

# Markets and democracy

*Soundings* was launched in the autumn of 1996, preceding the election of the first Blair government by a few months. Like many others of left of centre affinities, we were greatly relieved, and within limits hopeful, at the election of that government. Whilst we deplored its commitment to so much of the Major government's agenda, we attributed some of this to the caution produced by so many years of electoral defeat. We hoped that the government would grow in confidence, and that more could therefore be expected from its second term.

Well, as our co-editor, Stuart Hall has recently put it, an unpopular government has now won a landslide Parliamentary majority, though with the support of only 25 per cent of eligible voters. The ruling regime *has* gained in confidence, and during and since the election has been clarifying one of its major projects. This is to carry forward the invasion of the public sphere by the powers, methods and mentalities of private capital. The New Labour government is in this respect a continuation of Thatcherism by other means.

Why should this be happening? What are the pressures which compel a Labour government with an overwhelming and undamaged second term majority to disparage and attack the core institutions of social democracy? We have always argued that explanations for political events need to be sought outside the political sphere, and that it is on the terrains of the economy, civil society, and culture that many of the moving forces of political life are to be located. As manufacturing gives way to services as the dominant productive sector of 'advanced' economies, so we believe the public sector has become an increasing focus of attention for private capital. It sees profitable opportunities in such spheres as health, education,

security, the built environment, transport, and the production of knowledge and culture, since this is where so much future economic activity will be. In addition, government provides guarantees and subsidies in these spheres of 'public goods' which are absent in other sectors. The New Labour government's insistence on private finance initiatives, and an enhanced role of the private sector in virtually every form of public provision, is intended to secure the stake of private capital in all these spheres of production.

**T**he New Labour governments have had another more progressive agenda, as well, though it is one they have been unable to articulate with conviction or integrity. In policies accompanied by at least the rhetoric of democracy, they have carried through devolution in Scotland and Wales; they have instituted a Mayor and Greater London Authority for London; and they may be about to introduce elected regional assemblies. On the other hand, in each of these they have tried to control that democratic mandate. This issue of *Soundings* has devolution as its major theme, and also carries a symposium on the topic of cities and democracy, where the New Deal for Communities is also - again often inadvertently - creating fresh opportunities for popular participation. In these contradictory policies may lie some hope of developing effective counterweights to the pressures of private ownership and market forces. And as we are also seeing in revived movements of protest, democratic practice has its own vitality and value, whatever the ambivalence of governments towards it.

In our next issue, we will be providing a substantial critique of the New Labour project, and setting out alternatives to it. The time for 'critical support' for the Blair-Brown regime has gone. It is now essential to clarify and develop alternative political spaces.

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