

Beyond Revisionism

New Labour, socialist basics and the dynamic market economy

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Since his election as party leader in June 1994, Tony Blair has enthusiastically set about building a New Model Labour Party. In a sense, his prospectus represents only the final ceremony in a long and arduous process: the so-called 'modernization' of the Labour Party. The forced march to modernity had set out from the electoral ruins of 1983, and it continues to bear the marks of its genesis in that catastrophe. Under the aegis of the Shadow Communications Agency, Labour's development – in particular, during the Kinnock years – came to be largely determined by the electoral imperative. Labour's very survival, the communications moguls argued, required it to *reform* in response to a psephological landscape that had been *transformed* by Thatcherism. An (allegedly) 'programmatic' party had now to become a 'positioning' party: 'attempting to corner as large a share as possible of the electoral market by fashioning policies which more closely matched public perceptions than those of competitors'.¹

Superficially, modernization was evinced by the 'Glitznost' of the image-consultants – the party came up smelling of roses and marching to the strains of Brahms. More significantly, it inspired a Policy Review which was finally to issue in a series of accommodations to the Thatcherite dispensation: the long goodbye to unilateral nuclear disarmament; resigned acceptance of privatization; embrace of the bulk of Tory trade-union law; and an unapologetic conversion to free-market capitalism in something very like its Thatcherite incarnation.² But this – often undignified – scramble for position was to prove largely self-defeating; it was all too transparent that Labour was losing its anchorage in any set of fundamental principles: 'It can be inexpedient to abandon principle for expediency, because it is hard to hide the fact that you are doing so, and everyone, Neil Kinnock included, knew that the Tories were right when,

to powerful effect, they accused Kinnock of that unprincipled abandonment'.³

Here is a clue to the specificity of Blair's project: posing as the *telos* capable of retrospectively dignifying what had looked for all the world like an undignified retreat in the face of the New Right, he is currently in the process of rewriting the scramble for position as the forward march of Labour towards a new programme for the millennium (most obviously, via the recent redrafting of Clause Four of the party's constitution). Thus, a celebratory editorial in the *Guardian* greeted Blair's ascension to the leadership with the proclamation that this event symbolized the party's final deliverance from the 'lunacies and irrelevancies of the early 1980s' (i.e. the long shadow of Bennism), under a leader articulating 'a clear, consistent and persuasive vision of what a new Labour project can mean in the 1990s'.⁴ The dusk of Kinnockite modernization having drawn down, the Owl of Sedgfield had taken flight.

So, what is the content of Blair's 'vision'? To begin with, he demands an unblinking confrontation with the exigencies of new and difficult times. A transformed occupational structure has deprived Labour of its social and electoral base in the (manual) working class (class and partisan de-alignment); the integration of the global economy has placed severe inhibitions upon the freedom of strategic and programmatic manoeuvre of national labour movements, as well as sounding the death knell for the sort of Keynesian economic strategy that had sustained labourism in the immediate postwar period (capital global, Labour gobsmacked); and the collapse of historical Communism has accelerated, and supposedly validated, a near universal conversion to free-market capitalism (the 'End of History').

Given a bleak assessment of socialism's results and prospects, it might be anticipated that Blair would

conclude that his party's survival demanded a full and frank admission that socialism (as well as old-style labourism) had now been discredited, and was therefore irrelevant to the 1990s. But no. Blair denies that there is any tension between the electoral imperative and the reassertion of a radical socialist prospectus rooted in the traditional principles of the Left ('true socialism'): 'There is no choice between being principled and unelectable and being electable and unprincipled ... we have tortured ourselves with this foolishness for too long.'⁵ The completion of the modernization project, then, demands neither more nor less than a rediscovery of socialist basics.

The principle from which the left builds remains the same: a belief that we are members of a community and society as well as individuals alone and a conviction that it is, in part at least, through acting together, collectively, that individual freedom and aspiration are advanced. That is the principle from which notions of social justice and equality gain practical strength.⁶

But, while the principle remains the same, or so Blair argues, it is necessary to liberate it from the 'outmoded' policy commitments with which it has somehow become entangled. Currently, for example, socialist principle dictates the abandonment of the supposedly discredited commitment to 'common ownership' contained in Clause Four of the party's 1918 constitution, in favour of a modernized clause signalling a passionate commitment to the 'dynamic market economy'.

The radiant ambiguities of 'community'

So, which principles underwrite New Labourism? Are they, as Blair alleges, 'traditional socialist principles'? Consider the cornerstone of this reconstructed labourism: invocation of the spirit of community. Surveying the wreckage of neo-liberalism, New Labour seeks Britain's salvation in a social reconstruction guided by, and conducive to, the resurrection of community and the reassertion of the 'solidaristic virtues'. But what, precisely, is meant by 'community', and how is it proposed to rebuild it? In a well-received address to his party's 1994 conference, Blair declared that 'community is not some piece of nostalgia ... it means what we share ... it means working together ... it is about how we treat each other'.⁷ Yet Blair's efforts at clarification – here as elsewhere – sow their own harvest of ambiguities. Most obviously, the question arises of who *we* are, and of what it is that we share.

Thus, in a recent discussion of *Modern Conservatism*,

David Willetts has argued that 'community' is in fact a Tory value. Yet for the New Right, the reaffirmation of the spirit of community is not only compatible with, but actually requires, free-market capitalism: (neo-)liberal capitalism is *what we share*. Responding to that 'nostalgic labourite socialism' inclined to doubt the New Right's concern with community in the light of the devastation of working-class communities over the past two decades, Willetts proclaims that communities merit our allegiance and protection only in so far as they 'embody the deeper traditions and values of *our* society' (business communities evidently do; mining communities presumably do not).⁸ It is tempting to conclude that the appeal of 'community' will all depend upon which community we have in mind, and on what our other values are, and therefore that the concept is bereft of any *intrinsic* normative purchase: 'It is possible to agree that good communities are good, whereas bad communities are not so good.'⁹ This, however, would be too quick. The architects of New Labourism are concerned with 'how we treat each other'. Not just any form of society will qualify as a community, but only one that is animated by those solidaristic virtues: in the words of the American sociologist Etzioni (who has directly influenced the development of New Labourism), 'community' is characterized by rather more in the way of 'caring, sharing and *being our brother's and sister's keeper*'.¹⁰

If the problem is to change the way people relate to one another – from instrumentalism to solidarity – then how is this to be done? In particular, will such a transformation of individual motivation not require the transformation of those economic and social structures which mediate interpersonal relationships? For academic communitarians – MacIntyre, Taylor et al. – the answer will surely be in the affirmative. They have argued – *contra* liberalism in general, and social contractarianism in particular – that 'the individual' is a social construction. If this is so, then changing the individual will require social reconstruction. Only via fundamental social change could the emaciated form of *homo oeconomicus* be (re)enthused by the 'spirit of community'. Certainly, it would be spectacularly wrong-headed to try to sell community to the unreconstructed rational utility-maximizer. And yet this is precisely what New Labour is currently attempting to do: *individuals ought to embrace community because it is in their own self-interest to do so*: enlightened self-interest dictates the acquisition of the solidaristic virtues.¹¹ The problem with this is transparent: to admonish people to care and share as a means to the advancement of their own interests is barely coherent.

A principle of charity suggests an alternative reading of this injunction – one which rescues it from incoherence, but leaves it light years away from any recognizably socialist principle: *pay taxes in order to secure adequate collective provision of social services because it is in your own self-interest to do so*. Addressed to the better off, this argument is designed to appeal to those government ministers incommode by the homeless on their way to the opera; addressed to those who depend on some public services (say, health and education), but do not anticipate making use of others (say, social security and public housing), it argues only in favour of supporting those services that are used. Indeed, it is in the logic of arguments of this kind that the optimal solution for the self-interested individual is to benefit from good public services, but to contribute nothing towards their provision ('free-riding'):

To appeal to the self-interest of the majority (dressed up as an interest they have in common with the poor) as a central reason for relieving the poverty of that minority may work electorally ... that depends ... on whether they will reckon that higher taxation is a smaller price to pay for their own health and security than what they'd have to shell out on BUPA, improved anti-burglary systems, a house in the suburbs, and so on. But, however they figure these sums, inviting them to consider the issue primarily in that framework, under a pretence of common interest, is a cop out at the level of principle.¹²

Socialist principle says that we eliminate poverty not because it is in our own interests to do so, but because we *ought* to do so whether it is our interests or not. House the homeless because they need housing, not because they are a threat to public safety.

If the attempt to market community to the unreconstructed utility-maximizer is, at best, a deeply anti-socialist enterprise, and if, as academic communitarianism implies, transforming individual motivation presupposes social reconstruction, then the question arises of whether or not community is necessarily an *anti-capitalist* (and not only an anti-liberal) principle. Unfashionable as it may currently be, there is surely nothing very provocative or surprising in the assertion that socialist values are incompatible with capitalist economies. As Cohen argues, the principle of community simply is an

anti-market principle according to which I serve you not because of what I can get out of doing so but because you need my service. This is anti-market because the market motivates productive

contribution not on the basis of a commitment to one's fellow human beings and a desire to serve them while being served *by* them, but on the basis of impersonal cash reward. The immediate motive to productive activity in a market society is typically some mixture of greed and fear.¹³

Some familiar objections to this sort of proposal are entirely beside the point. Neither the judgement that free-market capitalism is the most efficient of all available systems of production, nor the lack of any clearly articulated alternative economic strategy, nor the poor electoral prospects of radical socialism, have any bearing upon the question of whether community is an anti-capitalist *principle*. Blair's enthusiasts need to be reminded that there is a world of difference between saying that socialism (or any left-of-centre alternative) is undesirable or impossible, and concluding that whatever it is that they want and think possible is *eo ipso* socialism.

A more credible objection points out that disinterested concern for the well-being of others is common enough within market societies. Certainly; but, as Cohen proceeds to point out, this does not bear upon the socialist (and not only socialist) critique of the capitalist system: 'People can operate under a sense of service even in a market society, but, in so far as they do so, what makes the market work is not what makes them work. Their discipline is not market discipline'.¹⁴ If people were entirely motivated by a 'sense of service', then the market would be redundant. But, surely, capitalist markets can coexist with an invigorated sense of community – for example, the market principle governing wealth creation and the community principle supporting (some) wealth redistribution? Again, this is true enough, but beside the central point: coexistence is a quite different thing from reconciliation. The proposal that the spirit of community should be confined to those areas of social life beyond the frontiers of the marketplace brings to mind a well-known passage from Marx's *On the Jewish Question*:

Where the political state has attained its full development, man leads, not only in thought, in consciousness, but *in reality, in life*, a double existence – celestial and terrestrial. He lives in the *political community*, where he regards himself as a *communal being*, and in *civil society* where he acts simply as a *private individual*, treats other men as means, degrades himself to the role of a mere means, and becomes the plaything of alien powers.¹⁵

Of course, any left-of-centre party will require not only a set of basic principles, but also a credible

prospectus for government: the abolition of capitalism – within the lifetime of a parliament – is (to put it mildly) not an option. But it does not follow from this that the Left should *embrace* market capitalism to the extent of arguing that it is a *means* to the realization of the basic principles of ‘true socialism’. An anti-capitalist party is not prohibited from allowing that capitalism is (currently, and perhaps for the foreseeable future) a *necessary evil*. After all, this is neither more nor less than Adam Smith had been prepared to argue. Aside from securing consistency between socialist principles and a political strategy, requiring accommodation to an inhospitable conjuncture, this approach would have a number of advantages. In particular, the articulation of a critique of capitalism might provide a basis in principle for defence of the welfare state and opposition to the privatization of the public utilities, while concentrating socialists’ minds upon the Left’s central dilemma: the development of a credible alternative economic strategy. Once again, Cohen goes to the heart of the matter:

The large fundamental values help to power (or block) the little changes by nourishing the justificatory rhetoric which is needed to push (or resist) change. Fundamental socialist values which point to a form of society a hundred miles from the horizon of present possibility are needed to defend every half-mile of territory gained and to mount an attempt to regain each bit that has been lost.¹⁶

Social justice and dynamic markets

New Labour is not a socialist party, but nor does it signal the long-postponed triumph of Gaitskellite revisionism. This is the case for two reasons at least. First, in the 1950s the argument in favour of the replacement of Clause Four of the 1918 constitution was premised upon the claim that the postwar humanization of (domestic) capitalism via Keynesian demand management offered an alternative to further nationalization for the realization of Labour’s traditional objectives (by securing full employment, for example). Times have changed. There is a clear difference between surrendering (allegedly) redundant weaponry in the aftermath of a (pyrrhic) victory for labourism – the humanization of capitalism – and doing so in the wake of a series of catastrophic defeats – the dehumanization of capitalism under the superintendence of the New Right (from ‘we have an alternative’ to ‘there is no alternative’). Second, the Gaitskellites sought further change that was undeniably consonant with Labour’s traditional values: in particular, a progressive equalization of wealth through redistributive taxation. As signalled by the draft for a

modernized Clause Four, and made all but explicit in the *Report of the Commission on Social Justice*, New Labour has abandoned any serious commitment to a fundamental redistribution of wealth: ‘[the Report of the CSJ] may have lasting historical significance as the document in which the left (*sic*) finally surrendered in the battle against inequality of income and wealth ... the closest the opposition gets to espousing a radical redistribution of wealth nowadays is to enclose Littlewoods pools coupons with copies of the *Labour Party News*.’¹⁷ The Blairite pejorative ‘Old Labour’ embraces Crosland and Gaitskell, as well as Livingstone and Benn.

Prior to examining New Labour’s conception of social justice, it is necessary to say something about its economic strategy (or, rather, its lack of any alternative economic strategy) – if only because, reluctant to raise taxation in order to redistribute resources and finance improved social services (‘there are’, Blair tells us, ‘different and better ways of redistributing power and wealth than simply taxing some people and giving that to others’¹⁸) it is depending upon economic growth to ‘deliver people from the tyranny of poverty’ and to secure for all ‘the opportunity ... to work and prosper’.¹⁹ Denying that it has entirely capitulated to the economic orthodoxies of the New Right, Labour is currently struggling to distinguish its vision of the ‘dynamic market economy’ from the ‘crude’ free-market dogmas of the Tories. So what, if anything, does distinguish Labour’s approach?

At most, this is a difference of degree, and not of kind: a passion for training and education offers to make good the supply-side promises reneged upon by successive Conservative governments; a more interventionist approach to make good the interventionist promise reneged upon, in particular, by the President of the Board of Trade. No fundamental change of economic direction is proposed. In particular, Labour has abandoned the goal of full employment for the embrace of the anti-inflationary strategies of the New Right – a capitulation which was starkly illustrated by Labour’s commitment to retaining the pound (on steroids) within the ERM. Noting that this rendered Labour’s economic programme ‘virtually indistinguishable from Mr Major’s’, the *Guardian* pointed out at the time that this anti-inflationary strategy depended upon mass unemployment for its effect: ‘The ERM will mean low inflation but it also guarantees unemployment of 2.5 million or above for the foreseeable future.’²⁰ Writing in 1990, the *National Institute of Economic and Social Research* concluded that ‘the economic policy differences between the two major parties are narrower now than they have been for about twenty years’. As



Shaw points out: 'Given the extent to which the Conservative Party has moved to the right during this period, nothing attests to the scale of the transformation Labour has undergone more than this convergence.'²¹ Aside from the fact that Labour's strategy also ran aground on the rocks of Black Wednesday – unable to deny that a Labour government would also have been plunged into economic crisis, the Shadows contented themselves with protestations that they would have handled their crisis rather better – nothing very much has changed, in this respect, during the past five years.

Given New Labour's lack of plans to interfere with the existing mechanisms which govern resource distribution – that is, to tamper with the free market – it is unclear that any other way of redistributing wealth and income is available to it, apart from 'taxing some people and giving that to others'. Convinced, however, that a commitment significantly to raise the tax burden of the better-off would be tantamount to electoral suicide, Labour is profoundly reluctant to rediscover its (sometime) vocation as a 'tax and spend' party – to employ the currently fashionable pejorative. At the very most, it now proposes only to squeeze the undeserving super-rich until their pips are just a tad on the sore side. In so far as New Labour has retained any commitment to the traditional value of equality, it has altogether abandoned the pursuit of 'a mythical equality of

outcome' in favour of attempts to engineer 'a genuine equality of opportunity'.²² In other words, it is proposing to make good another broken Tory promise by finally delivering Major's 'classless society'.

Thus, *The Report of the Commission on Social Justice* contrasts the 'Investors' Britain' advocated by its authors with the 'Levellers' Britain' still embraced by Old Labourites. The Levellers seek 'to achieve social justice primarily through the tax and benefit systems'²³ and, according to the Report, do so primarily because they have lost faith in the prospects of any alternative economic strategy: 'If the economic cake cannot be expanded', conclude the Levellers, then 'government's responsibility is to share it out more fairly.'²⁴ The Investors, on the other hand, believe that what is socially just is (fortuitously) conducive to economic improvement for the benefit of all:

Like Levellers, Investors seek to narrow, rather than widen, the gap between the richest and the poorest, and to ensure a fair and adequate benefits system. But while

Levellers seek primarily to redistribute income, Investors believe that the original distribution of life-chances is as important as secondary redistribution of income; they therefore seek first to redistribute opportunities – to earn, to save, to own.²⁵

Aside from the disturbing implications of the commitment to a benefit system that is both 'fair and adequate' – might benefits, then, be fair but inadequate? – the problems with the Investors' strategy are staggeringly obvious. To begin with, it is, at least, far from clear that a redistribution of opportunities to earn, save and own (the trinity of the Thatcherite Right) will do very much to promote social justice. So long as earnings remain grossly unequal (and there is little in the report to suggest any very serious commitment to narrowing income differentials), then so will opportunities (including to save and to own). Moreover, Conservative policies to extend opportunities for private ownership (in particular, the sale of council houses and the sale of shares in the public utilities), have hardly produced a more equal Britain. More fundamentally, it is clear that redistribution of life-chances requires the redistribution of wealth and income. Obvious as these objections are, they are not engaged by the report's authors. The Levellers' strategy is despatched by sleight

of hand. Recall that the Levellers' demand redistribution *via* the taxation system *because* they are pessimistic concerning the prospects for economic recovery. This strategy is dismissed, primarily, on the grounds that it underestimates the prospects for economic revival: the economic cake can be expanded, *ergo* the government's responsibility is not (only) to share it out more fairly – and not to do so at all in so far as this would require any fundamental redistribution of wealth and income. But, of course, the vast majority of those who remain committed to wealth redistribution believe *both* that there is a much better alternative to the economic strategy of the New Right, *and* that justice demands a redistribution of wealth and income. It is unclear what, apart from sheer disingenuity, might support the claim that resource distribution in 'Investors' Britain' would be significantly different from what it is at present, after nearly two decades of *regressive* redistribution of wealth and income under successive Tory governments.

Perhaps this is to miss the point that the authors of this report, and the supporters of New Labourism, defend equality of opportunity *as opposed to* ('arithmetical') equality of outcome. After all, as has often been pointed out, equal opportunity is not only consistent with, but also senseless in the absence of, substantive inequality: it is all about securing fair competition in a battle for unequal rewards. But how is this to be secured? A familiar answer is that it is sufficient that careers should be opened to talent: no one should be handicapped in the competition to acquire and sell scarce skills on the basis of their gender, sexuality, ethnic origins, 'class', etc. This is more or less the position of Blair and his cohorts, and it fully embraces a liberal conception of meritocracy. But while this is to be welcomed, ending such discriminatory practices falls a long way short of securing 'a genuine equality of opportunity', to take an obvious example, even if Eton and Harrow were to adopt model anti-discriminatory practices – and even if the mere fact of having attended one of the better-known public schools were no longer an advantage in securing access to some of the better careers – it would remain the case that the rich could purchase educational advantages for their children inconsistent with the principle of equal chances for equal talents. But New Labour is not even committed *in principle* to abolishing private education (or private health care). On the contrary, Labour's leader was swift to rebuke the party's education spokesman, David Blunkett, for audaciously suggesting that the shadow cabinet might be prepared to *consider* levying VAT on school fees and ending the charitable status inexplicably enjoyed by 'our' public schools. Indeed, the champion of 'Opportunity Britain' was soon refusing the courage

of his party's convictions – and forgoing an opportunity to show solidarity with his local community – by sending his own son across London to attend an opted-out and grant-maintained school.

It is clear that a genuinely fair competition for unequal rewards presupposes a substantial redistribution of wealth and income: the greatest barrier to 'getting on' is precisely a lack of access to these resources. But New Labour has not altogether given up on the redistribution of wealth. In the words of *The Report of the Commission on Social Justice*, the party remains adamant in its opposition to 'unjustified inequalities'. Indeed, Blair's modernized Clause Four commits New Labour to constructing a society 'in which power, wealth and opportunity are in the hands of the many not the few'.²⁶ But what, if anything, does this mean? Well, there are very few of the few ('there are top-rate tax-payers who are hardly in the super-rich bracket and I think we've got to be extremely sensitive to them'²⁷), and very large inequalities will continue to divide a many encompassing (virtually) everyone whose income is insufficiently large to outrage public opinion. (The bosses of the newly privatized utilities are, almost uniquely, a safe target for Labour's outrage.) Never in the history of the Labour Party, then, has so little been owed to so many by so few. In so far as any principle is discernible here, it is, according to the Commission on Social Justice, that unequal rewards will be justified wherever they have been (somehow) *earned*: 'a qualified doctor should be paid more than a medical student.'²⁸

There are problems with this principle which are obscured by the example of the doctor and the medical student. First, there is room to doubt that those with greater *inherent* talents (or *inherent* propensity for effort) should receive disproportionate rewards. If achievement is determined by good or bad fortune in the natural lottery plus initial social position, then it is extremely doubtful that subsequent advantages in the labour market have been earned in any morally relevant sense. Second, and relatedly, allowing that individual effort is to some degree determined by the individual's will, it remains true that the success of those efforts (and, therefore, their continuance) will depend upon the opportunity, assistance and encouragement extended to the individual. So, reward might begin to approximate to effort (given some initial endowment of talent) only once the conditions for 'a genuine equality of opportunity' are in place. And even then, success would be partly determined by inherent talents that the individual has done nothing to merit or deserve. Finally, and crucially, markets (not excluding 'dynamic' ones) do not distribute income and wealth proportionate to past efforts: a

principle of justice appealing to merit and desert is an anti-market principle.

Why so? Simply because markets allocate resources in accordance with the 'laws' of supply and demand. Of course, markets will often, perhaps typically, reward highly those skills and talents that are the most difficult to acquire. But such skills are not rewarded because of the efforts required to develop them: they are rewarded because they are scarce relative to existing demand. Quite obviously, it is possible to expend considerable efforts in developing skills that are unable to attract a price in the market, and to make very large sums of money selling 'talents' that cost comparatively little to acquire. The market does not care how you came by the skills and talents that you possess, or what intrinsic value they may or may not possess, but only whether they can be profitably exploited. *Equality, so understood, like community, is therefore an anti-market principle.*

Again, it may still be the case that substantial and undeserved inequalities will be *justifiable* given a commitment to other, non-compossible, moral principles and social goals. For example, it is often argued that the attainment of far greater substantive equality would require unacceptable infringements of individual liberty. Possibly, but notice three things here: (i) the only rights that need be infringed to secure significant wealth redistribution – assuming a democratic mandate for such a programme – would be those 'inviolable' property rights revered by libertarians; (ii) the maldistribution of wealth and power undermines the effectiveness of a whole range of other rights and liberties (we are all at liberty to speak, but it is the wealthy and powerful who tend to get heard); and (iii) lack of income and wealth directly affects an individual's negative liberty.²⁹ Few socialists doubt that equalization of wealth would require the infringement of neo-liberal property rights; but many have lost faith in arguments appealing not only to the value of equality, but also to the value of liberty itself – to redistribute wealth is to redistribute freedom (and unfreedom). To the extent that lack of money 'is (a form of) lack of freedom' – you can't have or do what you cannot pay to have or do – wealth redistribution is, with respect to liberty, a zero-sum game. But in so far as a more equal distribution of income and wealth would enhance the effectiveness of a range of civil and political freedoms, wealth redistribution will actually increase effective freedom.

Of course, this ignores the effects of any such redistribution upon wealth creation. As Rawls has famously argued, the removal of those inequalities that provide the incentive structures required to motivate efficient economic production could have dire

consequences even for the least advantaged members of society: better to be comparatively well provided for at the bottom of a grossly inegalitarian society than to starve in a perfectly equal – and, consequently, economically stagnant – one. Moreover, there is ample historical evidence to show that civil and political rights would not long survive under conditions of economic ruin. But all that this shows is that equality may have to be sacrificed to economic efficiency – and not, of course, that the most 'efficient' distribution of resources is, therefore, socially just.

There are two further points here. First, the question arises of what levels of inequality will be necessary to motivate productive endeavour. This is sometimes taken to be a straightforwardly *empirical* question: we examine the available evidence relating levels of productivity to levels of remuneration, or whatever. But this dodges the issue of *why* the empirical relationships are as they are. Motivational structures are a product of definite economic, social and ideological conjunctures: in particular, so long as the market principle prevails, productive effort will be determined by 'impersonal cash reward'; but, to the extent that the market ethos is supplanted by a 'spirit of community', people will be motivated instead by the desire to 'serve ... [others] ... while being served by them'. Second, socialists, of all descriptions, have always allowed that unequal returns will be required to secure productivity within a socialist economy – what would be abolished is *returns to capital* (that is, private profits). Interestingly, the Social Justice Commission has nothing at all to say about profits: for example, it might have addressed the question of what exactly those purchasers of shares in the privatized utilities have ever done to *earn* their dividends.

'The party of moderate progress within the bounds of the law'

Setting out to show that there is no tension between socialist principle and 'electability' (a recent coinage with a highly convenient dual meaning, combining ability to win the next general election with possessing a sensible and coherent programme for government), Blair's Labourism is characterized by a quixotic endeavour to reconcile a long series of irreconcilables. For example, the new Clause Four commits the party to community *and* (neo-)liberal capitalism; to partnership, solidarity and social justice *and* to 'the enterprise of the market and the rigour of competition'; to increasing Britain's share of world trade in an (unexamined) global market *and* securing global 'peace, freedom, democracy, economic security and environmental protection'; to maintaining Labour's identity as a 'democratic socialist

party' without committing it *in principle* to public ownership, significant wealth redistribution, or full employment. If these are the fruits of New Labourism, then its roots help to identify the underlying determinants of this development.

The left of the party attacks the entire modernization project for sacrificing socialist principle upon the altar of electoral expediency. Now, while it might have been credibly argued that commitment to a radical prospectus would spell electoral catastrophe for Labour, and that it would be politically irresponsible to gift office to the Tories, this is not what Blair and his supporters have argued: to think this way is, they argue, to be tortured by 'foolishness'. Instead, Blair has claimed, quite incredibly, that a programme designed to secure electoral victory – in particular, by securing the votes of the southern middle classes, and other barely repentant ex-Thatcherites – is *socialism*: all that is required to win Basildon and the rest is the rediscovery and reassertion of 'true socialism'. This is nonsense. Of course, it *may* be true that Labour would be denied a turn in office were it to articulate a genuinely socialist programme. Apologists for New Labourism will point out that it is not only the electoral landscape that prohibits the party from standing by its erstwhile principles, it is also the bleak prospects for any left-of-centre project given a desperately inhospitable economic, social and ideological environment. For example, were Labour significantly to depart from anti-inflationary orthodoxy, then it would be destroyed by the City of London, with the full support of European and international financial institutions. But while this is true, it simply beggars belief that New Labour can seriously claim that the economic strategy commanded by national and international finance is compatible with socialism. This strategy requires mass unemployment and huge inequalities (global and national) in the distribution of wealth, and it is markedly unenthusiastic by the 'spirit of community'. The obvious point here is that the impracticality of socialism – given the ascendancy of its ideological opponents – does not bear upon either the content or validity of socialist principle. If, as Eric Hobsbawm somewhere remarks, moral victory has too often served as a euphemism for defeat, then it is nonetheless true that the historical triumphs of (neo)liberal-capitalism do not *ipso facto* secure its moral victory.

Blairism is not socialism. Nor, incidentally, does it offer anything to left-liberals. Blair is, of course, at liberty to designate it social-ism – an attenuation via hyphenation that brings to mind a phrase from Kierkegaard's diaries: 'That dash should be as long as the radii of the earth's orbit'.³⁰ Of course, many of Blair's

admirers have welcomed the advent of New Labourism precisely because it has abandoned any residual commitment to socialism. This is true of a number of well-wishers from the disbanded Social Democratic Party. Indeed, amongst the remnants of the broad Left most apologists for the New Labour Party are hardly enthusiasts. Conceding that Blairism is little more than New Rightism with a (more) human face, sick to death of its inhuman face, fearful of the tabloid press and the City of London, desperate for electoral success, and aware that 'public opinion' has been (de)formed during the past decade-and-a-half in such a way, and to such devastating effect, that socialism is (electorally) the political inclination that dare not speak its name, Blair's apologists see no alternative.

Is there an alternative? Yes. Fundamental beliefs and values should not be abandoned in order to secure short-term advantage. What a party stands for should not be determined by what it thinks it can get: this is a case of sour grapes. At the same time, any credible political programme is bound to represent a compromise between basic principles and current conditions and prospects. For example, instead of dismissing the entire debate over public versus private ownership as a sterile one – thus betraying all those who, taking their lead from Labour, passed over the free money offered by Tory privatizations in the name of principle – Labour should champion the case for public ownership of the privatized utilities, while explaining why it may not be possible to deliver renationalization in the short term. Or again, instead of appealing to the self-interest of the better-off in defence of adequate welfare provisions, the party should argue that even those 'top-rate tax-payers who are hardly in the super-rich bracket' have a moral obligation to support the least advantaged. But what if these arguments fail to win electoral support? Aren't four consecutive moral victories enough? Well, much depends upon why the arguments fail. If it is because the underlying principles are flawed, then it is time that the Left frankly admitted that it has lost the argument against neo-liberalism; if it is because the coherence of an argument is now entirely irrelevant to its political effectiveness, then it is time to embrace the Shadow Communications Agency, and to rely on marketing strategists and advertising agencies to drag left-of-centre parties into the next millennium; if it is because, whatever the merits of socialism, it is not in the interests of the majority, then the Left should surrender its claim to speak for the many against the few – and if it does not speak for them, then who does it speak for? As Michael Heseltine observed at his party's 1994 conference: 'If Labour now adopt our language, mimic our ideas and try to usurp our

policies, we should see this as the greatest tribute they can pay us. ... [an admission that Labour's past] ... was all a giant mistake.³¹ But it wasn't a 'giant mistake' – at least, not in the intended sense. To paraphrase a remark from the Benn diaries, the Left never lost the battle of *ideas*. It simply capitulated.

Notes

1. E. Shaw, *The Labour Party since 1979*, Routledge, London and New York, 1994, p. 157.
2. See *ibid.*, esp. pp. 81–107. It was not only the left of the party that opposed this process. For example, in the wake of the 1987 election defeat, Comrade Hattersley offered a piece of his mind on Channel Four's *A Week in Politics*: 'The idea that six weeks after an election defeat somebody can come along and say: "These are all the things we do; we change the policy, we abandon nationalisation, we give up our view of equality. What we do, we send out a lot of marketing men into the country ... and say "what are the policies people want" and then we find out what they'll vote for, we'll write that into the manifesto" – that is not the sort of politics I want to be involved in ... I've not gone through the last six years – the defeat of 1979 as well, the humiliation of '83 – to make the Labour Party into a new sort of Social Democratic Party' (quoted in C. Hughes and P. Wintour, *Labour Rebuilt – The New Model Party*, Fourth Estate, London, 1990, p. 39).
3. G. A. Cohen, 'Back to Socialist Basics', *New Left Review* 207, September–October 1994, p. 9. Cohen continues: 'The Commission on Social Justice should not pretend to run an exercise in the examination of principles whose real focus is not principle but electoral success, because it will then certainly betray principle and possibly contribute to electoral failure.'
4. 'The Clear Choice, the Clear Opportunity', *Guardian*, 22 July 1994.
5. T. Blair, Leader's Speech to Conference 1994, 4 October 1994.
6. T. Blair 'A Battle We Must Win', *Fabian Review*, vol. 105, no. 5, September–October 1993, p. 3.
7. Leader's Speech to Conference 1994.
8. D. Willetts, *Modern Conservatism*, Penguin, Harmondsworth, 1992, p. 76, my emphasis.
9. 'Freedom and Community: The Politics of Restoration', *The Economist*, 24 December 1994 – 6 January 1995, p. 66.
10. A. Etzioni, *The Spirit of Community*, Crown Publishers, New York, 1993, p. 260, emphasis in the original.
11. Consider, for example, Blair's statement of the essence of socialism: 'It contains an ethical and subjective judgement that individuals owe a duty to one another and to a broader society – the Left view of citizenship. And it believes, objectively, that it is only through recognising that interdependence and by society as a whole acting upon it – the collective power of all used for the individual good of each – that the individual's interests can be advanced. It does not set apart individual interests of society as the Tories do. It takes an enlightened view of self-interest and regards it, broadly, as inextricably linked to the interests of society ... socialism is ... based around the notion of a strong and active society as necessary to advance the individual' (T. Blair, *Socialism*, Fabian Pamphlet 565, July 1994, p. 4, my emphasis).
12. Cohen, 'Back to Socialist Basics', p. 14.
13. *Ibid.*, p. 9.
14. *Ibid.*, n. 11.
15. K. Marx, 'On the Jewish Question', in R. C. Tucker, *The Marx–Engels Reader*, Norton & Co., London and New York, 1978, p. 34.
16. Cohen, 'Back to Socialist Basics', p. 5.
17. R. Chote, 'Equality fades as Labour edges to the centre', *Independent*, 30 October 1994: 'The extent of the common ground between the Tory left and "New Labour" is remarkable. The Commission [CSJ] argues that people should be able to use the money spent on their benefits as a subsidy with which to attract potential employers; the government is already running a pilot scheme. The Commission urges that unemployment benefit, income support and family credit be reformed to encourage part-time work and to encourage people off welfare into work; the Chancellor has already signalled that this will be a key theme in next month's budget [it was – MR]. And the Commission argues that the married couple's tax allowance and mortgage interest tax relief should be phased out gradually; this is already happening.'
18. 'Give them a half-inch', interview with Tony Blair, *New Statesman and Society*, 15 July 1994, p. 12.
19. 'A New Credo for Labour', New Clause Four, *Guardian*, 14 March 1995.
20. Quoted in Shaw, *The Labour Party since 1979*, p. 208. As Shaw notes, John Smith was quite candid about this: 'A fixed exchange regime ... would, as John Smith explained in an interview to the *Independent on Sunday*, depress inflationary expectations by denying employers the option of a competitive devaluation if they succumbed to pay claims too easily. If they conceded inflationary demands, they would price themselves out of the market with the result – as Smith pointed out – that "there would be unemployment wouldn't there" (*Independent on Sunday*, 6 May 1990). In short, not only had the fight against inflation supplanted full employment as Labour's prime economic goal but it intended to use the prospect of job losses – created by the commitment to a fixed currency regime – as a means to achieve that goal' (*ibid.*, p. 98).
21. *Ibid.*, p. 107.
22. See, in particular, S. Crine, 'Basildon, Brixton and Opportunity', *Fabian Review*, vol. 105, no. 5, September–October 1993.
23. *Social Justice – Strategies for National Renewal. The Report of the Commission on Social Justice*, Vintage, London, 1994, p. 4.
24. *Ibid.*, p. 99.
25. *Ibid.*, p. 111.
26. 'A New Credo for Labour'.
27. 'Give them a half-inch', p. 12.
28. *Social Justice – Strategies for National Renewal*, p. 18.
29. See Appendix to Cohen's 'Back to Socialist Basics': 'Suppose someone is too poor to visit her sister in Bristol ... as far as her freedom is concerned, that is equivalent to "trip to Bristol" not being written on someone's ticket in ... [an] ... imagined non-monetary economy. The woman has the capacity to go to Bristol. She can board the underground and approach the barrier she must cross to reach the train. But she will be physically prevented from passing through it ... the only way you won't be prevented from getting and using things is to offer money for them' (p. 16).
30. P. Rhode, ed., *The Diary of Søren Kierkegaard*, Citadel Press, New Jersey, 1960, p. 13.
31. 'Rally round the Flag, Boys', *Guardian Outlook*, 15–16 October 1994.