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O'Donovan, Nicholas (2022) Political visions (and where to find them). Renewal: A journal of social democracy, 30 (3). pp. 54-63. ISSN 0968-252X

Publisher: Lawrence and Wishart

Version: Accepted Version

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Additional Information: This is an Accepted Manuscript of an article which appeared in Renewal: A journal of social democracy, published by Lawrence and Wishart

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Political visions (and where to find them)

Accepted version of article in Renewal 30(3) (2022)

For published version see

https://journals.lwbooks.co.uk/renewal/vol-30-issue-3/abstract-9616/

Political visions (and where to find them)

Something is missing. Labour's recovery in the opinion polls appears to have stalled at a level that demonstrates progress but does not yet portend victory. The May 2022 local election results provided evidence of a Conservative collapse, with the loss of nearly 500 council seats, yet Labour's net gains were substantially smaller.

Compounding the sense of unease, the twenty-fifth anniversary of the New Labour landslide invites unflattering comparisons. Then, as now, a Conservative government was rocked by sex scandals and insider dealing, by a sense of bloated entitlement born of too many years in power, by an economic slump that wrecked its reputation for managerial competence. So why isn't Labour riding higher in the polls?

Charisma is one possible explanation. Blair had it, Starmer lacks it – or so Starmer's critics maintain. However, it is easy to overstate the importance of a "box office" leader. Looking back at polls from the mid-1990s, while there was clearly a Blair bump following the 1994 leadership election, it only amounted to a few percentage points. In a hypothetical scenario where John Smith had survived to lead Labour into the 1997 election – or where Blair had stuck at his legal practice, and Gordon Brown had succeeded his mentor instead – it is almost certain that Labour would still have won, albeit probably with a somewhat smaller majority.[1]

More compelling is the often-heard complaint that Labour's current leader lacks vision: that it is not entirely clear what Starmer stands for.[2] To some degree, this might be attributed to the political exigencies of the 2020 Labour leadership election. Faced with a selectorate that had twice chosen Corbyn above more centrist alternatives, Starmer paid lip-service to a more radically left-wing agenda; faced with a wider UK demos that had twice rejected Corbyn as prime minister, Starmer opted to shift away from that position.[3] The absence of the "vision thing" is arguably also a product of the unique circumstances surrounding Starmer's ascendancy. The pandemic prompted a suspension of politics-as-usual, and it is probable that any vision advanced at the start of 2020 would need to be overhauled in light of today's new economic and geopolitical landscape anyway.

However, concerns about Starmer's lack of vision run deeper. There is a growing sense that not only has Starmer failed to articulate a compelling political narrative to date, but that he might be fundamentally incapable of doing so in the future: that he does not seem to grasp what "having a vision" entails. In this respect, the contrast between past and present is indeed a stark one – Blair explicitly styled himself as a visionary with a clear sense of purpose.[4] But the comparison might prove instructive, too. Although the substance of New Labour's policy agenda belongs to a different time, there are still lessons to be learned

from that era about what political vision looks like and what political vision does, as well as about where political vision might be found.

New Labour, New Vision

Perceptions of the political vision outlined by New Labour in the mid-1990s are – understandably – clouded by the party's record in office. In light of widening inequality, the Iraq war and the global financial crisis, it is easy to forget how compelling and far-ranging that vision was, and how progressive it seemed too (at least to its advocates).[5] According to New Labour, developed democracies stood at an inflexion point between the old industrial order and the rise of the "knowledge economy". In this brave new world, workers would increasingly devote their efforts to the production of ideas rather than the production of things. The knowledge and skill embodied in everything from *haute cuisine* to computer software, from pharmaceuticals to films, would contribute ever more value relative to the tangible materials and physical labour involved in the production process. As Blair outlined in a speech to the CBI in 1995, "wealth and living standards in the twenty-first century will be based on knowledge and its application to the goods and services that British companies must sell at home and abroad".[6]

This analysis had far-reaching implications for policy. It implied that knowledge and skills were essential for future prosperity, creating scope for a more interventionist state that mobilised public investment behind education and research. It implied that advanced capitalist democracies, with comparatively well-educated populations, were well-placed to dominate the upper echelons of global value chains. This would result in new (and better-paid) jobs creating new products and services at the technological frontier, compensating for the losses these countries had experienced as lower-skilled work was steadily offshored to lower-wage locations.

Furthermore, the knowledge economy analysis implied that the balance between capital and labour was shifting decisively in favour of labour, as the know-how of skilled workers became the dominant factor in the production process.[7] Listing "the ways by which the winners will win in the new economy" in a 2000 speech, Blair mentioned "knowledge and skills, creativity and innovation, adaptability and entrepreneurship", but he omitted any reference to physical or financial assets.[8] To some advocates of knowledge-driven growth, even intangible forms of capital such as intellectual property rights would rapidly be outpaced by labour's new creations.[9] This meant that the distribution of wealth would have less impact on life-chances than at previous moments in the history of capitalism, and progressives could thus afford to be "intensely relaxed" about economic inequality.

This vision was not all sunlit uplands. Its adherents also claimed that the emergence of the knowledge economy placed constraints on what the state could (or should) do. The long-term investments required for innovation could easily be undermined by a climate of high and/or volatile interest rates, forcing governments to follow a low-debt, low-deficit fiscal policy stance. Moreover, knowledge workers and knowledge industries were deemed to be highly mobile across borders – a product of the largely intangible nature of the limited capital they required, as well as the increasing economic openness of nation states in the modern era. Countries therefore had to compete for knowledge work and knowledge workers, which generally meant offering individuals and businesses lower tax rates. To quote Blair's 1995 Mais lecture, "the growing integration of the world economy… means it is not possible for Britain to sustain budget deficits or tax regimes that are wildly out of line with the other major industrial countries".[10] Finally, in order to harness the competitive dynamism of knowledge-intensive industries, countries had to make it easier for businesses to start up, scale up and wind down – which implied in particular a liberalisation of labour market rules (for instance, around hiring and firing, as well as around part-time and temporary work), or at the very least maintaining the liberalised rules New Labour inherited from the Thatcher era.

This worldview united Blair and Brown (although they disagreed, with typical obduracy, on the precise balance to be struck between social investment and lower tax rates). It also united diverse aspects of their policy agenda, encompassing the economy, education, skills, infrastructure, culture, regional development and more besides. It stood behind soundbites and slogans ("education, education, education"; "new Britain", "young country"), as well as substantial (if not always successful) policy initiatives such as the New Deal on jobs, Sure Start centres, the Wired Up Communities Initiative, the University for Industry and Individual Learning Accounts. It directly informed three of the five promises on Blair's famous pledge card (cutting class sizes to improve education, the welfare-to-work programme designed to enhance young people's employability, as well as a commitment to low taxes and interest rates). Indeed, Labour's economic strategy arguably made the remaining two pledges (involving improvements in the NHS and criminal justice system) more credible, as it implied that Labour had a plan for growth that could support higher levels of public spending in the future.

To be sure, as an actual programme of government, the knowledge economy agenda fell short of its lofty ambitions. The surfeit of knowledge jobs that New Labour's architects anticipated failed to emerge, and many of the roles that were created proved less well-paid than they had hoped. Capital did not fade into irrelevance – if anything, it has become more integral to knowledge-intensive industries, with high-tech corporations creating value primarily from what they own (proprietary networks, data and intellectual property) rather than from whom they employ. While they still need skilled labour to exploit their (often intangible) assets, it has proved difficult if not impossible for rivals to replicate these sources of competitive advantage, skewing bargaining power away from workers and towards owners. Nor have

developed democracies secured the lion's share of global knowledge work. Emerging markets such as China and India have also proved adept at mobilising educational investment, nurturing high-tech industries and highly skilled workforces.[11]

In short, Blair's policy agenda is no longer capable of delivering the inclusive prosperity it once promised. But it is also true that no subsequent British leader has articulated an alternative vision of comparable breadth and depth in the 25 years since the 1997 election. Little wonder, then, that politicians of diverse political affiliations find themselves harking back to the New Labour formula: for example, the current Conservative Chancellor seems rather enamoured with the distinctly Blairite notion of a "high-skill, high-wage economy", albeit without committing to the social investment that that concept implies.

In the absence of a compelling successor, the New Labour agenda still serves as a vital example of what political vision entails. It illustrates how the "vision thing" cannot be reduced to either a statement of principle or a series of compelling policy offers. Rather, vision involves policy and principle and the connective tissue that binds them together, joining up initiatives across multiple domains and presaging how government will react in response to new circumstances. Vision incorporates an analysis of the social, economic and political moment, of the tectonic technological and geopolitical developments that are shaping the world at levels from the global down to the local, and how they can be harnessed. It encompasses not just principles and policies, but theories and histories, soundbites and slogans. It sketches out the respective roles of state and market, community and household; and it points towards future sources of economic prosperity.

Compared to the enthusiastic embrace of ideas displayed by Blair and Brown, today's Labour leadership seems to possess a strong anti-intellectual streak. There is a sense of caution, a preference for individual policy announcements over "state of the nation" statements of the kind that New Labour's leaders were fond of making in the mid-90s. Perhaps this speaks to a strategic decision to keep Labour's cards off the table and wait for the Conservatives to collapse under the weight of their own contradictions. Perhaps it is a response to allegations of metropolitan elitism, a concern that overt displays of book-learning will be frowned upon. Perhaps, too, it reflects the fact that Starmer's major attempt at the "vision thing" to date – his 13,000-word Fabian Society pamphlet, *The Road Ahead* – fell rather flat, criticised variously as tedious, unambitious and/or vacuous.[12]

While such considerations may explain why Starmer has not yet spelled out his diagnosis of what ails the British body politic, as well as his theory of social and economic change, they do not make the "vision thing" any less necessary. When politicians convey a sense of the bigger picture, it reassures voters that their would-be leaders know what they are talking about and that they have a plan. Broader narratives about where the country has been and where it is going enhance the credibility of politicians' promises,

persuading voters that policies are adopted not just for reasons of electoral convenience, but rather reflect sincere and deep-rooted convictions.

This is particularly important for opposition leaders who have no track record to campaign on. It is of the utmost importance for Starmer, who needs to reassure voters put off by Corbyn that he is not a militant left-winger in disguise, while also persuading the large number of voters who were excited by Corbyn's agenda that he still represents a radical break from the status quo. He does not have the luxury of constructive ambiguity: any gap in his professed worldview, any apparent contradiction will be exploited via targeted attack ads depicting him either as too radical or too reactionary, depending on the social media profile of the beholder.[13] Whereas Blair only needed to convince Middle England to lend him its otes, Starmer must simultaneously win over (or at least borrow support from) Greens and Lib Dems, leavers and remainers, north and south, nationalists and unionists. The British polity is substantially more fragmented than it was in 1997.

Finding vision

Is it possible to detect, behind the assortment of policies and principles espoused by the present-day Labour leadership, the beginnings of a political vision that might appeal to a divided nation? Like Blair in 1997, Starmer and his colleagues seem to be arguing that there are unused and underused resources available in the UK economy that have hitherto been neglected. Individuals' talents are going to waste, their potential unrealised. But the mechanisms by which these resources are to be mobilised remain unclear. Does Starmer believe that all we need is a supply-side agenda of social investment in skills, research and capital? If so, he is not a million miles away from Blair and Brown; nor, for that matter, from the vision that Sunak outlined in his Mais lecture earlier this year.[14] Or is Labour arguing for a more overt redistributive agenda, and/or for interventions that might increase the bargaining power of ordinary citizens relative to capital (whether in their capacity as employees, consumers, renters of residential property or even as small business owners at the mercy of larger customers and suppliers)? Are benefits to be means-tested so that they only accrue to the worst off, or should they be universalised to increase both their political legitimacy and their economic impact, stimulating demand that might trigger a beneficial cycle of investment and job creation? Will taxes need to rise to pay for this, and if so who is going to pay them?

At the same time, it is difficult to lay the blame for lack of vision entirely at Starmer's doorstep. Looking back at the intellectual ferment surrounding New Labour in the 1990s, it is clear that Blair and Brown did not create their knowledge-driven growth agenda from scratch. Instead, they drew upon a vast body of work that had already made substantial inroads into mainstream policy debate; indeed, it might be argued

that they were merely articulating a consensus that already existed, at least among policy elites and media gatekeepers. The idea that a social investment state could bring about inclusive prosperity by cultivating a better-educated and more productive population had been championed since the early 1990s by Clinton's New Democrats, as well as by the OECD. Books about the new economy (and what it meant for public policy) proliferated: from *The Work of Nations* by the US academic (and soon-to-be Clinton appointee) Robert Reich in 1991 to Diane Coyle's 1997 work *The Weightless World*. Armed with new ideas such as endogenous growth theory and analyses of increasing returns, economists no longer insisted that government action was inherently damaging to growth, instead arguing for strategic policy interventions. The work of centre-left thinktanks such as IPPR and Demos depicted a world in which technological change was creating new opportunities for private businesses and public services alike.

By contrast, it has often felt as though subsequent Labour leaders have had to perform their own pitch-rolling functions. Miliband's producer-predator account of British capitalism, for example, provoked hostile reactions from many parts of the commentariat – even though it is difficult today to find many who would query it, at a time when the costs of energy company failures are ultimately passed on to households, when fire and rehire practices are rife, when companies such as P&O feel emboldened to ignore the law in pursuit of profit. Corbyn's arguments elicited an even more vitriolic response from the press. This is not to say that either leader operated in a vacuum: Miliband drew inspiration from thinkers associated with the Blue Labour movement as well as from US academics such as Jacob Hacker and Michael Sandel, while Corbyn's agenda was supported by an ecosystem of left-wing thinktanks ranging from start-ups like Common Wealth to the venerable IPPR. Nevertheless, Miliband and Corbyn individually shouldered much of the burden of bringing such ideas to a mass audience (not least because several of their Labour colleagues were reluctant to go out to bat for anything resembling radicalism).

For all the political benefits that the "vision thing" can provide to opposition leaders, then, a vision that is out-of-step with its times can be deeply damaging. This is the dilemma facing the Labour leadership today: it cannot thrive without a political vision, and yet it cannot risk articulating that vision itself. But that dilemma only exists if we assume that the wider cultural moment is closer to the 2010s than the 1990s – if we assume that there is a dearth of new ideas breaking into the mainstream that could sustain a radical alternative agenda.

Looking around at the intellectual landscape today, that conclusion feels difficult to sustain. Concepts such as the Green New Deal, community wealth-building, carbon dividends, levelling up and the foundational economy are now widely discussed by mainstream policymakers and pundits. Ideas such as universal basic income or state-ownership of public utilities crop up in polite conversation among policy elites. The economics profession, long an arbiter of what policy options are deemed realistic, devotes serious time and effort to previously niche areas such as anti-trust and wealth taxation.[15] The notion that

wages are part-determined by market structure, cultural norms and bargaining power, as well as by the marginal productivity of labour, is no longer the exclusive preserve of a Marxian fringe and is increasingly corroborated by mainstream empirical research.[16] The claim that inequality damages growth by suppressing demand (whether at the level of localities, countries or the world), often voiced by post-Keynesians, is now upheld in bastions of orthodoxy such as the IMF.[17] There are a vast range of viable ideas on offer that the Labour leadership could usefully plunder for vision-making purposes, should it so wish.

The political landscape, too, is favourable to vision-making. The rise of anti-system politics – not just in the UK, but across the developed democratic world – reflects in part the fact that the ideas that dominated mainstream politics for the last three decades no longer command widespread popular support.[18] At the same time, recent political volatility indicates that none of the alternatives on offer are particularly compelling either. The Conservatives' own electoral bind – torn between social investment and further shrinking of the state, between voters who demand levelling up and more affluent constituents concerned about levelling down – is a product of these febrile times. The tenuous nature of present-day political loyalties leaves plenty of floating voters who could be marshalled behind a new consensus.

To be sure, there are still constraints that Labour needs to explicitly acknowledge, and to demonstrate that it can work within. The return of inflation reminds us that there are limits to state borrowing and/or money creation (although the fact that many countries were able to combine low inflation and low interest rates with high levels of public debt over the 2010s proves that those limits are not as narrow as champions of austerity maintained). These constraints will require Labour to prioritise, though it should still be wary of endorsing artificial fiscal targets that understate the affordability of debt, the importance of stimulus and the scope for growth. Even more significant are the ecological constraints within which the economy must operate in the future, as well as the need to cope with increased economic and geopolitical volatility that arise from our collective failure to live within those environmental limits to date.

The task that faces the Labour leadership today is to weave together a narrative that connects principle to policy, that combines an account of the past with a diagnosis of the present and a plan for the future, that lends plausibility to its promises while also reassuring voters that it recognises constraints. Although the substance of New Labour's vision belongs to a bygone era, it still serves as a benchmark against which both the ambition and the credibility of today's would-be visionaries can be judged.

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[1] Robert Worcester and Roger Mortimore, *Explaining Labour's Landslide*, London, Politico's, 1999.
[2] See, for example, Ipsos Mori, *Political Pulse*, June 2021: https://www.ipsos.com/en-uk/batley-spen-byelection-6-10-britons-think-it-unclear-what-keir-starmer-stands-for; Patrick Diamond and Karl Pike, "Labour's Search for Ideas", *Renewal* Vol 29 No 4, 2021.
[3] A relatively Machiavellian reading of Starmer's motivations emerges from Oliver Eagleton's *The Starmer Project*, London, Verso Books, 2022.
[4] Tony Blair, *New Britain: My vision of a young country*, London, Fourth Estate, 1996.
[5] Although critics at the time rightly predicted that this agenda might not prove as egalitarian as its advocates hoped – see, for example, the essays collected in Sarah Hale, Will Leggett and Luke Martell's edited volume, *The Third Way and beyond: Criticisms, futures and alternatives*, Manchester, Manchester University Press, 2004.
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[7] Nick O'Donovan, "Demand, dysfunction and distribution: The UK growth model from neoliberalism to the knowledge economy", *British Journal of Politics and International Relations* (online first), 2021.
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