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PREFACE TO THE NEW EDITION

Why Labour Lost and How It Can Win Again

Adrian Pabst

WHERE LABOUR IS

After its crushing defeat in the 2015 General Election, Labour faces an existential crisis. Wiped out in Scotland, pushed back in Wales and dismissed in England, the party is staring at the prospect of years in the political wilderness. Once the Conservatives redraw constituency boundaries and extend the franchise to around 3.3 million long-term expatriates (many of whom belong to the over-55s who are the single largest voting cohort), they stand to gain an additional 30-40 seats in England, which could lock Labour out of power for a decade. Then there is UKIP, which has replaced the Lib Dems as the third party. It received nearly four million votes and came second in 118 constituencies - many in the north where it is attracting the Labour Party's traditional supporters. Ed Miliband's reckless resignation plunged Labour into a premature leadership campaign, depriving it of space and time to express grief for losing the country and remorse for not listening to its people. The contest has highlighted Labour's deep divisions and the risk of permanent irrelevance. Whoever will become leader, Labour could split and die.

At the heart of the party's present predicament is not so much an ideological confusion (too left-wing in England, too right-wing in Scotland) as a moral void: the absence of an overarching common purpose that can bind together the party and the country. Labour seems incapable of speaking at the same time to the middle classes who are unconvinced by the Tories and the working classes who now

have UKIP or the SNP. Instead, it increasingly stands for the more affluent, secular, metropolitan elites as well as public sector workers and minorities – a protest march made up of sectional interests and vocal pressure groups. That is why the Labour Party did well in London but had little appeal across the rest of Britain. Labour abandoned the people of Britain, and now they are abandoning Labour.

The party's woes go much deeper than the lack of leadership, little economic credibility or the core-voter strategy that neither mobilised its traditional core nor even held on to its 2010 voters. What Labour lacks most of all is relating to people as they are, with their fears, beliefs, desires and hopes. In northern Labour strongholds that are political wastelands, there are widespread fears about debt, dispossession and despair. At the same time, some core belief in family life, the country and its traditions endure. A belief in fundamental fairness - that duties beget rights and that privileges have to be earned. Most people have a desire for mutual recognition more than wealth and power, for just reward, and for a society that honours hard work and contribution. There are also hopes that past sacrifice will be remembered and that future generations will be better off. That is now less certain than at any point since 1945 and worries a growing majority. Labour has so little popular support because it neither speaks to the specific concerns of its former core supporters, nor reaches out to the growing middle classes, nor defends universal principles across class and creed: work, family, community, care, loyalty, shared prosperity, pride of place - locality and country.

More than any other force within the wider Labour movement, Blue Labour has owned the scale of Labour's crisis and urged the party to abandon its comfort zones – a position articulated in this book. From the outset, Blue Labour was always a source of debate and renewal for the party and the wider Labour movement rather than a campaign group with a fixed agenda. It seeks to reconcile the country's estranged interests – young and old, owners and workers, Celts and Saxons, immigrants and natives, city and countryside, Christians and Muslims, faithful and secular – around the common good. An appeal to the common good brings to life Labour's forgotten founding principles of free association, mutual self-help and fair play between all based upon work and contribution rather than welfare and entitlement. Instead of disowning the party's post-war

past or being wedded to Old or New Labour, Blue Labour suggests that Labour's original traditions provide a source of imagination and practical wisdom for a common good politics.²

The best response to Labour's current crisis is therefore not a fudge of 'something New and something Blue'. For that would be to wallow in nostalgia for the 1990s and pretend that New Labour was more on the side of society than the central state and the global market. Perhaps this applied to the communitarian and Christian socialist thinking of Blair in opposition, but it was crowded out during his premiership. Change and progress were elevated into absolutes regardless of whether they served the needs and interests of people – not to mention the loss involved in the 'permanent revolution' against the 'forces of conservatism', as Blair was rather too fond of saying.

In just a few years New Labour lost the people it had taken for granted and its popularity began to fade well before Iraq. Outside London and metropolitan Manchester, middle-class support for New Labour owed something to the absence of a credible Tory alternative under unelectable leaders such as Hague or Howard. By the time of the 2005 General Election, New Labour's 35.2 per cent share of the vote – a mere 21.6 per cent of the entire electorate – was the lowest of any majority government in British political history, and the popular vote in England went to the Conservatives. Blair had won and then lost England, and now New Labour, like Thatcherism, had run its course.

To win again and govern better, Labour needs to recapture its place in the life of the country and regain people's trust. Where New Labour defended the old politics of global finance backed by the managerial state, Blue Labour forges new coalitions around mutual interests such as devolving power to people and sharing wealth more widely through civic and community institutions. And where New Labour was defined by the stale social democracy of the Third Way, Blue Labour combines a political philosophy of the common good with a politics that transforms rather than perpetuates Thatcher's settlement. It seeks to embed states and markets into local, decentralised and democratic institutions, which can hold the forces of power and money to account. Such a politics of the common good is built between people, restores their dignity and agency, and it can once again command majority support in England and across Britain.

WHY LABOUR LOST

In 2010, Labour suffered the worst defeat in the party's history since 1931. It was worse than 1983 not in terms of votes or seats, but because between 1997 and 2010, the Labour Party lost five million supporters and was routed in its heartland. The 2010 election result was dire: not only did the south-west, south-east and eastern regions turn into virtual no-go areas, but when measured against historical performance and seat size, Labour's collapse was actually higher in the traditional strongholds of London, the East, the Midlands and Yorkshire. Even though Labour regained a handful of seats in those regions on 7 May, the 2015 outcome was much, much worse. It was the easiest election to win for a generation and the biggest rout since 1918: destroyed in Scotland, threatened in Wales and beaten in England, Labour lost everywhere to everyone – the SNP, UKIP and the Tories.

The party not only failed to regain the five million working-class voters who had left Labour between 1997 and 2010 but also lost lifelong Labour voters: in 2015 more than a million who had backed Labour in 2010 (and before) voted Conservative for the first time, and they are unlikely to return unless there is a profound rethink. Along with floating voters and a majority of the population, they view Labour as weak on the economy and out of step with the country on the deficit, welfare and immigration. Crucially, Labour could not be trusted on spending public money sensibly, controlling the UK's borders and standing up for England. Compounding its lack of competence and connection with the concerns of ordinary folk was the constant rebranding and new messages based on focus groups, which confused voters and reinforced the deep distrust in the party. Once a great force of national renewal, Labour 'lost its place in the life of the people'.

Ed Miliband's claim that Labour lost the election but not the argument and that it was defeated only because two million Labour supporters failed to turn out is fanciful and deluded. Labour lost the election *and* the argument precisely because it had not earned the trust of the people whose views it ignored. Except for One Nation Labour, there was no genuine attempt by the leadership between 2010 and 2015 to reach out to people, listen to their concerns and build a broad coalition of estranged interests – starting with a proper social partnership between employers, trade unions and government. With

the exception of Arnie Graf's work on community organising to rebuild the party from the grassroots up, Labour was run from London by a tiny clique of ex-special advisers drawn from evernarrower backgrounds. A party that embodies the Westminster establishment and represents metropolitan centres was never going to

get popular support across the country.

And so it proved. In Scotland and Wales, Labour was hammered on its association with the arrogance of the Westminster elites. In the north of England and in the Midlands, it haemorrhaged support to UKIP, which gained 17 per cent of the vote and came second in 44 constituencies. That is because UKIP's brand of politics speaks to the concerns of traditional Labour supporters, especially older white working-class voters who have been left behind by the collapse of industry and the impact of globalisation – in terms of immigration, welfare and Europe. In the south, Labour offered nothing to people who are prosperous, patriotic and feel that English identity is under threat from Scottish nationalism and a remote, technocratic EU. The election was not decided by a combination of 'lazy Labour' and 'shy Tory' voters. Rather, the people of Britain trusted a Conservative government far more than the Labour opposition.

The party's strength in inner cities cannot hide the fact that the places where it needed to win but lost are culturally the furthest away from Labour's metropolitan mentality. According to a comprehensive post-election analysis by the Smith Institute, 'Labour failed in struggling seaside towns, in suburbia, in new towns, in rural areas and in general in "small town Britain". Nor could Labour's gains in its new London stronghold ever compensate for the disastrous losses in its former heartlands where people voted UKIP or the SNP.

The trouble for Labour is that the rest of Britain is not going London's way. Never mind the wealth gap, it is the deepening divide along cultural lines – between a more liberal-cosmopolitan and a more conservative-communitarian outlook – that the party has ignored for far too long.

Of course, growing numbers of Britons are socially liberal in certain respects (against massive inequality of wealth or power and in favour of equal rights). They prefer a fair and open-minded mentality to an insular and bigoted attitude (in terms of ethnic diversity, Europe and immigration).

However, a sizeable majority is much more small 'c' conservative and communitarian than Labour and the London commentariat think: most people (including ethnic minorities) choose a fairly traditional family life, want to live in safe, stable places, and are generally sceptical about change. They think that the welfare state wrongly privileges rights over responsibilities and that claims to entitlement by immigrants should not take precedence over the rewards for the contribution by nationals. Therefore they want EU citizens to work for a few years before qualifying for benefits and immigration to return to lower levels. In short, many voters are socially liberal on some issues and kind of conservative on many others.

For decades Labour has been on the wrong side of history. By embracing a purely progressive politics that idealises change and mobility over tradition and belonging, the party now speaks predominantly to university graduates and mobile professionals who tend to be liberal-cosmopolitan. And even then many of them settle down and become culturally more conservative and communitarian. They worry less about high mobility and more about buying their own house, finding their children a place in a good school and living in relatively stable communities with low levels of crime and a moderate degree of trust and neighbourliness.

Labour's metro-liberal identity has alienated not just its own traditional working-class supporters for whom globalisation has generated new forms of cultural insecurity in addition to economic anxiety.9 Labour's lack of cultural connection extends to 'new affluent workers' and 'emergent service workers' (bar staff, carers, call centre workers) who want to start their own business or learn a new trade but feel ignored by 'Big Government' and 'Big Business' alike. They all view Labour as the party of the liberal elites plus public sector workers and minorities - not the millions of people doing ordinary private sector jobs. The recovery may not benefit them much, which is why they are not enthusiastic about the Tories. If they vote for them rather than for Labour, it is with the head and a heavy heart. They think Labour just doesn't get it: it bangs on about inequality and the 'cost of living crisis', but it has no liking or sympathy for people whose way of life is threatened by ever-faster change, nor does it help people who want to get on and provide for their families.

The cultural divide between the metropolitan areas and the rest of the country is hurting Labour far more than any other party, as Frank Field shows in his essay. Between 1997 and 2010 Labour support fell by five million votes at a time when the electorate grew by 1.8 million. Of those five millions, some are semi- and unskilled workers as well as the poorest who have abandoned the party in droves. But it is the skilled working and lower middle class who see Labour as the 'party of welfare' and the liberal establishment. Little wonder that they have left and aren't coming back. By contrast, the decline in Labour's share of upper-middle-class voters has been much lower than the total decline in the party's vote. Wooing business and more affluent voters will be necessary but not sufficient to win a majority in England and elsewhere. The low- and middle-income voters have deserted Labour, and the party cannot win without them.

Crucially, culture – more than class – is the key issue for Labour. What puts people off Labour is its liberal-cosmopolitan disdain for patriotism and its endorsement of a social allocation system which, as Field puts it, 'favours the newcomer and the social misfit' over the vast majority who contribute and play by the rules. ¹⁰ Thus the culture gap cannot be mapped onto the old class divide whose significance is declining as the class system has fragmented. With the old ideological clash of left vs right fading, rival conceptions of contribution and belonging will increasingly define politics.

In the 2015 election the combined vote for the Conservatives, UKIP and the DUP outstripped the total number of votes for left liberal parties (Labour, Liberal Democrats, SNP, Plaid Cymru, and Greens). Thus the idea that there is a clear and growing progressive majority is just as misguided as the idea that Labour can win by turning its back on the country's culturally conservative core.

In addition to geography, culture and class, age plays a significant role. Labour has banked its electoral strategy on young people who are far less likely to vote than middle-aged people or the over-55s who do not trust Labour with the economy or their pensions. In the 2015 election, the Conservatives finished almost 25 points ahead among pensioners, 78 per cent of whom turned out at the election. As John Curtice has argued, 'never before has Ipsos MORI recorded anything like as much as the 20 point difference in Labour support between older and younger voters that was in evidence in 2015. Labour may not have lost the middle-class vote, but it certainly lost the grey vote'.¹¹

In summary: Labour was crushed because it is not where most people are on family, place, work, community, loyalty, prosperity and nationhood. As long as it is associated with the metro-liberal self-righteousness of London that is loathed outside the M25, it will not be

able to reach out beyond its more cosmopolitan voters and reconnect with the more conservative communitarian population across Britain. Nor is this a right-wing as opposed to a left-wing point. As John Harris has written,

the party should lose its cringe about whether there might be strong communitarian ideas inherent in modern conceptions of all the UK's constituent nations, including England [...]. Reflecting that, as well as what it might change, Labour should finally think seriously about what needs to be conserved and protected: the town centre, the green-belt fields, the bus route, the pub. For much of the past 20 years, the party has failed to speak that language. It has tended to reduce equality and fairness to a mess of tax policies and financial enticements. Now its vision ought to be much, much richer. 13

HOW LABOUR CAN WIN AGAIN

In the aftermath of defeat, Labour is tempted by two equally misguided paths that would lead the party down the road to perdition. The first is to embrace the anti-austerity politics of the hard left and form an alliance with 'progressive partners', including the SNP, the Greens and Respect. Quite apart from the need for fiscal discipline and paying down the national debt, this ignores the growing popular backlash against the large institutions of 'Big Business' and 'Big Government', and the desire for greater accountability through local control and civic participation. It also forgets that Labour's electoral base is fast eroding. The old industrial working class is no more. Its remnants have split and largely vote for UKIP or the Conservatives. Moreover, Tory policy will continue to reduce the number of public sector workers and those on welfare who are Labour's new core voters. As Jason Cowley has remarked, 'by 2018, for instance, there will be more self-employed than public service workers. Gordon Brown's "client state" is being dismantled, and little will be left of it by 2020'. 14 A purely progressive strategy will permanently deprive the party of a popular majority.

The second road to nowhere is a reinvention of New Labour. Leaving aside its toxic reputation, New Labour's brand of politics will fail to connect with people who have a more conservative-communitarian outlook. Whatever Blair's and Brown's professed

principles, New Labour created a cold, transactional, utilitarian type of politics that represented liberal London and lost the majority vote in England. Today it would offer nothing to the people of Scotland and Wales who are patriotic and united in their dislike of London metropolitan liberalism. It would further antagonise ex-Labour voters in northern England who are voting for UKIP. And it would be like a pale imitation of the Tories in the south, and people always prefer the original to the copy. Cameron is the true heir to Blair, and Labour cannot win by imitating the liberal Conservatives.

In any case, appealing to New Labour is like fighting yesterday's war. Assuming that Cameron will step down before the next election, the Tories are already repositioning themselves in a more communitarian way, passing a budget with a national 'living wage' (rising to over £9 by 2020), city devolution and a more vocational, socialmarket economy (with an apprenticeship levy on large businesses). Michael Gove and the new deputy party chairman Robert Halfon MP invoke Disraeli's One-Nation Tory vision with a renewed emphasis on blue-collar conservatism aimed at both skilled and unskilled workers¹⁵ - something on which the Scottish Conservative leader Ruth Davidson has led the way. In this they all follow George Osborne's maxim that 'in opposition, you move to the centre. In government, you move the centre' - towards a much smaller public sector as well as more power in the hands of individuals and cities. While Labour is waging past battles, the Conservatives are mapping the future, though one fraught with deep divisions over Europe, the fallout from excessively punitive welfare cuts and an attack on institutions such as the BBC. Without the Lib Dems, the Tories have arguably shifted the centre-ground left - not right - and are trying to push Labour further to the hard left.

If Labour wants to stand a chance of winning again, it needs to offer a new politics that combines individual fulfilment with mutual flourishing – how to live the good life in common. The task is to move the emphasis of politics away from individual entitlements and socioeconomic utility to a politics of virtue that promotes personal agency and responsibility to fulfil oneself and ensure that others flourish too. Work, rather than welfare, is central to this as it affords us not just an income for our own needs but also a sense of dignity and the ability to provide for those we love most. Love is vital because it is people's close relationships, from the family and the local street to the national web of fraternal bonds, that makes society resilient. As Cruddas

argues, 'strengthening community and relationships is the great purpose of our politics. [...] the social freedom which is the basis of a settled life. Edmund Burke describes this as "that state of things in which liberty is secured by equality of restraint". In the past, we called it fraternity'. ¹⁶

In the old politics of left vs right, the emphasis on liberty and equality squeezed out fraternity, which binds together people and society around shared traditions of the good life in common. Those, like the *Times* columnist and former Blair speechwriter Philip Collins, who implore Labour to embrace once again New Labour's 'permanent revolution', have not understood that the people of Britain are much closer to Burke than to Blair in opposing revolutionary politics and supporting a politics of virtue. In a review of a book on Burke by Jesse Norman MP, Cruddas praised Norman as one of the few true Conservatives for recovering the notion that '[p]olitics is about the nurturing of virtue: honour, loyalty, duty and wisdom. It is not about atomised exchange'. 18

Labour has much to learn from such Burkean themes. Burke's tradition of 'radical conservatism' (as developed by William Cobbett and then socialists in the pluralist tradition such as J. N. Figgis, G. D. H. Cole and R. H. Tawney) provides the party with ideas on how to link individual rights to mutual obligations. This tradition defends private property as a driving force for stable investment, production, and trade against both market monopoly and state control. It views property not merely in terms of economic status but as a stake in society that fosters greater civic participation. In this manner, love and work can be complemented by an emphasis on shared ownership and stewardship in relation to business, housing, technology, our natural environment and the global commons. Such ideas are conservative and radical, and this paradox is a source of inspiration and practical action. It can help Labour recover a sense of moral purpose and tell a story of renewal for both party and country.

However, in one key respect Blair remains a reference for Labour and British politics, as Cruddas and Rutherford rightly remark: 'He had an intellectual project which was the Third Way, a political project which was New Labour, and an organisational project which was the Clinton campaign machine'. 'B Going forward, the only winning formula for Labour is to fuse the Blue Labour narrative with a common good politics and the model of community organising.

To regain its place in the life of the country, Labour needs to reflect the people whose trust it seeks, and this involves listening to them where they are – in their communities, localities, and professions. Labour has to combine a genuine compassion for the dispossessed who feel abandoned by the still predominantly liberal Conservatives with an authentic focus on new groups whom the party does not as yet represent. This includes those trapped in low-skill occupations or the over five million in higher-skilled jobs such as sole traders, small businesses, and family-owned firms. Moving beyond its new core in liberal London also means speaking to the increasing number of middle-class people across the UK who fear for the future of their children and resent the growing gap with certain elites who do not play by the same rules that they demand of everyone else.

One way to bridge the culture divide is for Labour to appeal to people in new ways that favour local community and civic solutions over the impersonal mechanisms of state bureaucracy and commodity exchange. In both the public and the private sector, this involves addressing the crisis in the professions by fostering greater participation of professionals and more accountability to users. In turn, this requires a rebalancing of power from institutional shareholders to managers and employees and from legislators, regulators and administrators to front-line professionals and users. Labour also has to find novel means of reducing the psychological pressures of excessive inner competition within firms or organisations in favour of the energies of collaboration that facilitate innovation and a more family-friendly workplace. To sustain work and love, Britain needs the new settlement around relationships and responsibility that Blue Labour is developing.

The politics of the common good is a response to the limits of liberalism and the desire for a polity in which everyone has a place and a voice. Liberalism's focus on freedom has far too little to say about the goods we enjoy in common: love, family, friendship, collegiate workplaces and safe communities, as John Milbank's essay suggests. The liberal emphasis on equality forgets the quality of life – employing one's vocation and talent to useful, beautiful and meaningful ends, especially work that has meaning, creates value and forms character. But equally important are goods of real worth such as a sufficient stock of affordable and good-quality homes, enough schools with a strong ethos, many more British-trained nurses and doctors, better food at work and in schools... In short,

equality is not about making everyone the same (in the mould of metro-liberals on the left and right) but rather about creating equal access to the good life in common.

It is the neglect of the good and of virtue that leads to a culture of rewarding vice in the form of greed, selfishness, deception and dishonesty. Too often the worst human instincts prevail and corrode both the common sense and common decency on which a vibrant democracy and market economy depend. Thus Blue Labour argues for a new set of incentives and rewards that promote more individual virtue and a greater sense of public honour. For example, British company law gives too much power to shareholders and thus helps to bring about corporate short-termism, depressing investment, innovation, productivity and workers' pay - as the Bank of England's chief economist Andy Haldane has argued.20 A rewriting of company law by the social partners is needed to encourage productive activities and shared prosperity over short-term speculative gain.²¹ Similarly, more work and less welfare dependency requires proper pay and better working conditions by linking wages to productivity growth and rewarding employers who pay the 'family wage' and provide apprenticeships (e.g. tax breaks, public tender and procurement). A moral economy of mutual obligations rather than a culture of abstract claims to individual entitlement has to value contribution and broaden it to include care for relatives, services to the community and many more informal activities.

To transform the party and make common good politics the new centre ground, community organising is vital because it enables Labour to do politics with people rather than to them. That involves strengthening self-association at the workplace, in neighbourhoods and indeed in the party itself - from local branches and constituencies all the way to the National Policy Forum. Organisationally, it means reviving and extending Arnie Graf's project, which is to transform the party into a popular movement around work, family and pride of place. To stop another shutdown of this vital work by the party machine, Labour needs to turn into a federation of independent parties, starting with a new English Labour Party where members meet, debate and decide on an English Labour manifesto aimed at winning a majority in England. Such a party federation would also enable a more independent Scottish Labour Party and a stronger Welsh Labour Party, each with their own General Election manifestos. In turn, that would help the Labour family to organise more effectively for local ballots as well as elections to the Scottish Parliament and Welsh Assembly. A party that wants to embody the transfer of power to people must lead by example.

A truly federal Labour can begin to regain trust and command popular support. For instance, English Labour should learn from Labour council leaders in the Midlands, the north-east and the north-west on how to strengthen local democracy. The party could cautiously welcome the Tories' policy of city devolution but offer the country to go much further, introducing directly elected majors for every town and city with complete control over public services and economic development, including tax-setting and budgetary powers.

Central to a common good politics is Blue Labour's blend of political economy, statecraft and strategy. A Blue Labour political economy combines just reward for work with a greater distribution of assets. One way to achieve this is by linking wages to labour productivity growth and by promoting more profit-sharing models in the public and the private sector. This needs to be complemented by investment in through-life training and skills as part of an economy that values both academic and vocational formation, including hybrid education for professions such as law, medicine, finance and engineering. Combining skilled craft with high technology can foster innovation and generate value, not abstract wealth and low-paid jobs. By creating regional investment banks, all this can help bring about a rebalanced recovery and a diversified economy. Blue Labour also seeks to forge new social and economic coalitions at home around common interests such as shared prosperity. This needs to include more forms of social partnership between managers and workers, but also between funders, users and professionals as well as between consumers, suppliers and local communities. A new economic settlement has to be based on free association and accountability among all the stakeholders.

Linked to this is Blue Labour statecraft, which strengthens civic institutions that support internal practices and judgements and allow virtue and vocation to flourish without the domination of the market or the state. Blue Labour sees owners, managers, and workers as representing estranged interests that can be brought together in a negotiated settlement through new civic institutions, for example city corporations that are elected by both resident citizens and members of professions. This would involve a greater role for professional associations alongside legislators and regulators with the aim of

improving self-regulation and to instil a culture of ethos and excellence that fosters the pursuit of virtuous ends – the goods that are internal to each activity. Associations offer professionals a framework in which they can negotiate rival ideas and interests and also agree on written codes of conduct as well as unwritten norms, which are reflected in good practice.

Statecraft also deploys government as an engine of radical decentralisation to self-governing towns, cities and regions where power lies with mayors, guild-corporations and citizen assemblies. This would include hybrids such as city-regions and county-corporations that reflect specific traditions such as naval colleges in Newcastle or ports in Norfolk that can trade with other European members of a recreated Hanseatic League. The trick is to 'politicise' existing cultural attachments and this could readily arise if regional assemblies became speedily associated with local pride, increased economic development and popular involvement in shaping regional character.

Concretely, local and regional self-government should have the power to vary business tax, reduce regulation and foster innovation hubs together with universities and enterprise. In relation to welfare and other areas, service provision would be more personal, local and holistic than the homogenised standards and uniform targets imposed either by central government or the European Commission (or both at once), which treats people as commodity consumers and mainly humiliates the poorest who cannot afford higher-quality alternatives. (Part of a more human approach would be a radical simplification of the tax system and significant tax cuts for low-income groups, especially the working poor who will be hit hardest by the Tories' hasty abolition of tax credits.) Thus statecraft is key to a radical public sector transformation based around productive value, virtuous leadership and support for families - for example through community institutions that can provide early intervention and childcare rather than tax and transfer.

In this manner, statecraft binds together domestic politics with foreign policy by devising a federal settlement for the UK and reaffirming Britain's destiny as a European and global power. A Blue Labour strategy can bring about a more imaginative and courageous approach to international relations. First of all, Britain needs to connect its European and Atlantic links to its historic ties with the countries of the Commonwealth, otherwise it will lose its

status as a global power based on a unique tradition of tolerance, freedom under the law, and public cooperation connected with Britain's 'mixed constitution' model of parliamentary monarchy.²³

Second, the UK has to lead in Europe by ensuring that the EU's global outlook is not confined to the export of human rights but extends to more meaningful interventions. For example, in the Near East Britain should reach out to the great civilisations of Syria, Iran and Russia (even if their current regimes are profoundly problematic) and devise a long-term strategy that takes the fight to Islamic State by being pro-Kurdish and pro-Christian.²⁴ At home this requires not just a commitment to higher defence spending but also a renewed military covenant on the mutual obligations between the country and its armed forces.

Finally, UK leadership in Europe can complement the creation of a federal settlement at home by forging alliances with like-minded EU members such as Germany, the Netherlands, Scandinavia, and Poland to reverse the centralisation of power and make the Union an engine of devolution and accountability to its citizens. Over time Britain could even help rebuild the EU's political project around a European commonwealth of peoples and nations that can embed states and markets in civic institutions and relationships, which constitute Europe's unique polity.

Over-ambitious? Perhaps, but worth trying, because Britain's only other option is to tinker at the margins to preserve a system that has lost popular support and civic consent. To restore the United Kingdom and rebuild a Europe that is prosperous and peaceful, British politics needs a renewed idealism that is more realistic than mere pragmatism. For idealism is about the sustaining of noble traditions, shared purpose and character. It is about what kind of country Britain is and where Europe is going.

CONCLUSION

As the Labour leadership contest highlights, the danger is that the party will be stuck between the self-righteousness of the Blairite tribute band and of the hard left. Both offer false hope and will lead the party into oblivion. That is why Labour needs to go blue. Labour must recover its own best traditions and embody the values that resonate with the British public – north and south, urban and rural, native and immigrant, Saxon and Celt, religious and secular,

working class and middle class, young and old, people and elites. The best response to Labour's current crisis is not some reinvention of Old or New Labour. Rather, the future for Labour is to be as radical as it is conservative and to take Blue Labour to the next level.

NOTES

1 Maurice Glasman, 'The good society, Catholic Social Thought and the politics of the common good', this volume.

On the Labour Party's origins in the 'radically conservative' tradition of the cooperative movement rather than the progressive tradition of the Liberal Party, see Martin Pugh, Speak for Britain! A New History of the Labour Party (London: Vintage, 2010); Maurice Glasman, Jonathan Rutherford, Marc Stears and Stuart White (eds), The Labour Tradition and the Politics of Paradox: The Oxford London Seminars 2010–11 (London: Lawrence & Wishart, 2011), available at http://www.lwbooks.co.uk/journals/soundings/Labour_tradition_and_the_politics_of_paradox.pdf; 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 (both accessed on 26 July 2015).

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