

Heart-broken Britain

What is Labour's identity? For **Maurice Glasman**, it was lost during Labour's Fabian high water mark in 1945 – but can be found again in the real relationships and traditions of the Labour movement



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The pursuit of a more equal society through welfare and tax policy has dominated the central agenda of each of the three post-war Labour Governments. But this no longer provides the basis of a coherent or stable identity for Labour. Proposing the idea that the party would have gained a less estranged place in the affections of the people of England if only we had spent more money and pursued egalitarian objectives more explicitly is to confuse the issue. Labour is now identified with authoritarian public sector management, a contempt for Britain's workforce, economic profligacy and an elitist morality that failed to recognise the fears, hopes and concerns of Labour voters as much more than a sullen reaction to progress and globalisation.

Labour's identity was threatened throughout the New Labour years as the brittle rationality of its managerialism grated against the instincts and practices of the Labour movement, but at least we could say that the party was reasonable and quite sensible. Labour pursued a policy that led to the renewal of the welfare state and to devolution of power within the Kingdom, combined with greater freedom and protection for minorities. It was very Fabian and progressive in orientation, working within the constraints of globalisation and class fragmentation, and holding its own in terms of redistribution with any other government in the world. The Labour Party thought it had a record to be proud of: Sure Start, family tax credits, civil partnerships. You see how easy it is to sound like Gordon Brown: to sound like we're boasting when in fact we're heart-broken.

One cause of that grief is that while we were rational and sensible, capitalism was volatile and wild and we couldn't understand it or talk about it. We believed that we had a reciprocal relation with the City of London based upon growth and redistribution, but it turned out to be an abusive relationship in which the benefits and burdens were not equitable. This became very clear in the financial crash of 2008, the subsequent bailout and the terms of deficit reduction. The politics of the next ten years will be defined by the

consequences of this event in terms of the deficit it generated and our reliance on the City of London for economic growth. That is why Labour's fate is in many ways in the Fabians' hands, and the question of Labour's identity requires a strong revisionism from the Fabians. In the development of the Fabian tradition, a great deal of the technocratic rationalism that proved to be so brittle is to be found: a reliance on administrative methods to achieve virtuous ends and the ultimate abandonment of economic rationality to the market once nationalisation had failed.



Labour has become identified with an over-reliance on the state, a naivety about the market, and a hostility to democracy in the name of a justice defined as the equal treatment of each citizen irrespective of their identity and history. This is important because the coalition Government is explicitly progressive in form, and goes further by laying claim to traditions of the Labour movement such as the mutuals, co-operative groups and organised citizens, whom they claim to be the basis of the 'big society'.

Recapturing Labour's identity must begin with a re-evaluation of the 1945 Government, held so long as the high water mark of Fabian and Labour achievement. Their list of achievements would put even Gordon Brown to shame. It was the scale of this achievement however that wreaked havoc on the democratic practices of the Labour movement, which was left without power or function in the new political settlement. In the nationalised industries, worker participation was ditched in favour

of a managerial nationalisation in which trade unions had a necessarily antagonistic and subordinate role. The idea of a socialist commonwealth – in which organised workers had power in the governance of the firm and the city – was subordinated to a statist conception of fairness combined with a scientific conception of management. The triumph of Labour in 1945 was based upon the defeat of the Labour movement. It placed all hope in its continuing control of the state and moved from organisation to mobilisation at elections, from the good to the right, from democracy to justice, from reciprocity to fairness.

And then it got worse. The Labour revisionists of the 1950s, most notably Tony Crosland in *The Future of Socialism*, argued that the most important single value in the Labour tradition was equality. And so equality ceased to take its place in a cluster of concepts such as democracy, solidarity, reciprocity, liberty and courage and became the ultimate end. And further, the ends were everything and the means were nothing. The movement became meaningless and from then on all the Labour Party's energies were exerted in cranking up the efficiency of the state to deal with the whole range of human needs. This led those committed to equality and fairness to adopt an almost Maoist managerialism, in which permanent restructuring would make the fat thin, the feckless faithful and the degenerate capable.

James Purnell wrote that New Labour was "too hands off with the market and too hands on with the state". It is a crucial insight. When the financial markets collapsed, the bailout in September 2008 was the biggest single-payment transfer of wealth from poor to rich since the Norman Conquest, when King William laid claim to the freehold of the entire country. Labour identified the financial sector with progress and growth and its lack of an alternative driver, or of any significant growth in the real economy, meant that it could do no other than underwrite their debts and pay them off.

It was left to the Conservatives to point out that the state was too big, too bossy, too managerial; that



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Clement Attlee – part of the problem?

the workers should run services, that the co-operative tradition should be revived, that civic participation was a skill that required energy and training. When it comes to the big political argument – the financial crash and the deficit – Labour is adrift and hollowed out. The two are connected. The lack of a powerful, engaged labour movement in the running of the economy is linked to the exclusive reliance on the state, or the market, for the fundamental principles of economic governance. Mediating institutions played no role in New Labour's response to globalisation. Society played no role. The social played no role. That is a bad place for a socialist party to be.

But there is a great Labour tradition to draw upon, that has roots within the Fabian tradition before it was nationalised and then privatised, and within the Labour movement more widely. It has a richer language of place and loyalty, it places a stronger emphasis on work and skilled work as worthy of recognition and respect, it puts more emphasis on the democratic corporate governance of firms and the balance of interests than on state regulation. In short it rediscovers the truth about capitalism, which is that only organised people, people who have built relationships and are capable of sustained common action, can resist the domination of capital. In our pursuit of abstract ends that ceased to have

any clear meaning – equality, fairness, justice, rights – we lost our emphasis on relationships and practices that domesticated capital at source.

There is a fundamental choice before the Labour Party and it concerns the political economy. It needs to rediscover and then embrace the meaning of the Labour movement as the democratic resistance of organised working people to the commodification of their lives and environment. And it must do so without resorting to the state as the exclusive instrument of regulation but also turn towards a balance of power in corporate governance through the democratic representation of the workforce. It is about building a common good with others. It is about conserving as much as it is about changing. It is about regional banking; the extension of the City of London to all the citizens of London; democratic representation of the vocational life of the country in the House of Lords.

Labour can engage in one of its endless arguments about the priority of equality to liberty, of the priority of the right over the good, means and ends, of liberalism and communitarianism. Or it can view socialism as an ideology that strengthens society, in which equality is an active practice not an administrative goal. Labour's identity, as Tawney put it, must be that of the best hope of the people to live a life proper for a human being. ■