EDITORIAL

When do you have to lie?

James Stafford and Florence Sutcliffe-Braithwaite

Conservative dishonesty over Brexit has put Labour in a dangerous position. By holding back from formulating a coherent and realistic Brexit policy, the party has left itself with many hostages to fortune. Democratic renewal is needed if the labour movement is to openly debate and resolve the real tensions between socialist internationalism and the drive to build a Britain 'for the many, not the few'.

'When it becomes serious, you have to lie.' The notorious declaration of the then-Eurogroup president, Jean-Claude Juncker, is a favourite point of reference for Eurosceptics left and right. It encapsulates what they see as the coercive and conspiratorial essence of the EU. In his blockbuster history of finance and politics since 2008, *Crashed*, Adam Tooze explains the context and reasoning for Juncker's famous remarks.[1] The future president of the European Commission was more worried about financial markets than democratic publics. 'The people' certainly had to be kept in the dark about the perilous situation of the Euro. But hypersensitive traders also needed to be shielded from knowledge of the persistent uncertainty and inertia of European politics. For Juncker, lying was a means of buying time, of avoiding hard decisions, and of preserving the autonomy of a small, confused and overwhelmed political clique, confronted by popular and market reaction.

This kind of tactical dishonesty is everywhere in contemporary British politics. Its leading practitioner is Theresa May – still, at the time of writing, the prime

minister and leader of the Conservative Party. From the beginning of the Brexit process, May has attempted to utilise the referendum as a wedge issue within Labour's electoral coalition. Her predicament, since the start of 2019, is a logical consequence of her failure to 'crush the saboteurs' in the general election of 2017. The false theatrics of cross-party talks over the withdrawal agreement, and her attempts to portray Labour as a party opposed to implementing the 'will of the people' as expressed in 2016, are but a newer and more extreme version of the Conservative rhetoric of 'national interest'. Since the 1920s, this rhetoric has sought to delegitimise the Labour Party as a legitimate claimant to state power in Britain. It has never, however, been more nakedly hypocritical.

The sheer shamelessness and vapidity of the contemporary Conservative Party has had the curious effect of placing Labour on the back foot. The party's talkative trade spokesman, Barry Gardiner, described Labour's strategy in terms derived from Napoleon Bonaparte: 'never interrupt your enemy when he is making a mistake'. But the wilful refusal by the Conservative Party (and particularly the hard Brexiteers) to deal honestly with the British public has had the effect of making it more difficult for Labour, too, to discuss the real facts of Brexit. The long months of May's Brexit negotiation sucked the party into a bidding war of false expectations. Labour has repeatedly claimed that, through the sheer force of his personality, a Corbyn government would be able to secure a Brexit agreement with the EU that goes against everything we know about the interests of its member states and the progress of the negotiations to date. The party has been evading hard truths. Any withdrawal agreement with the EU will involve a Northern Irish backstop. Any future relationship will involve adherence to its (much-maligned) regime of state aid rules. Any relationship worth having will also involve participation in the continent's system of free movement. And it will take many more years, and far more difficult negotiations, before there is any clarity at all on what that relationship will ultimately look like.

The risk now is that the realities of the negotiation will, sooner or later, force sudden shifts of position in favour of outcomes that the party has previously condemned as unfair or inadequate. This would leave Labour dangerously exposed to accusations of bad faith, from voters and negotiating partners alike.

A moment for democratic renewal?

The core argument in favour of Labour's holding position on Brexit has been that it enables the party to transcend divides between 'Leave' and 'Remain' and build a winning electoral coalition around anti-austerity politics. This was the central

message of Jeremy Corbyn's speech in Wakefield, on the eve of Parliament's 'meaningful vote' on the withdrawal agreement. Leave and Remain voters, he told us, are 'up against it', not 'against each other'. They have a shared interest in a Labour government that attends to their material interests: jobs, wages, public services.

We wouldn't be in the Labour Party if we didn't believe that a broad political coalition against poverty and inequality was both possible and necessary in the circumstances of twenty-first century Britain. But we believe that the path to achieving that coalition runs through taking a clear, consistent and realistic position on Brexit, based on broad public consultation, deliberation and persuasion, within the labour movement and beyond. This is the approach Labour has taken in making its case for domestic economic reform, and it has already paid great dividends. The party's holding position on Brexit, however, feels more reminiscent of the era of Blair and Brown: reactive, triangulating, and fearful of members and voters alike.

This is a political mindset that the Labour left, 'soft' and 'hard', has always (rightly) rejected. Party members can be trusted to engage in serious deliberation about the direction of policy. Labour is a force for political education and mobilisation, not a passive vehicle for fixed voter preferences. While it was a defeat for Labour and the union movement, the referendum result was also an opportunity for democratic renewal. Labour could have taken the lead in facilitating the informed and pragmatic public dialogue that Brexit demands. This would involve not only party members, but supporters of Leave and Remain, and representatives of the labour and socialist movements on the European continent. Such openness would have strengthened Labour's negotiating hand, gaining it the trust required for political flexibility. It would have been able to navigate the vicissitudes of Brexit politics in the knowledge that its position, unlike the government's, was not aimed at avoiding public discussion of the difficult trade-offs involved.

At the time of writing, the deadlock in Parliament has led to a rash of enthusiasm for deliberative 'citizens' assemblies', an idea taken up by everyone from Yanis Varoufakis's DiEM25 movement to Gordon Brown. The right time for this sort of exercise, however, was at least eighteen months ago. Labour can't now be expected to substitute for a functioning democratic public sphere on its own. It has had quite enough on its hands in protecting the rights of parliament against the machinations of a prime minister who acts like a kind of elected dictator, albeit one without real power. But if, as still seems possible, the immediate crisis is evaded through an extension of the Article 50 negotiation period, or parliamentary acceptance of some modified version of the withdrawal agreement, Labour should

be ready to adopt a more open approach to the formulation of its future policy. Only this can effectively combat the poisoning of public life by a Conservative Party that is plumbing new depths of vindictiveness and irresponsibility.

'Economism' and internationalism

One long-term consequence of Labour's ambivalent policy on Brexit has been its further isolation from the main lines of socialist and social-democratic argument on the European continent. Placed by events at the centre of a global debate about what comes next after the failure of neoliberal globalisation, Labour has responded with neither a principled commitment to national economic sovereignty as the basis for a new internationalism, nor a clear case for remodelling the EU as an indispensable experiment in democratic multilateralism. Instead, Labour has offered Europe a series of one-sided demands, designed to satisfy parts of its domestic political constituency. A Labour Britain would be seeking to participate in the European customs union and single market while evading its rules. This policy has little to do with left critiques of the 'neoliberalism' of the European state aid regime. In seeking an opt-out for Britain alone, without reference to the interests of continental workers or their representatives, Labour has staked out a nationalist policy, not a socialist one.

A lack of certainty or conviction about Europe is arguably reflective of a broader weakness in the party's approach to foreign policy, which is overwhelmingly borrowed from political movements to its right and left. As long ago as 1961, Ralph Miliband suggested in *Parliamentary Socialism* that Labour had failed to develop a distinctive, socialist foreign policy. As Michael Walzer puts it in his 2018 book *A Foreign Policy for the Left* (reviewed by George Morris in this issue), 'the left has never gotten a good grip on foreign policy', generally assuming that a successful foreign policy is the consequence of a good domestic policy, and that international politics can be left to the realm of popular and trade union 'solidarity'.

Two factors intertwined historically to shape Labour's lack of distinctive thinking about foreign policy: a pragmatic lack of interest in theorising, and a focus on the interests and desires of Labour's predominantly working-class constituency. For the governments of Attlee, Wilson and Blair, this meant acquiescing in Britain's foreign policy consensus, and prioritising the delivery of key economic goals – jobs and welfare – over all else. This was the key to mobilising Labour's voter base. Everything else, including international issues, was peripheral: economism, or what the new-left thinker John Saville termed 'labourism', was the defining note of much of Labour's policy-making.[2]

Labour's party culture is still strongly marked by economism. Occasional gestures to socialist internationalism and migrants' rights are usually drowned out by assertions about Labour's plans to prioritise the economy and public services, which is where 'real' politics happens. Insofar as the party has debated Brexit at all, it has been as an adjunct to discussions of its economic programme. The vast international and constitutional implications of leaving the EU have scarcely been addressed. But Labour's 'jobs-first Brexit' is only a leading example of the party's economistic mindset. The party's discourse increasingly reduces migration and asylum to a question of national economic interest. Announcing Labour's proposed approach to immigration at conference in 2018, Diane Abbott emphasised that 'we want an immigration system which is fair, and which is managed, in the interests of the economy and the community as a whole'.[3] It is perhaps surprising that so many people were so surprised when at the end of January the leadership planned to abstain on the Tories' unpleasant Immigration Bill (later changing to a one-line whip after a storm of criticism from Labour members and MPs).

Where does this leave internationalism? In Labour's policy paper on aid and international development, published in 2018 and reviewed by the historian Charlotte Riley in this issue, there is much to be proud of. *A World For the Many* explicitly links Labour's core values at home to Britain's role abroad, suggesting that Britain must build an international community that is 'united across borders in solidarity'. But, as Riley comments, 'an international community requires institutions and Labour needs to have a clear idea of how it would engage with and work to shape supranational and international organisations – the EU among them – in government'. In the absence of a clear, pragmatic and distinctive approach to Britain's place in the world, there is a strong risk that the next Labour government – like its predecessors – will sacrifice its internationalism on the altar of domestic political expediency.

'Globalisation' is not the issue

What it would take for Labour to develop a robust and realistic foreign policy for an age of global crisis and disorder? The party cannot fall back onto naive and ahistorical venerations of the post-war 'rules-based order', the tedious refrain of the US foreign policy establishment. At the same time, however, it cannot reject the entire apparatus of international law and international cooperation that has indeed been a novel and positive feature of world politics since 1945. If a Labour government only wanted to form productive relationships with other socialist governments abroad, then this would leave it in a pretty lonely place. Just as it

needs to court Tory voters to win an election, and to have a half-way functional relationship with the civil service and sections of British business if it is to govern, Labour needs to strategically engage with non-socialist allies and institutions if it wants to make a better world.

Formulating a distinctive approach to foreign policy means revisiting some lazy assumptions about the nature of the times we live in. After the Brexit vote, 'globalisation' became a prime suspect for those on the left looking to explain the Leave votes of working-class constituencies. By the end of 2018, a key demand of Labour MPs in Leave constituencies opposed to the government's Brexit deal was a 'globalisation fund' coming from taxes paid by EU workers, to be used to regenerate those 'left behind' areas.[4] Such a fund might be a good thing; but the left needs to move beyond viewing globalisation as an exogenous force of nature, to be resisted and counteracted by socialists.

This view of global political economy is an exact mirror-image of the globalisation hype of the 1990s. It retains an image of globalisation's autonomy and power, changing only our moral response to it. New modes of critical analysis, from Gindin and Panitch's magisterial survey of the role of American empire in global capitalism, to Adam Tooze's deep investigation of the mechanisms of modern finance, and Anthea Roberts's interrogation of the emerging paradigm of 'geoeconomics', offer far more promising avenues for the left. They highlight the centrality of political decisions and political agency to the making of global order. Globalisation is not, as Tony Blair told us, as natural as the changing of the seasons. It is ultimately shaped by the political actions and choices of states, corporations and international organisations.

Viewing globalisation as fate – or as conspiracy – encourages the left to revolt against it in the name of national sovereignty. In reality, however, the choice between national sovereignty and international cooperation is a false one. In order to make democracy secure within the boundaries of the nation-state, international cooperation is vital. Sometimes, that cooperation is instituted in the form of binding rules and juridical procedures: for all states to be equally free and sovereign, they all have to be subject to some constraints on their power.

When confronting institutions like the EU or the WTO, therefore, the left has to recognise that there is a genuine and difficult tension between two ideas that it usually finds congenial: popular sovereignty and international law. Instead of railing against European neoliberalism, Labour should recognise that there has to be a place for the use of use of arbitration – rather than trade wars, cyberattacks or bombing campaigns – to settle inevitable conflicts of interest between sovereign states. The problem with 'neoliberal globalism' is not the mere *existence* of inter-

national organisations with legal authority: it's the uneven extent and application of that authority, and the purposes for which it is used.

Labour's task, then, is not simply to resist and compensate for a monstrous Thing called globalisation. It has to try to shape the global order in ways that are congenial to social democracy. Being a serious player in doing that does not *necessarily* mean being a member of the EU. But we have yet to see any serious proposal for constructive British engagement in global affairs that would not in some way be assisted by continuing EU membership. You can't fight to change the rules of world politics if you abandon the forums in which they are made. Yet this is the paradoxical thrust of much of Labour's foreign policy discourse. When pursuing its admirable policies on trade, the climate and international development, a Labour government will inevitably be met with the question: 'but what about Brexit?' Continuing to assume 'have-our-cake-and-eat-it' postures will damage the trust and commitment needed for international cooperation, in Europe and beyond.

Conflicts and priorities

The present issue of *Renewal* contains a range of articles designed to inform and raise the level of party debate over European policy and global political economy. Tooze's *Crashed* does the left a huge service by offering a comprehensive and accessible account of the politics and economics of the last ten years. As a historical narrative populated by specific agents and events, it provides a sense of orientation that mere 'theory' – Marxian or otherwise – can sometimes lack. Our symposium on the book presents a range of views on Tooze's method and its implications. Grace Blakeley and Anahí Wiedenbrug defend more theoretically informed understandings of the crisis against Tooze's agent-centred empiricism. Sahil Jai Dutta, meanwhile, explores the one mode of theoretical analysis that is explicitly credited by Tooze: the new school of 'macro-financial' economics that emerged from investigations into the origins of the crisis, and informs post-crisis regimes of financial regulation.

History is a recurring theme in this issue. Articles by Marius Ostrowski and Brian Shaev reconstruct earlier phases of the socialist debate on European integration. Ostrowski's analysis of debates over trade policy in the Weimar-era SPD reveals a party that – unlike Labour today – regarded questions of international economic order as central problems for socialist politics. Pushing back against influential recent accounts of the neoliberal and neo-colonial origins of the European Economic Community (EEC), Shaev explores socialist rationales

for European integration in the 1950s and 1960s. These stressed the importance of supranational economic governance and planning, beyond the free trade agreements and customs unions favoured then by Britain – and its Labour Party.

By charging today's Labour with an 'economism' it shares with its predecessors, we don't mean to side-line or diminish its achievements in radically rethinking Britain's political economy. Our current issue draws attention to the range and depth of reforms that can be subsumed under what Joe Guinan and Martin O'Neill have memorably called Labour's 'institutional turn'. Juvaria Jafri examines how to fix a bifurcated banking system which ensures that 'the poor pay more'. Stewart Lansley and Duncan McCann argue for a Citizen's Wealth Fund, built up via progressive taxation on wealth and the one-off issue of a long-term government bond, to socialise a growing proportion of wealth, building an egalitarian dynamic into the structure of the economy. Fabrizio Barca meanwhile shows that where neoliberal 'space-blind' policy-making has failed, 'place-based' policy-making, as practiced in the Italian Inner Areas Strategy, offers an alternative paradigm, empowering local communities to escape from under-development traps.

We want Labour to have the chance to implement the radical economic reforms and to create the new institutions – like a Citizen's Wealth Fund – that might become the NHS of a Corbyn government: prized for generations by British people, engines of equality, fairness and humanity in our society. To do that, Labour obviously needs a hard-headed approach to the demands of national electoral politics. But politics is about conflicts and priorities. Brexit has created new divisions in British society, cutting across Labour's coalition and compelling it to adopt an ambivalent and unsustainable position. It generates real conflicts between electoralism and internationalism, which have to be openly acknowledged and resolved. Can Labour build a Britain 'for the many, not the few', without compromising on ambitions to build a 'world for the many'?

In future issues we will continue to examine the difficult choices Labour will face in government in relation to foreign policy, supranational and international organisations, aid and development, and global political economy. In our last editorial, Christine Berry wrote that 'our movement needs to be equipped to debate seriously whether or not a given compromise is the right one tactically in the service of the long-term project, and to hold the leadership to account for its strategy and its choices.' We couldn't agree more. *Renewal* will continue to provide a forum where those complex questions can be identified and debated, without rancour, but with openness and honesty.

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Further reading

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Notes

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2. John Saville, 'The ideology of labourism', in R. Benewick, R.N. Berki and B. Parekh, *Knowledge and Belief in Politics*, Palgrave Macmillan, Basingstoke 1973.
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4. Lisa O'Carroll, 'Labour MPs in leave areas want government "globalisation fund"', *Guardian*, 7 December 2018: https://www.theguardian.com/politics/2018/dec/07/labour-mps-leave-areas-fund-globalisation-fund-day-of-action.