

Editorial

The art of the impossible

Ben Jackson

Politics, they say, is the art of the possible. In half a century of public and professional life I have not found it so. The limits of the possible constantly shift, and those who ignore them are apt to win in the end. Again and again I have had the satisfaction of seeing the laughable idealism of one generation evolve into the accepted commonplace of the next. But it is from the champions of the impossible rather than the slaves of the possible that that evolution draws its creative force.

Barbara Wootton (1967, 279)

Barbara Wootton's life spanned the bulk of the twentieth century (1897-1988) and many remarkable shifts in the boundaries of political possibility. A social scientist and indefatigable contributor to progressive causes, Wootton witnessed the arrival of democracy in Britain; the rise of Labour (she worked as a researcher for the Party in the 1920s); the creation of the welfare state; and the social and legal liberalisation of the 1960s. She ended her career in the House of Lords, appointed as one of the first batch of life peers in 1958 and the first female member of the second chamber.

But Wootton also lived to see one further redrawing of the boundary of the possible: the ascendancy of a revived free-market right under Margaret Thatcher in the 1980s. Like the other major political changes just mentioned, in retrospect the rise of the right has acquired an air of inevitability. But this is of course misleading. A careful examination of the politics of the last forty years discloses the importance of agency and contingent events in regulating the pace and trajectory of political change. As Wootton well understood, the boundaries of political feasibility are subject to periodic renegotiation in part thanks to the efforts of 'the champions of the impossible'. Foremost among the ranks of the latter in recent times must surely be the dedicated intellectuals, activists and business-people who nurtured the gospel of the free-market through its wilderness years.

Faced by economic crisis and imminent political defeat, the left is rightly reconsidering how we arrived at the present conjuncture and debating how British politics might be shifted in a more progressive direction. This issue of *Renewal* contributes to this important discussion by examining what the left can learn from the rise of the free-market right. To what extent can the strategy and tactics pursued by the right in their years of exile from the political mainstream be adopted by the left? How was the right able to turn the economic crisis of the 1970s to their lasting political advantage? How did right-wing politicians, scholars and activists establish themselves as apparently magical practitioners of the art of the impossible? Readers will have their own thoughts about the answers that can be gleaned from the articles in this issue. But, by way of introduction, I have distilled from the following pages six themes that give some initial orientation.

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First, as Steve Davies argues, we should not exaggerate how successful the right has been. In spite of the generally gloomy tone of most left commentary, the free-market right has not yet managed to roll British politics back to the era of *laissez-faire*. Public spending, particularly on the welfare state, remains robust by historical standards and difficult to reduce; the conviction that collective political decisions should in important respects trump the outcome of market-based transactions remains deeply entrenched in the practice of the state and in public opinion. The years of Labour government since 1997 have seen some modest strengthening of these deep-rooted social democratic achievements.

Steve Davies echoes an observation that was central to the historical self-understanding of free-market intellectuals in the 1950s and 1960s, namely that in the late nineteenth and early twentieth centuries the character of politics fundamentally shifted in favour of an expansion of state capacity and democratic collective action, not just in Britain but across the industrialised world. The scale of the task that the free-market right set itself was therefore not only opposing the post-1945 social settlement, but also fermenting a fundamental rebellion against the direction of political thought and public policy since the turn of the century. Judged against this exacting standard, the free-market right has thus far largely failed to achieve its objectives.

However, it would be idle to deny that the last thirty years have also seen a series of demoralising defeats for the British left on socio-economic issues, particularly in relation to macroeconomic policy, economic inequality and the character of the labour market (the introduction of a minimum wage notwithstanding). So without mythologising the success of the right, we must nonetheless take a thorough audit of how the left came to be contained and then defeated on these pivotal issues. The current debate on public spending reveals the success of the neo-liberal poison pill bequeathed by the Conservatives to subsequent Labour governments: the tax base of the British state is probably too low at present to support the level of social spending desired by the left, but the rules of political engagement now state that no party can increase the tax base without facing the wrath of the electorate. Such are the boundaries of political possibility as constructed by the right in the 1980s and 1990s.

Second, as a number of contributors to this issue observe, the advance of the right required money as well as idealism. Kim Phillips-Fein, Roger Backhouse and Philip Mirowski all expose the inadequacy of an account that focuses solely on the 'battle of ideas'. There were crucial material foundations to the elaboration of free-market ideology, in particular sustained, long-term financial support from corporate foundations for intellectuals and think tanks engaged in the development and popularisation of free-market alternatives. Phillips-Fein illustrates the pivotal role played by activist businessmen in funding and developing the intellectual infrastructure of American conservatism in the 1950s and 1960s. Sensing that the immediate political circumstances were not propitious for their agenda, the corporate right focused on long-term cultural change rather than short-term electoral battles.

The left is unlikely to be able to call upon similar corporate donors, but it does have allies with significant financial resources, in particular the trade unions. It is not clear, however, that the British labour movement has yet appreciated the strategic importance of systematically investing in intellectual infrastructure. As the example of the right shows, to transform the terms of political debate requires a long-term commitment to funding and popularising ideas.

Third, as Backhouse and Hugh Pemberton both stress, free-market ideas acquired particular political potency because they were sponsored by economists. This point is often under-estimated: for ideas to have serious purchase in policy-making, they have to be endowed with the authority of economic expertise. As Backhouse explains, the success of the free-market right in part stemmed from its appropriation of certain trends internal to

the academic discipline of economics and its ability to channel the elements of academic economics most conducive to a right-wing political agenda to policy-makers via the use of think tanks and sympathetic journalists.

The present economic crisis has to some extent created an opening for fresh economic thinking. The critique of the economic vision that underpinned the Anglo-American growth model of the last thirty years has acquired a new plausibility, and is authoritatively elaborated by economists such as Amartya Sen, Paul Krugman, Joseph Stiglitz and David Blanchflower. Left activists, think tanks and journalists must ensure that this bracing intellectual scepticism is conveyed to the political elite of the Labour Party, and in particular to the rising generation of Labour politicians who will be shaping party policy over the next two decades. The discipline of economics, Backhouse argues, has never been the desiccated calculating machine that was projected to the political class by the intellectual infrastructure of the right. On the contrary, with sufficient imagination and political will, an agenda for a pragmatic social democracy could be constructed from its intellectual resources.

Fourth, as Backhouse and Mirowski discuss, the revival of free-market ideas was an international project right from the very start. A complex transnational network of intellectuals, politicians, businesspeople and activists was generated from the core neo-liberal organisation, the Mont Pèlerin Society, an elite international discussion group convened by Friedrich Hayek from 1947 onwards to rethink market liberal ideas. Mirowski notes that the value of this network was partly psychological. At a time when free-market liberals felt marginalised from practical politics, the international solidarities and opportunities cultivated through the Mont Pèlerin Society and other similar organisations helped to build a dedicated cadre of believers ready to enter the political fray whenever a governing elite became primed for the free-market message, whether in Santiago, London or Washington DC. But in addition to this psychological function, it seems likely that the very ideological strength of the free-market right derived from its internationalism and, in particular, from harnessing the energies of the American right to a global political project.

There is no analogue of the Mont Pèlerin Society on the left today and perhaps there is no need for one: the international intellectual exchange fostered by academic and high cultural debate affords left-leaning intellectuals plenty of opportunities to cultivate transnational, especially transatlantic, networks. But the left could do more to strengthen international political alliances and to exploit the openings offered by the left-ward drift of the Democrats during the Bush years. The future of social democracy will eventually have to be hammered out internationally. Decades of neo-liberal reform have created an increasingly integrated but fundamentally unjust global economy. Although the impact of globalisation on the power of national governments has often been exaggerated, the left undoubtedly faces a long, slow struggle to build forms of international regulation and redistribution that can foster stable economic growth and deliver global justice. The left has a lot of catching up to do: the free-market right has been mulling over how to build a global economy in its own ideological image since the 1940s.

Fifth, the free-market right had a clear strategic analysis of how to go about promoting political change. It is in some respects a rather difficult analysis for the left to accept, because it emphasises the mobilisation of elites rather than popular opinion. As Backhouse and Mirowski summarise, drawing on Hayek (1949), the free-market right thought the boundaries of political feasibility were determined by a conventional wisdom that was itself the product of 'second-hand dealers in ideas': journalists, teachers, publicists, public intellectuals, novelists, political advisors, etc. These individuals – who had no particular claim to expertise themselves – drew upon what they took to be the most fashionable expert opinions and broadcast them to a wider audience. The key to changing policy, Hayek argued, was therefore to change the minds of this opinion-forming stratum of

society. This was why the think tank was such an important weapon in the neo-liberal armoury: it was a crucial instrument for changing the climate of opinion by persuading journalists, commentators and politicians that what they had previously regarded as out of date and intellectually unfashionable was, on the contrary, at the cutting edge of political thinking. The free-market right was therefore extremely serious about identifying sympathetic experts – Hayek, Milton Friedman – and systematically marketing their ideas to elite opinion.

This model of political change naturally invites some scepticism, particularly with respect to the apparent absence of popular opinion as an independent factor in shaping political outcomes. At any rate, it would be a brave left that bet all its chips on trying to persuade British journalists to be more sympathetic to social democracy. But Hayek did have a profound sociological insight into the role played by ‘second-hand dealers in ideas’ in modern political debate, as students of the recent progress of the self-styled ‘Tax-Payers’ Alliance’ might well ruefully acknowledge.

The free-market publicists were also serious about moving step-by-step towards their broader political goals. In this sense, they were shrewd strategists and tacticians. Faced with a formidable left-leaning political consensus, they probed for where the left’s case was weakest, and not that strongly supported even by left-sympathising intellectuals, one famous example being the use of rent controls on private housing (Pennance, 1972). Issues such as these were taken up as wedges that could divide the opposition and illustrate a broader moral about the perverse economic consequences and illiberalism of statist social democracy.

If the left were to take a leaf from this book, it could certainly exploit the ideological contradictions latent within the right. As William Davies notes, even within neo-liberal economics there are profound tensions. The radical critique of concentrated economic power that first motivated many neo-liberal thinkers stands in stark contrast to the rather more mundane right-wing outlook that free marketeers now promote: the valourisation of corporate behemoths; the economic utility of banks that are too big to fail; and an intense relaxation about the unlimited riches commanded by the winners in the global marketplace. There are tensions here – over corporate governance, the inter-generational distribution of wealth, and the role of global finance – that could be politically salient if an intellectually agile left were to position itself so as to induce splits in the free-market coalition. The use of wedge issues need not be the sole preserve of the right.

Sixth, it is now a political commonplace to note that policy change does not simply reflect ideological change but is rather driven by sporadic economic crises that delegitimise dominant policy norms and force policy-makers to cast around for fresh ideas. This is how the crises of the 1930s and 1970s are often understood in political folk-memory. But as Pemberton explains, matters were far more complex. The arrival of Keynesian and neo-liberal ideas in British economic policy-making required not only an external economic shock, but also the apparent failure of policy-makers to deal with that shock using existing economic techniques. In both cases, it was a second external shock (the Second World War; the winter of discontent and the 1979 general election) that precipitated fundamental change in economic policy.

It is here, Pemberton argues, that analogies with the present break down. There is as yet no widely shared sense that the existing economic policy paradigm is unable to deal with the present crisis – on the contrary, the response of policy-makers has been decisive and pragmatic. The likeliest outcome at present is therefore not a whole-sale policy revolution in the style of the 1940s and 1980s but rather certain modifications to what would remain a broadly neo-liberal economic paradigm. For all the economic heterodoxy now being expressed, Steve Davies and Merlin Chowkwanyun give the salutary warning that it is not clear that there is an authoritative alternative left economic model available on the

market-place of ideas, nor that there is a mass movement capable of mobilising support for such an alternative.

A discomfiting thought is that the left's programmatic rethinking may only be beginning. As William Davies indicates, the free-market right's gestation actually stretched back to the 1930s; it was in effect the product of two capitalist crises. In the 1930s, early free-market thinkers had few clear answers, but by the 1970s they had mapped out a focused and potent response. Perhaps this parallel is a misleading one and the left need not prepare itself for the long march undertaken by the neo-liberals between the 1930s and 1970s. But it can't be ruled out. The contributors to this issue force us to confront some hard questions. Does the left currently possess the long-term strategic thinking and economic resources that facilitated the rise of the free-market right? Has the left developed (or refurbished) a core of intellectually authoritative economic ideas that it can transmit to opinion formers and policy-makers? Can the left forge the international alliances that are needed to build global collective action and solidarities?

Renewal, for one, is striving to make progress on these and related questions. But as a first step, we should take the measure of those practitioners of the art of the impossible whose laughable idealism in an earlier generation now forms the accepted commonplaces of our own. Barbara Wootton wrote one of the first replies from the left to Hayek's *Road to Serfdom* (Wootton, 1945) and disagreed with the free-market right on many fronts. But she would not have been surprised by what can be achieved by the strategic mobilisation of idealism and intellectual energy in the service of an apparently marginal cause. As the twentieth century had taught her, in politics the 'champions of the impossible' are 'apt to win in the end'.

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