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**CURRENT AFFAIRS**

**ANALYSIS  
LABOUR'S NEW NEW JERUSALEM**

**TRANSCRIPT OF A RECORDED DOCUMENTARY**

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**Taking part in order of appearance:**

**Maurice Glasman**  
**Labour Peer**

**Sir Robin Wales**  
**Labour Mayor of Newham**

**Jeremy Cliffe**  
**Britain Politics Correspondent, The Economist**

**Polly Toynbee**  
**Guardian Columnist**

**Andrew Harrop**  
**General Secretary, The Fabian Society**

**DEVICHAND:** (*Music*) Nothing evokes the shared national spirit of England's industrial age more than this poem by William Blake, first set to music almost a century ago. "And was Jerusalem builded here?", he asks, amongst England's "dark Satanic mills." Blake's words have a special significance for the Labour Party. In 1945, Prime Minister Clement Attlee invoked his "New Jerusalem" when he launched Labour's proudest achievement: the creation of a Welfare State for the British people.

**ATTLEE** (*Archive extract*): I will not cease from mental fight, Nor shall the sword sleep in my hand, Till we have built Jerusalem, In England's green and pleasant land.

**DEVICHAND:** Attlee believed that central government planning had won the war, and so now it could secure the peace. He put his faith in the rational bureaucrats of Whitehall to provide a social safety net for all. The idea has defined the Labour Party ever since. But listen to these men, who work for the current Labour leader, Ed Miliband. They lament the failures of that New Jerusalem: the dark satanic mills gone, but replaced by degraded communities.

**CRUDDAS** (*Archive extract*): People have lost trust in our welfare system. I would suggest that the answers to our problems do not simply lie within Whitehall itself. The thousands of targets and directives to improve this and to stop that, the experts who know best which lever to pull - that can't be the beginning and the end of our answer.

**SEGUE:**

**STEARNS:** (*Archive extract*) The history of the labour movement isn't a history of statism, and of empowering a kind of bureaucratic centre in Whitehall. The history of the Labour Party is about a labour movement which is located in particular parts of the country which has always taken local activism, local solutions extremely seriously.

**DEVICHAND:** These voices are the gurus of a new circle at the top of the Labour Party. They're highly influential: in charge of writing the policies for Labour's next manifesto and crafting Ed Miliband's key speeches. And if you thought Labour would simply tinker around the edges of welfare, and reverse some of the cuts, you'd be wrong if this group had its way. Labour long ago jettisoned the idea that the central government could run industry. In this week's Analysis, we'll explore how this group also wants the central state to walk away from a top down model of welfare.

**GLASMAN:** The state is necessary, but as an external administrative neutral force it undermines relationships. It can undermine humanity.

**SEGUE:**

**WALES:** The Soviets learned in 89 that it didn't work. We still think we should run things centrally and we're one of the most centralised states in Europe.

**DEVICHAND:** Two more voices from the same influential grouping - this time removed enough from the Party top brass to agree to go on the record. They'll stay with us through the programme. First, Sir Robin Wales, longstanding Labour Mayor of inner city Newham in East London. He's emerged as a hero for those who want a new, new Jerusalem in terms of welfare.

**WALES:** I think the problem has been we forgot what it was originally set up for. It cuts people's legs off. It rewards people the more need they can demonstrate. It does things for people and that's a mistake. So for example on housing, if you come in and say, "I'm homeless, I'm in need," we've rewarded in the past, we've rewarded people. The more need they have, the more likely it is we'll support them. So you've got to show, you've got to prove that you can't do things. That's the wrong way to do it.

**DEVICHAND:** A Labour mayor who says the welfare system encourages the very idleness it was meant to stamp out. We'll also be hearing from Maurice Glasman, academic and outspoken Labour peer - who believes that while the 1945 Welfare Settlement might have eliminated extreme poverty, the overbearing central state has fatally undermined community.

**GLASMAN:** What you've got is a lot of people who are alone at home watching the telly and having maybe a couple of beers a day. That's no life, but they don't know what to do, where do you go. So that's why relationships are so vital. We flourish with others. Our life is not to live alone outside of relationships, but to find our fulfilment with others in a common purpose. We've got to reconstitute that in our welfare system and it's going to be a very big change to reconstitute just a sense of humanity between people. So people's experience often of the Welfare State is legalistic, contractual and inhumane and that's got to change.

**DEVICHAND:** So: a left-wing academic with a background as an East End community organiser, and an activist local mayor - also from East London. Does this new cadre of Labour thinkers have a name? They do, and we have met them before here on Analysis. Two years ago, when we introduced them to you as "Blue Labour" - very worried, back then, about the impact of immigration on blue collar communities. What has changed now is that those insurgent entryists are in the inner circle - for example, Ed Miliband's widely applauded "One Nation" conference speech last year was written by "Blue Labour" godfather Marc Stears. The Britain correspondent at The Economist magazine, Jeremy Cliffe, has known this crowd a long time.

**CLIFFE:** I think the whole movement has evolved over the last few years. Initially it was associated with the phrase 'family, faith and flag', rather controversially, which made it sound like a pretty right wing outfit, which I don't think encapsulates what it's about entirely. So it has moved on from talking about things like immigration, and I think now where it influences the Labour Party is on things like welfare and the structure of the economy and how the two relate to each other.

**DEVICHAND:** So, now they share an office with Ed Miliband. They have *influence*. But if they want *power* - to overturn Labour's proudest achievement, the 1945 Welfare Settlement - they still have to win the argument with this woman.

**TOYNBEE:** It's not the Welfare State that undermined those great Northern and Welsh communities. It was the collapse of industries. These places became hollowed out deserts with very desperate people and that was all about lack of jobs, industry, and the community falling apart. The idea that because they were given benefits to stop them actually starving, it's just the wrong cause and effect.

**DEVICHAND:** Polly Toynbee. The Guardian columnist who is almost royalty for the British left, her very name a byword for an entire strand of progressive thinking. Staunchly opposed to welfare cuts and instinctively hostile to the most radical and challenging insight offered by the new clique of Blue Labour thinkers. They say the Welfare State has, over the generations, actually corroded British society by allowing people to think it's okay to take, without first putting in. There's no "reciprocity" in the benefits system. That, says Maurice Glasman, is the first thing that needs to change.

**GLASMAN:** There's people who've paid in over a lifetime. I think that it's absolutely correct that they should be treated better than people who *haven't* paid in. But we have to be more generous in thinking about what contributes giving, putting in. People who look after their parents, people who care for their children - that's to be conceptualised as putting in. So not an exclusively money conception, but to honour people who fulfil their obligations to other people. That obligation, the duty, fulfilment of your duty to others should be the foundation of the new Welfare Settlement.

**DEVICHAND:** So you're talking about rewarding the right kind of behaviour ...

**GLASMAN:** Yeah.

**DEVICHAND:** ... but you are also talking about a rolling back of absolute entitlement to welfare? Not everybody gets it?

**GLASMAN:** Yeah, so the move has got to be from entitlement to responsibility. That's absolutely straightforward.

**DEVICHAND:** And what happens to those who *don't* put in?

**GLASMAN:** The key concept we use is incentives to virtue. To be good is good. And we have to build the system to reward people who are good. If you just take, if you don't treat other people well, from my point of view that's a bad thing and that's not to be rewarded, so we have to be judgemental.

**DEVICHAND:** And that means some people who don't behave well, who don't do the right things, will have their entitlements cut?

**GLASMAN:** Absolutely.

**DEVICHAND:** He's talking here about a "contributory principle" in welfare: rewarding those who pay in first. It's actually not a new idea; it was in the 1942 report by the liberal reformer William Beveridge, which was the blueprint for the original Welfare State. Does that help sell it to Polly Toynbee?

**TOYNBEE:** I think the idea of returning to a contributory system where you get more out if you put more in, it sounds great but it never worked. Beveridge could never get it to work. Most people who took out were on national assistance, had not paid in. Pensioners took out without having, right from the start, without having paid in. It sounds noble and right, but if it doesn't work it's a sham and a bogus policy and Labour shouldn't start selling ideas that it knows it can't deliver. With a contributory principle either you pay some people a lot more because they have contributed or you pay people on benefits now a lot less because they haven't. Well nobody really thinks that you're going to get people to survive on less than £71 a week on the dole. Are we really going to reduce people to absolute abject beggary in order to create a new system that won't really work?

**DEVICHAND:** Rather than singling out and punishing the undeserving poor, says Polly Toynbee, it's time to challenge the myths around welfare. To let the public know that most people receiving the dole are not, in fact, chronically unemployed or lazy; that they drift in and out of low-paid and temporary work. Sir Robin Wales, who runs Newham, the second most deprived borough in England, says the system nevertheless sends out the wrong messages. And in his patch, he's set about changing that.

**WALES:** It is not acceptable that generations of people live on welfare. It is not good for them, it is not right and it is not fair, and we have allowed that to happen. I'll give you an example. I had a kid come to see me. He'd been a child looked after, so you know we'd been looking after him. We gave him a flat. And he came to see me after five years in the flat - not working - and said, "I'd like a house now." We didn't care enough for that kid to get in there on day one and say, "Come on, you've got to work. You've got to make something of your life." We didn't care enough to care.

**DEVICHAND:** *(Music)* His solution: in his bit of East London, people like that kid are moved down the priority list for social housing - and those with a job are fast tracked. This "reciprocity" in the way benefits work is central to the new, new Jerusalem. But the vision doesn't end there. It's also about challenging the Labour Party's faith in central state planning. They want the government to - in many respects - put itself out of business when it comes to the Welfare State. Jon Cruddas MP, also from East London and in charge of writing Labour's election manifesto, recently gave a speech captured on YouTube - asking Labour supporters some tough questions about their party's record in government.

**CRUDDAS:** *(Extract YouTube)* Did we underplay the importance of relationships and trust between people that should lie at the heart of public services and public institutions? Did we use the market and the state as instruments of reform without a real transfer of power, ownership and responsibility to the people? Did we drift into becoming instinctive centralisers?

**DEVICHAND:** And Jon Cruddas' very close friend, Maurice Glasman, also rails against Labour's centralising instinct - epitomised, he says, by the philosophy of the Fabian Society, a coterie of highly educated socialists like Sidney and Beatrice Webb and George Bernard Shaw who gathered near the Strand in London. Their belief in the centralisation of everything has actually killed off the vibrant, working class movements that had taken root far away from the Strand, in Britain's old industrial heartlands before 1945, says Glasman.

**GLASMAN:** What happened, and this was the problem with the nationalisation model, so in the nationalisation model there was no worker representation. It was all exclusively based on scientific management. It was the triumph of the Fabians, let's say, and that's not necessarily a good thing. It was an exclusive reliance on the state to deal with all issues. So what you got was a labour movement that was active and alive in the lives of people, that became exclusively concerned with what the state was going to do. So we have to recapture some sense of power and responsibility in local places. That's absolutely vital to the story.

**DEVICHAND:** So wait. We need to shrink the expensive centralised Welfare State, and instead let a thousand voluntary associations emerge to run it. Are you thinking what I'm thinking?

**DEVICHAND:** *(to Glasman)* But what's the difference between that and say the Big Society - the idea that you know people out there can help through volunteering, through getting together to solve problems rather than the state doing it for them?

**GLASMAN:** Well the fundamental problem with the Big Society was there was no power at all to challenge markets, to challenge the rich. When I worked as a community organiser, it was always the same - living wage, pay people enough to live so they can honour obligations to their family. But the Big Society only sees a problem with the state, sees no problem with the market. Our position says both the state and the market represent centralising, administrative, concentrating forces that can dominate you, and the only way to resist that domination is through relational power. We used to call it democracy, but I don't want to go so far.

**DEVICHAND:** So whereas the Tory "Big Society" was pretty open to the free market - in much the same way as Tony Blair's New Labour was - this "Blue Labour" is about challenging big business - for example, by campaigning for a "living wage." And they don't necessarily want state spending overall to shrink; they just want the man in Whitehall to get out of the way and the man in the town hall to take over, alongside unions, faith groups, local clubs and the like. For them, Sir Robin Wales in Newham is a mayor ahead of his time.

**WALES:** The Soviets learned in 89 that it didn't work. We still think we should run things centrally and we're one of the most centralised states and a democratic state in Europe. It's nuts. We need to do more in terms of pushing power and responsibility and opportunities down locally, and I'd argue that if we're going to make the welfare state work there needs to be a much stronger local element where the community and the values of the community can be put to work. You cannot put something that meets an individual's needs, you cannot structure that from the centre.

**DEVICHAND:** The old Soviet Union's state planners are of course an easy target: they're not going to argue back. But Britain's Fabian Socialists are still very much around, Andrew Harrop is their General Secretary, and he says the new, new Jerusalem crowd are kind of missing the whole point of why the 1945 generation set up a centralised Welfare State in the first place, inspired by the great liberal academic William Beveridge.

**HARROP:** When he wrote the Beveridge Report, he wanted to move beyond an anarchic world where the provision you got was very dependent on either where you lived or you know what particular job you'd had, the set of entitlements you might have earned. He wanted a uniform, consistent system, so that it was based on your citizenship rather than more arbitrary factors, and there's still a lot of truth in that insight.

**DEVICHAND:** Or as Polly Toynbee puts it:

**TOYNBEE:** In the end you might get some councils who say actually we care more about our municipal flowerbeds.

**DEVICHAND:** In other words, not every doddering local mayor would run welfare like Sir Robin Wales does.

**TOYNBEE:** If you can find ways of devolving those benefits and using them more creatively to help those same people without actually taking money out of their pockets that they desperately need, I'm all for it. But I'm just a little sceptical about it becoming some greatism when it may be lots of good local projects but the state still has to be there to hold everybody's hand unless we're willing to see people thrown out on the streets and kids with no shoes.

**DEVICHAND:** For his part, Sir Robin Wales doesn't much appreciate this kind of talk. Nothing annoys him more than places like the Jobcentre, where he says they just tick the boxes when people come in, and never think about creative local solutions to joblessness. Decentralisation wouldn't create a race to the bottom, he says; it creates a race to the top.

**WALES:** The government's Work Programme is a disaster, and it's a disaster because it's designed by civil servants to be run nationally and you don't start with the employers. We go to the employers and say could we present people to you who are job ready, who are the right people you want? And the result is that not only do we get five thousand people into work; half of them are long-term unemployed, a large number are young people.

**DEVICHAND:** He's boasting here: under him the local council has set up its own network of "workplace" centres, helping local people get jobs, including when East London hosted the Olympics. There are no definitive measures of how their scheme compares to central government ones, but the bar isn't all that high: in the first year of the *government's* 5 billion Work Programme, only 3.5% of chronically unemployed people taking part found long-term jobs.



**DEVICHAND:** *(to Wales)* So you do your own “workfare”; you know trying to get people into jobs. But we have a whole central government machinery designed for that. We have Jobcentres, we have Welfare to Work schemes for the long-term unemployed. Aren’t you just duplicating functions?

**WALES:** Well I tell you what, don’t take my word for it. Go and visit Workplace and ask the people there what they think of Jobcentre Plus.

**DEVICHAND:** Right then - I decided to do just that. *(Fx: Workplace)* So this shop on Stratford High Street in East London has the look of a private recruitment office and in some ways it’s a bit like a Jobcentre, but the difference is this isn’t the central government running this; this is Newham Council. And you know that because there’s a picture of Sir Robin Wales, the local Mayor, shining down on us from a poster. This is Workplace and it’s their local answer to the problem of unemployment. *(to person taking part in Workplace)* So what was your experience of Jobcentre Plus?

**WOMAN 1:** I found it a bit dull and gloomy and boring. I didn’t feel that they’re giving you that guidance to get out and find work.

**MAN 1:** Jobcentres, in my experience, have always been crowded. Attention to detail such as phone mannerisms - I mean I had my own experiences of people hanging up while I’m having a one-on-one conversation at the Jobcentre. This was only last week.

**DEVICHAND:** Did you go to the Jobcentre? What did you think of them?

**WOMAN 2:** I did go to the Jobcentre. I walked straight out. The people there, they didn’t really look like they could help me. I had no advice on how to do it, no advice where to look. I would have done that myself personally. I was already doing what they were asking me to do.

**DEVICHAND:** Let me put it another way. What was the advantage of this place?

**MAN 2:** The advantage of this place is that it’s the personalisation. Basically he called us in for one-on-one interviews like on different days and he just kept on sending me job after job after job saying that there’s something available. They text you, they email you, and he’s always calling you up.

**DEVICHAND:** In Newham, some of the access to things like for example council housing are now tied to whether you’ve got a job. So if you’ve got a job, you’re higher up the priority list. It’s like sending a signal to you about getting housing. What do you think of that kind of thing?

**MAN 2:** I think in terms of that, I think it’s a motivation, ain’t it? If you don’t have the funds to be able to pay your rent, you don’t really deserve to have a house. I’m not saying it in a harsh way, but I spent about a year and a half basically you know always putting myself out there, travelling to several different places every time, marching up and down, going to interviews, getting rejected by interviews and everything, but at the end of the day I’m always there at the time, the place, wherever it was. And if

there are people who persist like that, yeah, I mean eventually you're going to get a job.

**DEVICHAND:** But that does mean that some people who don't have jobs won't get on priority for council housing. They might not get council housing. They'll suffer as a consequence.

**MAN 2:** Yeah, but at the end of the day if you keep trying eventually you'll get there.

**MAN 1:** The government needs to actually support people that are actually not time wasters standing up and working hard. And the government should pick these people and support them and identify the people that are not working hard and abusing the system and actually maybe introduce consequences for them, you know stop their benefits perhaps.

**DEVICHAND:** So that means some people will have money taken away from them. Some people will suffer as a consequence of this. Are you alright with that?

**MAN 1:** I think that's fair. I think in this country, you have to work hard. I mean look at the way we're going at the moment. I mean even the recent Queen's speech, she did say you know her priority and the government is for people to work hard.

**DEVICHAND:** **Let me just re-iterate: this wasn't a gathering of the local chambers of commerce; it was a crowd of the recently unemployed in East London, albeit hand-picked for us by Newham Council. I'd expected people around here to sound a very different tune, to mount a spirited defence of welfare entitlements. But then, it is among Labour's supporters that attitudes towards welfare have hardened most, according to figures just out from the Joseph Rowntree Foundation. Nowadays, half of Labour supporters say that a benefit cut would actually help people to stand on their own two feet - a big shift compared to a generation ago, when nearly half of them blamed social injustice for poverty. Maybe this is why "Blue Labour" ideas are getting a hearing, says Polly Toynbee.**

**TOYNBEE:** Labour feels it's in some trouble, that people have lost trust in the welfare system. The Conservative government has played a blinder. About the only thing they've done really, really well is undermining any faith in the benefit system, of persuading people that almost everybody on benefits is a scrounger and only hardworking people count. The idea that everyone could get a job if they would is what the Tories have planted so firmly in the national mind. After all, they've got the whole of the Tory press, the Sun, the Mail pouring out stories day after day with powerful anecdotes - that Mick Philpott is the example of the horror man with the horror family who ended up burning them all alive.

**CLIFFE:** I think it's a big issue for Labour.

**DEVICHAND:** **The Economist magazine's Jeremy Cliffe again.**

**CLIFFE:** A lot of Conservatives will tell you they've done focus groups and they get people to draw the average Conservative voter and they usually draw some

prosperous looking person in a pinstripe suit, and they get them to draw the average Labour voter and they'll draw a layabout on a couch wasting away their life and claiming benefits. And the Conservative Party is very happy to nurture this image. You'll notice people like George Osborne talk about the moral degradation of someone waking up at mid-day with their curtains closed, "sleeping off a life on benefits", as he puts it, when their next door neighbours go off and work hard early in the morning.

**DEVICHAND: And listen to this, from Prime Minister's Questions: where supporting the old Welfare State, became essentially an insult.**

**CAMERON:** *(Extract/fades up)* ... and the whole point of the employment and support allowance programme is that we judge those people who can work but need extra help and those who can't work who should always be looked after. I find it extraordinary that heads are shaking in the party opposite. I thought it was the Labour Party, not the welfare party.. [SPEAKER: Amber Rudd.] Thank you Mr Speaker.  
*(fades under)*

**DEVICHAND: Even in these days of economic downturn, welfare is seen as a dirtier and dirtier word, seen as causing social problems rather than solving them. The challenge for the party that created the Welfare State is how to respond to those sharp Tory jibes. And "Blue Labour's" strident slogans give them ammunition. If you don't give, you don't get. The central state needs to shrink, so society can be revived. But it isn't going to be easy to get such ideas past the rest of the Labour Party, says Jeremy Cliffe of The Economist.**

**CLIFFE:** I think it's a challenge to the Labour Party, this thinking, because it involves thinking very differently about the role of the state, and it involves a departure in some ways from the post-1945 settlement to which we've all become accustomed over the last years. The Attlee government, Labour's perhaps most venerated and mythologised government, set in place a Welfare State which involved the benevolent state pulling levers, transferring wealth from those that had it to those that didn't, and this involves moving on quite dramatically from that. And I think there are many in the labour movement, perhaps understandably those who have worked in the Welfare State, who see their constituents dependent on support in various forms from the Welfare State, those who are close to the Trade Union Movement which is obviously rooted in the last fifty or so years of British political economy who are not comfortable with this. For these people, it's a very threatening prospect - the idea of recalibrating the economy to make the Welfare State less necessary, to make it in some ways less essential.

**DEVICHAND: And Polly Toynbee says in effect: Dream on Blue Labour.**

**TOYNBEE:** I think Labour MPs know so well, they are so rooted in their own communities, many of which are very poor, what can't be done. They know very well that you can't take money away from the very weakest and very poorest and they won't let it happen. So I'm pretty confident that this will end up being a creative policy with a lot of good ideas, that it will spark all sorts of things off, but don't let's imagine it's a new 1945 settlement.

**DEVICHAND:** Polly Toynbee. The 1945 Welfare Settlement defines Labour's sense of itself: it would take a bold leader indeed to challenge it. Even if he wanted to, would Ed Miliband dare to touch it? This intensely cautious politician once, remember, put himself forward against his own brother for the Labour leadership; and he has now surrounded himself with radicals, old friends of his from academia, whose dream of a new, new Jerusalem goes far beyond the benefits system to envision a more local Britain of self-help associations, where the central state shrinks out of the way. Maurice Glasman.

**GLASMAN:** The existing circumstance of the Welfare State does not leave people in the right place. They feel isolated and powerless and we need to give them some power, give them some skills, some access to capital and get busy. (*Music*) Become a busy and a brave people rather than a moaning and a kind of resentful one, I think is the way ahead.

**DEVICHAND:** Less state, more society?

**GLASMAN:** Well we are socialists, after all. (*Music up/final flourish*)