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CONCLUSION

Blue Labour – Principles, Policy Ideas and Prospects

Adrian Pabst

BLUE LABOUR PRINCIPLES

Blue Labour reclaims a rich political and cultural inheritance that was exiled but never vanquished – radical traditions of a British Romantic modernity of virtue and sensibility of which William Morris was the most articulate advocate. Quoting from Raymond Williams' classic *Culture and Society*, Jon Cruddas writes:

Starting with John Ruskin, he [Williams] focuses on his resistance to laissez-faire society through artistic criticism where 'the art of any country is the exponent of its social and political virtues [...] the exponent of its ethical life'. What we value in life is taken out of the realm of political economy – of supply and demand, and calculus – and instead relates to the virtue of the labour itself – seen as the 'joyful and right exertion of perfect life in man'.

Within Ruskin, the notion of wealth and value, and indeed labour, are used to attack nineteenth-century liberalism for its cold utilitarianism, and instead promote a society governed by 'what is good for men, raising them and making them happy'. To live a virtuous life; to become wiser, compassionate, righteous, creative. What it is to become a 'freeborn Englishman'.

What is of value is not the notion of 'exchange value'. It amounts to a radical critique of political economy; of economic

transactions. It is the source of a distinctly English, radical transformative politics. One that is sometimes identifiable within the Labour Party.¹

Blue Labour recovers and extends these traditions of English and equally British radical politics. They are vital at a time when the Union is deeply divided and England's place within it remains unresolved. Following the Scottish referendum, Britain needs a new constitutional settlement – as the pledge to introduce home rule for Scotland has intensified long-standing resentment about the under-representation of England within the UK. Blue Labour calls for the self-government of towns, cities and regions that will promote popular participation in decision-making far more effectively than the concentration of powers in the capitals of the four home nations. Self-government at the lowest appropriate level in accordance with the principle of subsidiarity is also the best way of addressing the anti-Westminster mood that is fuelling support for the radical right – along with legitimate concerns about immigration and the widespread sense that the EU has never been more remote from the needs and interests of Europe's citizens. Blue Labour's paradoxical blending of honest contribution with realistic generosity can also speak to the growing number of disaffected workers who are socially conservative and turning to UKIP.² Key to Blue Labour is its emphasis on virtue, value and vocation. The practice of virtue serves the flourishing of the person, both individually and in relation to others. By contrast with utility or private happiness, flourishing requires a recognition of mutual needs and common interests, as nobody can fulfil their potential in isolation. Beyond the abstract wealth so beloved by liberals, Blue Labour argues for the creation of real, shared value that can provide stability, hope and energy. Vocation is vital because it acknowledges our unique talents and the importance of nurturing interpersonal relationships that can provide educative guidance.

Essentially, Blue Labour seeks to renew the Labour Party's commitment to solidarity amongst labourers. It views all humans as workers because it is work that most of all reveals the *personal* origin of all of human society and culture – one of the constituent elements of Catholic Social Teaching, as several contributors remind us. Work links people to other people and to particular places. Work also involves time: it requires learning from the past, embracing inherited lineages of good craft and accepting leadership by others if

one is eventually to lead in one's turn, to echo John Milbank. In her contribution Ruth Yeoman shows how the centrality of work as a virtuous practice can overcome the meaninglessness of commodified labour and open up new spaces for meaningful, creative activity.

Moreover, Blue Labour's appeal to perennial principles of reciprocity and the common good is connected with a commitment to the flourishing of persons, communities and the country as a whole. Only reciprocal arrangements can bind together rights with responsibilities and certain individual entitlements with mutual obligations. Without this 'radical balance', Britain's society will not be able to overcome the many divisions that have characterised its national life for so long. In both the public and the private sector, Blue Labour therefore seeks to strengthen subsidiarity, solidarity and status – i.e. self-government at the most appropriate level, mutual assistance for those in need and the honouring of contribution. This has profound implications for both work and welfare, as Maurice Glasman, Frank Field and Tom Watson argue in different ways – including corporate governance reform (such as workers' representation on company boards), regional and local banks as well as contributory welfare in the national insurance system.

Blue Labour also aspires to move British politics away from abstract liberal ideals of freedom of choice and absolute equality in the direction of a post-liberal pursuit of substantive individual and shared flourishing. That means valuing virtuous leadership and rewarding virtuous behaviour – whether through a new system of public awards or even some form of material reward such as tax breaks. In this manner, it seeks to transform both democracy and the market economy in line with the common good – not ideology or sectional interest. Transformation marks a radical alternative to timid reform and reckless revolution – neither of which can do justice to formative traditions and the importance of place and habit that are so central to the authentic British tradition. Crucially, Blue Labour's emphasis on the common good moves the debate away from utility and/or happiness to the question of shared ends and substantive goods that support human realisation.

Thus Blue Labour's post-liberalism is neither nostalgic nor reactionary. It appeals to rooted principles of the common good, participation and association. The task is to renew such notions and to build institutions that can translate into transformative practices of reciprocal giving, mutual assistance and cooperation across society –

in particular all the intermediary, democratically self-governing bodies that constitute the 'complex space' (John Milbank) between the individual, on the one hand, and the institutions of state and market on the other hand.

BLUE LABOUR POLICY IDEAS

From the outset, Blue Labour thinkers have stressed the link between principles and practices precisely because the notion of virtue involves both. As the 16 essays demonstrate, there is a plethora of fresh policy ideas which can be divided into four broad groups: (1) the Labour Party; (2) the state; (3) the market; (4) society. The aim of the main policies is to pluralise all institutions by enhancing civic participation and to direct activities to the common good in which all should have a stake.

In this light, the goal of Labour Party reform should be not merely to build another election-winning machine (as with New Labour). Instead, the purpose is to reconnect the party to the people and thereby to reconnect the electorate to politics. While Old Labour was too dominated by trade union bosses, New Labour relied excessively on the support of big, corporate money. Thus the alternative to either is to break this double dependence in favour of individual members, communities and new forms of association that have emerged in the digital age – as David Lammy argues. Key to this process of transformation is the tradition of community organising – an approach that privileges encounters between individuals and in small groups as well as the brokering of relationships rather than formal procedure and a top-down politics that is determined by party HQ – as the chapter by Arnie Graf so powerfully demonstrates. Community organising as part of London Citizens (now Citizens UK) has brought together faith groups and communities to use their power in order to improve the lives of their members and those living around them. New civic institutions are central to such a renewal, including the representations of different professions and faiths in the governance of cities, counties and the Union as a whole. Tom Watson's plea for new forms of partnership between companies and the trade unions also reflects Blue Labour's uniquely sensible position of being both pro-business and pro-worker.

This vision has been taken forward by Arnie Graf and Iain McNicol, the party's current general secretary. Both have sought to

make Labour once again a broad popular force, working alongside grassroots civic organisations and local communities. Community organising is not simply compatible with technology but can deploy it positively by connecting more people with each other and enabling their participation. As McNicol writes,

We're changing from a party that floods voters with leaflets delivered by a handful of volunteers; to being a movement, having hundreds of thousands of conversations with people. Our organisers are using both high-tech big data targeting techniques, digital campaigning and old-fashioned community organising to win voters to Labour. As we saw in May's elections, there's a real link between where Labour has already picked its 2015 parliamentary candidates, recruited organisers and where we won council seats. We have put our faith in community organising and we will soon have 110 organisers across our 106 battleground parliamentary seats. People coming together to oppose loan sharks and sky-high interest rates, to protect their post offices, fire stations and hospitals. It reminds us that the Labour Party was founded as a party of action, taking on local landlords, bosses and racketeers, long before there were Labour governments.³

In short, Blue Labour is promoting a relational politics that focuses on work, families and home – with a specific emphasis on higher pay, lower prices and more targeted help in order to address the twin crisis of inequality and identity that affects Britain. All this helped to shape the Labour Party's policy review led by Jon Cruddas.

As with its approach to party reform, Blue Labour argues for the pluralisation of the state and greater civic participation in both policy and decision-making. The key transformation is to rebalance the relations between government, parliament, the courts and the administration away from the dominance of the executive and the technocrats. This dominance betrays the spirit of Britain's 'mixed constitution', which differs sharply from the US and continental European separation of powers in which either one branch of government always ends up ruling over the others (the executive or the judiciary) or there is permanent paralysis (US gridlock over the budget and fundamental reforms such as immigration). Linked to this is the need to honour the ethos and integrity of institutions such as the civil service, which has had to endure the corrosive effects of the

permanent bureaucratic-managerialist revolution imposed by successive governments.

Another vital transformation consists in introducing self-government to regional, local and communal levels as well as pooling some sovereign power at the European and global level. This should occur in accordance with the principle of subsidiarity which stipulates action at the most appropriate level in order to safeguard human dignity and the flourishing of the person. For example, new forms of financial regulation or a serious crackdown on tax evasion require action by the EU or the G20. The same is true for the fight against organised crime and against global warming. However, for a vast array of areas – from welfare via education to housing – self-government at the level of county, city or even parish councils would be preferable compared with existing arrangements. That is because it would help ensure that the provision of services is more personal, local and holistic than the homogenised standards and uniform targets imposed by central government and the global market.

Moreover, Blue Labour argues that all the mediating institutions of civil society (professional associations, universities, manufacturing and trading guilds, etc.), which are democratically self-governed, should be associated to public policy and decision-making. Concretely, this would involve a greater role for local assemblies and professional associations in order to counterbalance the writ of the executive, political parties and the managerial bureaucracy of the central state.

In relation to welfare reform, Blue Labour argues that the social security system has tended to function as a substitute for high employment, decent jobs and widespread asset ownership – the statist model effectively (and ironically) propping up the free-market one. In its place, Blue Labour defends the contributory principle that breaks with the culture of ‘something for nothing’, as Frank Field outlines in his contribution. Recently, the Labour Party has begun to move in this direction with the commitment to pay a higher level of Jobseeker’s Allowance for a short period to those who have contributed more. More widely this implies ‘responsible reciprocity’, a mutualised welfare settlement that is personal, local and participatory. This would involve a renewal and extension of Attlee’s original idea of a unified insurance-based social security system alongside a ‘preferential option for the poor’, moving away

from means-testing, and developing locally based welfare schemes that embed people in meaningful relationships.

More specifically, in Britain's low-wage and low-growth economy state welfare is currently compensating for the failure of finance capitalism, and perpetuates a system wherein the governing elites do not abide by the standards of transparent virtue they purportedly demand of everyone else. By contrast, a mutualised social security model would fuse greater economic justice with an updated form of social conservatism that honours people's deep desire to earn respect and a place in society through family, community, locality, profession and faith. Mutualising social security would involve a number of reforms and policies. First, moving from means-testing to an expanded insurance-based system. This would include creating a new healthcare insurance system and transforming the NHS from a bureaucratic-managerialist machine into a mutual trust – run independently of central government and accountable to its members. Second, making work pay by expanding the 'living wage' and linking wage rise to labour productivity growth. Third, supporting the creation of locally based welfare schemes that are personal and participatory and that treat persons with dignity by making them members rather than passive benefit-recipients or clients of for-profit private service providers.

Fourth, promoting fair prices by enabling councils, communities and housing associations to negotiate not just energy and water prices but also rent on behalf of tenants. Fifth, creating an alternative social market in housing through innovative measures such as the 'mutual listing' of council houses. Finally, incentivising the expansion of wages in the direction of profit-sharing to reduce the welfare dependency of the poor and the 'squeezed middle' and also to break the vicious circle of debt and demoralisation. Welfare provision should include health, employment and education policy because it is ultimately a joined-up reality – reflecting the true needs of the whole human person.

In terms of the economy, the Blue Labour focus on pluralisation aims to mutualise the market and to strengthen both representation and participation in business. The mutualisation of markets would help shift the emphasis from short-term profits and pure price competition towards longer-term, sustainable profitability and competition centred on quality and wider social impact (including the so-called environmental 'externalities'). Connected with this are

principles and practices of cooperation beyond pure self-interest, involving especially the distribution of assets (e.g. asset-based welfare, employee ownership and cooperatives, including in the public sector).

Crucially, mutualising markets involves abandoning the current separation of profit and risk between investors and lenders on the one hand, and customers and employees on the other, in favour of alternative arrangements whereby some debt is converted into equity and both profit and risk are shared more fairly rather than being artificially and coercively divorced from one another. Examples include mortgages with long-term, fixed interest rates; debt equitisation schemes for over-leveraged banks and corporations; the introduction of growth warrants in addition to ordinary national or corporate bonds.

In the short to medium term, debt can only be brought under control by capping usurious interest rates and providing fresh sources of lending, including credit unions, building societies and initiatives such as the nascent Bank of Salford and similar local arrangements – with a requirement for banking structures to lend within certain areas (cities or counties) and within specific sectors.

In terms of growing inequality and the plight of hard-working families, Blue Labour has long championed a combination of breaking up monopolies (in retail, energy, banking, etc.) and promoting the introduction of the ‘living wage’. It is therefore vital to raise pay in line with labour productivity, which in turn requires a policy of innovation, including targeted investment in R&D, greater sharing of research outcomes and large-scale projects that the private sector cannot shoulder alone. Crucially, it needs a new policy of boosting vocational training and offering more hybrid forms that combine some academic skills with vocational skills (as for law, medicine and banking).

Constitutionally, Blue Labour's version of post-liberalism promotes the active participation of citizens – individually and in groups – in the governance of the public realm. Here the guiding principle is the ancient and medieval notion of ‘mixed government’ where the rule of the ‘one’ (the monarchy representing the nation), ‘the few’ (virtuous elites in all professions and sections of society) and ‘the many’ (the populace) are blended in mutually balancing and augmenting ways. Whether Edmund Burke’s ‘little platoons’, or G. D. H. Cole’s guilds, ‘the few’ could mediate between families, households, communities, localities on the one hand, and national

states and transnational markets on the other. So configured, 'the few' would have a constitutional role that helps secure the autonomy of the mediating institutions that constitute civil society.

A renewed form of guilds and professional associations would help develop and protect standards of excellence and honourable practices – if necessary by means of revoking licences to trade, for example in the case of banks that have behaved criminally. Blue Labour's emphasis on ethos shifts the focus away from a 'compliance culture' towards a moral economy in which duties beget rights and there are incentives for virtue, not vice, and rewards for contributing to the common good – not merely attempts to regulate bad behaviour. In the past when craft-guilds were frequently organised as confraternities, they participated in the life of the polity based on their own distinct 'legal personality'. Some of the most successful economies in Europe – including Germany and Northern Italy – are based on strong intermediary institutions and new forms of guild-like professional associations that foster strong economic growth based on innovation and productivity.

So if the left truly believes in worker self-organisation, it must encourage the introduction of a constitutional status for professional and other associations, as Blue Labour has suggested. This, coupled with a pluralised state and mutualised markets, can help build a new covenant that blends proper political representation with greater civic participation.

BLUE LABOUR: FUTURE AVENUES

Blue Labour is a movement that seeks to transform British politics – forging a new settlement by drawing on resources and traditions that have been exiled for too long. It combines a critique of liberalism with an alternative vision – the fight for greater economic justice yoked to a renewed emphasis on interpersonal relationships, social bonds and civic ties. The task for Blue Labour is to develop both this narrative and a number of concrete ideas that translate the vision into transformative, practicable policies.

More specifically, the overriding task is to repeat again and again the point that economic liberalism has largely benefited the few and ended in a catastrophic financial crash which has left the country not just saddled with personal debt and public deficits but has also plunged it into a state of political demoralisation and self-defeatist

decline. Meanwhile, periodic inner-city riots across parts of the country since the early 2000s have discredited social liberalism, highlighting the simultaneous atomisation and interdependence in a climate of fear, mutual distrust and lack of cooperation.

Another key task is to show that a majority of the British population is in fact post-liberal. Most people are attached to the principles of liberality (justice, generosity and integrity) but they are increasingly sceptical about the capacity of both economic and social liberalism to deliver freedom, equality and security. The challenge is to show that post-liberal principles and practices respect and reflect the views and interests of this often obscured majority. This means that the honouring of work, home, family and faith is absolutely vital.

Concretely, such a perspective promotes policies that link rights to responsibilities and entitlements to obligations, e.g. community work in exchange for welfare benefits for people who are capable of working. Similarly, it means policies of 'tough love' for inner-city children – coupled with concrete opportunities to escape from a life of exclusion, deprivation and gang crime. It also means strict limits on low-skilled immigration (as advocated by both Frank Field and David Goodhart) – combined with genuine efforts to integrate migrants in a spirit of hospitality and the common good. Finally, it also involves transforming globalisation where it accelerates and amplifies a race to the bottom, including some limits on the power of what Karl Polanyi called 'high finance' – the predators who eschew long-term shared prosperity in favour of their own short-term self-interest.

Perhaps most fundamentally of all, it involves valuing work through higher pay and better (vocational) training. More meaning and status (and more income) for the routine jobs means that Blue Labour will always champion apprenticeships more than an ever-expanding number of university students. Against the divisive language of shirkers vs strivers, Blue Labour advocates the introduction of incentives and rewards for virtuous behaviour. That is a surer path towards individual flourishing and the common good than the bizarre idea that private vice somehow leads to public benefits – an idea that has pervaded much of economics since Bernard de Mandeville.

Crucially, Blue Labour needs to demonstrate that its critique of liberalism is not a mere cry of anguish and anxiety against the inexorable advance of liberal modernity. It must rather show how

post-liberalism defends and promotes the interests and values of a 'hidden' majority and how novel institutions can be built using new alliances of different groups in society who are not used to cooperating – for example the Labour Party, faith communities and trade unions on usurious interest rates and alternative forms of banking.

Ultimately, only a universal vision will do. In the words of Frank Field, 'the appeal to country, loyalty to old friends, the belief that duties beget rights, are all sentiments that appeal across classes. It is on this universalism of Blue Labour's common good that Labour should begin rebuilding that wider coalition of voters which is so crucial to general election successes'.

If Blue Labour continues to tell a story of national renewal based on character and ethical principle, then it can help inspire a popular movement that really could transform the country.

NOTES

1. Jon Cruddas, 'George Lansbury memorial lecture', Queen Mary, University of London, 7 November 2013. Available at <http://www.newstatesman.com/politics/2013/11/jon-cruddass-george-lansbury-memorial-lecture-full-text> (accessed on 25 August 2014).
2. Robert Ford and Matthew J. Goodwin, *Revolt on the Right: Explaining Support for the Radical Right in Britain* (London: Routledge, 2014), pp. 183–219.
3. Iain McNicol, 'Labour's faith in community organising will lead it to victory', *New Statesman*, 21 September 2013. Available at <http://www.newstatesman.com/politics/2013/09/labours-faith-community-organising-will-lead-it-victory> (accessed on 25 August 2014).