moreover, it is not just the *future growth* of output that we need to worry about, but its *current scale* and the cumulative consequences of our own past profligacy. The effects of global warming, daily more obvious and troubling, accrue from two centuries of unchecked industrialisation, just a foretaste of what is to come if we do not bring it within conscious social control. There is an often-overlooked political dimension to this. The poor invariably bear the brunt of environmental disaster, such as the flooding of low-lying land in Bangladesh, New Orleans or even East Anglia. We need political action to share both the current effects of global warming and the adjustment costs of dealing with it on a fair and equitable basis.

Nearly everyone outside the Bush administration now accepts that we have a serious environmental crisis, but there is a general sense of powerlessness about what can be done about it. Many

feel that these are global problems beyond personal, national or even human solution. Recycling and ethical consumerism are all well and good, but compared to the effects of China's headlong dash towards industrialisation, they can feel like isolated, conscience-salving, token gestures. Tony Blair alluded to this but typically used it to justify the reluctance of elected politicians like himself to propose serious action, such as checking and then reversing the growth of air travel, thereby reinforcing the general sense that nothing worthwhile can be done.

This sense of powerlessness is hardly surprising, given the scale of the challenge and the loss of faith in democratic politics, but there is a real risk of apathy, or worse, of yet further deepening of the ontological insecurity we spoke of earlier. Green politics needs to focus on the social as well as the environmental, and on ways of involving as well as alarming people – two political techniques that do not always sit comfortably together. It also needs to celebrate rather than oppose the modern and the urban; to engage with the popular mainstream rather than the variously disaffected; and to demonstrate that a sustainable society and life style would offer a better, not worse, quality of life. That's also a pretty tall order, which no established political forces – red, green or otherwise – measure up to.

What on earth is to be done? We might start with some clear, achievable demands of our national and international political institutions. One possibility is to build on the emergent response to climate change. Critical thresholds for atmospheric concentrations of greenhouse gases have provided a baseline for international negotiations aimed at reducing overall carbon emissions and sharing the costs of adjustment fairly, with the aim of each country agreeing to a specific quantified target, even though the United States and some other countries have refused to join in.<sup>40</sup>

Given the political will, the same approach could be applied to restraining economic growth, the underlying cause of environmental damage. An international commission could agree on a trajectory for sustainable global GDP, based on the best available scientific knowledge of what was needed to combat global warming and manage other environmental risks.

Inter-governmental negotiation would then establish growth paths for each country consistent with this global trajectory according to its current per capita income. The aim would be to equalise living standards across the world at the highest sustainable level by some distant, but definite, target date. For the sake of argument, suppose that no country is prepared to lower its GDP and that this stance is compatible with environmental constraints.<sup>41</sup> On these assumptions, the sustainable global growth curve would rise towards an upper limit, the agreed growth of per capita income in rich countries would slow down or stop – not just temporarily but for good – while incomes in poor countries would gradually catch up. This is what we mean by convergent global development.

Needless to say, there is little chance of getting national governments to agree a plan for convergent global development and then act upon it unless people in rich countries come to accept the moral and practical imperative for poorer countries to catch up. This is where political action comes in. If, for example, the US, or the Anglo-Saxon bloc, refused to participate, it would still be worthwhile for the rest of the world to work out national growth paths consistent with convergent global sustainability, but the purpose of the exercise would be to build up political pressure to get these wealthier states to join in. Similarly, if governments in rich countries persistently broke their international undertakings by exceeding agreed growth targets, in the end only peer pressure could bring them into line and that, in turn, would presuppose that most countries endorsed the global plan.<sup>42</sup> Any engagement by Britain in this project on a unilateral basis would, of course, have limited physical impact. However, this is not the point for it is clear that whilst supranational institutions such as the EU must ultimately adopt a common policy, it is also clear that they will only do so if individual nations within them pursue more than rhetorical policies.

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<sup>40</sup> At Bali, the USA agreed only to participate in discussions about possible *future* targets.

<sup>41</sup> If it were not, the richest countries would face the prospect of a long-term decline in per capita income. Falling incomes, as measured by GDP per head, would presumably be even harder to accommodate than zero growth, but this does not alter the nature of the problem to be solved. Of course, the problem would be easier to deal with to the extent that an increasing emphasis on quality rather than quantity resulted, as we would expect it to, in people experiencing a better quality of life.

<sup>42</sup> The opposite case, where a poor country persistently fell below its convergent growth path, calls for a different approach.

In this sense, supranational institutions lose traction if the nations they purport to serve lose confidence in them: witness the fate of the proposed EU constitutional treaty. All the same, trans-national governance is a necessity, not a luxury, let alone a burden: efforts to restrain economic growth in any one state are unlikely to succeed unless they are embedded in a supportive global regime. And institutions charged with protecting the biosphere and steering global development must be flanked by complementary arrangements to regulate cross-border trade, migration and capital flows. Neither so-called free trade nor go-it-alone protectionism affords a viable basis for building a just and sustainable world order, any more than the old idea of indivisible and inalienable national sovereignty affords a viable basis for safeguarding international peace and security.

It should be emphasised that this is a social and political project, not a market-based one. It focuses on the central issue of how world poverty is to be eliminated within the context of avoiding climate change. In this sense it is similar to, but distinct from, the concept of contraction and convergence (C&C) of carbon emissions, which has emerged as a leading principle for the next round of international negotiations on climate change. The current western interpretation of C&C is that whilst there is a long-term ambition of equalising per capita carbon emissions world wide, during the transition period poor countries will assist the wealthy to achieve their target levels of emissions, at least nominally, by selling their ‘surplus’ emission rights. The fundamental problem with this approach is that whilst providing the poorer countries with some immediate financial compensation for not exercising their full rights to carbon emissions, it also mortgages their future paths of economic growth by limiting the accumulated carbon emissions required to achieve such growth. Consider, as a simple example, the huge volumes of carbon which have been required to produce the mass of steel and concrete locked into the long-lasting infrastructures of rich countries. How can poor countries similarly develop such infrastructure of energy-rich materials if they are selling part of their annual carbon emission rights?

Of course such a grand global plan has to be based upon equally far-reaching programmes in Britain and these, again, have to be socially and politically based, rather than centred on market-based solutions which emphasise only individual responsibility and action. We accept that the idea of convergent global development is radical and hugely ambitious. Some might suggest that it is utopian though compared to the market utopianism that has held sway for the last thirty years, it is a model of practical realism and common sense. It is at least based on the best of previous experience, on the available scientific evidence, and on a clear sense of what can be achieved by people working together for the common good. And unlike neo-liberalism, it will benefit everyone: globally, nationally and individually.

Let's take one particular example: that of road transport. Any major reduction in carbon emissions requires the gradual adoption of electricity-based vehicles, which will be less powerful than current hydrocarbon-fuelled vehicles. In a small country, the alternative of biofuels is simply not a realistic option of any significance. In fact recent experience suggests that development of crop-based biofuels will actually have malign effects not just to the environment but also socially as food prices are driven up by agricultural shortages. This is a good example of how market-based ‘solutions’ to reducing greenhouse gas emissions often bite back in unexpected ways. As a nation, we must become accustomed not just to driving less but also to driving more slowly. To achieve this there must be, alongside massive investment in public transport, a large investment in both the vehicles themselves and associated fuelling facilities. There must also be serious controls on the speeds at which vehicles are allowed to drive and huge investment in sustainable electricity production to match the increased power consumption from such vehicles. Planning and house-building policies must ensure that jobs, essential services and utilities are within short, or preferably walking or cycling, distances.

The extent of the cultural change required for this kind of shift is enormous. They range from shifts in social awareness about powerful cars and fast driving to long-term planning of low-carbon electricity generation and the expansion of rail and bus transport. We need to generate the same sort of moral public opposition to unnecessary car journeys and speeding as applies to smoking. There will be resolute resistance to such changes both explicitly from the motorist ‘Jeremy Clarkson’ lobby and, implicitly, from private sector interests in the car, electricity and transport lobbies. The changes will require a combination of strong government intervention and equally strong social support of the required changes in life-style. We will all need to slow down, right across our lives, but as the “Slow Food”

movement has shown, there are real benefits and pleasures to be had from a more relaxed and sensuous approach to life.

Maybe, just maybe, instead of dashing across the world at ever-increasing frequencies and hair-raising speeds, polluting and destroying it as we go, we might just learn to live in (and with) it. And, allied with serious measures to ease congestion, which is what currently makes driving such a frustrating experience and impels us to drive as fast as we can between jams, we might even start to enjoy travelling again.

In this fashion, policies for a low-carbon sustainable future become part of a global project both to resist climate change and to raise living standards in the poorer parts of the world. Utopian? Well, it is worth noting that these twin projects engage active and widespread political enthusiasm in a way which the tired politics and politicians of New Labour can only envy and are only too anxious to be associated with. Blair at Gleneagles and Brown in his new-found enthusiasm for the poor of Africa can see a genuine political cause even if their attachment to it is both shallow and transitory.

## **Citizen's Income as a Hegemonic Project**

How can the competitive rivalry and compulsive expansion that drive the capitalist mode of production be tamed? How can people living in affluent societies move beyond their addiction to getting and spending to a better quality of life? Can they be convinced that once material sufficiency is assured, lasting happiness comes from pursuing non-material goals? And how can the transition from boundless economic growth to balanced social development be achieved within a democratic framework?

The social transformation we are envisaging would be as profound as the industrial revolution that launched the modern era, yet, potentially, as popular as the practice of birth control that spread across Europe between about 1870 and 1930 and improved family life immeasurably, especially for women and children. The international setting in which it might unfold was considered above. The domestic problems that have to be resolved *en route* to a slow-growth or steady-state economy can be subsumed under three headings: the work-income nexus, distributional conflict and public finance.

The work-income nexus consists of socially-determined rules and unspoken conventions governing what counts as work and how entitlements to income are established. Even in wealthy countries, most people have, at best, only modest financial assets and continue to depend on regular employment throughout their working lives as their main source of income. Moreover, in a capitalist economy, both the overall level and detailed pattern of employment are largely determined by the decisions of profit-seeking firms. How, then, might the work-income nexus be organised in an economy where public policy seeks to curb the restless dynamic of capitalism? For instance, as a society, we have grown accustomed to relying on regular output growth to maintain employment in the face of rising productivity, which would otherwise reduce the demand for labour and lead to a 'shortage' of jobs. How can we unlearn this habit and pay more attention to the alternative way of enjoying the fruits of productivity growth, which is to work less and live more?

Changes in the duration and pattern of working time impinge on the distribution of income, the division of labour and the balance between the business, public, household and voluntary sectors of the economy. They cannot simply be imposed: they would have to be negotiated and agreed by all concerned. But if, as seems plausible, perpetual growth is a way of avoiding or alleviating conflict among competing sectional interest groups, what will happen when this safety valve is closed? Public finance could also present problems. In a growing economy, governments can cut tax rates, whether for ideological reasons or in response to competitive pressures, and still maintain or even increase total tax revenue. But how will they cope in a steady state?

To reduce the risk that restrained growth will provoke social strife and fiscal crisis, political exhortation and agitation would never be enough. The work-income nexus needs to be radically reorganised. A key step is to replace the existing social security system by a Citizen's Income (CI): a recurrent, tax-financed money transfer payable on a lifelong basis to every individual member of the community, each in his or her own right, with no means test and no work test.

Thus defined, CI could be paid on any feasible scale, from a purely token amount up to the highest level that can be permanently sustained. Clearly, however, the official poverty standard, inscribed

in current social security schedules, marks a critical threshold. Only if CI were paid on at least this scale would it be possible to phase out all or most social security benefits without plunging anyone into poverty. More generally, to make a real difference to people's work-life options, the scale of payment, graduated according to age and disability, would have to enable people to meet their basic needs, defined according to prevailing social norms, without having to participate in the labour market.

Would CI, on this scale, be viable? How would people use the enhanced freedom it brings? And would they be willing to pay the requisite tax costs? The short answer is: no one knows. It depends on the answers to four questions: Is the idea ethically defensible? Is it socially acceptable? Is it economically sustainable? And is it capable of mobilising enough political support to put it into effect? Though logically distinct, in practice these questions are interdependent.

Suppose, for example, most people – or at any rate, most jobholders – are addicted to getting and spending in the sense that such a lifestyle seems the only one which brings them necessary social esteem and personal satisfaction, the condition characterised by Oliver James as “affluenza”. Then even if the ethical case for CI is impeccable, any attempt to introduce it would have adverse consequences for business firms and the labour market. Since these would probably be anticipated in advance, it is most unlikely that any political party advocating CI would be elected to government in the first place. In these circumstances, economic progressives must play a long game, pursuing initiatives designed to change the prevailing culture and modify existing institutions in ways that anticipate the more distant future. This very much follows Gramsci's concept of “prefigurative struggle”, inserting elements of socialism into the cracks in capitalism. In this case, it would almost certainly mean settling for piecemeal reforms of the tax and social security system that fall short of the ultimate goal, but bring it closer to the horizon of political possibility. The consolidation of Child Benefit and the Basic State Retirement Pension into Junior and Senior Citizen's Incomes, respectively, is one example. Another would be the replacement of university tuition fees and student loans by a system of finance combining funding from general taxation, as at present, with an earmarked graduate tax. This would be levied as an additional charge on the taxable incomes of all working age graduates, including those who had gained their degrees in the past as well as future cohorts.

Persuading graduates to support such a scheme is a challenge of the same general kind as persuading well-heeled citizens to support CI. Say the aim is to raise enough revenue to cover tuition costs and provide undergraduate students with modest maintenance grants. Then most graduates would end up with marginally lower disposable incomes over the course of their working lives. On the other hand, students would be financially better off, market forces would be expelled from higher education and inter-generational solidarity would be strengthened. Moreover, once bedded in, the scheme could be extended to all forms of post-school education, including the payments currently made to encourage students to attend sixth-form. Thereafter, it could be converted into a Young Citizen's Income, establishing a bridgehead from which to engage with the problem of extending entitlement to the rest of the working age population.

But in fact we really have little idea as to whether James' affluenza virus is pandemic, epidemic or just a minority illness nor whether there are vaccines or treatments. This is why the distinction between project and policy is so important. The pace at which society will move towards a different order is hard to know in advance and policies have to be advanced which are politically acceptable in the here-and-now. At the same time, accelerated change can occur at moments that are impossible to predict but for which we need to be prepared.

Citizen's Income will become feasible to the extent that *homo economicus*, that benighted denizen of the neo-liberal universe, gives way to *civis socius* (and *socia*), the social citizen for whom, in Ruskin's phrase, “there is no wealth but life”. And reconstituting social citizenship calls for a suitably democratic system of finance and management. From this point of view, the best arrangement would be one in which Citizen's Income is financed exclusively by an earmarked personal income tax, with public services financed by revenue from other taxes – VAT, excise duties, corporation tax etc. An integrated tax-transfer system would be simple to administer, easy to understand, socially inclusive and fiscally disciplined. It would also open up the prospect of democratising the annual public budget and changing the terms of public debate, both about questions of distribution: who does what, who gets what and who decides what; and about questions of value: what things are worth having, being and doing.

With CI and income tax locked together in a self-contained system, proposals to raise or lower transfer scales and tax rates are bound to take account of the probable repercussions for the economy as a whole. Most people nowadays equate the ‘economy’ with the activities of business firms and public agencies – or even just the former alone. Likewise, when they think of ‘work’, they automatically form an image of paid employment. In what we might call a “Citizen’s Income Democracy”, unpaid work in the household and voluntary sectors of the economy would finally enter the framework of social accounting. And this in turn would facilitate efforts to establish a multilateral system of policy negotiation covering all aspects of social reproduction, involving all relevant stakeholders and providing a regular procedure for steering the economy, managing conflict and building a post-materialist civilisation.

## **Social Ownership**

Historically, the question of ownership became the defining feature of twentieth century socialism to the point where it pretty much excluded all other aspects. Moreover, ownership under socialism came increasingly to mean central government-controlled state ownership, literally nationalisation. The problems with this definition of socialism were clearly seen in the 1970s, as nationalisation came to mean a combination of last-ditch and usually doomed efforts to revive failing capitalist enterprises and an increasingly bureaucratic tendency in established state industries. The neo-liberal response to this was privatisation and deregulation, to which the increasingly beleaguered labour movement had no answer other than to defend the ailing status quo.

As part of the democratic left project, ownership has to be placed firmly back at the centre of political action; not as a series of state acquisitions but as a carefully conducted process of giving people greater democratic control over the production of the means of their livelihood and well being. It is an essential feature of protecting society and the environment against the broader consequences of private control over key sections of the economy. Nationalisation was a major step forward at the time, imposing checks on the socially destructive effects of unregulated capitalism after the bitter experiences of the 1920s and ‘30s, but it was not social ownership. State-owned enterprises were not subject to democratic control by their workers, customers and the communities in which they operated. They rarely exhibited the ruthless dynamism of private, exclusively profit-motivated private business. They tended in this sense to combine the worst of both public and private worlds. As their shortcomings became increasingly apparent, change was inevitable.

In the 1980s, privatisation of state and municipal assets was promoted as the key to greater economic efficiency. It also brought substantial windfall profits at huge discounts for those lucky enough to have the capital to participate. The collapse of state communism after 1989 seemed to be the final nail in the coffin of nationalisation and, by extension, of socialism itself. The largely symbolic campaign to repeal Clause 4 of the Labour Party constitution summed up this shift. However, the economic benefits of 1980s privatisation are highly debatable. In the electricity sector, for example, cost savings estimated at about 6% were effectively given away in profits, and have to be set against the destruction of the coal industry and the very rapid depletion of British gas reserves. But New Labour’s acceptance of the ideology of Thatcherism has meant that far from carefully analysing the pros and cons of privatisation, the government has plunged further and further into it. It has barely bothered to justify such measures, whether in terms of economic benefit or even short-term electoral bribes. It is able to do this without more than defensive, sectional opposition because, in effect, the issue of social ownership has been removed from the political agenda.

The unhappy saga of Northern Rock is illustrative. Once it was a small, provincial mutual society which provided a useful service its members. They saved on a regular basis and once they had acquired a sufficient base, the society offered a long-term mortgage at interest rates a little above that paid to savers. Such institutions proliferated throughout Britain well into the twentieth century. Now it can be argued that the building societies were conservative and often discriminatory. They lent to ‘respectable’ couples, either married or soon-to-be and were notably snuffy about any deviation from this social norm. They were also, of course, agents for the better-off, at best serving the skilled working class. But they did a useful job.

In the mania for privatisation, the de-mutualisation of building societies was accepted as just another obvious practice. Windfall cheques dropped through the letter-boxes of many, surprised savers and the new-formed ‘banks’ were either swallowed up by larger fish or set on an aggressive programme of expansion to prevent such absorption with the subsequent loss of high-paid executive posts. Expansion required borrowing short on international markets to lend long on domestic mortgages, a practice lauded by City analysts in comparison with the old fuddy-duddy style. Then came the crash with the results we all know. The most striking aspect was New Labour’s total bafflement at the outcome. They had never been told about this by their tutors from Goldman Sachs. The obvious solution, clear to the social-democrats in the Liberal Democrats, was to nationalise the hulk, safeguard depositors and wind the sorry mess down. Yet unable to place this into their political mindset, Brown and Darling hesitated month after month, searching for a suitable private-sector solution, unable to see that when Richard Branson is one’s only salvation it is time to look for the exit. Social ownership in any form simply failed to register until it was effectively forced on them.

Yet the issue urgently needs reviving. At one extreme, the necessary massive reductions in carbon emissions to mitigate climate change cannot be achieved without direct and stringent state intervention in a number of industrial sectors. This is most obvious in the electricity generation sector but is also likely to be required in transport. The current ludicrous situation of the rail network, effectively bankrupt and state-owned but pretending to be private, can only be resolved by a modern, more democratic and socially-aware form of re-nationalisation. The original privatisation and break-up of British Rail was, even by the standards of Tory privatisation, seriously botched. Just about everybody, outside the current government and the Tory ministers who oversaw it, agrees on this.

Even so, state ownership of enterprises because of their key role in the economy, the original reason for nationalisation, can only be a minor part of the overall project to transform ownership relations in this country. One of the many tragedies of 20<sup>th</sup>-century socialism was that an originally very wide-ranging set of ideas and indeed practical policies was compressed into a single big idea – nationalisation of “the commanding heights of the economy”, as expressed in Clause 4 of the Labour Party constitution. There were obvious and, at the time, apparently convincing reasons for this. The persistent under-investment in industries such as coal-mining and steel and in the rail network meant that the state was virtually forced to take them over in the post-war period, having already nursed them throughout most of the preceding two decades. The new network industries of electricity, gas, water and telecommunications would have been stillborn without direct state control, though the centralising tendencies of the British state killed off most local municipal involvement, still common throughout Europe. Alongside this, the apparent successes of the Soviet Union in industrialisation convinced much of the left, social democratic as well as communist, of the inherent benefits of centralised economic planning.

Nationalised industries pulled Britain through the post-war period and were an important part of the social-democratic settlement. However, this killed off all the other conceptions of social ownership that had been part of the development of socialism in Britain. A key example is the co-operative movement, which had its origins in the provision of decent food to the working class. Now generally seen as a minor group of old-fashioned supermarkets, the Co-ops attempted to develop a complete food chain, from agriculture through food processing and into their shops and customers’ homes. The aim was providing good-quality food at affordable prices, with ethical standards of production and delivery, and all profits returned to regular shoppers in the form of dividends. Now it actually seems a very modern idea. Similarly the idea of partnership groups, in which employees own the organisation for which they work, was once a key element of British socialist thought. It is now represented on any scale only by John Lewis, but it suddenly seems to embody much of the rhetoric of workforce empowerment espoused in recent years by fashionable ‘business gurus’.

Another casualty of post-war nationalisation was the tradition of municipal socialism in which local councils, directly and immediately accountable to their electors, owned and operated a range of local facilities from housing through energy and transport supply to support for local small business. The early 1980s saw belated attempts to revive a popular municipal socialism in such places as London and South Yorkshire. They were quickly suppressed by the Thatcher government, which clearly understood their popular appeal. Local autonomy was also viewed with great suspicion by the leadership of the Labour Party, which was no more prepared than the Tories to tolerate rival poles of authority. Whilst the well-publicised actions of Liverpool’s Militant council were used to justify this position, what is less

publicised is that it was a revolt against complacent and often corrupt right-wing local Labour leaderships that precipitated the general leftward shift in Labour councils at that time. Since 1997, the Labour government has, if anything, intensified control over local authorities by imposing even tighter financial and legal restrictions. The refusal of Gordon Brown to allow municipal financing of London's underground or any other city transport system is notable only by the catastrophic financial consequences of the collapse of Metronet.

Nationalisation also diluted the various powers of inspection, regulation and consultation won by organised workforces from their employers. There is a long history of such control going back, for example, to coal-miners employing their own checkweighmen at pitheads. But the practice effectively died out with the belief that the managers of nationalised industries would act in the best interests not only of the country at large but also of their workforce. In the private sector, strong unions preferred to conduct collective bargaining outside any joint worker-management industrial democracy structures. Again, there was a brief flowering of interest in various aspects of workers' control in the 1970s, but these were all crushed by Thatcherism and the later adoption by New Labour of the central idea that "business knows best".

There are many strands to the project of enlarged social ownership. They all need to be carefully thought through and given an appropriate democratic basis. However, in many areas of life the preconditions already exist. A small example of what can be done is shown by the enthusiastic popular response to the land reforms introduced by the Scottish Executive during the Lib-Lab coalition's first term of office. Now that local communities have the right of first refusal and can apply for public loans to buy privately-owned land when it comes up for sale, half the land area in the Western Isles is under some form of state or communal ownership. The next step is to establish community land rights in urban areas, building on efforts of local volunteers to reclaim the streets, restore derelict land or conserve green islands. Such ideas surfaced briefly in London in the 1980s, for example the Coin Street initiative, to resist the destruction of local communities by large-scale property development but were, ultimately, crushed.

Today, however, prospects are more favourable. For example, the idea of an ethical food chain based on social ownership is grounded in an already existing movement and could quickly mobilise widespread public support. Workforce partnership schemes or co-operatives are another example of radical but wholly practical initiatives. There are various plans for small-scale social development of urban spaces in, for example, the Permaculture network. The greening of energy supplies to housing and commerce is already on the political agenda, but so far with a dominant emphasis on individual action. Yet this is something which cries out for local municipal involvement carrying through democratically agreed local plans for carbon emissions in housing and transport. Nationalisation may be a largely discredited idea: true social ownership has hardly been tried.

## **Childhood Under Arrest**

How free was your childhood? Chances are, if you are an adult or even a teenager, it was a lot freer than it would be now. We monitor, organise, escort, restrain and fear for our children more intensively than ever before. We often keep them under virtual house arrest, only letting them out under our anxious escort, strapping them firmly in our cars and ferrying them to school, where we hand them over to the charge of another set of anxious adults. In the evenings or at weekends they are only allowed out with us or to attend activities organised by yet more anxious adults, then home again before darkness brings out another, even more fearsome set of threats and spectres. If none of this applies to you and your children, well good for you, but all the evidence is that you are in a shrinking minority. Or, by the standards of our current state of moral panic about children and childhood, you are likely to be judged a seriously neglectful parent.

Yet all this concern seems ineffective. Perhaps the most devastating accusation which can be levelled at our society is that it seems to be driving our children mad. To repeat: there are "*sharply rising rates of depression and behavioural problems among under-17s. This year, the British Medical Association reported that more than 10% of 11- to 16-year-olds have a mental disorder sufficiently serious to affect their daily lives. At any one time, a million children are experiencing problems ranging from depression to violence and self-harm. What is truly sobering is how abruptly these problems have*

*arisen. The incidence of depression in children was almost flat from the 1950s until the '70s. A steep rise began in that decade, doubling by the mid-80s, and doubling again since. The rises have affected both sexes and all classes, although children in the poorest households are three times as likely as wealthy ones to be affected.”<sup>43</sup>*

It seems probable that it is not just mental health that is at issue but also physical with one in ten of our children classed as clinically obese and a third overweight thanks to a combination of fatty, fast convenience-food and inactivity. Moreover the growing incidence of disturbed or troublesome behaviour has serious knock-on effects on children themselves, their families and communities. Some turn to drugs and drink; some get into trouble and earn themselves school exclusion or ASBOs; some get caught in the revolving door of local authority care, youth offending, detention and prison.

And of course all of this is carefully researched, documented and relayed to us by the media in a daily diet of terrifying statistics, reality TV shows about toddler or teenager taming, and individual or family human-interest stories of tragedy and loss. This torrent of trouble gives us further cause for alarm and anxiety, and that is without reckoning on the relentless hue and cry about paedophiles, the predatory monsters lurking at and around every corner. This particular moral panic is usually cast in the imagery and terminology of ‘stranger-danger’, when all the evidence is that children are most at risk of abuse of any kind from members of their own family circle, predominantly fathers and step-fathers and less often mothers and older siblings. In other words, the people they are anxiously huddled around against the outside world.

Why are we so worried for and about and by our children? It is certainly not proportionate to the real risks they face, which are actually less than they have ever been, with the exception of increased and faster traffic which has abolished the neighbourhood as a public space for children. Is it any wonder they are growing up worried and fearful, when, in addition to the real pressures, problems and anxieties they face, we are projecting onto them what we have elsewhere referred to as our own ontological insecurity, a generalised state of fear without specific cause? When we are so unsure about everything else, including our own futures, are we clinging onto our children as some source of hope for ourselves? Do they provide some sense of purpose to our own lives of aimless consumption, drudgery and stress. In ‘protecting’ them against the world, are we in fact also protecting ourselves from our own nameless fears? Are we using our children as human shields against these fears?

In previous sections we have described the last thirty years as being the history of a passive revolution, the advance of a neo-liberal hegemony which has swept away many of the supports built up over decades to sustain the mass of people against the constant unease and insecurity of the market dynamic. It is possible to describe this in quasi-economic terms but its heart is a shift in social circumstances away from any form of mutual solidarity towards the Hayekian ideal of individual ‘freedom’. In this world of competitive values there is no room for trust or cooperation. Translated into a child’s world it is easy to see how this becomes generalised into chronic fear. Trust no-one, especially anyone who offers any support or kindness.

The life created for children in this new world is a version of the one created for ourselves. It has, overall, higher standards of living, vastly greater opportunities for consumer expenditure, a greater range of apparent educational choice and a whole array of new rights and freedoms. But it is also one in which inequality, envy, competition, rivalry and suspicion have become the dominant motifs. ‘Big Brother’ really is set up to provide a distorted version of the social world in which children are required to live, turning social intercourse into a new game of losers and one eventual winner, all governed by an exterior controlling force laying down arbitrary and pointless rules.

It is no wonder then that, when they do finally break out of our smothering embrace in later adolescence, our children struggle to cope with the new temptations of sex, drugs and alcohol, delivered to them on an industrial scale by the new popular leisure-complexes of consumer capitalism. Then there is the ‘boomerang’ generation of young people in their twenties, finished with formal education and with little clear idea what to do next. Many are now saddled with rising debts from student loans and tuition fees. Moreover, they are often denied the traditional means of access to independent adulthood, with little immediate prospect of well-paid and fulfilling jobs, and excluded from home ownership by rising house

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<sup>43</sup> Jenni Russell, **The Guardian**, Tuesday September 19, 2006

prices. Some rebel against this process in ways which are both positive and negative, others retreat into the depression and mental disorder charted by the BMA.

The only children now allowed any freedom from adult supervision, any real independence, are derided as neglected or as even feral, the children of the underclass in what we might call (after the TV series) "Shameless Country". As they grow up and start to 'hang-out' like adolescents always have, exploring their own and each others' emerging personalities and possibilities, we call them yobs and ask our New Labour-approved neighbourhood wardens and community support officers to come and sort them out, move them on or, preferably, give them a New Labour-devised ASBO. We forget that these are adolescents just like we were, children in adult-sized bodies, practising their new abilities and desires, confronting their own fears and worries and often feeling overwhelmed by them, growth-spurting out of themselves and their clothes, waking up every morning and wondering who they've turned into overnight; and annoying, unsettling and challenging the adults around them – just like we did.

And that is the main point that we wish to make here: that our children are not so very different from what we were like. They have pretty much the same interests: playing, learning, the natural world when they're little; then as they become teenagers, music, sport, fashion, their own and their peers' budding sexualities, and usually mild forms of personal rebellion that help them establish their own individuality. They have pretty much the same basic needs too: food and shelter and pocket money, someone to rely on, to back them up and help them out when things get tough. Available and attentive adults to establish secure boundaries for them to bounce against, but also to encourage them to find their own way and eventually venture out into the world on their own.

What has changed dramatically in the last thirty years is childhood, the conditions we have created for our children to live and grow up in: the disappearance or privatisation of safe public places; the commercial exploitation of childhood sexuality; the ubiquitousness of fast junk food; advertising- and celebrity-driven peer group pressure for the latest fashion, Bratz doll, football strip or electronic gadget. These changes in children's social reality have been accompanied by greater and greater emphasis upon parental control to turn children not into model citizens but into model consumers. We have taken away children's freedom and independence, and imposed upon them a wholly new and generally unwarranted set of constraints, expectations and stresses. At the same time, adults have withdrawn into their own separate spheres of (over-) work, competitive consumption and private leisure. Parents are expected to give more and more 'quality time' to their children, to worry about them, to help them 'consume' education and to compete against others within this education; to warn them about all the dangers which face them 'out there'. Parents are constantly warned about failing in this task. One of Blair's blasts about the penalties for such 'failure' is worth repeating. "*We are going to have to say to some families before they get into serious law-breaking 'you are off the rails, we are not going to carry on supporting you through the benefit system unless you are in a proper structured environment with rules by which you must abide, and if you don't, your liberty is going to be increasingly constrained.' That is a very heavy thing to say, but that is what is needed.*"<sup>44</sup> There is little danger that Tony and Cherie will find themselves inside if another of their sons is found unconscious with drink, nor will the Windsor family have their state benefits withdrawn if another son puts on a Nazi uniform. But the warning to others is clear: shape up or face further impoverishment without the slightest hint that families may be going "off the rails" because of the social conditions under which they exist.

The project which we need to develop for children is to reinsert the social into their upbringing; to provide them with a social realm which is welcoming and supportive not a fearful jungle. We need to do this not to devalue the role of parents but to reinforce it, because at some point children need to go out into that social realm without fear.

The policies which might shape this project are complex and various. Let's take three specific examples of our moral panic about childhood and how they might be altered.

**"Playing out":** In the 1950s and '60s, children of all ages were routinely sent to "play out" for much of their free time. There were undoubtedly dangers and temptations in the streets and fields, but they learnt to look after themselves and out for each other. Why can't we do that now? The only serious new risk is traffic which has had enormous consequences in largely denying the streets to children as

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<sup>44</sup> Evidence to Commons Select Committee chairmen reported in Guardian, 7 February, 2007.

sites for play. It is not in principle difficult to calm traffic down or eliminate it altogether from residential areas. This is actually one of the few important new functions local authorities have taken on in recent years, and on occasions performed rather well. There are also some very good examples in other European countries, where – without being too starry-eyed about it – they still seem to like their children. It doesn't require loads of new, expensive facilities either. If anything, children and young people prefer to create and occupy their own niches within general public spaces (as skateboarding demonstrates). In the process they learn valuable lessons in co-operation, consideration for others and creative improvisation. But overall the trend in Britain is still the other way.

We've already talked about the so-called feral children of the underclass, who are allowed out and often end up in trouble because they're regarded as nuisances. Well, the curious thing is that at the other end of the social spectrum, the children of the upper middle and upper classes are allowed a comparable amount of freedom, at home and school or out and about. But because they are 'trustworthy' and resourceful and financially well-supported, and have the skills to deal with adults confidently and assertively, they generally stay well out of trouble, while still amongst themselves doing all the exciting things other young people do. They emerge into young adulthood wholly equipped to assume their time-honoured role of taking over the world. So there is, as always in Britain, a class dimension to this. It has become a feature of lower, 'respectable' bourgeois middle class life that children are kept under strict and deeply damaging control.

**Common sense on sex-abuse:** Our current state of moral panic on the sexual abuse of children makes a very interesting historical case study. It actually fits our basic historical thesis extremely well: that the resurgence of neo-liberal capitalism from the mid-1970s onwards has created all kinds of serious disturbances in our society and culture. One of the most noticeable is the blatant commercialisation of sexuality and the use of sex as a primary marketing tool, which confronts us with pornographic imagery on every screen, magazine and street corner. At the same time our sexual attitudes and practices remain firmly mired in deeper psychic complexes and much older, generally repressive traditions.

The sex abuse moral panic expresses our unease at the conflict between the reification and merchandising of sex – with a huge modern sex industry coinciding exactly with the onset of neo-liberal capitalism in the 1970s – and our puritanical sexual morality. This conflict between trade and taboo provides a material and ideological backdrop for our constant fretting about our children's 'loss of innocence'. There's another highly relevant material connection between sex and Thatcherism. The early-80s waves of factory closures and redundancies brought men into direct contact with their families and communities in a way previous generations of largely absent fathers never did. They carried with them, deep down, a set of inhibitions and prejudices about children, caring and women. Sent ignominiously home, their families had little idea what to do with them. This was an unaccustomed and uneasy intimacy.

The sex abuse moral panic emerged in the 1980s, primarily in Britain and America. It had three basic ingredients: first, traditional Anglo-Saxon prudery and prurience about sex, still largely intact even after the sexual liberation of the 1960s; second, an overlay of the more censorious anti-sex elements of radical feminism, specifically the currents of separatism that deemed "every man a potential rapist"; and third, the new religious fundamentalism that needed to see Satan everywhere and literally invented an epidemic of so-called satanic sexual abuse. This is not to deny that the sexual abuse of children takes place; that it may be associated with other bizarre behaviour among its perpetrators; that its effects can be deeply and multiply damaging; and that paedophilia is a thoroughly disgusting phenomenon. But there is no evidence that it is any more widespread than it has ever been.

Most sexual abuse occurs within families, as a consequence of generally inappropriate relationships, the freedom and power accorded to exploitative and inadequate adults, and – this being the most important factor – the relative weakness and vulnerability of children growing up in these situations. There are specific interventions that can be made to tackle these problems and genuinely protect abused or at risk children, primarily by enabling their families to function properly and learn how to look after each other appropriately. That's what children want: to be loved by the people they love. But in the prevailing atmosphere of hysteria around sexual abuse whipped up by a malevolent press, with department store Father Christmases forbidden to sit children on their laps, nobody is especially interested in practical solutions. Far too often, abused children are themselves punished by being placed

in the functional, sometimes abusive care of pressured local authorities. Real paedophiles are driven underground or onto the internet and the freedom of all children is even further curtailed by our over-anxious “child protection”.

As a matter of priority, we need to integrate men into children’s lives, as a caring, benign and necessary presence. Decently paid paternity as well as maternity leave should be extended; the right to flexible and well paid part-time work should be guaranteed. There is no reason why fathers cannot be as involved in caring for their children as mothers, and indeed, the quality time fathers spend with their children has increased dramatically though it still falls well short of that spent by mothers. Given the historical taboos against it, fathers need help and support in relating to their children, enjoying and loving them in their own distinctive ways. Positive discrimination should be practised in the recruitment and training of child carers and early years’ teachers, at least until 50% are men.

Above all, we need major socio-economic, cultural and attitudinal changes, to enable, accept and welcome the presence of men in their children’s lives. This was after all one of the central positive and constructive demands of earlier phases of women’s liberation. And there remains a common and justified sense of grievance about men “not pulling their weight at home”, which generally means housework. We have already referred to the need for changes in the work-income nexus and the work-life balance, which would facilitate more involvement by men in children’s lives – as fathers, grandfathers, carers and teachers, or just friendly neighbours – and would make our whole society a happier, pleasanter and at long last more “child-friendly” place. There is a central contradiction here. Many men desire more contact with children, their own and others and, in one way, this is encouraged under the heading of good parenting. But on the other side are the individualistic work- and consumption-driven pressures of neo-liberal Britain and populist suspicion directed against any man who has contact with children other than his own blood offspring. The point that we wish to emphasise is that this contradiction has not arisen as an isolated social issue but is at one with the other problems discussed here and springs from the same source.

**Testing times:** Under New Labour, schooling has turned into testing, as if you could fatten the pig by repeatedly weighing it. Our children are subjected to a battery of tests from the age of 3 upwards and in virtually every year of school. New measures are in the pipeline to conduct SATs and CATs even more often, but there is absolutely no evidence that the new testing regimes have improved the education our children are receiving. If anything, ‘teaching to the test’ is reducing the scope and the vitality of the school curriculum, disrupting the natural flow of education, wasting valuable time and seriously inhibiting the ability of teachers and students to explore issues and skills that don’t fit into the prescribed framework. Ultimately, test results very rarely tell teachers and students anything they don’t already know about their achievements and aptitudes.

And this is the point we wish to make here: that the testing regime imposed on schools by New Labour has nothing to do with the quality of our children’s education. It serves two real functions. Firstly, it graphically demonstrates the government’s basic lack of trust in teachers, like most public servants in our new business-state, to do their jobs properly. SATs and their like are a form of auditing and accounting regime imported from private business, where performance is judged by the quality and quantity of the ‘product’ and the profit it generates for owners and shareholders. These are both easily measured outcomes in a business setting, but they do not fit into the wholly different process of educating our children.

The second purpose of testing is of course to provide raw data with which to construct league tables of school performance. These similarly add very little to what everybody already knows about their local schools, whose results depend primarily on the social composition of their intake. League tables serve merely to introduce the semblance of market principles and competition into the school system which the middle classes use assiduously to reinforce the class composition (or as they more politely put it, ‘reputation’) of particular schools.

Ultimately of course it is children and young people who suffer from ‘teaching to the test’, by receiving an education that fails to equip them for life outside and after school. In particular, it deprives them of the serious critical faculties with which to investigate and if necessary challenge the world around them. Along the way, they are subject to the stresses and strains of sitting endless tests, often with parents hovering anxiously at their shoulders awaiting the results, and in increasing numbers paying for

extra tuition or going private to get them into the ‘best’ schools which are only ‘best’ precisely because the children of those able to live near the school or pay for extra tuition go there.

There is a deep problem here: how to eliminate the boost to a child’s life-chances provided by parental income. In the present social climate, it is a problem even to present this as a problem rather than an unalterable fact of life. Again we need to rely upon small steps to achieve a broader project. As a first step we would suggest the abolition of all external tests in school, apart from those taken when students leave school. Rely on teachers’ judgements of their pupils’ achievements and aptitudes, and on the evidence of the work the pupils themselves produce, to measure their progress and identify further learning needs and objectives. Allow teachers and students the time and the space to explore their interests, abilities and lines of enquiry. In so far as they enable judgements to be made about next steps and subject choices, external tests could easily be replaced by school exam results and portfolios of work taken through a whole school career. This could be supplemented by a proper system of teacher and student self-assessment. Of course, all such systems are subject to an inherent class bias but at least they provide for a flexible system capable of remedy. Above all, let’s start trusting teachers and liking children, and stop punishing them for the supposed general failings of our education system, economy and society.

## ***The Party Question***

There is more to politics than parties, but parties give politics its edge. Straddling the boundary between state and civil society, political parties perform certain core functions for which there are no real substitutes. They frame political choices and structure political competition; they aggregate interests and views, making elections more coherent and meaningful than they would otherwise be; they recruit and train political organisers and leaders; they produce disciplined parliamentary groupings without which it would be difficult to enact legislation or hold the government to account. By doing all these things, they help to legitimise representative democracy.

Political parties also perform certain other functions not unique to them. They seek to inform, educate and persuade the public; they provide a focus for social identity and allegiance; they offer channels for lay people to participate in public life. They create and manage links between otherwise disparate issues and social forces, and in the process create coalitions of mood and opinion. And in the past – though this is scarcely true today – parties rooted in the working class gave a voice to social groups who would otherwise have been excluded from national politics.

In all these respects, we are less well served by our parties now than during the golden-age of post-war capitalism. As parties have become more professional, their popular base has shrunk, while their links with the media and with professional political managers have grown. This would matter less than it does if the media showed some sense of social responsibility, but their infantile preoccupation with personality, sound-bites, splits, scares and sleaze trivialises and degrades the political process. Trivialisation is not just confined to the gutter tabloids either, but has also begun to infect all of the broadsheet and broadcast media. The use of professionals to weigh up public opinion in key swing groups and of centralised campaigning techniques using telecommunications and the internet has also largely eliminated any intermediary role for party members in elections save as wallpaper.

The apparent ending of the twentieth century’s political ‘wars of religion’ has also taken its toll, with waning party tribalism reflected in falling party membership, declining electoral turnout and an increasingly volatile pattern of voting. At the same time, thanks to the concentration of power in the hands of the leadership, political parties today offer scant opportunities for unpaid volunteers to express their aspirations and make a mark on the world. And since New Labour no longer seeks to contain capitalism and master the market, but instead projects itself as the natural party of business, the party’s traditional supporters – the organised working class and the liberal intelligentsia – have been rendered politically homeless. In the last century, the fact that both of the major parties were essentially coalitions meant that political debate and choice within them kept the two-party structure from becoming overweening. This was particularly true of the Labour Party with its competing and combative socialist and reformist wings. However, the effective elimination of this internal competition, again particularly inside the Labour Party, in the name of ‘electorability’ has meant that British first-past-the-post electoral system has become a major constraint on the role of parties as creative political forces.

This decay of parties as *social* institutions impairs the performance of their core *electoral* functions. Falling electoral turnout and the alienation of the poor are producing a skewed pattern of political participation similar to that prevailing in the US, where money and power walk hand in hand. There, the rich and the middle class are far more likely to vote than the poor and the working class, and the platforms of the main political parties converge. As the political battleground contracts, the techniques that parties use to poll or target voters and to communicate grow ever more sophisticated, while their messages and images grow ever more simplistic and manipulative, with generally baleful consequences.

Critics of first-past-the-post elections have long argued that they exaggerate the winning margin, handicap minor parties and force millions of citizens to choose between voting for no-hope candidates, voting tactically or not voting at all. Now a fresh charge can be added to the indictment: that the system encourages tactical electioneering in which parties effectively ignore most of the electorate and target swing voters in key marginals. This allows them to assign their dwindling band of foot soldiers to the ground-war in marginal seats, while the professionals fight the air-war in the media; but it corrupts the democratic process. Some Trotskyist critics of the former Soviet Union used to describe it as a “degenerate workers’ state”. We might characterise contemporary Britain as a “degenerate bourgeois democracy”.

The health of our political system is just one side of the party question we need to address; the other is the future of the democratic left. How can what is currently little more than a loose-knit, generally disgruntled body of opinion become a force to be reckoned with? To put the issue starkly, there are three possible answers: transforming the Labour Party, assembling a rainbow alliance around Labour, and founding a completely new party. Let’s consider each in turn.

For the Labour Party to become the party of the democratic left, it would have to repudiate neoliberalism and resist the temptation to revert to labourism. This would require an openness to ideological debate which has generally been absent. It would have to re-launch itself under a new name, something more than the marketing term “new” tacked onto the old one. It would have to reform its internal structure, reinvent its political culture and gear itself up for the strategic politics of the long haul, reaching out to social movements which share its direction of travel, while respecting their differences, and above all reconnecting with ordinary people and everyday life. It would also have to embrace the cause of electoral reform and announce its willingness, in principle, to form coalitions with other parties prepared to agree on certain priorities for government.

None of these things seems remotely likely. They run wholly counter to the party’s hundred-year history. Labour would have to become something utterly different from what it has become: a vehicle for carrying a small number of career politicians into parliament with the institutional support of special interests – originally trade-unions, now increasingly business. To some degree this has always been its function. It was, after all, founded precisely as a vehicle for the special interests of the trade unions and only acquired the full trappings of a political party after 1920.<sup>45</sup> But for about sixty years after that it did carry with it a significant part of the political process of developing and proselytising left political practice in Britain. The collapse of the national post-war consensus described above had particular consequences for the Labour Party as it brought with it an exposure of the bankruptcy of the ‘workerist’ strategy which had sustained nearly all of its socialist elements. In the desperate political struggles of the 1980s, one of the least edifying spectacles was that of the Labour centre and left turning upon itself in a suicidal feeding frenzy which led, ultimately, to the emergence of the Blair/Brown/Mandelson axis being given a free hand to reconstruct the party as a ‘modern, that is essentially authoritarian, political machine. In the process they effectively killed off the Labour Party as a political vehicle in the wider sense described above.

As a political organisation the Labour Party is moribund, but as an electoral machine constructed by this new axis it has a huge presence, largely obstructive to serious, progressive political change in Britain. Its membership organisations at local and national levels are aimless and demoralised, increasingly inhabited by people who have nothing much else to do but grumble amongst themselves for

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<sup>45</sup> An account of this can be found in M. Prior & D. Purdy *Looking for the Left* in [www.hegemonics.co.uk](http://www.hegemonics.co.uk)

much of the year, then spring to life with the approach of local or national elections. The party leadership relies overwhelmingly on the media and professional campaigning to communicate with the public.

In the absence of any effective challenge from the left – now a marginal if noisy force in the party – it is not going to abandon the positions that New Labour has staked out: an Atlanticist foreign policy; a neo-liberal economic policy; and an illiberal, xenophobic and populist stance on “homeland security”, law and order, social cohesion, immigration and multiculturalism. Disputes within the party are now reduced to leadership power struggles devoid of any real policy content. The contemptuous treatment by both the media of John McDonnell and his fellow parliamentarians, the one declared candidate for Labour leadership after Blair with at least some kind of alternative policy, is clear evidence for this. The fact is that there is now such control exerted by the central leadership over Labour Party activity, and such demoralisation amongst its remaining membership, that it is realistically impossible to mount any kind of political challenge to the ruling order from the inside. Arguably, the best way to force the Labour Party either to reinvent itself or die is to confront it from the outside, not least on the electoral terrain where since the 1920s, when it overtook the Liberals as the chief alternative to the Tories, it has effectively monopolised the votes of the centre-left.

Some would argue that Labour has never been a truly progressive political force, but there have been moments when the party has adopted genuinely progressive perspectives and, more to the point, acted upon them. Labour governments in the 1920s, the 1940s above all, and even the 1960s and '70s, made worthwhile and lasting improvements to British society, even if they all ended in disillusionment and recrimination. The important historical point is that these were periods of generally progressive change across our whole society and culture, which Labour governments were forced to reflect in their political and administrative practice. They were simply responding to the popular hopes and fears expressed by the various social movements and coalitions, the rainbow-alliances, of their day.

The idea of a rainbow-alliance appeals now to the very many people who despise party conceit and yearn for electoral reform in the hope that it will normalise alliance politics and coalition government and create a more grown-up political culture. But professional politics is a rough old trade, and coalitions that are little more than marriages of convenience based on parliamentary arithmetic have a habit of falling apart amidst mutual recrimination. Within our debased political culture, cross-party alliances tend to bring together opportunists and technocrats, whose only real common ground is distaste for democratic politics and the size of their own egos. The various Lib-Lab pacts of the last 30 years, which is what alliance politics usually amounts to in our parliamentary system, have been neither fruitful nor lasting. The last serious attempt to break the mould of Westminster politics, the 1980s Social Democratic Party, is an even more dispiriting precedent. However there are signs that in the devolved Celtic nations various forms of coalition politics are emerging. However there are signs that in the devolved Celtic nations various forms of coalition politics are emerging. The Lib-Lab coalitions which initially governed Scotland after devolution can take credit for some limited, but worthwhile achievements: notably, in resisting university top-up fees, introducing free social care for the elderly, combating religious sectarianism and enacting a modest measure of land reform. The recent shift to the Nationalists has been achieved by support of a small Green Party group together with adroit manoeuvring with other parties. But they have been working in a very distinctive political climate, quite unlike the rest of the UK, in particular a form of partial proportional representation.

Enduring and, more to the point, successful coalitions must either be bound together by some overriding external imperative – fighting for national survival, say, or recovering from national catastrophe – or be strongly committed to a common political project. A national emergency may of course trigger the formation of a hegemonic bloc: it is naturally difficult to keep inter-party hostilities at bay unless the problems facing government and society are of a high order of importance. Either way, the whole point of the democratic left is to unite diverse social forces and political groupings around a radical programme aimed at creating a happier, fairer, greener, more cohesive and more democratic society. We have no interest in some quick electoral fix or stitch-up between career politicians.

If any kind of rainbow-alliance is to take shape and succeed in British politics, it will need a genuinely new set of political perspectives and practices, including forms of organisation and action usually considered the preserve of political parties. It will require some kind of co-ordination to link its separate components. It is difficult to believe that a new political party of the democratic left could hope

to succeed. What is really needed is some form of coalition of all the various components of the left outside the Parliamentary Labour Party with aim of devising a new democratic strategy to oppose the current market-based ‘common-sense’.

The elements of such a coalition clearly exist both amongst smaller parties such as the Green Party and part of Respect and some of the various remnants of the old socialist left but also, and probably more importantly, including the various activist groups which have in the past ten years developed as the main forms of practical opposition to neo-liberal policies. These are centred around environmental activism but also include groups opposed to various kinds of attacks on welfare and the anti-war movement. There are also signs that some parts of the trade unions would support such a coalition.

It is doubtful whether such a coalition could make much electoral headway in national elections until some form of proportional representation is put in place. However local elections could offer much more fertile ground as the modest success of the Green Party and Respect as well as more local groupings has shown. More importantly, such a coalition could begin to reinstate what we have referred to as the social and cultural aspects of a left political party. In a way this harks back over a hundred years to the way in which various kinds of social democratic bodies coalesced to form the socialist parties of western Europe. But, to be brutally honest, the democratic left is proceeding from a comparably low base.

Ultimately, such a coalition would need to compete electorally and, although initial headway could be made locally, this means national elections. Until and unless Westminster elections are fought under some form of PR, it will be difficult for the democratic left to make headway against the logjam of U.K. parliamentary politics though it could succeed more rapidly in the Scottish parliament and the Welsh assembly. The nearest British equivalent to what we are attempting is the Green Party. It has taken over thirty years of incredibly dedicated activism to get to its current electoral strength, with councillors in a number of cities, MSPs in Scotland, MEPs in Europe, and some realistic chance of electing an MP or two at coming general elections. However, the Green Party battled in a period when the national electoral issue was two-party dominance and when proportional representation seemed only largely irrelevant. The difference now is that the British political system is much more unstable both in terms of the nation-state itself and of general public attitudes to politics and politicians. Campaigning for a fairer electoral system could emerge as a centrepiece of a new popular and radical strategy rather than a disregarded constitutional add-on for policy wonks.

Any kind of significant political realignment requires several factors to come together and is therefore highly contingent upon sometimes transitory events. Opportunities missed may not recur. If several Labour M.P.s had had in 2005 the courage of George Galloway and stood in their constituencies as independent Labour on anti-war platforms it is possible that most would have won. This could have led on to the formation of a much wider and more resilient grouping than the ill-fated Respect. This is pure speculation but it is probable that any future realignment will also require public figures from various walks of life to take decisive and courageous steps which could lead to public oblivion.

We are left, then, with a project in search of a party or at least a new coalition. But the fact that the party question cannot, for the moment, be resolved does not mean that it should not be continually posed. Many thousands of intelligent, constructive, socially aware and well-informed people in Britain have no ready-made political home. If it is to avoid extinction, the democratic left sooner or later will have to form a new party. There may be little possibility of doing this under the existing electoral system. For the time being, though, we can campaign for electoral reform, engage in preparatory talks about our broad, strategic purposes, and encourage the ideological and cultural shifts we need to create a democratic majority for radical progressive change in Britain. If this pamphlet succeeds in promoting this process, it will have served its purpose.

## Epilogue

We are fully aware of at least one possible response to this pamphlet: that we are just the wreckage of a previous epoch, unable or unwilling to come to terms with the demands of a new global age. This may or may not be true: readers must judge for themselves. We all of us carry the burdens of our past, which shape the stance we take towards the present and the future. But those who refuse to learn from the mistakes of the past are doomed to repeat them. Amnesia is a disabling condition. To be cut off from your own past is to lack a future. If you don't know who you are and where you've come from, you are stuck in a perpetual present, incapable of forming long-term commitments, making forward plans or pursuing life-projects of any sort.

There is also a personal issue here, which touches all those of us who have taken part in the momentous political struggles of the past three or four decades. It is our responsibility to that new generation growing up in the world we have, in part, created. This is not a particularly new concern. Inter-generational dialogue and misunderstanding, co-operation and conflict have always been features of political life. The generation gap was a major theme of the culture wars of the 1960s. At the beginning of that tumultuous decade, Edward Thompson confronted an earlier generation that had fought a long and honourable battle against fascism but had, after the war, lapsed into what he called "quietism". Trapped between Soviet communism, revealed as the very opposite of the progressive socialism they had once admired, and a resurgent and aggressive American militarism, they had opted for a quiet life based on personal virtue. Thompson also saw a new generation refusing to acquiesce in this retreat into "quietism" and rebelling against the world they had been given. In 1960 he wrote an essay about their "rebellious humanism", and asked:<sup>46</sup>

*"And so this rebellious humanism stems outward from the offence which power gives to the personal – the offence of power against people with different pigment in their skins, the offence of power against people of different social class, the offence of the bomb against human personality itself. The anti-political find themselves once again in the arena of political choice. Because 'love' must be thrust into the context of power, the moralist finds that he must become a revolutionary."*

*It is not a junction that can ever be whole. It is more like a constant quarrel between morality and circumstance, which is perpetually resumed. But it is a fruitful quarrel which must not cease, or – between the pull of 'integrity' and the pull of 'necessity' – the drift of circumstances will have its way. And it is a quarrel which must engage the conscious mind and the whole will. From the intellectual today a particular dedication is required. It is in his capacity for utopian vision that men's will to change may be contained. If men are paralysed by the horror of their recent history, then it will do no good either to nourish horror or to turn aside and pretend that no horror is there..."*

*Can the new human nature which has formed beneath the orthodox snows express itself in positive rebellion? Can a new generation, East and West, break simultaneously with the pessimism of the old world and the authoritarianism of the new, and knit together human consciousness into a single socialist humanism?"*

In our times, our new millennium, there is also a new generation that looks at the world afresh. It sees, environmentally, a world grievously wounded, perhaps dying; socially and economically, a world in which the rich grow ever richer and more confident in their overweening power, whilst the poor live and die wretchedly. And culturally, forms and images are uprooted from their social contexts and beamed across the world, endlessly replayed and recycled, till they lose all resonance, significance and meaning. They see this world and don't much care for it. Some of them have already fought their own battles against what Thompson called "the offence of power" in Seattle and Genoa. Their protests are often incoherent, usually betrayed, and invariably condescended to by politicians happy to take up famine in Africa or the threat of climate change for a day or two. Sometimes their ideals are manipulated by the unscrupulous and the malign.

They deserve better. The future is theirs, but they also need a history to make sense of an otherwise bewildering present. We hope this obscure little book, and the democratic left we aspire to

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<sup>46</sup> *Outside the Whale* in **The Poverty of Theory**, Merlin Press, London 1978

form on the back of it, will reach at least some of them and sow seeds of understanding. Like E.P. Thompson before us, we have tried to name “The Beast” of our times , neo-liberal capitalism, and acknowledge it for what it is: at best a deluded form of market utopianism, at worst a voracious and malicious deformation of the human spirit, which promises endless riches and delivers worthless dust. We are not disciples of the One True Path. There is no one path to the good life, no single set of rules to be imposed, no single goodness. That is one of the mistakes which the left made in the past. But by explaining how we got here, and offering some signs and warnings, we hope to help this next generation find their own way to a better world. Perhaps we can take Thompson’s words as our own:

“Terrible is the temptation of Goodness” wrote Brecht. We have learnt what Wordsworth learnt before us: the good life is “no mechanic structure built by rule.” Socialism, even at the point of revolutionary transition – perhaps at this point most of all – must grow from existing strengths. No one – neither Marxist vanguard nor enlightened administrator nor bullying humanitarian – can impose a socialised humanity from above. A socialist state can do little more than provide ‘circumstances’ which encourage societal and discourage acquisitive man; which help people build their own egalitarian community, in their own way, because the temptation of Goodness becomes too great to resist. Socialism can bring water to the valley; but, as Brecht went on, it must give “the valley to the waterers, that it bring forth fruit.” What else is there to do?