

EDITORIAL

If the tide goes out

James Stafford and Florence Sutcliffe-Braithwaite

Regardless of the outcome of the election on 12 December, there can be no turning back the clock on Labour's transformation into a party of thoroughgoing economic radicalism.

British politics today is simultaneously concerned with everything at once and nothing at all. Under Boris Johnson, branches of government contradicted one another – and themselves – with giddy abandon. For the latest clique in charge of the Conservative Party, shame and consistency are equally off-limits. The basic institutions of our society – schools, hospitals, housing, benefits, high streets – are visibly crumbling. The performative cruelty of the Home Office and the Department for Work and Pensions grinds on. As many of the contributors to our present issue remind us, burnout and alienation are stalking Britain's workplaces – including in the public sector. The urgently necessary street protests of Extinction Rebellion are ignored and shut down, as a country that should be redesigning its energy systems is endlessly told that tightening its borders is the more important priority. Austerity has continued on autopilot, as a deadlocked Parliament has agonised over Brexit.

For a few months after the 2017 election, the pervasive sense of inertia and gloom enabled the Labour Party to kid itself that it was on the brink of a 1997 moment: a dramatic electoral breakthrough, for which the ground was carefully laid in a plethora of policy reports and consultation exercises. The fall of May, the rise of the Brexit Party, the Liberal Democrat surge and the coming of Johnson have destroyed that unearned sense of inevitability. Labour went into the election campaign with a radical and transformative policy platform, but with dismally low poll ratings.

As Tom Barker recently observed on our blog, contemporary politics are 'weightless'.¹ Countless significant and disturbing things seem to happen daily, yet little

really changes. There is no way of knowing where and when we might touch down. The auguries certainly were not good for Labour at the outset of the election campaign; but Johnson's apparent strength was also brittle; all that looked certain was the fact that it would be one of the nastiest elections in British history. Instead of falling into despair, confusion and resentment, however, the darkness and volatility of our present moment should inspire us to reflect more deeply on our ambitions and our principles. We write without knowing the outcome of the election. But whatever happens, there can be no turning back the clock on Labour's transformation into a party of thoroughgoing economic radicalism.

A parliamentary majority for Johnson and Cummings, combined with the hard Brexit that Johnson has won from Brussels, would provide the perfect conditions for making Britain into a wholly-owned subsidiary of US monopoly capital. That's why Labour has to beat them at the polls. But it's also why the party can't abandon its recent radicalism. If a rebooted Tory Party triumphs this time, it won't be beaten back by a timid politics of accommodation: still less one that buys into tired and inaccurate stereotypes of a homogeneous, reactionary 'white working class'.

Instead, Labour will have to broaden and deepen its radical agenda, to mobilise and unite a majority for government across the gulfs that separate Britain's classes, nations and generations. In a polarised, fragmented electoral environment, seeking out an imagined middle ground is as ineffective as it is unprincipled. Nor is it enough to insist on old certainties, trusting that Labour's late-twentieth-century position as one of two parties of British government will always guarantee it a hearing. The only response can be to hone our radicalism, making it more effective, better organised and less reliant on the fading and complacent institutions of the British state. 'This is no time for triangulation', Alan Finlayson reminded us in our last issue: 'There are too many angles'.²

Social democracy, nationalism and internationalism

The contributors to this new issue of *Renewal* offer us many resources for thinking about how a radicalised social democracy might yet develop and flourish, in Britain and around the world. Nearly two years after its publication in early 2018, many contributors are still responding to Joe Guinan and Martin O'Neill's *Renewal* essay on 'the institutional turn', a piece that justly earns the epithet 'seminal' from DiEM25's David Adler in this issue.³

In their essay, O'Neill and Guinan argued that Labour's new agenda centres on the design of new institutions – from regional banks to publicly owned utilities and employee-owned firms – that hard-wire democracy and social justice into the basic frameworks of the UK economy. Adler takes this 'institutional turn' in new

directions, asking what it would mean to change the orientation of global justice politics from redistribution to institutional design. Labour's thinking, he warns, has a gap where a theory of global political change should be. It is not enough for a Labour-led Britain to set an example of a post-neoliberal political economy: it has to work to build one at the global level, using its still-privileged status to fund, structure and organise new institutions of 'global governance' that change the terms of political trade for states around the world. As Matthew Bishop and Tony Payne argued in our last issue, the left needs to think seriously about the supranational institutions which can drive a progressive reglobalisation from the left.⁴

Sivamohan Valluvan and Malcolm James meanwhile argue against claims that the left can mobilise or reclaim ownership of nationalism, and tame it or turn it in benign directions: 'the call of nationalism is never just the benign show of patriotic solidarity that some wish it to be'. In fact, they argue, such a move will always play into the hands of right-wing nationalists, and intensify processes of 'Othering' that are often racialised. They draw on the example of Mette Frederiksen, Leader of the Social Democrats in Denmark, to illustrate this point. Frederiksen supported controversial anti-immigration policies and rhetoric, and her support for anti-Muslim 'ghetto laws' helped her become prime minister. But these positions also helped intensify nationalist sentiments that lay far outside her control. It's easy to say that the left must 'listen' to voters on immigration – but harder to reconcile rhetorical and cultural choices with the reality of 'state programmes' to toughen up borders and lock up vulnerable migrants. The injunction to 'listen' doesn't go nearly far enough: a viable political force has to have *something to say*.

Nathan Akehurst concurs with Valluvan and James that nationalism cannot be corralled by the left into a progressive force. He sees any approach modelled on that of the Danish Labour Party as a 'tactical retreat', and, like Valluvan and James, argues that 'we do not win small victories by fighting on our opponents' terrain; rather we increase the scale of their victory'. Labour, Akehurst argues, should put the question of migration justice front and centre, and should be clear that migration justice is intrinsically linked to class or distributive justice. It may be easier, he suggests, to build an electoral coalition around migration justice, rather than Brexit. And it would be better to employ our political energies to secure a more progressive migration framework at the national level than to unconditionally defend British membership of the EU, given the tragedies mounting up at the borders of 'fortress Europe'.

The urgency of economic democracy

While Adler, Akehurst, James and Valluvan all caution against hitching Labour's economic reform agenda to a nationalist politics, the contributors to our special

section on John McDonnell's 'Inclusive Ownership Funds' (IOFs) policy point to the complexities of realising 'economic democracy' in practice. Mathew Lawrence returns to these pages in his new role as director of Common Wealth, a think tank dedicated to reconciling the radical politics of collective ownership with the demands of 'systemic change' in an era of climate breakdown. His introductory essay outlines the core aims elements of the IoF policy, which has also been adopted, in a modified form, by the US presidential candidate Bernie Sanders:

The proposal seeks to help democratise the company by redistributing economic and political rights within the firm away from external shareholders and executive management toward the workforce as a collective ... The policy would do this by requiring all large companies to establish a democratically controlled, all-employee trust, which they would be required to transfer shares into, up to 10% of total shareholding within a decade in Labour's proposal, 20% within ten years for Sanders.

Lawrence is clear that the proposal cannot stand in isolation: it has to be evaluated as part of a package of measures, including greater democracy in the management of firms, and in the control of other assets such as pension funds. It also relies on the state to balance out disparities between the profitability of different firms with an employee-owned component. This, as Lawrence explains, is the rationale for one of the most controversial parts of the policy as presented by McDonnell, which sees employee shares above £500 flowing directly to the Treasury for redistribution. In the revised version prepared by Common Wealth, Lawrence proposes raising this cap, and using the proceeds to finance a national social wealth fund on the model proposed by Stewart Lansley and Duncan McCann earlier this year in *Renewal*.⁵

These disparities between the different versions of the IOF proposal point to the problem of what the German social democrat Karl Kautsky termed 'labour aristocracy'. Handing more control of firms over to workers, Nicholas Vrousalis and Michael McCarthy both observe, doesn't of itself prevent those firms from acting in exploitative and ecologically damaging ways. For Kautsky, as Vrousalis explains, reconciling worker control with a broader public good meant the development of multiple layers of political and economic democracy, with a 'labour parliament' working in parallel to the Reichstag of the Weimar Republic. Michael McCarthy, by contrast, emphasises the powerful role played by corporations in the framing of democratic politics. If workers had more say in the allocation of resources within firms, then these would be less likely to lobby governments to adopt policies based purely on their narrowly commercial interests.

Democratising the firm, as Elizabeth Anderson argued in our last issue, is a pressing matter.⁶ But as McCarthy emphasises, this shouldn't involve an automatic assumption in favour of elections. There is a real danger, he cautions, that trade

unions and employee organisations would inevitably come to dominate any form of workplace democracy organised on a conventional representative model. As Georgia Gould, the leader of Camden Council, explains in her interview with *Renewal*, one of the advantages of deliberative democratic mechanisms is that they encourage participants to take a broad and disinterested view of priorities and trade-offs: something that a democratic politics of the firm should be looking to cultivate as much as a democratic politics of the municipality.

As Janet Williamson, Steve Iliffe and Jill Manthorpe remind us, the demand for workplace democracy is not just a matter of airy socialist theory. The disempowerment and exploitation that characterises the UK labour market, in both private *and* public sectors, is a cause of genuine distress for workers forced to deal with precarity, low-pay, and overstretched and incompetent – sometimes bullying – management. Strong trade unions and a strong welfare state can do a lot to moderate the dictatorial power of bosses – but employee ownership, alongside other innovations like putting workers on company boards, brings the added benefits of agency and representation in the more day-to-day operations of the firm. For Williamson, schemes to expand employee ownership can play a vital role in improving the resilience of UK firms that are often vulnerable to hostile takeovers, thanks to the dominance of shareholders over workers in determining a company's fate. Lenore Palladino – while acknowledging the limits of IoFs as a pragmatic stepping-stone to a more complete democratisation of the economy – also suggests that they could start to set limits on short-termism and speculation in the ownership of American firms: something that has long been encouraged by the prevailing ideology of 'shareholder value'.

The climate crisis forms the urgent backdrop to everything the left does in the twenty-first century, and its effects will shape the international distribution of wealth, as well as patterns of migration. These issues must be tackled not only at the level of the nation, but also down at the level of the municipality and the firm, and up at the level of supranational institutions. Institutions must be reformed to redistribute power and lock in meaningful democratic control. The immediate outlook going into the election campaign is immensely difficult for Labour, but we must not put the brakes on the development of the party's programme of radical economic transformation.

James Stafford is postdoctoral researcher in World Politics at the University of Bielefeld, and co-editor of *Renewal*.

Florence Sutcliffe-Braithwaite is lecturer in twentieth-century British History at University College London, and co-editor of *Renewal*.

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Notes

1. Tom Barker, 'The unbearable lightness of politics', *Renewal* blog, 24.9.19: <http://renewal.org.uk/blog/unbearable-lightness-of-politics>.
2. Alan Finlayson and Lea Ypi, 'Realignment on the right?', *Renewal*, 27.3, 2019.
3. Joe Guinan and Martin O'Neill, 'The institutional turn. Labour's new political economy', *Renewal*, 26.2, 2018.
4. Matthew Bishop and Tony Payne, 'The left and the case for "progressive reglobalisation"', *Renewal*, 27.3, 2019.
5. Duncan McCann and Stewart Lansley, 'Citizen's wealth funds, a citizen's dividend and basic income', *Renewal*, 27.1, 2019.
6. Elizabeth Anderson interviewed by Dan Chandler, 'Power in the Firm', *Renewal*, 27.3, 2019.