

EDITORIAL

Now what?

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Introduction

It would feel appropriate for a commemorative, celebratory balloon to automatically inflate and be released from the package containing this double issue of *Renewal*: for after fourteen years of Conservative governments, which unleashed austerity, created the conditions – constitutional and political – for Brexit, and then served up increasingly thin gruel with no long-term vision for the United Kingdom, the Conservatives are out of office and the Labour Party is in office. For a journal of social democratic politics, the exit of the increasingly populist Conservative right and the entrance of the centre-left is welcome news. Ideas that have featured on the pages of this journal, from the ‘everyday’ economy to the green transition, are now a feature of government.

As previous editorials of *Renewal* have argued, we want to see more from this Labour government than Labour in opposition committed to. We have confidence that we will. That does not mean, of course, that the work of critical analysis and pushing for ideas to achieve greater impact, is done. Far from it. Now is the time to make it count. There is plenty to be welcomed and there is plenty to call for.

This issue of *Renewal* contains some reflection on the 2024 general election, but as you would expect, we also focus on what happens next. A wide array of policy areas and political thinking feature in this issue. In this editorial, as well as running through some of the contributions, we want to set the scene a little. In 2010, the last time Labour was in power, David Coates wrote in *Renewal* that while Labour clinging on to office looked pretty unlikely, it was certainly worth a try. On ideas, he ended his piece with this sentence: ‘We must put the third way behind us and find another’.¹ That process took a while, as one of us has argued in a recent book.² The third way is certainly behind us now, simply out of necessity. Has Labour found something in its place? It is getting there, but there is more to do.

Starmerism: a mixed bag

Moving from opposition into government, there is certainly a clear set of immediate objectives. This government, as the media response to the King's Speech recognised, is more interventionist in the economy than for a very long time. The prime minister, Keir Starmer, has an appetite for central government coordinating and gripping things. His emphasis on 'delivery', understandable electorally and in terms of policy, will increasingly rely on the state trying to make things happen and make things work. What does it all add up to? It remains a mixed bag. As we write, the chancellor of the exchequer, Rachel Reeves, has delivered her diagnosis of the country's public spending challenges. Briefly put, public services are crying out for big investment, however, according to the chancellor, public finances are overstretched.

It is politically smart and achievable to lay bare what the Conservatives did – and, importantly, did not do – to create problems and make longstanding problems worse. The decisions Reeves takes over the next twelve months, alongside the prime minister and other members of the cabinet, are of great importance for the future of this Labour government, and the country. David Coates wrote in 2010 that Labour and the UK needed a new growth model. Reeves agrees with that diagnosis and developing that new growth model is understandably at the top of her list.

Part of the motivation for growth is to fix the state and find new ways of funding public services. If Reeves can put together a sustainable plan for funding public services and essential redistributive policies, while creating the conditions for growth to make that difficult task easier over time, (as well as boosting people's incomes), she may well secure a decent spell in office for Labour and a transformation of the country's long-term prospects.

However, Reeves' Treasury also needs to let some power go, and fast. There are two key points to be made here. The first relates to Labour's agenda for putting 'the right powers in the right places', devolving to local government and communities the power to make change. That inevitably means less control by the Treasury of more resources, including some of the ways money can be raised. The second point relates to other government departments wanting to contribute to Labour's 'missions' and its central ideological objectives. Labour's policymakers need to be able to innovate and devolve power themselves. Let us take an example: the Labour government wishes to create a network of 'Young Futures' hubs around the country, bringing together youth workers, mental health support and advice on skills and careers. Great, but don't dictate centrally how these should work or how they should be run. Instead, provide resources to community groups doing this already

– and give them the resources and autonomy to provide it at a scale previously unimaginable during the Conservative austerity years.

Starmer's Labour offers something very recognisable within the party's traditions: there are obvious centre-left ideas, there is the politics of offering people a somewhat better deal than the Tories,³ and there is clearly a reluctance to embrace traditional social democratic ideological goals (see, for instance, the low salience of tackling inequality in the manifesto or the eagerness to partner with the private sector without setting strong conditionalities to those partnerships). Labour's 'new deal for working people', considered in this issue by Daniel Chandler, is an obvious case of bold progressive reform. It is a highly significant shake-up in workers' rights and a boost for worker power. The ambiguity of GB Energy is gradually being cleared away, with Ed Miliband, secretary of state for energy security and net zero, wanting it to be much more than an 'investment vehicle'.

Labour's reluctance to be more open about its long-term public spending plans, however, is commonplace. This is sometimes connected to the early battles over what may be called the 'governing tone' of Starmerism: where the appearance of process and Whitehall diligence is all, leading to some strange outcomes. Clearly, the two-child limit within Universal Credit must be scrapped by a government committed to a serious strategy to tackle child poverty. And we are confident that the strategy, to be produced through a swiftly-announced 'task force', and not being limited to scrapping the two-child limit, will be both credible and ambitious. But the longer it takes for the harmful two-child limit to be scrapped, the more dissent the leadership will face from the Parliamentary Labour Party. That dissent is, of course, important. The leadership needs to find a better way of managing that than borrowing from the Boris Johnson playbook.

Forging ahead

It may be typical of the British left to ask, after Labour wins a huge majority in the House of Commons, 'how does this end?' But this need not be a maudlin habit. It's the obvious question: where are we seeking to be, as a country and as a political movement, four or five years from now? The prime minister has answers to parts of that question; Labour's missions include some clear benchmarks and targets (e.g., clean electricity by 2030; clearing NHS backlogs). As we discussed above, much will become clearer once we know the extent of the chancellor's ambitions for sustainable public finances and the rescuing of public services. Some of Labour's newest MPs have added their own suggestions. Torsten Bell, former head of policy for Ed Miliband as leader of the opposition, who then ran the Resolution Foundation, joined Labour's large contingent in the House of Commons as the MP for Swansea

West. He told *The Guardian* soon after the King's Speech votes that 'you [a Labour government] won't be able to claim success if you haven't both got wages up and leaned against inequality and poverty'.⁴

'Leaned against' is an interesting and ambiguous choice of words, but the overall message is clear: act on inequality and poverty. We are currently being told that Labour *always* does this, and therefore we should be reassured. Indeed, the party's education mission, spearheaded by Bridget Phillipson in opposition and now in government, did talk about inequality. It suggested Labour would 'make Britain one of the fairest countries in the OECD' and acknowledged that education system reform could not achieve it alone.⁵ These are clearer, centre-left ideological goals. And they suggest the need for a more defined politics of distribution and redistribution: progressive taxation reform and a more generous welfare state, in addition to making work pay and ensuring people can rely on high-quality public services, from GP appointments to trains running on time, from affordable or free childcare to dynamic hubs of civic activity, leisure and cultural expression.

Change

This issue begins, therefore, with a section adopting the title of Labour's manifesto: *Change*. What do we know, what can we expect and how can it be achieved? We begin with an analysis of the election from Elizabeth Simon. She finds that Labour's 2024 'coalition of people and places... are bound together by a shared belief that Labour are a "better bet" than the Conservatives when it comes to running the country, rather than by shared attitudes, values, and policy preferences'.

Here we have an early indication of a key challenge for Labour in relation to 'change'. They have a mandate to make things better, but how they get there will need to be communicated to voters with different attitudes and values. That takes us to Alan Finlayson's ode to speech writers. In addition to Finlayson's persuasive argument about the importance of rhetoric, he also shows us how the power of a story and an example, one familiar to those who have listened to a Starmer speech, can provide a powerful narrative backbone. The next two contributions, from Karl Pike and Craig Berry respectively, tackle expectations and where Labour will go next. There is uncertainty, of course, only weeks into a Labour government. But there is also the prospect of significant change and progressive purpose. Eunice Goes and Phoenix Andrews look at Starmer's approach to running a political party and leading Labour.

The next sections of this double issue look at economic policy and how to govern. Nick O'Donovan underlines the constraints facing Labour in terms of public

expenditure: higher taxes and more borrowing pose greater risks than they did before the pandemic. There are, however, ways of making finance available for higher public investment; the barriers to this are primarily political rather than fiscal. Kate Alexander-Shaw makes the case for a clear narrative that explains to voters the purpose of economic policy. Without this clear narrative, it will be difficult to keep Labour's fragile electoral coalition on side with Starmer's plans for a decade of national renewal. Fran Boait and Danisha Kazi consider Labour's relationship with the City of London, arguing that a failure to challenge financialisation, in pursuit of growth at all costs, could mean Labour will continue to duck a long overdue reckoning with the City's role in Britain's imperial past and maintaining racialised hierarchies.

In a set of short pieces looking at 'flagship' Labour reforms that have been much talked about in opposition, Daniel Chandler, Christine Berry and Jane Gingrich discuss how to enhance workers' power, face up to the climate crisis and engage with modern industrial policies in practice. Chandler suggests a more ambitious agenda on labour rights and economic democracy; Berry argues for radical pragmatism on environmental policy; and Gingrich posits that Labour's industrial strategy requires the alignment of a deep understanding of the causes of inequality and low productivity with clear policies that respond to that diagnosis.

Labour will not have to look far to find policy ideas. In this issue, Patrick Diamond, Jack Shaw and Andy Westwood propose a clear and detailed devolution agenda to restore 'pride in place' and tackle regional inequality. And James Plunkett offers a refreshing take on governance: something that appears to be close to the new prime minister's heart. Considering the rise and fall of different governance paradigms, Plunkett considers how 'missions' can work in government and how the state and its policymaking functions need to change to deliver.

Articles by Jonathan Webb, and Bruno Bonizzi, Jennifer Churchill and Sahil Jai Dutta, address some of the specific policy challenges that Labour will face in government. Labour's ambitions on issues such as housing supply and pensions provision are welcome. But Webb highlights the dangers – in terms of delivering equitable outcomes, or indeed delivering at all – of relying on the private-sector-led housebuilding strategy. And Bonizzi *et al* demonstrate the risks of relying on individualised pension schemes, either to provide decent retirement incomes or to reorient pension fund investment in service of a wider growth plan. Sunder Katwala weighs up both the 2024 election result and the Labour government's future approach to identity and belonging. For Katwala, social democrats have a 'bridging mission', bringing people closer together in the UK's pluralist democracy.

We finish with a section called 'uncertain times'. Here, Jon Wilson runs through a big picture narrative on Labour's foreign policy, using the 'nation state' as his

starting point. As prime minister, Starmer has appeared comfortable meeting world leaders and navigating the meetings of global institutions. As leader of the opposition, he was clear and right in his support for Ukraine, and far too slow in calling for a ceasefire in Gaza. David Lammy, as foreign secretary, has rightly resumed UK funding for UNRWA. There must be a ceasefire in Gaza and Labour must be unrelenting in working for one. Eleana Sanchez provides a preliminary analysis of the surprise National Assembly elections called by President Macron in France. Sanchez shows how, contrary to Macron's expectations, the French Left – through the swiftly put together New Popular Front – managed to unite, organise and win the most seats. A relief in preventing the far right from winning the most seats, or even a majority, though with continued political uncertainty. By the time the next issue of *Renewal* is published, the US election will also have taken place. We very much hope that delivers a resounding win for vice president Kamala Harris.

The final article of this issue is a review from Scott Lavery of Mike Kenny's *Fractured Union*. As Lavery notes, with the general election results in Scotland being an unambiguous triumph for Labour, a book on the uncertain future of the union may now seem a tough sell. On the contrary, argues Lavery, the structural forces behind a resurgent nationalism across Britain that Kenny identifies have not dissipated. Labour is as uncertain as the Conservative Party about how to respond to support for Scottish independence, and indeed an English nationalist agenda – a movement centred on the rise of Reform that was decisive in the Conservatives' electoral demise.

Conclusion

In the UK, the left has made progress. Labour enjoys a huge majority, albeit in uncertain times. For now, there remains a great deal of uncertainty within British politics itself, which seems – at first – paradoxical: the Conservatives were devastated in the 2024 election. Labour won big (in seats if not in vote share). At this juncture it is hugely important to stress that Labour has agency here. Whether this government succeeds and delivers big change is in large part in its own hands. But what does the extent of that change look like? It would be foolish not to concede we don't know, as Pike argues in his contribution. For those who took Rachel Reeves' assurances in the general election campaign that Labour's 'plans' did not require tax rises a little too literally, the *Financial Times* reported towards the end of July that the chancellor was to 'pave the way... for a tax-raising autumn Budget'.⁶ She will surely need to do just that as Reeves has signalled. If there is one common thread running through all of the articles in this double issue, it is that of expectation: people rightly have the expectation that Labour will put right so much of what has

gone wrong in the last 14 years. Doing so will require political skill and bravery. We hope some of the ideas included in this issue help in that effort.

Authors' Note: As this editorial went into production, far right riots and attacks upon communities across the UK, driven by racism and Islamophobia, occurred. We will reflect on these events in our next editorial, but wanted to add something here too, from the perspective of a journal of social democratic and Labour politics. As one of us recently put it, migration policy and the bureaucracy around it 'sits within a politics of racism, populist demagoguery and scapegoating. Labour's job is to challenge and change that politics'. Racist far right narratives and associated themes need to be refuted every single day.

Notes

- 1 D. Coates, 'Keeping the Tories at Bay', *Renewal* 18.1-2, 2010, pp113-121, p119' <https://renewal.org.uk/archive/vol-18-2010>.
- 2 K. Pike, *Getting Over New Labour*, Newcastle: Agenda.
- 3 This understanding of 'labourism' owes much to Eric Hobsbawm. See E. Hobsbawm, *Political Writings*, London: Verso, 1989. Another version could come from David Axelrod, who reportedly described Labour's 2015 offer as 'vote Labour, win a microwave'.
- 4 K. Stacey, 'Labour will fail in government if it does not reduce inequality, says new MP', *The Guardian*, 24 July 2024, <https://www.theguardian.com/inequality/article/2024/jul/24/labour-government-inequality-mp-torsten-bell>
- 5 Labour Party, *Breaking Down the Barriers to Opportunity*, London: Labour Party, p2; p18.
- 6 G. Parker and S. Fleming, 'Rachel Reeves to pave way for Budget tax rises in "spending audit"', *Financial Times*, 25 July 2024.