

Beyond equality and liberty: New Labour's liberal- conservatism

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Post-Thatcherism is Tony Blair's way of saying: No Turning Back. But where is New Labour heading? Party modernisers have committed Labour to a politics which combines the free market and the strong community. The search for a dynamic market economy has pushed old ideas of equality to one side. Fears about social fragmentation have given rise to new ideas of community. But these pose awkward questions for New Labour's commitment to individual liberty. In this paper we shall suggest that the free market and the strong community in New Labour politics amounts to a radical shift to liberal conservatism.

Social justice and economic efficiency

The re-writing of Clause IV is emblematic of Labour's new politics. Socialists have long asked: "what's wrong with capitalism?". Post-socialist social democrats are happier asking: "what's wrong with *British* capitalism?". For New Labour market capitalism is good, but some forms of capitalism are better than others. The search for an alternative form of capitalism to *laissez-faire*, state socialism or Keynesian social democracy is at the economic core of New Labour. Arguing that global pressures put limits on national economic management of demand and capital, New Labour's perspective sees the supply-side and labour as the basis for economic efficiency. Their one-nation 'stakeholder' vision is of a fairer and more inclusive spreading of opportunities in society. It aspires to social cohesion and wider social goals through partnerships between shareholders, managers and workers, government, business and citizen. Social policy, which once dealt with the fallout from market forces, is to be the engine of a supply-side revolution in education and training. This is good for business; and good business, through enhancing opportunities is good for welfare and social cohesion. Social policy will give individuals a leg-up into society, not exclude them by making them dependent on the state. In return, individuals have responsibilities to themselves, their families and the wider community.

Where does this intermingling of economic efficiency with social policy leave social justice? In the past, old Labour saw social justice as an ideal in its own right. It judged society by the socialist criterion of need rather than capitalist greed. The distinctiveness of socialism and much social democratic politics was its opposition to the values as much as the workings of free market capitalism. Economic planning and the welfare

state were seen as a fairer and more efficient way of regulating society for the great mass of working people.

The arguments put forward by New Labour today differ markedly. First, instead of social justice challenging the values of the market, it is seen as complementing them: social justice is good for business. Second, social justice has become much less about socialist values of equality and more about liberal values of fairness and individual opportunity. And third, as a result of these changes, New Labour shares common ground with liberals and much mainstream conservatism. Let us take these points in turn.

Social justice as equality used to be seen by old Labour as against the free market economy on both moral and technical grounds. Now, redefined, it is seen as the basis for a 'dynamic market economy'. Supporters of social justice point to Germany and Japan where better education and training records have accompanied high economic growth. Higher wage rates for some in these countries, less inequality and more collaboration between workers and managers are perceived to promote business success. Cultures of community and institutions of trust and collaboration are seen to underpin economic success while *laissez faire*, inequality and individualism are said to have contributed to the decline of Anglo-American capitalism. New Labour wants to build a high-wage, high skilled economy producing sophisticated products in world markets. More education and training are seen to help Britain in this this direction. The values and institutions of social justice - not *laissez faire* - are said to promote successful capitalism.

There are problems, however, with the technical merits of these economic arguments for social justice. It is not always clear that social justice is good for economic efficiency. Some doubt the extent to which Britain suffers the skills bottlenecks that the 'fairness is efficiency' argument suggests. Furthermore, greater equality in terms of higher wages may actually lead to further job losses, especially in low skill industries. New Labour's realism over setting a minimum wage suggests they know this. Moreover, there is little consensus on what makes Germany, Japan and the Asian Tigers tick economically. Many would argue that low taxes or long hours, not social justice, have made some of them so successful. Others argue that Germany and Japan need to learn from Anglo-American capitalism in order to rescue their flagging economies. Tony Blair's claim that 'education is the best economic policy' is a neat piece of political rhetoric. No-one would deny that good education and training do have economic benefits, but education alone is not an economic policy. To doubting Keynesians, all this supply-side economics misses the fact that the demand side is still important for a healthy economy. And to radical stakeholders Labour's supply-side economics, when combined with fiscal orthodoxy, do not do enough to 'challenge the operation of British market capitalism in its present form' (Hutton 1996).

Tony Blair's weaker case for stakeholding, whilst drawing on powerful moral arguments against long-term unemployment and social fragmentation, also rests on a 'good for business' logic: giving employees, suppliers, consumers as well as shareholders stakes in the economy will promote efficiency and innovation through partnership and collaboration. And in promoting business success, stakeholding will widen opportunities and provide the jobs which, as Mr Blair argues, are the ultimate stake anyone can have in a society. The problem with all this is that stakeholding may not deliver the economic

goods, at least not to everyone, all of the time, in all circumstances. And if it doesn't, what with its focus on economic rather than value arguments is Labour left with?

This leads to our second argument. The Social Justice report, for example, sees social justice as little more than fairness, collaboration, a job and a more equal distribution of individual opportunity (Commission on Social Justice 1994). These are important and worthwhile political goals which have widespread political support. But fairness and individual opportunity are not the same as egalitarianism. Collaboration is also not equality and neither is it the same as a principle of community need.

Despite hiding behind the 'equality is efficient' argument, New Labour is learning to live with inequality. The Social Justice report, echoed in subsequent New Labour thinking, is primarily concerned with the distribution of opportunity, not the distribution of income and wealth. It argues, moreover, that 'although not all inequalities are unjust ... unjust inequalities should be reduced and, where possible, eliminated'. This phrasing, as Nancy Mitford might have put it, sounds suspiciously like the thin end of the wedge. Tony Blair has even gone on record as saying that 'the country needs entrepreneurs and people who can go out and make an awful lot of money' (The Times 18 September 1995).

Labour's egalitarianism was of course tempered in practice by its commitment to the mixed economy. A more equal distribution of wealth, income and opportunity had to be balanced against the interests of private property. But as G. A. Cohen (1994) argues, it was Labour's socialist understanding of equality as egalitarianism and community regulated on the basis of need which set it apart ideologically. These values, Cohen points out, were 'the only values which *the left affirmed as a matter of principle and which the Centre and Right reject as a matter of principle*' (p. 6, emphasis in original). Cohen is surely right to say that socialism is different from liberalism in the values it holds. Whether we mourn the loss of these values - and policies which flow from these values - or not, it is clear that New Labour's stance on social justice strikes at the heart of the socialist identity.

The individual and the community

As Labour learns to live with inequality, it is also increasingly concerned with the way people live their lives. Labour has embraced the market, whilst at the same time committing itself to a communitarian ethic and vision of society. This is intended to provide an alternative to both neo-liberalism and the social democratic state. On the one hand, new Labour wants to knock the Tories for promoting a possessive individualism which is seen as having weakened the economy, dismantled public services and undermined social cohesion. North American rights-based liberalism and the stark individualism of the New Right are both seen to rely too heavily on contractual relationships between individuals. New Labour points out that people don't live and make choices outside the communities in which they live. Such communities are composed of individuals who are both interdependent and dependent on what the larger community can offer as a whole. So the resources and opportunities provided by a community may actually enhance individual freedom rather than diminishing it. Moreover, individuals have responsibilities to others, especially their families, as well as to themselves.

On the other hand, new Labour is well aware that the bureaucratic collectivism of postwar social democracy has become difficult to sustain, for social and cultural reasons as much as fiscal. Centralised demand-management and welfare provision treats the community as passive. It leaves little space for individual initiative or choice. New Labour have reached out to communitarianism as an alternative to both individualistic liberalism and social democratic statism. Communitarianism has replaced socialism as the underpinning of Labour's new politics. Let us examine this more closely.

Labour's individualisms and communitarianisms

Individualism in New Labour thinking is employed differently in different places. One is as individual *opportunity*. Labour's supply-side proposals are aimed at giving more people wider opportunities. This is not much more than 'equality of opportunity' dressed up in a language which attaches the word 'individual' to it a lot more. There is little which is specifically individualistic about this other than it aspires to give opportunities to individual people. Equal opportunities for individuals - even when it is linked to the old idea of unfulfilled potential - does not necessarily mean choices or freedom for them. Furthermore Labour have added that individual opportunities are not a 'free lunch'. 'Rights' to opportunities have to be matched by 'duties'.

This idea of opportunity is a long way from the more novel - certainly for the Labour Party - and individualistic way in which the idea of a more privileged place for the individual is articulated in terms of *choice*. In this meaning individuals make decisions for themselves as consumers of public and private goods, as well as private people choosing lifestyles, cultures and beliefs. This form of individualism may have as much to do with the erosion of traditional cultures and values as part of modernisation as it does simply with the extension of market relationships - although the two are of course connected. Labour modernisers are right to claim that times have changed and that the party must move on. But the point is that the emphasis on individuals being able to make choices and be different is a lot more individualistic and heretical for Labour than that everyone should have opportunities. Wider individual *opportunity* is clearly part of Labour's social liberal and social democratic traditions; individual *choice*, however, is not. New times, indeed.

This is where community comes in and leads to our second point about Labour's different communitarianisms, their implications for the individual and left and liberal criticisms of them. Community is Labour's way of saying that there is such a thing as society. It is also a way of highlighting the perceived possessiveness and selfishness of liberal conservatism as preached by the Thatcher and Major governments. At a rather simple level, community is just a way of saying we should help each other, and in so doing, we all will reap the benefits. But in a stronger sense, community is shorthand for the break with postwar social democracy, in particular the shift in agency away from the state towards the private and voluntary sectors, as well as to families, friends and individuals. Once shorn of its class-based socialism, and when it refers to devolution and partnership between private and public, community becomes less a challenge to the market and more its necessary complement. Community is one of three pillars which support new Labour's new Britain: social justice promotes economic renewal, as well as forming the glue which holds communities together; strong communities provide

opportunities and resources for individuals to flourish and businesses to grow; and economic success provides the jobs and the wealth for social justice and social cohesion.

But where does this leave the individual? Problems begin because Labour often defines community in two of the different ways referred to above: 1) as a pluralist devolved civil society; and 2) as stronger community obligations and norms. The civil society idea, certainly in its modern usage, is a realm beyond the state. It is a place of individual relationships, families, communities even, as well as clubs, voluntary associations and other non-state institutions. This is a realm often appealed to in Labour's ideas about personal autonomy and choice and the voluntary and devolved infrastructure for individual self-help. In civil society, there is no assumption of commonality. Far from it, civil society is dominated by particular ways of thinking, acting and living, which may or may not peaceably coexist. That civil society needs a broad common culture, legal framework or even Leviathan to hold it together, is not the point. In civil society pluralism rules, and for this reason the space for individuality must be broad, or potentially so.

In stronger communitarian thinking, however, individuals are not free-floating but embedded in a particular social milieu: the community. Communities are based on shared practices, roles and identities out of which individuals are made. In this conception of community the space for the individual to be different must be limited.

Liberal and Left Criticisms

So when in his 1995 Spectator lecture Tony Blair said: 'I am not going to talk about people's personal lives, but about their duties to one another as citizens', he seemed to hope that public and private realms would remain conveniently separate. But the distinction is not always that clear in Labour's thinking. Tony Blair prefers the nuclear family and a certain idea of parental responsibility. David Blunkett likes traditional teaching, traditional teachers and standards for homework. Jack Straw doesn't want beggars or squeegee merchants on the streets.

Labour's new communitarianism holds dangers for both liberals and the left. For liberals the danger with Labour's conservatism is that the strong community much loved by Tony Blair may become concerned not only about giving individuals a leg-up but also with laying down the law on how people should live. Liberals may say that there is nothing wrong with virtues, duties and good parenthood and may not want to go so far as to say that governments should not make public policy or that value-free policy is possible. But they will fear that Labour is showing authoritarian tendencies towards deciding *for us* on matters of personal lifestyle which are the subject of conflicting and deeply held values. From a liberal perspective, Labour's communitarian ethic and model of active citizenship inevitably encroaches on aspects of what many would regard as their private lives.

From a left perspective a greater stress on social responsibility may be seen as a necessary response to a perceived one-sided emphasis on rights-claiming in social democracy and on individual self-interest in Thatcherism. Yet from a left-wing point of view there are two problems with Labour's prescriptions in this area. On the first, it is not so much communitarian prescriptiveness which is objectionable for the left but more

the conservative content of the prescriptions. These will be seen as contrary to progressive ideas about the family, living arrangements, parenting, education and exclusion. For critics on the left, Labour will be seen as being prescriptive with a conservative content - two parents rather than one, tough teaching, tough parenting and tough on the homeless - at the expense of non-conservative views on these things. Furthermore, on the second left objection, it is not so much ethical responsibility for fellow citizens, something which is close to left concerns, which is at the heart of Labour's prescriptions. It is more a normative duty in return for rights, closer to ethical conservatism than ethical socialism.

Individualism and Communitarianism

Debates over the complementarity or opposition between liberalism and socialism, liberty and equality and the individual and community are age-old ones in social and political thought. Here New Labour is right to argue that the traditionally counterposed terms of individual choice and community responsibility may sometimes be complementary and interdependent. Advocacy of individual choice and community need not be destructive of community and ultimately of other individuals' autonomy. It might be about increased chances for individuals to make choices across a broader range of activities, and it may be facilitated by collective conditions rather than eliminated by them.

On the other hand, there is also something in the individualism and pluralism of Labour's ideas which undermine its community. Labour sees public provision of education, health and welfare as being more tailored to individual choice and circumstance and less geared around standardised collective provision. In education, for example, Labour is coming around to the acceptance of a dual system of state and grant-maintained schools with parents having greater choice about what sort of school they can send their children to. Yet such forms of public provision may lead to the fragmentation of common and equal experience and divisiveness in forms of provision and consumption of a sort which may undermine community. Recognition of choice and diversity may be difficult to combine with the enhancement of cohesion and community.

Another way this can be looked at is through New Labour's notion of community as civil society. There is a tension within this notion because devolution of, say, welfare provision to associations or trusts in civil society will lead to a pluralism of provision which may undermine a wider sense of community at, say, a national level. New Labour has to decide what it means by community here, because this pluralist, decentralist version goes against a stronger version of community.

Furthermore, as well as tensions between pursuing greater individual choice *and* greater community in society as a whole, there is some inconsistency and incoherence in seeing individual choice as a guiding principle in some areas yet favouring community in others. One guiding principle of community norms and responsibility is favoured for treatment of neighbours, responsibilities of parents for children and expected preferred family form. Yet why is community favoured here as the underlying principle when elsewhere, in education, health and welfare, for example, individual choice is advocated instead?

Towards Liberal Conservatism

One answer to this question is that what is being pursued is not individualism or community or some combination of the two but rather a shift to liberal-conservative versions of each. New Labour's communitarianism and individualism are less about community and individual choice themselves. They are more about New Labour getting into *particular liberal-conservative ideas of individual choice and community*. And the tensions inherent in wanting both become less of an issue when it can be seen that it is in the coherence of pursuing liberal-conservative meanings of them that the shift in Labour thinking is going on.

Liberal-conservative individualism and communitarianism is different to progressive-liberalism and social-liberalism which have usually helped define the thinking of the centre and left. Each, for a start, has a different *individualism*. In progressive liberalism, associated with the New Left, libertarian left and radical Liberals, individualism is seen in positive liberty terms of autonomy and opportunity. It is about individual realisation and development within a democratic, participative, social context. It is pluralist and permissive towards diversity in society. Social liberals aspire to similar ideas about individual opportunity and realisation. Yet social liberalism also has its own individualism, concerning the recognition of citizenship rights of individuals vis-a-vis the state. New Labour incorporates elements of progressive and social liberal individualism in its concerns for individual opportunity and citizenship. Increasingly encroaching on these, however, is its liberal-conservative individualism, to do with individuals having opportunities to help *themselves* out of a rut and with a market-model of individual choice. It is more individualistic and market-based and less tied to participatory-democratic citizenship in society and less developmental than progressive or social liberal models.

The three liberalisms also have different concepts of *community*. The progressive liberal model of community is of an active citizenry in a participatory, democratic, small-scale society characterised by civic virtue and public ideals. The social liberal idea of community is to do with the responsibilities of society for its individual members. This goes with the social liberal rights conception of the individual to yield a case for the welfare state.

Labour draws on progressive and social liberal ideas such as civic virtue and the responsibility of the community for its members. This is increasingly squeezed, however, by New Labour's liberal-conservatism which sees the community in terms of norms, duties and responsibilities that individuals must live up to if they are to expect rights. Together with the liberal-conservative idea of the individual, this leaves New Labour with a conception of individual self-help, and market choice, yet a requirement to fulfil duties and responsibilities set out by society. This is a market liberal and moral conservative vision which is making increasing incursions into the space that progressive and social liberal strands have in Labour thinking.

Beyond Equality and Liberty

So New Labour is *radical* in relation to its past. In this sense Tony Blair may even underestimate the extent to which socialism and even social democracy have been left

behind. But the conclusion that Labour is just Thatcherism Mark II is too simple. Tony Blair doesn't display the strident nationalism of Lady Thatcher, however much he may love his country. Despite Labour's new-found liberal conservatism there remain policy differences - on constitutional reform, for example. The absence of liberty in New Labour thinking is another important divide. Labour has embraced the market and in some areas is pro-choice. But markets and consumer choice are not the same as liberty. And New Labour likes the market because it is efficient; and choice because it represents opportunity. The moral individualism at the heart of Thatcherism - markets represent individual *freedom* - is absent.

If Labour is radical and conservative, post-left but not right, communitarian and individualist, does this mean its new ideas are just a bundle of contradictions? Tensions do exist in Labour's juggling of values, between social justice and economic efficiency and the individual and community. That they exist does not mean that Labour are wrong to handle such values, but that there *are* real conflicts between them. We have argued that what holds it all together is a shift from social liberalism and social democracy to post-Thatcherite liberal conservatism. The central theme of this liberal conservatism is a politics which balances the free market with the strong community. Labour accepts that the market is more efficient than the planned economy; but argues it needs the bonds of community - rather than individualism - to hold it together and make it work efficiently. New Labour tilts to liberalism economically, but conservatism socially. This politics leaves behind what made labour distinctively of the left and increasingly crowds out a more libertarian liberalism. Having ditched its socialism Labour may be leaving aside its liberalism as well.

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