THE FUTURE OF SOCIAL DEMOCRACY

Jon Cruddas
Social Democracy

Jon Cruddas

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Foreword

Jon Cruddas begins both of these lectures with the same sentence: ‘We are at a historic turning point.’ The financial crisis has taken us to the brink of an abyss. We can look down and see reflected the country we have been living in: dynastic wealth for the few alongside some of the highest levels of poverty and inequality in Europe. More home ownership, but no investment in housing for the next generation and now a chronic housing shortage. Our economy grew on asset bubbles and speculation that lined the pockets of the rich. We live in a consumer wonderland, but low pay and stagnant wages have led to unprecedented levels of personal debt. And amidst its gilded baubles is a winner takes all society at risk from growing levels of loneliness and mental illness.

We are now in the end game of an old paradigm. Britain has to make the transition from casino capitalism to a low carbon, more equitable and balanced form of economic development. But nothing is guaranteed. This should be a progressive moment for social democracy, but it is floundering in the ideological vacuum left in the wake of New Labour. It has neither the alliances across civil society, nor the collective agents of social change to secure a new electoral agenda. After years of subservience to neo-liberal dogma it lacks a story that defines what it stands for. The ideology of liberal market capitalism might have lost its credibility, but it remains the only story of economic life on offer. The Conservative party will defend the vested interests of finance and business. Can the Labour party rediscover its idealism, renew itself and meet one of the greatest challenges in its history? Despite everything, the opportunities in the decade ahead for a more ethical and radical politics of equality and social justice are real.

A viable political alternative to market capitalism will require creative open thinking, new kinds of alliances and inventive forms of political organisation. Jon’s lectures invite us to look once again at Labour’s traditions and to collectively debate how we might renew and develop them. We must begin, he says, by reclaiming our philosophical foundations. People want to know what we stand for. Reclaiming our beliefs of equality, freedom and community will restore historical, conceptual and moral depth to our politics. They are the lodestar that will guide us into the future. The question of which principles we hold passionately is not the same as the question of how we build popular support and win elections. As the late Jerry Cohen argued, we need a political pragmatism not of ‘what works’, but one based around the question of what justice fundamentally requires. That defines the task now before us. In his two lectures Jon sets out our goal: a strong and responsive democracy, a restoration of trust, kindness and reciprocity in public life, and an ethical and ecologically sustainable economy built for social justice, the common good and equality.

Jonathan Rutherford, 8 January 2010.
On social democracy

The First Annual Compass Lecture, London
9 September 2009

Introduction
We are at a historic turning point. The electoral successes of the last decade have been unprecedented, but underneath lies a deeper story – of profound economic and social change and the breakdown of no end of assumptions and political orthodoxies.

Labour has failed to keep pace with these shifts. Indeed, I would contend that it has based far too much of its approach on denying them. Our response to changed realities has not cohered into a consistent and credible worldview, or a vision of how Britain can emerge a better and fairer country. Put simply: what does Labour stand for any more? There are plenty of initiatives and announcements, but no sense of animating purpose – and thus, as yet, no compelling case for re-election.

Whether Labour remains in government or returns to opposition, we need a fundamental re-assessment of its identity – the kind of society it hopes to build. Why? Because such periods of economic and social change produce major political re-alignments.

This creates opportunities for Labour to reach out and join new coalitions, yet it also spells real danger. To survive and grow we must anticipate such changes, and at such times we need a sense of our own history. Not just of the electoral success and failures of the party itself, but a history of our own ideas and how they have shaped the party.

What Labour has lost
Consider what Labour has lost – its traditional class, its paradigm and its optimism.

From constituency meetings attended by dwindling numbers of committed activists, up through the council chambers of great cities that we no longer govern, up through the dazed and disorientated Parliamentary party, and to the very centre of government, one thing is increasingly clear. A sense of loss pervades the Labour party. It is almost palpable. Not just of power sliding away, but a more profound loss: one relating to our essential mission – our very identity.
To start with, consider two losses. First, the politics of Labour has been fundamentally altered by radical changes in the working class, its culture and institutions over the last four decades.

Fifty years ago Raymond Williams published a short essay called ‘Culture is Ordinary’. It begins with an elegy to his working class boyhood in the farming valleys of the Black Mountains and the generations of his family who had lived there. It is a beautiful piece of writing – poetic and humane. Williams describes a way of life that emphasised neighbourhood, mutual obligation and common betterment. It is a story of pride and dignity familiar to the core of the Labour party. It is central to our historic identity and our resilience; it gave us meaning.

Williams knew that this culture was shaped by the underlying system of production. He recalls how from the mountains he could look south to the ‘flare of the blast furnace making a second sunset’. He wrote at a time when his class was already undergoing momentous change, but he could not have imagined the day when there would be no second sunset. After that, what would come next? The question remains.

Consider a second loss – Anthony Crosland’s model of social democracy. His book The Future of Socialism was for many of us always out there on the horizon – a revisionist answer to orthodox Marxism while also an assault on the foundations of market economics – neoclassical theory. It was an intellectual cornerstone for a social democracy built on tax receipts from capitalist progress, an interventionist nation state and class reconciliation through growth.

This was dealt a near fatal blow when the Labour government went to the International Monetary Fund. Gordon Brown re-invented a derivative for New Labour, privileging the City and the financial markets and skimming their profits for the Exchequer.

That model is now lost; 15 years – 60 uninterrupted quarters of growth – have gone. We were able to swerve around the big distributional issues – and indeed the laws of politics – given the supposed end to boom and bust.

We are now six quarters into a politics for more austere times. And despite the heroics of the Treasury, within the government more generally the sense of loss is acute. What comes next is silence.

Now consider a third loss – our optimism. Unwittingly, the most telling description of what New Labour lost was contained within its own bible: Philip Gould’s The Unfinished
Revolution. He made a revealing distinction when he described his parents as having ‘wanted to do what was right, not what was aspirational’. The possibility that these two categories were not mutually exclusive was never entertained.

It is hardly surprising that in the psephological models Gould invented to map out New Labour’s route to power, such as Mondeo Man and Worcester Woman, we find our old friend Rational Economic Man resurrected in modern garb – the foundation of right-wing political economy through the ages.

In this view of what it is to be human, aspiration consists of the impulse to accumulate and consume without regard to the consequences for others or any sense of responsibility to society as a whole.

Here people are considered as individualistic. Unsentimental. Ruthlessly self-interested; the electorate – or at least the section of it that counted – held fast to a rationality that verged on the misanthropic.

By 2001 New Labour’s policies were essentially based on a mythical ‘Middle England’, drawn up by the pollsters and located somewhere in the south east, built around continuous growth and affluence and where politics always had to be individualised. A leading cabinet member claimed that Labour’s essential message was to help more people ‘earn and own’. We believed that Labour would only respond to a sour, illiberal politics about consuming more, rather than deeper ideas – of fraternity, of collective experience, and what it is we aspire to be as a nation. To put this simply, we assumed the worst of the British people. But this viewpoint was neither accidental and for certain it was not original. Thomas Hobbes, for example, assumed self-interest to be the only guiding principle; kindness a virtue for losers. Think the rationality of classical economics. Think the Selfish Gene. Think Ayn Rand.

Before his death Michel Foucault wrote a series of brilliant lectures describing how this type of political economy becomes ‘biopolitical’; how its hollowed out conception of the human being – in terms of what we aspire to – comes to be seen as natural.

Consequence
A number of things flowed from our embrace of these assumptions. The idea that voters could be persuaded that higher taxes were a price worth paying for an improvement in public goods was dismissed. Even tax rises for the very richest were ruled out, since
every rationally aspiring voter hoped to reach the top income bracket and might one day get stung.

Public and open recognition of the redistribution of wealth and income was out. New Labour, we were told, was ‘intensely relaxed about people getting filthy rich’. From the mouth of Mandelson, we got the wisdom of Mandeville: private vice is public benefit. And at the end of that road lay a completely empty vision of centre-left politics, where aspiration would be reduced to a notion of acquisition, materialism would be all we had.

What we lost was optimism. Richard Rorty once wrote that ‘the best way to cause people long-lasting pain is to humiliate them by making the things that seemed most important to them look futile, obsolete and powerless’. This is the experience many ex-Labour voters describe. To use dry terms like disconnection is to underestimate the seriousness of what they feel: real pain and loss – because the very optimism of progressive politics appears to have been lost from a party that, at its best, was once a byword for it.

The psychoanalyst Erik Erickson once said, quite simply, that ‘hope is the basic ingredient of all vitality’. It is hope that has to be rediscovered – through a renewed optimism.

The three crises of Labour
First, have a look at the graph opposite.

Consider the popular vote of the party at every election since 1900. The conclusion is straightforward. Labour has faced two periods of real crisis and now stands on the verge of a third.

The first followed the crash of 1929, and the collapse of the second Labour government as MacDonald, Thomas and Snowden entered the national government. The second came with Labour’s loss of power in 1979, the Thatcherite ascendancy and our threatened eclipse by a new third party in the early 1980s. Now, a third crisis is imminent. If the decline in Labour’s fortunes since 1997 continues, this latest watershed will occur following next year’s election – and history suggests that it will be every bit as dramatic.

It took nearly 15 years for Labour to return to power following the first two crises and the resultant election defeats of 1931 and 1983. What the graph shows is that the history of Labour since 1900 is a story of a birth and three crises. Each of these four key moments occurs at periods of profound economic change.
The formation of the party came during the change from the Victorian to the Edwardian era. The three political crises that have defined so much of Labour’s story immediately followed the fundamental economic turning points of the next 110 years:

- the Wall Street Crash
- the destruction of the post-war consensus, and emergence of neoliberalism
- and, to bring things up to date, the global economic collapse of 2008.

The graph also shows us a strong inverse relationship between Liberal and Labour voting shares at these historic pinch points.

At every major historic turning point over the last 110 years there have been major political re-alignments: the birth of new parties, the death of others and the forging of new coalitions.
Now the writings of various ‘long wave’ theorists – Joseph Schumpeter, Hyman Minsky, Nikolai Kondratieff – all link periods of economic and social crisis to periods of major technological change and financial speculation. All tend to focus on the 1890s and 1929, while later disciples highlight the late 1970s and September 2008. Carlota Perez, for example, historically highlights how these ‘turning points’ create political openings for social democracy.

Where a new politics of equality, sustainability and wellbeing become feasible there is a new Golden Age. But feasibility is not a necessity – and even if there is this possibility, the forces of selfish individualism can entrench their position. Perez says we are at just such a turning point now.

Yet we should be very cautious here. History also tells us that since its actual birth, Labour has a terrible record at such turning points – of 1931, 1979 and here today since 2008 – indeed they tally precisely with its three moments of crisis. Is this because from its very inception Labour has been plagued by a fundamental fault line between its orthodoxy and radicalism, which is especially acute at moments of crisis?

I would suggest also that this is not a left–right factional split but it is about building a radical agenda that can shape such historic moments – think for example of Margaret Thatcher. This tension can be detected throughout the history of the party, in the frustrations of our leaders at times of retreat.

Soon after its formation, Keir Hardie argued that Labour had ‘its conscience dulled by lust of power to that sense of justice which is the salt of national life, it reels towards its doom’. Twenty-five years later Richard Tawney describes – after retreat in national government – how the government ‘did not fall with a crash, in a tornado from the blue. But crawled slowly to its doom.’

His words echo down from the past – through Aneurin Bevan, Neil Kinnock and indeed early Tony Blair when railing against party orthodoxy:

The gravest weakness of British Labour is... its lack of creed. The Labour Party is hesitant in action, because divided in mind. It does not achieve what it could, because it does not know what it wants.
There is, he says, a ‘void in the mind of the Labour Party’, which leads us into ‘intellectual
timidity, conservatism, conventionality, which keeps policy trailing tardily in the rear of
realities’.

So where do we go? Let’s start with a return to our relationship to other traditions,
notably liberalism.

**Labour and liberalism?**

It is wrong to think of socialism as a tradition that stands in opposition to liberalism. Yet
we need to be very clear about which aspects of the liberal tradition Labour can usefully
embrace as its own. Mark Garnett identified two rival modes of liberal thought; one he
described as ‘fleshed-out’, the other as ‘hollowed-out’.

In its extreme laissez-faire variant, classical ‘hollowed-out’ liberalism assumes a model of
human behaviour that is rational, acquisitive and ruthlessly self-interested. In contrast,
‘fleshed-out’ New Liberalism was developed by the idealist philosopher Thomas Green,
and taken up by Leonard Hobhouse and John Hobson; it was optimistic. Hobhouse said:

> We want a new spirit in economics – the spirit of mutual help, the sense of a common good.
> We want each man to feel that his daily work is a service to his kind, and that idleness and
> anti-social work are a disgrace.

These thinkers are rightly considered to be pioneers of the British tradition of ethical
socialism. Their influence over the leading Labour intellectuals of the early 20th century –
Tawney, GDH Cole and Harold Laski – was both profound and freely acknowledged.

The New Liberals did a great deal to change liberal assumptions in a progressive direction,
but their ideas were always contested within that tradition. The efforts of the Orange Book
faction of the Liberal Democrats to restore the principles of classical liberalism show that
they are still contested today.

At a rhetorical level New Labour certainly talked in suitably fleshed-out terms about the
need to restore community spirit and create a more inclusive society. It also acted to
strengthen public services, tackle poverty and end social exclusion.

My contention is not to deny the many great things achieved by the government, nor
the commitment of its representatives. But if New Labour at its best embodied the high
aspirations of fleshed-out liberalism, its restricted understanding of the scope for change betrayed the cynical assumptions of its hollowed-out alter ego.

It talked quite rightly about the need for the party to broaden its appeal to win the support of ‘aspirational’ voters, but equated aspiration with nothing more than crude acquisitiveness. This sucked out its optimism and its radicalism – yet that reality was disguised by the proceeds of growth.

**Coalition and re-alignment**

There is much discussion in and around Labour about rebuilding its relationship with liberalism. However, a real danger exists in seeking to reunite the wrong elements of both – of reuniting the worst elements of New Labour with a hollowed out classical liberal tradition.

Yet an alternative tradition has always existed – in Labour, liberalism and far beyond, one that is more optimistic. It is not about the world of selfish beasts, of Thomas Hobbes, of selfish genes, atomised exchange, neoclassical economics – the aspiration to ‘earn and own’, but about the world of reciprocity, empathy, fraternity, and the individual embedded in social relationships dating back to Aristotle.

In literature consider the Romantics’ criticisms of the rationality of market economics. In politics this world spans Rousseau and early Marx, Keir Hardie and our own non-conformist tradition of ethical and indeed faith-based socialisms. It is less scientific, more a language of generosity and kindness, and very much alive within much contemporary debate within psychology, sociology and neuro science. Less Ayn Rand more David Hume. It is a tradition at work within radical liberalism. It is a politics of fellowship and solidarity and a sense of obligation to others. It would recognise people’s need for security, to feel a sense of belonging and the experience of respect and self-esteem.

In this tradition public services thrive on an ethic of care; a civic culture rewards generosity; society values reciprocity over competition – it nurtures what Bevan used to define as serenity.

Yet as the late Jerry Cohen argues in a book published posthumously, *Why Not Socialism?*, the problem is one of design. The technology for giving primacy to our acquisitive and selfish desires already exists in the form of a capitalist market economy. But we have not yet adequately devised the social technology capable of giving fullest expression to the generous and altruistic side of our personality. That is the main task of the future left.
It means new political alliances. Alliances of this kind are not at odds with Labour’s traditions. Think of our support for the radical elements of the 1906 Liberal government; think of Sir Charles Dilke as unofficial chair of the ‘social radicals’; think of the influence of social liberalism on the 1945 Labour government.

At its best, Labour has been at the heart of broader social and cultural movements. Again, think of Keir Hardie and his alliances with suffragettes, anti-imperialist struggles, peace movements and colonial nationalism. Later think of 1945, then the major liberal initiatives of Labour from 1964 to 1970; think of the coalition secured by Blair from 1994 to 2001. It is when Labour’s orthodoxy wins out that it retreats from such movements, often at moments of crisis.

A programme
What might the programme be? Let us start with four pillars: equality, community, sustainability and democracy.

Equality
We stand for equality because it is the precondition for the liberty of all and that is about social justice. The more resources you have the more courses of action are open to you. As Richard Tawney argues in *Equality*, liberty is ‘equality in action’.

The American economist Robert Frank details how higher inequality leads to increasingly extravagant expenditure and consumption patterns at the top. This creates ‘expenditure cascades’ and ‘positional arms races’ that drive up the cost of living for middle-class consumers. The motivating force behind this dynamic is not envy, but the desire to keep up with changing norms of consumption and lifestyle being driven from above.

Also think how the impact of inequality on the poor affects the wellbeing of others. Collapsing social mobility has created an underclass that is acutely aware of its poor economic prospects and seeks various forms of escapism to compensate some benign many malign. We must therefore seek equality of human dignity and moral worth. In a society based on the principle of fellowship, no group of individuals should be so rich or poor that they are able or forced to live as a class apart.

The aim is not to impose uniformity of material condition. It is a society in which differences of wealth and income are contained within limits that allow the individuals to relate to each other in a spirit of mutual regard. This lies behind:
the thinking of the Compass High Pay Commission – of which you will hear a lot over the coming months

- the need for greater tax justice where we all contribute fairly
- the need to close tax havens; we need a radical overhaul of the system to build a more equal distribution of income and wealth
- reasons why we should index-link benefit levels, pensions and the minimum wage to movements in average incomes
- support for the Equality Bill and the need to reconsider a graduate tax
- the need to defend and redefine a European Social Model under attack in the European Court of Justice
- why we should have a fair employment clause in all public contracts – to use the power of procurement to challenge race, class and gender inequalities among the working poor
- windfall and transaction taxes and resetting capital gains tax.

It is why we must intensify efforts to end child poverty.

**Community**

Karl Polanyi described the ‘double movement of capitalism’. On the one hand the market destroys old social networks and reduces all human relations to commercial ones, yet on the other is the counter tendency to defend human values, the search for community and security.

Community brings together equality and liberty because it is about fraternity and interdependence. Community is a rejection of the logic of the market. It is about the mutual nature of human relationships: ‘I give because you need.’

We no longer live in communities in which people share the same customs and culture, but the ideal of community with its ethics of reciprocity and solidarity remains as powerful as ever, especially at moments of crisis. We seek a mutual respect that grants self-esteem, and creates a sense of belonging.

Today neuroscience and research into brain development confirm the view that human beings only fully develop and flourish within social relationships. This reasoning lies behind the need:
to build the care economy for all generations at local level with special focus on early years, support for carers and the elderly
- or a housing crusade, rebuilding the mixed economy through massive investment in social housing as nearly five million are in need of a home for rent
- to genuinely free up local authorities to borrow and invest in local priorities, to provide local bond finance for local infrastructure and to reform local taxation; too often centralised funding streams and prescriptions have warped our search for equality
- to reconnect the excluded and rebuild trust across communities, for example, to regularise those who have no status and suffer appalling poverty and degradation from landlords, employers and criminal gangs.

We need to give great help to those communities – often the poorest – who have experienced tremendous change through unparalleled levels of immigration. They are off the radar of politicians in Westminster, who remain attached to a completely out of date census.

This search for community and security also implies that there should be a new covenant with the military, to improve the working lives of service men and women. We should give more mental health care, equipment, housing and support to our veterans. Why not pay for it by scrapping Trident?

Community implies that there should be more frontline policing, more youth outreach centres and an expansion of restorative justice and family conferencing.

**Sustainability**
Global warming is threatening the planet. We are approaching the ‘topping-out point’ of oil – the peak of production, after which production goes into decline. The world is facing a crisis in food production and widespread shortages of water. The politics of climate change shows that our inter dependency goes beyond our fellow human beings to include the earth’s biosphere.

Stern highlighted the ‘the greatest market failure in human history’. Young people are joining and leading the emerging climate movement. Like early socialism, the new ecological movements are making politics personal and moral. They are asking the important questions about the ways we live and what it means to be human.

We need to marry up the core values of the greens and the labour movement and join the dots between democracy, equality and ecological sustainability. The ecological crisis, like
the economic crisis, is hitting the people Labour was founded to protect. Social democracy must be built on sustainable foundations, and global economic recovery has to be low-carbon. Transforming economies needs strong, strategic state intervention.

By harnessing the wind and the waves, we can move toward energy independence. We can build on the ingenuity in our universities and the skills of our graduates to create millions of new green jobs and restore the place of British manufacturing in the world.

It lies behind:

- our support for Ed Miliband and his progressive and installation targets
- the Green New Deal, creating employment opportunities for young people
- why we should ensure that by 2020 the UK is generating at least 15% of its energy – heat, electricity and transport – from renewable sources
- why we should introduce tough new emissions performance standards for power stations
- why we should prevent unsustainable aviation growth wiping out carbon reductions made in other sectors by ending the expansion of UK airports – including the runway at Heathrow
- creating a new green industrial activism for the 21st century
- developing an integrated transport policy
- why we should commit Britain to an unprecedented civil mobilisation against global warming.

Democracy
To build equality, to create community and to secure a sustainable future we must strengthen our democracy. We need constitutional change and proportional representation – to push power out of Whitehall and closer to the people.

The economic crisis partly arises from the failure of democracy to regulate the banks and markets properly. We should consider mutualising those parts of the finance sector currently under state control and learn from Australia regarding new forms of regulated superannuation.

Our public services need democracy, the choice agenda is not enough. The economy and our workplaces need democracy. Business and industry must be accountable to their employees and wider stakeholders. Wider more resilient forms of share ownership are necessary.
This lies behind the need for a radical economic democracy – for example a universal banking obligation with new institutions to offer decent financial products to all of our communities, controls on usuary and a credit card bill of rights for consumers.

Concluding points
To return to where we started. Raymond Williams once said: ‘To be truly radical is to make hope possible rather than despair convincing.’ Many now feel despair.

We feel great loss. The things that we took as given have abruptly gone – like growth. At such moments hope is key to avoid despair. Our history tells us that these turning points are dangerous moments – if we retreat. We must contest this turning point. We can still win.

My argument is not simply an argument about Labour; this is not about internal issues. Think for a moment about the Tories. Earlier I talked about how declining economic growth has lost Labour its revisionist mode. But this is the same for the Tories. Camerons’s ‘Progressive Conservatism’ was built on the assumption of sharing the proceeds of growth, that the Thatcherite early 1980s resolved all the issues of economics. Yet when the first economic storm clouds gathered they retreated.

Think about what is emerging. Think about how despite the empathy everything coming out from the Centre for Social Justice is punitive. Think about the party of Daniel Hannan – not some sideshow but a man whose central philosophy is hardwired into the mindset of the young Tories. Think about their laboratories in Hammersmith, Essex and Barnet.

This tells us of the brutality that lies ahead – the notion of ‘easycouncil’; of social care and housing cuts in west London; of a fundamental assault on local authorities wrapped up in the language of quangos. Just think of the recent stories of regionalised benefits, mass privatisations and across the board cuts.

They have signalled a moratorium on new house building. Look who leads their group in Europe. Think and explore the Wisconsin benefits model. Look at the glint in the eye when they talk about cuts; the relish. Why is it that after a summer in which the Tories have shown their true colours, we have barely laid a glove on them? Why is it that this Thatcherism has grabbed so easily the mantle of progressivism?

I would suggest it is because we have lost our language, our empathy our generosity; because we have retreated into a philosophical framework of the right. This is not an
internal debate at all. It is about protecting the most vulnerable through proudly defending a notion of a modern social democracy.

It is only by returning to our traditions, our language and our radicalism that we can confront this very dangerous force, and build an authentic political fight around a fundamentally different approach to society and humanity.

We can still win.

Consider two final quotes:

> believe in the possibility of building up a sane and ordered society, to oppose the squalid materialism that dominates the world today, and to hold out their hands in friendship and good will to the struggling people everywhere who want only freedom, security and a happier life.

And try this:

> A nation for all the people, built by the people, where old divisions are cast out. A new spirit in the nation based on working together, unity, solidarity, partnership. That is the patriotism of the future. Where your child in distress is my child, your parent ill and in pain is my parent, your friend unemployed or homeless is my friend; your neighbour my neighbour. That is the true patriotism of a nation.

The first was the manifesto of the Labour party in 1923, the second was Tony Blair in 1994.

We need to rediscover that spirit of social democracy. It is an imperative – or else we will go down to catastrophic defeat and deserve to. Or else millions of vulnerable people will suffer at the hands of a nasty extremism that lies just beneath the veneer of the Conservative party.
Ethical Socialism

The 2009 Keir Hardie Memorial Lecture, Merthyr Tydfil
II September 2009

Introduction by Dai Harvard MP:
Hope possible, rather than despair convincing

Jon Cruddas raised the quality of debate and ideas in the Labour Party and the wider Labour movement when he stood for the Deputy Leadership of the Labour Party in 2007. Jon continues that with the policy ideas and challenges he set out in this Keir Hardie Lecture. It was my pleasure to nominate and support Jon in the Deputy Leadership contest and invite him to give his lecture in Merthyr Tydfil where Keir Hardie was elected as the first Labour MP.

In the midst of one of this country’s worst economic recessions and at a time of transition in our political futures, a re-examination of our political purpose is vital. Jon reminds us of the ethical nature of our socialism and the responses we need to consider. Speaking in the birthplace of the elected Labour Party Jon describes previous watershed moments in our Party’s history and the means necessary to guide us through these turbulent times.

The Labour Party in Merthyr Tydfil and Rhymney was invigorated by his Keir Hardie Lecture and Jon reminded us of the words of that great Welsh writer Raymond Williams: “To be truly radical is to make hope possible rather than despair convincing”. That is the task for Labour. We are at a historic turning point, a watershed in the life of our party. Never before have we achieved the kind of electoral successes of the last decade, yet it might bring us close to ruin.¹

Ethical Socialism

Consider the popular vote of the Labour party at every election since 1900. The conclusion is straightforward. Labour has faced two periods of real crisis and now stands on the verge of a third. The first followed the crash of 1929, the collapse of the second Labour administration as MacDonald, Thomas and Snowden entered the national government. The second, on leaving power in 1979, the development of neoliberal or Thatcherite ascendancy and our possible eclipse by a new third party in the early 1980s. A third crisis is imminent. If the decline in Labour’s fortunes since 1997 continues the crisis will occur following next year’s election. It took nearly 15 years for Labour to return to power

¹ For more information about the Annual Keir Hardie Lecture contact: daihavardmp@btinternet.com.
following the first two crises and the resultant election defeats of 1931 and 1983. The stakes could not be higher.

We have lost many millions of voters since 1997. We have lost hundreds of thousands of members. We have become reviled by younger generations who view us as the party of the establishment, of war, of insecurity.

Our orthodoxy has defeated our radicalism. We speak a desiccated language of targets; our story, our essential ethic, has been lost at the altar of the focus group. We have retreated into what is essentially a Hobbesian view of the world, which considers self-interest as the only guiding principle. Recently a leading ex-cabinet member described our goal as being to equip people to ‘earn and to own’, reducing our aspiration to a notion of acquisition. Materialism is all we have; we have lost the radical hope of building a different society.

At such moments of crisis and uncertainty Keir Hardie comes to mind. Labour’s founding figure who embodies its heart and soul; its hope. But he has become a myth rather than an historical figure. We tend to seek him for reassurance, rather than to ask awkward questions.

Hardie as socialist

Hardie inspired total devotion. On his death he was described as the ‘Member for Humanity’; Sylvia Pankhurst saw him simply as the ‘greatest human being of our time’. He was worshipped by grassroots members of the party and some even considered him a prophet.

Yet, simultaneously, many, especially among his parliamentary colleagues, thought him an extremist; impossible, unreliable and ill-disciplined. At times he was isolated and even resembled an outcast.

It is this enduring tension between the radical and orthodox elements of Labour, and not necessarily a right–left split, which has troubled it for 110 years. For Keir Hardie this tension was partly accounted for by his dislike of Westminster political consolidation. Hardie’s socialism belonged to a larger canvas than the day to day parliamentary grind. As his biographer Kenneth Morgan states:

for a man of Hardie’s poetic, intuitive temperament, this unheroic, constructive labour was not enough. Beyond the day to day tactics there was a profound political, moral, and emotional cause to be defined and fought for.
It was precisely this crusade and its associated idealism that inspired such hope and vitality among the party at large. With Hardie it was not the detail of the policy or programme, it was the ‘creed of fraternity and equality’ that was the true ideal of Labour: what type of society it sought rather than the tactical calculus of Westminster.

Some have argued he could not accept the responsibilities of office – he held only one major position. Yet to contrast his zeal with the subsequent actions of MacDonald and Snowden is be reminded of what Raymond Williams once said – that ‘to be truly radical is to make hope possible rather than despair convincing’.

For sure Keir Hardie was a man of contradictions. He was an outsider, a lone and solitary figure. He was born into the working class but he was never truly a part of it. In fact he didn’t properly fit in anywhere in society. He was never a social conservative, but a dedicated supporter of feminism, and a bohemian in his dress.

His non-conformism made him a brilliant alliance maker and political pragmatist. He supported Welsh nationalism – the red dragon and the red flag. And he was a passionate advocate of women’s suffrage, a friend and lover of the feminist socialist Sylvia Pankhurst. TD Benson of the Independent Labour party (ILP) said that Hardie was ‘by his very nature, incapable of working with a party’.

He had a prophetic belief in socialism. His politics were romantic and idealistic. He was also a mystic who believed in re-incarnation and faith healing. He valued the druids and the idea of returning to nature. It is this poetic, mystic form that retains a strong Celtic element. Not just in terms of his Scottishness nor his adopted Welshness but also, for example, in the similar retreats of WB Yeats across the Irish Sea.

From 1900, on his return to the House of Commons, Hardie became, as Kenneth Morgan describes it, ‘the prophet of radical-socialism in its highly-distinctive Merthyr form’. A composite socialism emerged out of the distinct arc of Merthyr Tydfil history – of early Chartism and the 1868 election of pacifist Henry Richard, of the Trades Council movement in Merthyr and Abedare, of the miners and the 1898 six-month strike, of its Christian traditions with its ‘social gospel’, and later of course of the ILP. Cumulatively this composite socialism forged a non-doctrinal, radical working class culture and movement, an ethical socialism that owed little to science – of neither right nor left – but much to the politics of progressive alliance.
What can this Hardie of contradictions teach us today? Like Robin Cook, he was never a ‘Labour man’ at home in the party. The great strength of Hardie’s politics was his emotional attunement to working class people. He understood on an intuitive level that a party must give shape to a class and a class must create a party in its image. And that this involves an interdependence of feeling and thought. He expressed this in religious terms: ‘Ring out the darkness of the land, ring in the Christ that is to be.’ Contrast this with the muscular secularism growing in the modern party.

Hardie spoke in an almost messianic language to the people and mirrored back to them a sense of their value and their capacity to change society. He spoke of a deep humanity, an emotionally charged socialism that men and women must forge in their communities rather than one simply determined by the laws of history. He gave them esteem, confidence and belief. In return they gave him love and loyalty. An ILP member David Farrell wrote to him: ‘I have more love and reverence for you than I have for my own father.’

The modern Labour party has lost this empathy and retreated into orthodoxies and doctrines on both right and left; the ties of loyalty, even love, that bound it to the working class are unravelling. Where would Hardie fit today in the modern Labour party? The answer is he probably wouldn’t be a part of it. He was ill suited to the type of organisation and party culture we have created.

The consequence of our ruthless organisation, our calculation and indeed our incumbency is that Labour has lost its very identity. What has been lost are those intangibles that can never be measured or accounted for in polls or focus groups – hope, belief, emotional communication; the sense of a journey and an intuitive trust that can weather the difficult business of doing politics. This is not a factional point; think of John Smith or indeed early Blair. The sacrifices that are sometimes demanded will only be accepted if people understand there is a larger vision, a goal to be reached – of building the ‘Good Society’; of community, equality and democracy.

This cannot simply be reduced to the positioning of the focus group and genuflection to the shopping and celebratory culture, where we simply exist to help people ‘earn and own’ more commodities. Our mission was always greater; we always hoped for more. Our neoliberal orthodoxy has drowned out our radicalism, our spirit.

And it is precisely at a time of crisis that such moorings are vital to a party. It is no coincidence that the three crises for Labour – in 1931, 1981 and 2009 – have all followed periods of profound economic rupture and epochal change – where the party proved ill equipped to navigate through the resultant political firestorms due to the effect of incumbency on
its confidence and crusading zeal; energy and sense of mission. It lost energy and vitality; people stopped seeing the party as the space to forge a new radical hope.

**Hardie as strategist**

Hardie’s role as a political strategist is often overlooked when considering his legacy. He is well known as the prophet yet he was much more than just a great communicator. He was a transitional figure who played a key role in a period of profound change.

Hardie was not the extremist of caricature but a subtle strategist who moulded the socialism of the emerging party to the contours of British society and wider political and cultural movements within it. For example, he was always willing to make alliances with elements within liberalism to forward his goal of working class emancipation.

By 1903 Hardie had pragmatically come around to accept some form of global agreement with the Liberals for election purposes. They had been revitalised under Campbell-Bannerman and there were signs that the ILP view that Liberals were unable to come to terms with collectivism and social reform were being disproved, especially in the work of radical Liberals like Hobson, Hobhouse or Samuel.

Thus, Hardie’s socialism was never rigid, doctrinal nor dogmatic. His search was for a progressive coalition with the ILP as the backbone of this gradualist movement of alliances. He could work with progressive strands within liberalism – as he would with all elements of late 19th-century radical thought – yet would steadfastly oppose its more conservative elements.

Later, when party leader, Hardie worked with Sir Charles Dilke, unofficial chair of the ‘social radicals’ on the Liberal side, on labour and radical issues. Even at the two elections of 1910 he maintained support for the alliance with the Liberals and the radicalism of Asquith and Lloyd George. Yet by 1912 he had badly fallen out with the Liberals, especially Churchill, following the brutal industrial disputes and state responses at Tonypandy and Aberdare.

This conditional, contingent relationship with progressive liberalism was a hallmark of Hardie’s tactical brilliance and wider talent at coalition building. He would link his politics into wider, radical social movements that often would include non socialists. Again this put him on a collision course with more conservative elements within his own party because of his links and passion for women’s emancipation and the suffragettes, the anti-imperialist struggles, the peace movements and colonial nationalism. All of these movements were for Hardie part of the broader coalitionist politics which he espoused. It was this fusion of
radicalism and Labour – what has been described as his ‘dualism of vision’ – that was a major contributory factor in the emergence and strength of Labour itself and remained a continuous source of tension with Henderson, MacDonald and Snowden. Again, there was a tension between radicalism and orthodoxy within the party.

What broader social and cultural movements does Labour now stand part of? The environmental and peace movements, the global anti-poverty crusades, fair trade; at home the fight for dignity at work, civil liberties, migrant groups and faith communities; broader cultural movements, generationally, in the arts and music? Has this radicalism been lost? At its best Labour and its leaders operate as a bridge between these sites and our representative democracy; the party distils these movements and refracts them into Westminster. Does it do this now?

**Hardie, liberalism and Labour**

We celebrate Hardie as the founder of the Labour party. Yet he also operated within and between variants of liberalism itself – between its radical, individualistic strands and a more collective, social liberalism. This is precisely the emerging debate in the Labour party today.

One recurring theme, advanced in different ways by thinkers like Richard Reeves and Philip Collins of Demos, is that Labour should return to its ancestral roots and draw inspiration from the ideas and principles of British liberalism. Yet they seek to rehabilitate a restricted, individualised liberalism.

Many of the first generation of Labour leaders, like Keir Hardie himself, had been active in the Liberal party of Gladstone and had broken with it only reluctantly and gradually. Their aim was not to repudiate the liberalism of their youth, but to realise its goals of human freedom and emancipation in the new and more challenging conditions of industrial capitalism.

Fundamentally, liberalism encompasses a broad range of ideas and beliefs, not all reconcilable. In his book *The Snake That Swallowed Its Tail*, Mark Garnett identified two rival modes of liberal thought; one he described as ‘fleshed-out’, the other as ‘hollowed-out’:

> The former retains a close resemblance to the ideas of the great liberal thinkers, who were optimistic about human nature and envisaged a society made up of free, rational individuals, respecting themselves and others. The latter, by contrast, satisfies no more than the basic requirements of liberal thought. It reduces the concepts of reason and individual fulfilment to the lowest common denominator, identifying them with the pursuit of short-term
material self-interest. For the hollowed-out liberal, other people are either means to an end, or obstacles which must be shunted aside. Instead of equality of respect, this is more like equality of contempt.

The tension runs through the evolution of liberal thought from Adam Smith to the modern day. In its extreme laissez-faire variant, classical liberalism assumes a model of human behaviour that is rational, acquisitive and ruthlessly self-interested. In the phrase made famous by Bernard Mandeville’s poem ‘The Fable of the Bees’, public benefit is achieved by means of private vice.

Its ‘fleshed-out’ form was led by the English idealist Thomas Green and followed by Leonard Hobhouse and John Hobson, among others. Green rejected the atomistic individualism which represented humans as impermeable, self-contained units enjoying natural rights but owing no corresponding social obligations – the neoliberal human. Instead he saw society and the individuals within it as radically interdependent: ‘Without society, no persons; this is as true as that without persons… there could be no such society as we know.’

These New Liberals departed from many of the precepts of classical liberalism in this and a number of other significant respects. They believed in progressive taxation to compensate for the unequal bargaining power of the marketplace and pay for pensions and other forms of social security. They advocated the common ownership of natural monopolies and vital public services. They viewed property rights as conditional and not absolute, subject as they must be to certain public interest restrictions. They called for the limitation of working hours and new regulations to guarantee health and safety in the workplace. They stood behind the vision of a cooperative commonwealth built on explicitly moral foundations. As Hobhouse said:

> We want a new spirit in economics – the spirit of mutual help, the sense of a common good. We want each man to feel that his daily work is a service to his kind, and that idleness and anti-social work are a disgrace.

Hobhouse described himself as a liberal socialist and unlike John Stuart Mill he meant it unambiguously. Hobson and several other New Liberals went a stage further and joined the Labour party. Indeed, Green, Hobhouse, Hobson and others like them are rightly considered to be pioneers of the British tradition of ethical socialism. Their influence over
the foremost Labour intellectuals of the early 20th century – Richard Tawney, GDH Cole and Harold Laski – was both profound and warmly acknowledged.

The move to uncover and reconnect liberal traditions in our party should not be one of simply returning to a neoliberal tradition. The implication of this approach is that the foundation of an Independent Labour party with a distinctively socialist outlook was a historic wrong turning and that the progressive left would have been better off devoting its energies to building an enduring electoral base for a strong and reformed Liberal party. This conclusion is not stated openly, but is inferred in much contemporary discussion. Hardie would have been appalled. So should we be today.

But if New Labour, at its best, embodied the high aspirations of fleshed-out liberalism, its restricted understanding of the scope for change betrayed the cynical assumptions of its hollowed-out alter ego. It talked quite rightly about the need for the party to broaden its appeal to win the support of ‘aspirational’ voters, but equated aspiration with nothing more than crude acquisitiveness – to ‘earn and to own’.

Philip Gould, in his New Labour bible *The Unfinished Revolution*, made a revealing distinction when he described his parents as having ‘wanted to do what was right, not what was aspirational’. A quite extraordinary statement of what we consider people to aspire to – a fundamentally neoliberal position. The possibility that these two categories might overlap, even minimally, was never entertained.

As the late GA Cohen argues in a book published posthumously, the problem is one of design. The technology for giving primacy to our acquisitive and selfish desires already exists in the form of a capitalist market economy. But we have not yet adequately devised the social technology capable of giving fullest expression to the generous and altruistic side of our personality. That is the main task of the future left.

**Conclusion: ethical socialism**

With the demise of New Labour we face an epochal task of constructing a new political economy and philosophy. We must go back to first principles and rebuild a politics of ethical socialism, a radical transfer of political power, social influence, income and wealth from capital to labour. This was Hardie’s goal. In his alliance making with liberalism, his pluralism and his non-conformity he held to this task with utter, steely determination. It no doubt shortened his life. It is still the task of today.

How do we rebuild a progressive agenda? What are the building blocks? Let us start by...
reintroducing a different approach to the individual. Since Thomas Hobbes, a central fault line in economic and political thought has been around how we consider the individual. Is it the world of selfish beasts, selfish genes, atomised exchange, neoclassical economics – the aspiration to ‘earn and own’, the brutal individualism of the neoliberal world?

Or do we locate the social individual, who cares for others, in a world that spans Rousseau, Tawney, ethical and indeed faith-based socialisms? Less scientific, more a language of generosity and obligation.

It is a fault line at work within liberalism and indeed socialism. It spans the divide between Labour’s radicalism and its orthodoxy – between Hardie and what became of MacDonald. It accounts for our own history and dividing lines at moments of crisis; at times its vitality at others its hopelessness.

The sociologist Norbert Elias provides a theory of this individuality and dismisses the view that individuals are self-contained, ‘closed personalities’. The pursuit of independence as an individualistic project, subject only to rules of just conduct, is an illusion. Humans are social and emotional beings who are dependent on other people throughout their lives.

Hobhouse understood the interdependency of individuals. He argued that social progress is:

the development of that rational organization of life in which men freely recognize their interdependence, and the best life for each is understood to be that which is best for those around him.

Hobhouse’s social liberalism finds modern day counterparts in the ethical socialism of Paul Ricouer and Charles Taylor. For Hobhouse politics is ‘rightfully subordinate to ethics’, it exists for the sake of human life. For Ricouer there must be an ‘ethical intention’ central to our politics. It is ‘the desire to live well with and for others in just institutions’. By living well he means for each person to follow their ‘good life’ or their ‘true life’, which he describes in terms similar to those of Charles Taylor, as ‘the nebulous of ideals and dreams of achievements with regard to which a life is held to be more or less fulfilled or unfulfilled’. It touches what Bevan used to call a sense of serenity.

Charles Taylor argues that this desire for self-fulfillment lies deep in our culture. The concern for one’s own identity and self-esteem is social rather than individualistic. Ethical socialism involves the right of everyone to achieve their own unique way of being human. To dispute this right in others is to fail to live within its own terms.
“Ethical socialism originates in the sphere of personal relationships and extends upward into the wider social realm and political community.”

Ethical socialism originates in the sphere of personal relationships and extends upward into the wider social realm and the political community. It offers a materialist politics of the individual rooted in the social goods that give meaning to people’s lives: home, family, friendships, good work, locality and imaginary communities of belonging. It is the framework that has inspired Labour at its best – it transcends the sterile orthodoxies of left and right and remains the cornerstone of radicalism in the party. It is captured in the genius of Hardie as socialist, strategist, radical and liberal. It is built around a radically different conception of the human condition from that of neoliberalism.

Very much echoing the words of Hardie, Tawney’s essay ‘The Choice before the Labour Party’ remains the best analysis of the current crisis facing Labour today, although it was written in 1932; it is pertinent to all three of Labour’s crises, in 1931, 1981 and today. It was written at the high water mark of Labour’s first real crisis as a party. As we know, Ramsay MacDonald, the first secretary of the ILP – the man who stands second only to Hardie through that whole period of our party’s formation – went the route of national government. Tawney highlights the dilemma at the heart of the party, its tense relationship between orthodoxy and radicalism driven by its lack of creed.

The crises have each been blamed on external events, not least serious, epochal historical moments driven by economic recession. But this is to deny Labour’s inability to resolve the contradiction – not so much a broad church as fragments in search of unity. Tawney – writing about the debacle of the Labour party in 1931, as that ethical hope dies – describes how the government ‘did not fall with a crash, in a tornado from the blue. But crawled slowly to its doom.’

Tawney’s words echo down from the past:

The gravest weakness of British Labour is... its lack of creed. The Labour party is hesitant in action, because divided in mind. It does not achieve what it could, because it does not know what it wants.

He doesn’t pull his punches. There is, he says, a ‘void in the mind of the Labour party’, which leads us into ‘intellectual timidity, conservatism, conventionality, which keeps policy trailing tardily in the rear of realities’.
Hardie and Tawney were part of a tradition that gives us radical hope and vitality, the way to overcome this trap of orthodoxy. Now is the time for that tradition to be rediscovered.
Bibliography


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Compass is the democratic left pressure group whose goal is both to debate and develop the ideas for a more equal and democratic society, then campaign and organise to help ensure they become reality. We organise regular events and conferences that provide real space to discuss policy, we produce thought provoking pamphlets and we encourage debate through out website. We campaign, take positions and lead the debate on key issues facing the democratic left. We’re developing a coherent and strong voice for those that believe in greater equality and democracy as the means to achieve radical social change.

We are:

- An umbrella grouping of the progressive left whose sum is greater than its parts.
- A strategic political voice – unlike thinktanks and single-issue pressure groups Compass can develop a politically coherent position based on the values of equality and democracy.
- An organising force – Compass recognises that ideas need to be organised for, and will seek to recruit, mobilise and encourage to be active a membership across the UK to work in pursuit of greater equality and democracy.
- A pressure group focused on changing Labour – but Compass recognises that energy and ideas can come from the outside party, not least from the 200,000 who have left since 1997.
- The central belief of Compass is that things will only change when people believe they can and must make a difference themselves. In the words of Gandhi, ‘Be the change you wish to see in the world’.

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