

The second wave

The specificity of New Labour neo-liberalism

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Jeremy Gilbert argues that all the talk about persuading New Labour to rethink is hopeless optimism, and that the only way to oppose its wholehearted embrace of neo-liberalism is to build popular opposition to the government, and to the global forces to which it is linked.

The other 1997

If May 1997 was a missed opportunity, it was not only because of the subsequent direction of the current government. As Stuart Hall points out in his characteristically expert analysis ('New Labour's Double-Shuffle', *Soundings* 24), even before the 1997 election it appeared clear that New Labour had decided to pursue a neo-liberal agenda. Beyond this, there now seems little reason to believe that there was any real chance of a government elected at that moment implementing a socially progressive programme. This was not only apparent in the policy documents and political statements of New Labour leaders. It was always going to be the case at that moment that the pressures on any incoming administration to implement neo-liberal policies were likely to be far greater than any obvious countervailing force. With the trade union movement exhausted, the organised left in disarray and the new political movements hopelessly disorganised, unclear about their real potentialities and lacking effective strategies, there was never much likelihood of the government acting

in any way other than as it has done. The neo-liberal agenda of the US, and the lack of effective resistance to it throughout the world, the success of capital in completely dissolving the civil society of the former Soviet Union and Yugoslavia, and the complete failure of the Western European powers to prevent this, surely made apparent the pressures which would be felt by any incoming regime to commit to a neo-liberal ideal of 'modernisation'. To think otherwise is to put an incredible faith in the power of governments to act alone and change the world. To put this point very simply: progressive policies have never, anywhere in the world, been implemented by governments who were not backed and/or pressured by strong and well-organised popular movements demanding such change. It was the absence of any such movement, not simply the contingent decisions of a handful of individuals close to the Labour leadership, which made the neo-liberal direction of this government already inevitable in 1997.

From this perspective also, however, May 1997 did represent a historic missed opportunity for the British left. For much of the early 1990s, the political energies of a new generation of activists had been focused on the radical environmentalism of the anti-roads movement and associated campaigns around housing, the environment, freedom of association, etc. It is often forgotten now, but this movement scored some spectacular victories, winning widespread sympathy across a range of social constituencies, and effectively achieving its immediate goal of making the government's extensive road-building plan so expensive and so unpopular as to be untenable. Those plans were shelved indefinitely in the mid-1990s, awaiting John Prescott's tenure at the Department of Environment for them to be fully reinstated. Having developed largely in isolation from the labour movement and the organised left, it had often seemed unlikely that participants in this movement could ever work alongside members of more traditional organisations. However, May 1997 saw the culmination of the 'Reclaim the Future' project to build an alliance between the new direct-action politics and radical trade unionists supporting the sacked Liverpool dock workers. The result was an enormous (by the standards of the time) demonstration to Trafalgar square on 1 May, involving for the first time both significant numbers of activists associated with projects like Reclaim the Streets and masses of trade unionists from around the country. In many ways this was RTS's finest moment: the group that pioneered the street party as a form of non-violent political protest managed to get a sound system into the

road outside the National Gallery, filling its famous steps with dancers. The combined event became a mixture of free rave and traditional rally: trade unionists and Trotskyists listened to speakers from the conventional left while others danced in the sunshine. The potential for an alliance between the 'new' politics and the old felt palpable.

Or at least, it did for the first couple of hours. But once the rally had ended, and the many ravers and eco-protesters who had listened patiently to a tediously predictable set of speeches in support of the dockers went to join the dancing throng, something both disappointing and profoundly symbolic happened. The trade unionists, with a few bewildered and occasionally disgusted backward glances at the frivolity on the National Gallery steps, started to leave. Within an hour or so most of them had gone home. The momentary alliance had lasted for as long as the kids and crusties were prepared to participate on their terms, but the idea that any significant number of the leftists might join this particular kind of party was simply not on the agenda. Those left behind felt suddenly isolated, and we were. Immediately the trade union contingents had vacated the square, it was sealed off by police, who began a hostile set of manoeuvres intended exclusively to antagonise, intimidate and provoke the remaining protesters. The result: for the first time, Reclaim the Streets saw its name connected with a violent affray between protesters and police, rather than with the creative non-violence which had been its trademark up to that point.

It was immediately after this that RTS, and the political formation to which it had become unwittingly central, shifted attention from the local, popular and winnable goal of forcing a change in the direction of UK transport policy, to the much more abstract objective of confronting 'capitalism' itself. There were a number of reasons for this. Some were quite sound: activists had an increasing sense of the global nature of the threat they faced, and a desire to act in solidarity with struggles such as the Zapatista movement and the North American anti-WTO campaign which culminated in the Seattle events. But others were ludicrous: most notably, the explicitly millenarian belief shared by key activists that there was only one small step from getting the Major government to postpone its road-building plan to successful world revolution against capitalism in all its forms. But for whatever the reason, this was in any meaningful political terms a disastrous move. RTS and the 'anti-capitalist' movement quickly lost the public support that they had built in the first part of

the decade (to the delight of those anarchist sections to whom notoriety was always more important than actual social change). Capitalism appears now to have been quite untroubled by their efforts, and the road-building programme has been fully re-instated.

Precisely what the movement lacked at that crucial moment was any sense of the texture, the limitations and the potential of what Gramsci famously calls the 'national-popular': the site at which, within the socio-cultural context of the nation state, on the terrain of its everyday life, hearts and minds are won and lost. Substituting a language which had no resonance with the lives of most British people (the rhetoric of anti-globalisation) for one which had united sentiments from Glasgow to Middle England (the utopian environmentalism of the anti-car movement), they lost what little ground they had won in their 'war of position', and were forced back into an isolated trench, the political ghetto of hardcore anti-capitalist anarchism. But who could have given them such a sense? Who could have taught the practitioners of the new politics some hard-won lessons of the old? The labour movement of course. Instead, the labour movement looked away, mesmerised by the prospect of a Labour government, despite the fact that Blair had made absolutely explicit the limits of any co-operation he would be prepared to countenance with trade unions. *Red Pepper* aside, the remnants of the New Left expended their energy in horrified outrage that Blair had begun to do exactly what he had said he was going to do ever since being elected Labour leader.

The awful irony of this situation is that both the British labour movement and the intellectual-political current associated with *Soundings* could well have had something distinctive to learn from the direct-action movement at just this crucial juncture. It is precisely a recognition of the global nature of neo-liberalism and the necessity for opposition to it to be international in scope which has been the great strength of the anti-globalisation movement since 1997. Conversely, as Hall points out, the analysis of Thatcherism which has formed the basis for responses to New Labour in these pages was rather too focused on the dimension of the national-popular, overlooking the extent to which Thatcherism was one, very localised (and, I would add, short term) manifestation of global neo-liberalism.

So we have a situation, in 1997, in which, on the one hand, the labour movement and the intellectual legatees of the New Left were so focused on the

nuanced specificities of national electoral politics that they appeared not to see either the inevitability of New Labour's commitment to neo-liberalism or the significance of the emerging international movement against it; and, on the other hand, that movement was itself incapable of operationalising its global analysis at the level of effective political strategy in the national-popular context. If there was ever a moment when it looked like things could have been different, it was 1 May 1997. As so often in the past, however, the cultural conservatism and political inertia of the British labour movement decided the outcome for the worse.

Two waves of neo-liberalism: from Thatcherism to New Labour

Hall is clearly right that the earlier analysis of Thatcherism underestimated the global nature of neo-liberalism, and theorised it somewhat too narrowly as a national formation. It seems remarkable now that the lessons coming from Mitterrand's France and Bob Hawke's Australia should have been so overlooked: in both cases, nominally social democratic governments were implementing economic policies typical of the Thatcher and Reagan administrations, and indeed of the Callaghan Labour government in the UK. Looked at in this international context, and in the light of subsequent history, it seems appropriate to re-designate Thatcherism as the specific national form which the first wave of neo-liberalism took in the UK, once the Labour government had proved politically incapable of sustaining the experiment in monetarism already begun by Dennis Healey in the second half of the 1970s - and not as the fundamental break in British political history that it is sometimes represented as being. Looked at in this light, however, Thatcherism is no less remarkable and distinctive - less 'epochal', in Hall's terms - as a political phenomenon. Indeed, as a hegemonic project it appears more impressive than ever. From this perspective, Thatcherism's successful articulation of neo-liberal economics with social conservatism was always a rather unlikely prospect; it succeeded in creating common ground between radically divergent social constituencies, and in alienating libertarians, liberals, socialists and social democrats - who between them have always made up a clear majority of British opinion - without ever uniting them in effective opposition to it. It was of course Hall himself who first analysed the contradictory logic of this articulation, and accurately predicted

that it was this contradiction which would undermine Thatcherism amongst an increasingly liberal electorate.¹

In this sense, it was always the cultural politics of Thatcherism, rather than its economic programme, which was distinctive, and which distinguishes it from the project of New Labour. New Labour's instincts have always been socially liberal. While there may have been a visible willingness to accommodate to conservative forces on headline-grabbing issues such as cracking down on asylum-seekers, its policies of putting single mothers to work, attacking racism in the police force (about which more later), gradually decriminalising recreational drugs, and equalising the age of consent for gay men, all manifest a socio-cultural project which in key ways is fundamentally at odds with that of Thatcherism. To dismiss such differences as merely cosmetic, as some commentators do, is to imply that only the economic programme of a government, party or movement actually determines its political character. This is clearly a mistake.

From a contemporary vantage point, it looks as if Thatcherism's specific articulation of social conservatism with neo-liberal economics confused many people, despite the best efforts of Hall et al to demystify it. One symptom of this confusion was the persistent belief in many left circles that Blair must be a fundamentally benign figure because of his evident commitment to certain kinds of social liberalism. He looked, in Hall's own words, 'like someone who would have a gay person to dinner', unlike Tory or Labour leaders of the past. As Hall and others pointed out, Thatcherism had effectively produced a 'chain of equivalence' between Englishness, neo-liberalism and social conservatism that was by no means inevitable at the end of the twentieth century. However, today one has the impression that this hegemonic linkage was so successful that many on the British left had themselves come to believe, by the middle of the 1990s, in its absolute inevitability: hence the genuine surprise expressed by so many since that time that Blair has turned out to be not 'really' a socialist or even a social democrat at all, despite being a liberal on social issues. Instead, Blair has attempted to re-articulate the elements of British political discourse, producing a new 'chain of equivalence' that links social liberalism, competitive individualism, neo-liberal economics and modernity itself.

1. Stuart Hall, *The Hard Road to Renewal*, Verso 1988.

And this has not turned out - as too many hoped for too long - to be a short term tactic, but is precisely the long-term strategy which he and other proponents of the Third Way always said it was. Blair always insisted he could be for gay rights and yet remain committed to neo-liberal economics. Confounding those who convinced themselves that he could not possibly have meant what he said, he has proved himself quite capable of doing exactly that.

Such confusion is symptomatic of the problems with the analysis of Thatcherism which Hall himself diagnoses. Underplaying the flexibility with which neo-liberalism was already accommodating itself to a range of different national-popular contexts, this analysis focused too much on the narrow British experience. Whatever the reasons for this, we might speculate now that the excessive focus on the specific national and party-political form of first-wave neo-liberalism, at the expense of an adequate attention to its international resonances and local cultural specificities, has resulted in a concomitant obsession with national and party-political sites of opposition to both first and second-wave neo-liberalism (or their absence). A fixation on parliamentary politics, and on the Labour Party and its failings, has all but obscured the significance of the emergent international opposition to neo-liberalism which the direct-action movement was the first to notice, and with which the UK labour movement has still signally failed to connect in any meaningful way. The one instance in which such connections have been made was in the recent campaign against the privatisation of IT services in Newcastle, led by Unison and explicitly linking its campaign to the global 'anti-capitalist' campaign against privatisation. And what do you know? That particular fight against privatisation was actually won.

This analysis complicates the status of Hall's claim that New Labour should be characterised as a hybrid formation: not because this is an inadequate description of New Labour - far from it - but rather because it is not clear that New Labour is any more 'hybrid' than Thatcherism was. Thatcherism might be said to have been at least as 'hybrid' as New Labour, with its appeals to social conservatism being a necessary and ongoing concession to those settled Middle English constituencies who were always going to have much to lose from the social dislocation brought about by advanced capitalism. These constituencies

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may not have lost as much as the Scottish, Welsh, and Northern English industrial workers, but neo-liberalism's capacity to undermine a world of settled social, ethnic and gendered relationships - disrupting forever the social hierarchies of the suburbs, the coherence of white England and that bedrock of bourgeois psychic life, 'the family' - always had the potential to provoke resistance amongst those constituencies which Thatcherism's social conservatism was aimed at keeping on-side. Such resistance is registered even today at the level of shared fantasy: it is not only the left-romantics of the environmental movement who have made *Lord of the Rings* - a work which is at root a colossal exercise in nostalgia, set in an imaginary Northern Europe in which the early middle-ages never gave way to the proto-modernity of the Renaissance - the most popular work of narrative fiction in English or any other language. This conservative constituency was never fully comfortable with Thatcher's instantly-regretted outburst that there was no such thing as society, conscious as it was that it is precisely 'Society' which tells gay men that they cannot marry, Rastafarians that they cannot smoke cannabis, and homeless people that they cannot sleep in our streets.

Ultimately, of course, just as Hall predicted in the 1980s, Thatcherism never was going to be able to hold back the tide of social transformation which its own version of untrammelled, 'disorganised' capitalism had unleashed. Seen in this light, the Major government's doomed 'back to basics' campaign can be seen as not merely an exercise in gross political incompetence, but as the inevitable last gasp of a project which had always been dependent upon such social conservatism for even its limited success. Indeed, Blair's early flirtation with communitarianism can be seen as a virtually seamless continuity with this strand of Thatcherism; it was not, as some hoped, a revival of ethical socialism, more a recognition of the continuing need to reassure those conservative constituencies alarmed by the social implications of neo-liberalism.

In these terms, we might well see the first three years of Blair and Brown's government as simply holding the Thatcherite course - putting the authoritarian Jack Straw in the home office and keeping to Tory spending plans - before finally moving the country into the second phase of full-scale marketisation. Indeed, it is worth reflecting at this point that, just as the Callaghan government fell because its ideological and political investment in Fordist social democracy rendered it incapable of implementing the industrial restructuring required by

first-wave neo-liberalism, the Major government was ultimately undone because Thatcherism's ideological investment in English nationalism left it incapable of pushing through the next phase, to which globalisation in general and European integration in particular are as central as new forms of social liberalism. From this point of view, New Labour can be seen as a gang of technocrats hired by international capital to the job which Major - encumbered by the Little Englandism of his party - could not. That job involves opening up new British markets, and it is hard to see that happening outside of the context of further European integration. What results from this is precisely that more polite, more multicultural manner which distinguishes Blair from Thatcher, and which so bewitched the progressive intelligentsia for so long. We on the left may well find Blair's cosmopolitan capitalism more palatable than the vulgar xenophobia of Thatcher's preferred model, but we should never delude ourselves that it is any less integrated into the neo-liberal project. At the level of everyday life in the UK, it is its deep commitment to enforcing the norms of competitive individualism which makes this clear, as well as giving it such dangerous resonance with much of contemporary culture.

The hegemony of competitive individualism

By contrast with the 'mixed' Thatcherite project - which I am suggesting effectively remained in place from 1979 until about 2000 - New Labour's programme since 2000 (the time of the first Comprehensive Spending Review) is actually far more focused and consistent with a purely neo-liberal agenda. It is still an adaptation of the neo-liberal programme to specific historical conditions, but that adaptation is by nature rather less contradictory than Thatcherism's, precisely because Thatcherism had already cleared so much of the ground for it. As Alan Finlayson has pointed out, New Labour is simply opposed to anything and everything that stands in the way of the implementation of market relations across every possible social sphere.² This invaluable formulation enables us quite neatly to explain the apparent inconsistency in New Labour's deployment of its centralist, authoritarian instincts. Where resistance to the free flow of money or people, or to the full marketisation of

2. Alan Finlayson, *Making Sense of New Labour*, Lawrence & Wishart 2003; see also Finlayson's paper on <http://www.signsofthetimes.org.uk/>.

British and world society, is encountered, then the most brutal and arbitrary actions are justified. So those economic migrants who can be relied upon to behave as individualised economic actors, lowering the price of labour and contributing to the profitability of the economy, are implicitly tolerated or actively encouraged; while those who demand excessive levels of public support, who insist on bringing their families, cultures, and their archaically communal value-systems with them (these are the images which the term 'asylum seeker' is used to evoke) are to be excluded as violently as necessary. This commitment to the enforced implementation of individualised market relations is maintained even when, as in the case of differential tuition fees, it threatens the very future of the prime minister.

The form that this set of commitments most typically takes is that of a project to enforce competitive individualism as the paradigmatic mode of personal, social and institutional interaction. It is at this level that the Department of Education's implementation of standardised testing in schools goes hand-in-hand with the inexorable rise of celebrity culture. This is what accounts for the refusal of government to address the housing shortage in terms which do not regard the striking rise in single-person owner-occupancy - like the relentless rise in reliance on the private motor car - as both inevitable and desirable; and for the insistence that public service users behave as consumers in a buyers' market, always suspicious of the motives and competence of 'producers'. Across all of these sites an atomised individuality is not only encouraged: it is positively enforced by the active suppression of alternatives. Any form of life which depends on collectivity or communality of any kind is discouraged and rendered unviable.

This agenda will tend to manifest itself as socially liberal, even libertarian, except when faced with direct obstacles to its progress. One way of examining what is going on here is to consider the contemporary politics of policing. It is clear from recent events that the government, the higher echelons of the police, and the liberal journalistic establishment are all committed to driving old-fashioned forms of racism out of the police force. In the early days of Thatcherism, a brutally racist police force was a useful thing: only a force drawn exclusively from that section of the white working class which was committed to Thatcher's post-Powell anti-immigration stance could be relied upon to act as a political tool in the struggle against insurgent elements, from Brixton to

the Northern coal fields. Contemporary neo-liberalism has no need for such an institution. Urban black communities have been ravaged and disrupted apparently beyond repair. The competitive individualism of contemporary black youth culture - a perpetual incitement to inter-communal violence and personal self-enrichment, rather than even symbolic opposition to political and economic oppression; a glorification of poverty and enforced criminality rather than a critique of it - disciplines that potentially unruly population more effectively than the police ever could. The unions have long since been broken, and amongst the Northern populations left behind by de-industrialisation, fascism and racism are embarrassing manifestations of a residual communalism which can only hold back the full dissemination of individualistic, entrepreneurial, cosmopolitan values. The problem is that the very history which has produced this situation has left behind a legacy of mistrust in the police across wide swathes of the public, such that, in the main, the only people who are now actually willing to join up are members of those residual white working-class communities amongst whom fascist and proto-fascist ideas fill the void left by the collapse of both Thatcherism and socialism. The result is the bizarre spectacle of the government, media and upper ranks going to great lengths to try to *discipline the police*: training schemes and internal investigations abound, as the government tries to instil *Guardian*-reader values into a *Sun*-reader police force, trying desperately and without much success to persuade them that they simply cannot arrest a man any more just because he is driving a car and is black. It is the very anxiety of the government when faced with the difficulty of using the police to enforce the normative codes of liberal individualism which demonstrates how deep their commitment to those codes goes. We should not mistake that commitment for any kind of sympathy with a wider social critique of racism and its sources, nor dismiss it as merely cosmetic. It is an enormous break with the legacy of Thatcherism, while being just as hostile to any form of socialist analysis or intervention as Thatcherism ever was. More than this, it is an approach which is ultimately *more* straightforwardly informed by that radical individualism which is the natural concomitant of neo-liberalism than was Thatcherism's contradictory, 'hybrid' articulation of neo-liberal economics, bourgeois individualism, and 'Victorian' social values.

Of course, as Hall so astutely points out, the government is forced into a pragmatic accommodation with a range of agendas, particularly to its left. Hall

sees this in terms of New Labour possessing a 'subaltern' social democratic programme which is always subordinate to its dominant neo-liberal agenda. However, I am not sure that even the routine concessions which New Labour makes to a redistributive agenda can be consistently characterised as social democratic. Rather, the goal seems to be the implementation of that most individualistic of social values: meritocracy. New Labour is quite explicit in its commitment to the basic principle of meritocracy: equality of opportunity. At the same time, they deploy a range of disparaging epithets to distance themselves from any social democratic alternative to individualised, competitive meritocracy: most notably the notorious jibe at the expense of 'bog-standard comprehensives', and the caricature of social democracy as offering 'one-size fits all' solutions. The important point here is that this meritocratic agenda, unlike Thatcherism, does at times require the implementation of certain kinds of redistributive policy in order to create equality of opportunity: hence Gordon Brown's impressive personal campaign against child poverty. The trust funds to be established for new-born children are a perfect example of a wholly individualised policy with partially redistributive effects; but the social democratic goal of parity between the actual life experiences of citizens is not an intended effect of this policy at all. I would suggest that Brown's simultaneous support for this programme and for variable university tuition fees should not only be understood in terms of New Labour's 'mixed' agenda. Rather, both should be seen as entirely consistent with this meritocratic drive towards the full marketisation and individualisation of society. Where New Labour is opposed to social inequality - as in the case of children - it is only and precisely to the extent that such inequality is seen as an impediment to the efficient working of market mechanisms.

New Labour and post-democracy

Of course Hall is right that these redistributive measures must be 'spun' to social democratic constituencies as representing concessions to their interests, and he rightly draws our attention to the vacuity of New Labour's claim to be 'empowering communities' by reducing their relationship to essential services to that of individualised consumers. However, what I want emphasise here is the extent to which this is not merely a matter of 'spin'. In fact, this element of New Labour's politics possesses a high degree of internal consistency, and is implicitly informed by a very powerful argument, one which New Labour thinkers

like Mulgan and Leadbeater were well on the way to formulating back when they were still writing for *Marxism Today*. The argument (which, of course, only a reckless narcissist like Peter Mandelson would ever risk making fully in public) goes something like this: representative democracy, mass participatory politics, and genuinely egalitarian social democracy are now historical artefacts. They belong, more-or-less exclusively, to the period of Fordist capitalism, which depended upon a higher level of social integration than any form of capitalism before or since. None of these institutions possesses the flexibility or dynamism to cope with the complexity of contemporary, postmodern societies, or to withstand the pressure of globalising capitalism and its corrosive flows. In this context we must accept that the only effective form of democracy is the market. Hence, only the marketisation of public services can hope to make them subject to any form of effective democratic accountability. In this new context, government will inevitably fall to technocratic elites who, if they are benign, will use the most powerful consultation techniques available (namely, those by which corporations consult their customers) to ensure that they give people more-or-less what they want, in so far as it is in their power to do so. Beyond this, the most that government can do for its customer-citizens today is to equip them as best it can to survive in the harsh and competitive environment of the global labour-market. Old-fashioned ideas like holistic education or generous public pensions may exert a certain sentimental pull, but that only makes them all the more dangerous, as today these are untenable goals whose fruitless pursuit will only prevent us from adequately equipping our citizens to look after themselves in a world from which government cannot protect them. Students must follow degree programmes which make them attractive to employers. Citizens must save for their own futures, or perish. The Private Finance Initiative is the only way to increase investment in public services while maintaining any form of public accountability over them whatsoever, as direct investment by the treasury is simply not on the agenda; and the international pressure to privatise cannot be fully resisted without mass mobilisations of the kind seen in Bolivia, which we are simply not going to see on the streets of Basildon. This is the core argument in favour of what Anthony Barnett has called 'corporate populism',³ the basis of what Finlayson calls the 'Schumpeterian workfare regime'.

3. See *New Left Review*, May/June 2000.

It is an argument which has tremendous resonance with the everyday lives of people who find Tesco and Amazon to be ever more responsive to their personal needs, and public services and government progressively less so.

The trouble with this argument is that it is right. Nothing that has happened anywhere in the world since 1973 offers serious evidence with which to contradict it. As Colin Crouch argues in a recent *Fabian Society* pamphlet, we are now living in the era of ‘post-democracy’, when voter turn-outs plummet, as electorates, explicitly or implicitly, realise that democracy simply does not work any more.⁴ Governments do not merely pursue occasional unpopular policies: they pursue entire social agendas which their publics explicitly oppose. Even in Eastern Europe, where the euphoria of democratisation is still part of living memory, electoral participation rates are in free-fall. Taken in line with the accounts of postmodernity offered by commentators such as David Harvey, it now seems fair to say that effective representative democracy - which, broadly, forced governments to act in line with the express wishes of the electorate - was, like social democracy, a historical phenomenon specific to the moment of Fordist modernity. That era ended a generation ago.

Of course, much of this analysis will already be familiar to many readers of *Soundings*. It is essentially the ‘New Times’ critique of Labourism and existing social democracy made by Hall, Mulgan et al at the end of the 1980s. For thinkers such as Mulgan and Leadbeater, it provided the basis for their full endorsement of New Labour,⁵ and something very like it is at the root of Anthony Giddens’s advocacy of the Third Way. However, most of the authors of the New Times analysis never wanted or expected their ideas to become the basis for a second phase of neo-liberal government. Rather, they seem to have hoped that by charting the new terrain they would make possible the emergence of a new socialist project. This is where the crunch comes, however. Very little of the polemic, critique or thoughtful policy work produced by this intellectual current over the past ten years has actually engaged with the core elements of the New Labour argument. Most of it, like Hall’s piece, seems to be predicated on the assumption that a New Labour government could have returned to an updated

4. Colin Crouch, *Coping With Post-Democracy*, Fabian Society 2000.

5. Hall & Jacques (eds), *New Times*, Lawrence & Wishart 1989.

version of social democracy - raising tax revenues, investing in public services, democratising the state - if it had really wanted to. But there is simply no evidence that this is the case. There is no evidence that major investment in public services, of the kind that the PFI is intended to generate, could occur in any other way without provoking a tax-payers' revolt. There is no evidence that any further democratisation of the local, national or regional state would not simply hand over power to extremists and random elements, given that the vast majority of the public show no interest in political participation at all. There is no evidence that the labour market could be more heavily regulated than it has been without producing the kind of economic downturn now being suffered in Germany, France and Japan.

What is the alternative?

Does this mean that I am about to advocate a full capitulation to the project of New Labour? It does not. But it does demonstrate, I think, that those of us who have always fully accepted the validity of Hall's analyses have at times been slow to appreciate the full implications of those perspectives. For surely, with the benefit of hindsight, they made clear all along that New Labour was the only place for the Labour leadership to go. The only other potential implication was for the Labour Party to transform itself into a socialist, New Left party, with a platform rather like that which the Green Party stands on today, conceding much of the political centre-ground to the liberal democrats, with whom it would have entered into a long-term political coalition. This was, in effect, the vision implicit in much of the advice offered by *New Statesman* and *Marxism Today* in the run-up to the 1987 and 1992 general elections. It might have taken Britain and the rest of Europe into a very different future, but it would have spelt the end of the dream of majority Labour government, and so was never going to happen in a million years as far as most Labour MPs were concerned. This is why the tone of much of the writing in *Soundings* and places close to it since then has seemed to me to be inappropriate. So much of it has amounted to attempts to reprove New Labour for getting it 'wrong' (as the cover of the 1998 special edition of *Marxism Today* put it), and to implore it to change direction, assuming that, fundamentally, Blair et al must still share our socialist values, and must not realise the

full implications of what they are doing. They do, and what is more, they have a more consistent analysis of the current global situation and their role in it than has been offered by any of their half-hearted social democratic critics. One of the reasons Hall's article, like Rutherford's analysis of the 'market state' (*Soundings* 24), is so important is that it encourages us to acknowledge that this is not a contingent set of errors being made by New Labour, but a fully-fledged hegemonic project to which the left's only meaningful response can be opposition.

But what could such opposition look like? Is there only a meaningless choice to be made between begging the Labour leadership not to do exactly what the New Times analysis always implied it would have to do, and accepting the neo-liberal dictum that 'there is no alternative'? Of course not. If the past teaches us one thing, it is that there is always an alternative, the game is never over, and history never ends. Gramsci famously counsels us to temper 'pessimism of the intellect' with 'optimism of the will'. The problem with those who refuse to accept fully the death of social democracy, while failing to imagine radical alternatives to it, is that they do not demonstrate enough of either. To do so must mean refusing to accept that there is no alternative to neo-liberalism, while openly admitting that the current situation for the left is so drastic that we do not yet know exactly what the alternative might be. In fact, this is precisely the position shared by the participants in the global campaign for an alternative globalisation (as the newly fashionable French term *altermondialisation* has it). Openly unsure as to where we are going, we at least know that it cannot be back to social democracy, or even forward to social democracy Mark II or III. The only alternative is to accept fully that, as commentators like Mulgan have always insisted, party politics today cannot be genuinely participative - and so to look for a non-party politics that can be. The only alternative is to accept, as New Labour does, that existing forms of representative democracy must inevitably produce governments which implement neo-liberal agendas - and so to look to the invention of other kinds of democracy altogether. The only alternative is to accept, as Blair insists, that the nation state can never again do for its people what it did in the twentieth century - and so look for a radicalism which is truly international in scope. Of course this movement is in its infancy. Of course the social forums - congregations of activists,

organisations, parties and people meeting on a global, continental, national, regional, or local scale - do not look now like the basis for some new, post-parliamentary democracy.⁶ Of course they are full of cranks and fanatics. But the first meetings of the Chartists or the Workers' International must have looked much the same, and it is with an eye to the next hundred years and not only the next general election that this movement is trying to start to imagine a better world. What is most ironic about the relative indifference to this movement displayed in the pages of *Soundings* is that the politics exhibited here - from the Zapatista insurgency of Chiapas to the European Social Forum - is informed by precisely the kind of analysis made by the New Times analysis. Hall seems to wonder what would have happened if the analysis of Thatcherism had been made in a more adequately global context. Here, to an extent, is his answer: contemporary 'anti-capitalism' is internationalist New Times politics. It may look clumsy, naive and utopian, but it's this or New Labour. There is no Third Way.

This does not imply, by any means, that parliamentary politics is now irrelevant. There is a great deal to play for in the space between what New Labour would like to do now and what it can be forced to put off indefinitely by popular resistance and organised parliamentary opposition (the full marketisation of English Higher Education may yet fall into the latter category). But let there be no mistake: it is popular resistance and not social democratic hand-wringing which will make such outcomes possible. The task of figuring out just how to use 'state' institutions in the service of progressive ends is still one which cannot be deferred to some post-revolutionary future, and here the important work of policy-oriented think tanks like Catalyst remains essential. However, in this new context, all such proposals will prove ultimately sterile if they are not subtended by a recognition of the extent and intensity of neo-liberalism's opposition to reforms which thirty years ago would have been considered moderately social-democratic. The marshy middle ground between neo-liberalism and anti-capitalism, on which the 'soft left' once stood so confidently, has completely collapsed. But the idea that this renders meaningless the distinction between left and right is one which would only make sense to

6. See www.worldsocialforum.org www.fes-esf.org www.londonsocialforum.org

those who have fallen through the hole and find themselves groping blindly in the dark. In truth, this situation leaves an unbridgeable gap between those with any desire at all to pursue egalitarian political objectives and the agents of US-led capitalism. This may leave a role for something resembling twentieth-century social democracy, but it would have to be so far removed from its antecedents as to be virtually unrecognisable. In particular, any such project will only have credibility with a wider public if it publicly acknowledges what most people already know: that to pursue even mildly egalitarian reforms will place any government in direct confrontation with the forces of neo-liberalism. This is why the latest statement from a dissatisfied group of Labour MPs is so very interesting. The 'New Wave Labour' group, is calling for the government to engage in radical democratic experiments, and explicitly refers to Porto Alegre, the Brazilian home of the World Social Forum, famous for its participatory city budget-making process.⁷ It is fantastically heartening to hear Labour MPs talking in these terms. The trouble is, for Labour to have its Porto Alegre, it would have to become something like the Brazilian Workers' Party: more a mass social movement than a European-style professional party. There seems very little chance of such an outcome. More realistically, MPs like these might hope to become part of some wider, looser coalition of forces, but it would have to be a coalition all of whose members were prepared - like the Workers' Party government in Brazil - to tell the public the truth about their place in a global struggle.

The logical conclusion of this observation is for those fifteen MPs and all those who support them to accept that there is absolutely no chance of persuading the New Labour leadership to change direction, because the New Labour leadership is utterly convinced that the terms in which the group frames its demands are historically redundant. In the medium term, only outright opposition to the Labour leadership and its commitment to neo-liberal modernisation can be the logical conclusion of those demands. However, those demands can themselves only become meaningful if they develop into a mature critique of the whole current

7. See Angela Eagle MP *A Deeper Democracy*, Catalyst 2003; www.catalystforum.org.uk; www.newwavelabour.co.uk

apparatus of representative democracy, and an acknowledgement that any attempt to implement experiments in radical democracy, like that in Porto Alegre, must put its practitioners into direct opposition to global capital and explicitly in league with the forces of anti-capitalism the world over.

So what is to be done? To paraphrase Hall and Finlayson et al, and to add my own gloss: we are faced with a government committed to the implementation of a neo-liberal project - forced, like Thatcherism, pragmatically to make concessions to a range of social constituencies along the way, but even more deeply committed than Thatcherism to the ideology of competitive individualism at the level of cultural and social politics. We are also faced with a labour movement apparently determined to keep mistaking those pragmatic concessions for signs that the government is about to change course permanently; and one that is largely indifferent to the global anti-corporate movement which is trying to carry out the necessary work of re-imagining democracy for the twenty-first century. In this context, the respectable left still seems unable to accept the death of social democracy. Unwilling to mourn it properly and move on, it persists in a kind of melancholic mania, of which the latest glut of neo-social democratic manifestos is a symptom, positing as they all do the utterly utopian vision of a revival of social democracy by means of those very institutions (the World Trade Organisation, the European Union, etc) which have been brought into being to destroy it, without ever addressing the strategic question of how to organise countervailing forces to those which would clearly oppose their vision every inch of the way.⁸ The task for those of us who accept this analysis is clear. We must work to exorcise this spectre, to persuade those sections of the labour movement - from trade union branches to the Parliamentary Labour Party - who remain complicit with New Labour and hope to persuade it to change course that they are wasting their time, and to build bridges between them and the global struggle against neo-liberalism. We must work to assist that movement in the task of creating a postmodern socialism.

Strategically, this will be a matter of persuading many of those constituencies who still see in New Labour the only alternative to a return to Tory rule to stop

8. See Eagle's paper; see also www.compassonline.org.uk; Lent et al, *Progressive Globalisation: Towards international social democracy*, Fabian Society 2003, etc.

shoring up this neo-liberal regime without abandoning the field of political struggle altogether. This is where we see that Hall's characterisation of New Labour as a mixed project is absolutely right at the crucial *strategic* level of analysis; for what continues to distinguish New Labour from Thatcherism is that it is strategically dependent on the support of constituencies to its left. This is the potential weakness which any future progressive project must seek to exploit, dis-articulating the New Labour coalition and re-articulating its more radical elements with those constituencies excluded from it altogether. The government is supported by a bloc which includes many elements - from constituency Labour activists to trade-union leaders - without whom no alternative can succeed. Any effective opposition to neo-liberal hegemony must begin the work of disaggregating this block and forming new coalitions.

Finally, an example of the price to be paid if such new coalitions do not emerge. In the UK, the trade union leaderships could already have led a successful popular campaign against the PFI and the privatisation of education services if they had bothered to try. This is a policy so detested, even in the heart of Middle England, that the government has had to rely on the collusion of the press in failing to report its operation and effects, knowing that it would never win a political argument over the issue. On a local level, as in Newcastle, there have been successful campaigns against privatisations. No doubt more typical, however, is the experience of the campaign against the privatisation of education services where I live in Waltham Forest, which collapsed amidst a general sense that this was a struggle which could only be fought at a national level, with the support of the trade union leaderships. Instead, the unions have been putting their energy into producing detailed critiques of this policy which no-one supported in the first place; hoping, it seems, to dissuade the government from pursuing it. Such hopes have proved utterly barren, and a historic opportunity for a truly popular campaign against neo-liberalism may already have been lost.

Of course, to have really launched such a campaign would have been to cross a Rubicon from which, thus far, almost all of the union leaderships have shied away. For to launch a popular, broad-based campaign against a government policy not only on grounds of its direct effects on their members' work and conditions, but on a point of political principle, and to do so outside the confines of the Labour Party conference, would be to acknowledge, finally, that the

century which began with the formation of the Labour Representation Committee in February 1900 is over. It would be to acknowledge that the unions - the only organisations on the left with the resources to do so - must take a lead against this programme of marketisation, finding a new political voice in a world in which they can never again expect the Labour Party to be that for them. The Labour Party and its membership may yet have a positive role to play, but being the exclusive political voice of the trade unions is not it. They and we should take a lead from Newcastle and from Porto Alegre. We must finally accept that it is no use carping on the 'mistakes' being made by a government which shares none of our values. The only effective criticism will be one which works actively to demonstrate that, contrary to New Labour's own deeply-held conviction, another world is possible.