



Destination: Where Next for Progressive Politics?

Summary of the main points from Seminar 5 in ippr's *Where Next for Progressives?* series

In the fifth and final *Where Next for Progressives?* seminar, participants considered questions that will determine the future direction of progressive politics in the UK. Is it a question of 'one more heave' or 'radical renewal'? Is there now a distinctive progressive political project that might have public traction? What will progressives put on the bumper sticker? What story will progressives tell?

This note covers the highlights of that wide-ranging discussion, although there was not unanimity on every point. It does not necessarily represent the views of ippr. During the course of the seminar, most participants equated 'progressive' with 'centre left' and the Labour Party in particular.

Social democracy

Social democracy is neither futile nor finished. The two towering truths of the 20th century stand unchanged: market economies are the most effective and dynamic means yet devised of generating prosperity but they are also fundamentally unstable, producing gross inequality and rampant insecurity, and it is the job of society through its democratic institutions to correct and deal with those iniquities.

Social democracy, what's more, is as fit as ever for the demographic, social and economic challenges of today. Firstly, all western societies are ageing. They all have to pay – through pensions, social care and health services – for their ageing populations, with many of their citizens now spending less than half of their life economically active. Majoritarian, collective and comprehensive approaches – the classic policy terrain of social democrats – will provide the fairest and most efficient ways of doing so: inclusive systems which spread the risk and overcome the myopia of individual decision-making.

Secondly, all western countries have seen an increase in the last 30 years in participation by women in the labour force. This dynamic is not yet spent – it has momentum – whereas the socially conservative alternative of women returning to the home is dead in the water. Greater access to free and affordable childcare enables parents, especially women, to work (although much still remains to be done on gender pay gaps and occupational segregation in the labour market). High employment will be the best means of underpinning the affordability of the welfare state in the future. And the risk of child poverty reduces to almost zero when there are two people working in a family.

Thirdly, the recent crisis of capitalism demands a more regulated market and a more interventionist state than seemed necessary or possible in the heyday of the neoliberal period.

Political economy

New Labour's crucial insight remains true: fiscal incontinence is a shortcut to political irrelevance. And yet, if we manage economic credibility at the cost of having anything else meaningful to say, we become mere managers. Moreover, we must not presume the legitimacy of the state or our credibility on the economy. To do so would be to settle ourselves into the coffin the Coalition has constructed for us. Their meta-narrative is that every time Labour is in government the country runs out of money, however nice we may be: 'Labour goes on holiday with the credit card, and everybody is left picking up the bill.'

Progressives must now with humility acknowledge the serious mistakes of the New Labour years – including failure to increase taxes in line with spending, statist bureaucracy and a limited notion of citizenship reduced to the contractual and consumerist – and argue for a rebalanced political economy. It has to feature a better regulated financial services sector. And more attention needs to be paid to the pedestrian economy – low waged, low skilled, poorly managed – which must be addressed if social democrats can realistically hope the economy will deliver for low and middle earners.

On the politics of production, we can no longer rely predominantly on financial services to generate wealth and therefore taxes to spend on public services. So, as part of a credible and sustainable growth plan, we need an active industrial policy, more meaningful than the 'knowledge economy' and that is of benefit not just to the South East. It is much easier to argue for a more equitable distribution of the cake when the cake is growing.

On the politics of distribution, with the current debate located within a spectrum between those who think 35 per cent of GDP should be spent by government and those who argue for 45 per cent, progressives need to reach a shared view on the appropriate size of the state. Better to do this by deciding what government should do, and then make the case for raising the revenue to pay for it: no more stealth taxes or giving the impression that schools and hospitals can be built without anyone coughing up. We should identify the bare minimum on which there is cross-party agreement (the 35 per cent), then concentrate on what we want government to do over and above this and make the case for it. We need to uphold the value of state action, as our principal (although not only) weapon to tackle inequality. In short, both the size and the purpose of the state need to be defended.

There is also a need to tackle asset instability in the housing market, stopping future property booms, along with asking difficult questions about why we spend so much more on housing benefit than we do on building social housing. And we should argue for burden-lifting, majoritarian welfare in the form of childcare and care for the elderly as universal services in which everyone has a stake: cradle to grave, as per the original contract.

Identity politics

Progressives need to develop a renewed appreciation of identity politics, fit for the plurality and fragmentation of identity in modern Britain. This will in turn mean tackling Labour's own identity crisis, when the categories on which labourism was built – the working class, the North, Great Britain – have all been eroded and we have not yet found a way of knitting together a coalition on the centre left out of the more heterogeneous identities at play. This new progressive politics of identity will need to include some kind of civic or social patriotism: social democracy is a national collective project which requires a sense of national identity, hence social democrats in the 20th century were most successful when they stood for a popular national project. And it will require a new-found sense of community, culture and place worth preserving.

If the centre left does not reclaim and reenact a deeper and more profound sense of community, upholding non-material values, the centre right will colonise that ground. This has to go beyond the value of work to other bonds of association which give life to a sense of belonging and a richer notion of community: justice, not charity; reciprocity, not kindness; solidarity, not dog-eat-dog. Labour's obsession with markets to deliver growth and the big state to deliver social justice has left us insensitive to and cut off from a politics of civil society, self-help and local democratic participation. Ours has been a more mechanistic and technocratic politics than that offered by the Coalition. People do not feel a sense of agency – they have just had things done to them by well-paid public professionals.

Localism

New Labour trampled on local identity and tradition in a way that people found profoundly disempowering. It neglected the fact that most people are in important ways small 'c' conservative: there are things of value, institutions that embody what we treasure and are worth conserving, which need protecting from globalised market forces. Labour became the party that defended Tesco over local shops; that told people 'that's life' when their local post office or pub closed; that appeared uninterested when each high street filled up with the same clone shops as everywhere else. New Labour in this respect appeared amoral and short-sightedly econometric. We do not need a charter for nimbysism but we do need a more confident critique of globalisation and the destructive side of the free market.

Localism has to be an important part of progressive politics: it gives people control and contributes to a sense of shared endeavour. Labour needs not to try to be a government in waiting but rather to be an active party, alive and campaigning in every community. We need to build up civic organisations we can mobilise; be the change we wish to see; do the big society. We need to get away from New Labour's central statism and invest again in the local and the power of family and community – energy sources we have too often neglected or ignored. We could win support for a big state, provided much of it is to be delivered through local institutions: a big state and a centralised state are not the same thing. And, if comprehensive services are to be delivered in a localised way, perhaps revenues for them need to be raised locally, potentially deflecting 'postcode lottery' arguments (to which the Labour Party is highly susceptible) and reinvigorating local government, which it badly needs.

Liberal pluralism

Notwithstanding the idiosyncrasies of the 2010 general election, the psephological trends in the UK indicate that hung parliaments and coalition politics are here to stay. This has profound implications for progressive politics, to which some in the Conservative Party now also lay claim. It means no mindless opportunism in opposition: Jack Straw's attack in the *Daily Mail* on Ken Clarke's progressive prison reforms being a recent example of this old party politics. The Labour Party is the biggest tent in the progressive campsite, but not the only one – and it will need a broad political movement to deliver the majoritarian politics we want to see.

Progressives should support the idea of proportional representation because there is a strong social democratic argument for it: international research has shown that PR systems deliver better policy outcomes – judged by social democratic standards – over the long term than majoritarian systems. And they should back it because it is fairer: it means going not just to target seats but to the top of every tower block in every constituency to get out every vote, because they all count. For these reasons, it is unhelpful of Labour politicians to paint electoral reform as a 'chattering class' issue and contrast it with more 'bread-and-butter' concerns.

Progressive direction, if not destination

We are right back at the consciousness-raising stage. We will not build a society which reflects progressive values unless millions of people share those values. And at this point in the cycle it is, above all, about values – programmes and statecraft can wait. A good society needs to be transformative: to be a realist you have to be an idealist first. We need to pitch for something big: only if we pitch for a Norway can we become a Sweden.

Capital went global and democracy did not. Too often it appears the bond market can decide our policy, forever blackmailing us with the threat of exit. We have only been able to do what the markets have allowed us to do. But if we cannot intervene in markets for the good of society, we are not social democrats at all. Progressives' breathless endorsement of globalisation needs to be checked. Too many of its effects to date have been profoundly unequal. We have to make it work for everyone, and in particular the poor.

There has not been a decisive ideological turning away from the centre left. The characters of the problems we face lend themselves to progressive responses. This is not a rehash of 1979. The battle of ideas is not lost. And yet as progressives we find ourselves on the wrong side of key arguments on the economy ('there is no money left'), the state (meddling micro-managers) and culture (we are out of touch). New Labour itself internalised too much the critiques of the left, believing too often that the right had the winning arguments. We need to reassert our core beliefs. Pre-eminent among these is the rejection of the idea that we can no longer afford a welfare state and instead the insistence that we cannot afford not to have one; that paying taxes is the most civilised thing we ever do, and that they pay for all the things we care most about in life and cannot buy in shops. It has been Labour's weakness on politics, as much as policy, that has undone the party. And it is here that Labour must start to rebuild.