

THIRD WAY... WHERE TO?

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for
Socialist Renewal

Third Way... Where to?

By Ken Coates & Michael Barratt Brown

Introduction

On 8th June 1999 Prime Minister Tony Blair and Chancellor Gerhard Schroeder published their first joint statement on the Third Way. We offered our views on this in our article *The Third Way to the Servile State*, published in *The Spokesman*, No 66, 1999. This attempted to show the authoritarian commitment in the new doctrine.

Now, shortly before the likely British election, Mr Blair has published a second statement on the Third Way, this time without help from Germany. We reproduce it below, together with our commentary.

I

Third way, phase two

By Tony Blair

The ideas associated with the third way are still the wave of the future for progressive politics.

The ideas associated with the third way are still the wave of the future for progressive politics. From Latin America to Europe to parts of Asia, third way politics, or 'progressive government' as some describe it, is exerting a huge influence on global politics. Parties and governments struggling to make sense of a new world, yet determined to cling on to a belief in social justice, have used the third way as a means of modernising their approach to politics whilst holding true to fundamental values. For the most part they have succeeded. In the process, they have spoken directly to the many people who embrace the modern world but are apprehensive about its effects on them: people who are torn between wanting the benefits of new technology, but fear its consequences, people who want more individual choice but regret the loss of community.

Ironically in Britain, where New Labour pioneered some of these ideas, the third way is often disparaged as 'meaningless,' 'reheated liberalism,' 'neither one thing nor the other.' In a manner wearily familiar to practitioners of centre-left politics, the left has joined in the attack mounted by the right. For the right to attack is eminently sensible: nothing is more threatening to its political prospects than the spectre of a centre-left not merely electorally revitalised but, after the collapse of communism, ideologically regenerated. But for the left itself to join in is a curious form of self-mutilation. Constructive criticism is healthy; lazy negativism is not. I want to lay to rest some of the myths around the third way. It is not a third way between conservative and social democratic philosophy. It is social democracy

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renewed. It is firmly anchored in the tradition of progressive politics and the values which have motivated the democratic left for more than a century. It is a third way for Britain because it represents a third phase of post-war history — following the settlements of 1945 and 1979. It is a third way for the left too. In the last century, the tradition of social liberalism emphasised individual freedom in a market economy. Social democracy used the power of government to advance social justice. The third way works to combine their commitments in a relevant way for the 21st century.

The new progressive politics has two driving concepts behind it. First it defines a new role for collective action — national and local government, voluntary and community organisations, trade unions — which advances the interests of the individual. The purpose of such action is to empower individuals to fulfil their potential and meet their responsibilities. It is not about dictating to the individual; it is not about the supremacy of the collective good over individual aspirations. It is there to help people make the most of themselves, recognising that in unequal societies, in the absence of such collective help, only the privileged few will get the chance to succeed.

But it does not stand for rigid forms of state ownership or provision. It is pragmatic as to whether public or private means are the best delivery mechanism. This is why reform of public services and of the role of government are high on the policy agenda of every progressive government.

Secondly the third way represents a historic realignment of economic and social policy, at a time when the old boundaries between economy, state and society are breaking down. For years, the economic framework of the British left was dominated by questions of public ownership. Markets were poorly understood, their obvious limits leading the left to neglect their great potential for enhancing choice, quality and innovation. When the contradictions and economic inefficiencies of communism, and even some of the planning of traditional democratic socialism, finally became evident, it seemed easier for the left to opt out of serious economic policy. We were the 'social' party.

This was, and is, a position of wholly unnecessary defeatism and weakness. In reality, a whole new economic agenda is before us, one

that sharply divides the centre-left from the right, and which plays to our strengths. Effective markets are a pre-condition for a successful modern economy. The question is not whether to have them, but how to empower individuals to succeed within them. What used to be socially important is now an economic imperative. Individuals need opportunities as well as safeguards within the market — above all opportunities to gain new knowledge and skill to develop their potential. Without the assertion of equal worth, without the extension to all of basic entitlements at work, and without investment in their talents, both economy and society are impoverished. Social exclusion, poor education, high unemployment, racism and sexism are not just socially wrong but economically inefficient. A tough criminal justice system which does not tackle the causes of crime never works. That is why the social indifference of *laissez-faire* seems so bankrupt — as an economic as well as social policy.

In the UK, we have the opportunity to combine values traditionally associated with Europe — fairness, solidarity — with the economic dynamism traditionally associated with the US. But our insights about collective action and political economy apply not just to our country, but to relations between countries. Nations, to be powerful as well as successful, need to work in alliance together. The problems can be tackled in no other way. Isolation is contrary to Britain's true national interest; international engagement is its proper expression. The intellectual ascendancy of these ideas does not provide grounds for complacency. Governments can only win re-election if they deliver, and work each day to earn trust. But successful delivery is just the start; re-election depends on renewal, and the development of new ideas based on close analysis and real imagination. That is why it is important to understand the nature of the new phase we are in. In the 1990s the arguments for the third way in Britain were pitted against the still strong forces of the new right and the old left. The new right argued that problems of inequality, social exclusion and long-term unemployment were the price of a dynamic economy. The old left increasingly saw that the old nostrums — nationalisation, crude demand management, even protectionism—were inadequate, but insisted that revisionism was no different from capitulation.

The challenge for centre-left parties was to show that while

economic and social change had destroyed traditional models of socialism, new means could serve old ends. Here our record in government is important. Unemployment, child poverty and crime in Britain are down; school test results, nurse and doctor numbers, capital investment, are rising sharply. Revived progressive parties have proved their competence in government. Having successfully colonised the political mainstream, we can now reshape its content.

But the world has not stood still since the early 1990s, and neither must we. Technology has continued to transform public and private choices; the fall of the Berlin Wall is no longer a recent event. Successful societies will be those that can adapt rapidly to the demands of such profound change. In Britain we are still coping with our recent inheritance: macroeconomic instability, underinvestment in public services, chronic social exclusion and isolation in Europe. Our challenge is to make good these legacies, but also to move on — to grapple with new issues. I want to highlight six of them. First is the challenge of harnessing the new technologies to create wealth and meet human need. The challenge is local and global, economic and social, from the advance of an economy based on knowledge, to the stark issue of feeding a world population that will rise in 15 years from 6.1 billion to 7.2 billion. An explosion of knowledge is spawning dynamic new industries in IT and biotechnology, and at the same time offering startling new possibilities for how we live our lives. In every case — from GM foods to stem cell research — we need to be sure that there are the right safeguards in place to give the public confidence, and the right legal structures to encourage enterprise with responsibility. Technology is a servant not a master. But I am convinced we must encourage science to push forward the boundaries of knowledge if we are to address what in historical terms is the most momentous issue of our times — creating environmentally sustainable growth.

Second is the challenge of transforming education. If everyone is to thrive in a society founded on knowledge then it is essential that everyone has the chance to pick up the learning habit and realise their full potential throughout their life. This is partly about standards in the basics. Hence our first-term preoccupation in Britain with transforming teaching and standards in primary schools. It is about

the personalised curriculum, which aims to develop in every child the field in which they have most talent. It is also about our universities, which have the capacity not merely to educate more students, but also contribute to economic dynamism. But it is also about culture — a culture of high expectations and high performance. We will know we have succeeded when ‘too clever by half’ is no longer an insult, and when teaching is recognised alongside the law or business as a profession of the highest status and regard.

Third is the challenge of inequality and social mobility. This requires that we reshape the welfare state to cope with new patterns of ageing and poverty. Within developed countries, long-term unemployment, pockets of exclusion, high crime and drugs have scarred millions of lives. Hence in Britain our emphasis on active labour market policies, particularly for the young unemployed, lone parents and others in danger of exclusion from the world of work. But tackling exclusion is about more than preventing the development of an underclass. It is also about developing genuine social mobility throughout society: opening up the professions, rewarding merit, fostering entrepreneurship.

Fourth is the challenge of modernising and overhauling government itself and public service provision. The development of an entrepreneurial, high-status public sector is a great project for any progressive government in Britain. In the heyday of mid-20th-century social democracy, when the challenge was to deliver basic social rights to a mass working class, uniform public services, if possible of high standard, were an advance. Today, ‘one size fits all’ is untenable. We are on the cusp of a sustained and substantial increase in public investment. We must not be the defenders of the status quo in public services or the welfare state. Our measures of reform, to boost professional capacity and decentralise power as well as to increase accountability, must deliver effective spending, not just big spending.

Fifth is the challenge of renewing democracy and overcoming the alienation and disconnection from politics that is a marked feature of our times. Democracy needs to respond to peoples’ demand that they have a right to be listened to even if decisions do not always go the way they want. Reform is important at all levels, but I believe the

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renewal of local civic engagement is as important now as it was in the 19th century, when our great cities led national progress.

Sixth is the challenge of international engagement. Every country depends on the development of legitimate global institutions that govern trade, finance and the environment. This is a matter of morality and enlightened self-interest. But for Britain there is a special dimension to this challenge. Since the Second World War, we have in the main been at peace with other countries, but we have never made our peace with the emerging world order. Now, if we fall between Europe and America, we will be influential with neither. If we continue our engagement with a reformed and enlarged Europe, we will preserve our relationship with America. As a politician, one feature of these six tasks strikes me forcibly. All are issues on which the centre left is better placed to respond with practical solutions than the right. All are essentially challenges to our capacity to co-operate, to share, to work together.

The values of the centre-left have changed little in 200 years. They derive from our understanding of the world around us — understanding that people are co-operative as well as individualistic, that the growth of human knowledge has been a great liberator, that the world is interdependent as never before. But they are based on certain deeper truths as well — above all that social justice for each of us depends on social justice between all of us.

But the means have changed. You can see it in the invention being devoted to what is in effect a new wave of public services — the University for Industry, welfare to work, Surestart, NHS Direct. You can see it in the energy that is released when power is passed downwards — as with the Parliament in Scotland and the Assembly in Wales, the Regional Development Agencies at regional level, the beacon local authorities, the neighbourhoods gearing up for regeneration. And you can see it in the confidence of much of our voluntary sector — the social entrepreneurs who are often playing a leading role in developing new ways of working. Who stands against us? Certainly the forces of reaction, a small 'c' conservatism, rooted in old class structures and unaccountable privilege. The xenophobia of the new right feeding off fears and insecurity. The extreme greens who are anti-science fundamentalists.

Tony Blair

With us are most of the public who always wanted an economically competent government that shared their sense of social justice. With us too are most of the dynamic currents in intellectual life — the cutting edge work in social sciences is about the nature, limits and dynamics of co-operation, about trust and social capital, knowledge and human capital. The tide of debate has swung back to community, mutual responsibility and a cautious internationalism. It is now the right which is in crisis, torn between a social conservatism that leads it to denigrate minorities, and a commitment to free markets that leaves people at the mercy of change. Politics in all countries today is about how to combine dynamic markets with strong communities. But there is a specifically British dimension to this debate. Throughout my life, I have seen a struggle to understand, manage, and if possible reverse national decline. Today, I believe that global change presents us with an opportunity to turn traditional British characteristics into a source of strength in the new century. The world into which we are moving will put a premium on flexibility, fairness, creativity. Although we are world renowned, justly, for ancient institutions, it is these characteristics which define the best of Britain today. And it is the job of politics to ensure that they are given every opportunity to develop. As we move towards the fourth anniversary of our election, Britain is catching up on the basics. Now we can think about lengthening our stride, and renewing our mission to create a relevant and radical politics for the 21st century. The third way was always intended to renew and modernise progressive politics, not find a soggy compromise between left and right. Ideas are the key; and the tide of ideas is flowing in our direction.

II

Third Way, where to?

By Ken Coates & Michael Barratt Brown

Four years into a five year term of office, Prime Minister Blair has decided to cut and run into a premature General Election. Cynical journalists have suggested that he wishes to count the votes before the bad economic news comes through. But reassurance is at hand: 'The ideas associated with the Third Way are still the wave of the future for progressive politics' says Tony Blair. 'From Latin America to Europe to parts of Asia, Third Way politics or "progressive Government" as some describe it, is exerting a huge influence on global politics.'

It must be said that this huge influence underwent a severe setback, when George Bush entered the White House, and officially restored 'compassionate Conservatism' to the heart of the world's only superpower. So mordant is the doctrine of the Third Way that the British Prime Minister did not even notice this change, but turned up at Camp David, to insist that business would continue as usual, if not more than usual.

When the Third Way was invented, not the least of its attractions to its promoters was that it offered a convenient bridge to enable President Clinton to take a position on the same platform as European Socialist Prime Ministers, many of whom were neo-liberals themselves, without undergoing an inconvenient 'conversion' to some form of social-democracy. Clinton's domestic policies were rigorously conservative, but his cultivated public persona was that of a radical innovator. The Third Way was a perfect foil for such an impostor. It afforded a media friendly cover for the extension of neo-liberal politics of deregulation, the untrammelling of market forces, privatisation and the roll-back of welfare. Clinton's appointed successor, Al Gore, began his electoral campaign on the rightward edge of this platform, and, perhaps surprisingly, he co-opted Democratic Senator Joseph Lieberman as his running mate for the Vice Presidency, thus guaranteeing even further rightward movement. Perhaps it was fortunate for the Third Way that the

American elections were engineered to precipitate a Bush Presidency, thus avoiding an impossible degree of tension in the pretence of a free world united front, an alliance of 'progressives' across the Atlantic.

If he can be tactically blind to reverses, even large reverses such as the loss of his American protector, Tony Blair is not deaf to criticism. In Britain, he tells us, the Third Way 'is often disparaged as 'meaningless', 'reheated liberalism' and 'neither one thing nor the other'. But it would never have been any use if it were anything else.

British political journalists are accustomed to a diet of (happily forgettable) vapid rhetoric, and it is true that they have perceived an absence of meaning in the new doctrines, which have been calculated to obscure rather than reveal. But the actual doctrines which are practised are not those of political liberalism, or of the English middle ground. For a century liberalism in Britain became very much identified with the emergence of the welfare state, starting with legislative reforms at the beginning of the century, and evolving through the development and practice of the doctrines of W. H. Beveridge and J. M. Keynes. These doctrines involved co-ordinated state action to improve social security and establish full employment. They represent a key part of the inheritance which the Third Way seeks to 'modernise' out of existence.

New Labour has, from day one, been in a state of near total war against universal benefits, against the indexation of pensions, and against all those legal guarantees which are necessary to uphold full employment in a free society.

It is true that New Labour rhetoric has changed, largely in response to the anger of Labour supporters, as the real meaning of the original Third Way prospectus has become apparent to them. At the beginning, Blair's biographer, Jon Sopel, reported that when the late John Smith promised the British TUC that his main priority would be the restoration of full employment, Blair exploded angrily to his friends 'He has just lost us the next Election!'

Now a modified mantra hinting at full employment or 'employability' has been reintroduced, since it is felt that it might not lose, but actually win, votes in the Election to come. But even so, there has been and will be no attempt to defend jobs during an earthquake of rationalisations, factory closures, takeovers, and predatory

relocations. The doctrine which best describes this industrial mayhem is not 'liberalism', but 'neo-liberalism', or what used to be called Manchester Liberalism, and is now understood throughout Britain as Thatcherism. This is the doctrine that government should not get in the way of industry, and should not seek to ameliorate industrial processes, including large scale dismissals, or other antisocial behaviour. If it is to have a role at all, Government must be a facilitator, greasing the path of takeover and corporate aggrandisement.

How does this operate? Here is a case study: when the French multinational conglomerate, Saint-Gobain, made a predatory takeover bid for the efficient and profitable pipe foundry of Biwater in Derbyshire, seven hundred foundry workers were dismissed, and plans were laid to export the newly acquired machinery to India, where an abundance of cheap labour would guarantee high quality pipes at even lower prices. The British Department of Trade and Industry saw nothing amiss with any of this, but had to arrange to send in officials who could advise the redundant workpeople about what jobs were on offer on the local labour market. It may be

**Excerpts from an interview with
Tony Blair in *Forbes Magazine*, March 2001**

'Over the coming few years, corporation tax revenues as a percentage of national income will fall'

'Our priorities for next term are to carry on stimulating enterprise, through reforms in the taxation system, amongst others in relation to capital gains tax and corporation tax.'

'I have made it quite clear that we will retain a flexible labor market here.'

'My ambition is for Britain to be the best place for business in the world and in Europe in particular. I think for Europe and for Britain it is important we use this time to push forward measures of liberalization within Europe, and we have played a part of reorienting the whole of the economic agenda around economic reform in Europe....At an international level we push ahead on the WTO.'

imagined that this work did not take long, because there were no jobs on offer.

Neo-liberalism seeks to curtail every restraint on the ruthless 'efficiency' of market operations, and to destroy all the social gains made during a century of welfare advance. Mr. Blair tells us that this 'is social democracy renewed'. Revealingly, he suggests that 'It is a Third Way for Britain because it represents a third phase of post-war history — following the settlements of 1945 and 1979'. But the settlement of 1945 represented a serious advance of public enterprise, with the nationalisation of the main utilities, coal, gas and electricity generation, railways and road haulage, steel and other key industries. It represented a crucial advance in the development of the welfare state, with the creation of a National Health Service guaranteeing free treatment to all in need of it. In the first days of the Health Service, not only hospital treatment, but dental surgery and the attention of opticians were all covered as part of the system. Social insurance made parallel advances. But 1979 was another story: it saw the beginning of the Thatcherite counter-revolution, which privatised most of the

'Creating the right enterprise culture in Britain, which we still haven't driven all the way down in our country. I want to see far more emphasis on entrepreneurship in schools, far closer links between universities and business, I want to see us develop a far greater entrepreneurial culture. We have only just gone beneath the surface of this so far.'

'There are many steps of liberalization going on at the moment. If I go to my constituency now, our country is more liberal in this way — my electricity and my water are both owned by French companies.'

'When I came to office one in five non-pensioner households had no one working in them, right? We've reduced enormously the number of benefit claimants. We've introduced tough measures on welfare reform. You know, you lose your benefit if you're not taking the training and job opportunities. So there is a whole series of measures we're putting through, and it's vital we'll carry that on. There's performance-related pay for teachers. There's the whole reorganization of our health system going on, there is a big agenda there for a second term.'

publicly owned industries and began the remorseless assault on welfare benefits, which is now carried through to its ultimate conclusion in the only acknowledged triumph of the Third Way.

After the Disasters Become Apparent

Stripping away the political camouflage, the world begins to understand what the Third Way means. It is becoming clearer every day that it is a new form of partnership between Government and private capital. Big business understands this, and so do those at the receiving end of the effects of private capital moving out of manufacturing industry and into health and education and other previously public services. The New Labour Government is trusting that these poor people will despair and simply not vote in the next General Election, and that there will be enough who have not yet suffered and a few who have actually benefited to give it a second term. If disasters continue at the present rate, and if the election is postponed much beyond May, there will be still more sufferers in a general downturn of the economy and the result will be much less certain. After all, Blair only won a third of the total electorate when he got his huge majority in the House of Commons in 1997. A quarter of the electorate then did not vote. How many will it be this time?

The sufferers know how things are under New Labour. Those who have benefited, not largely from Government action, but from general prosperity in Europe and America as the price of imports from the poor Developing Countries has fallen, need reassurance. Tony Blair offered it to them in the article he placed in the monthly magazine entitled *Prospect*, which we have reproduced above.

This was evidently not meant for the eyes of most of us in Britain, but has been reproduced on the front pages of the mass-circulation dailies in Italy, France and Germany. In those countries many people need reassuring too, not just about British exports of BSE and foot-and-mouth disease, but about Britain's political exports. Many of their Governments are taking them along this same Third Way that New Labour has been advancing along. Since it would not do to tell them what we now know, that the Third Way is the takeover of Labour by Capital, Tony Blair's article in *Prospect*, like so many other Third Way texts, is designed to obfuscate, not to clarify. But some clarity can

found in the more revealing interview in *Forbes Magazine*, designed to reassure the business community that the Third Way was going nowhere for our comfort, or for their inconvenience

The *Prospect* article is entitled 'Third Way, phase two', and the idea being conveyed is that there is further to go before we reach the promised land. In the meantime, it is claimed by Blair that 'unemployment, child poverty and crime in Britain are down; school test results, nurse and doctor numbers, capital investment are rising sharply ... We are on the cusp of a sustained and substantial increase in public investment'.

These claims are either dubious or just untrue, comparing the years 2000 and 1996. Official unemployment is down, but large numbers of full-time jobs have been lost and the new jobs are mainly part-time and often insecure. There are still cities and other large areas where the unemployment rate is over ten per cent and a half of all the over fifty-fives are not employed and not seeking work, although they would prefer to have it. Some fewer children are now claimed to be in households that are in poverty, as it is officially defined as having less than half the national average income, but it is still nearly a third of all our children. However, according to the Breadline Europe Study, and its editor, Peter Townsend, five million Britons were living in conditions of absolute poverty during the Labour Government's third year in office. Some crime is down, but not all, and there are 6000 more in prison and with much overcrowding and fewer prisoners receiving work, education or rehabilitation. School test results are an innovation and the measure of improvement depends on where you start. There has been an increase of 4000 in the number of nurses, but there are still 22,000 vacant nursing posts and the shortage of doctors is acute; and while waiting lists are shorter, waiting time is longer.

The claims made for rising capital investment are just untrue. Business investment rose in 1998 but has remained static since then, and is far below the European norm. Government investment is well below what it was in 1996; and if the word 'cusp' is used in its normal sense of a peak or junction, then we are not actually going to get Gordon Brown's promise of an increase from £8 billion to £20 billion over five years. Even if that were achieved, and the actual spending, as opposed to the projections, were to rise slowly, it would not bring

public spending back to the proportion of national income attained by John Major's Government, and would still be far below the average in the European Union.

The Third Way as Chimera

The main claim of this new statement by Tony Blair is not, however, about what has been done; it is about the so-called 'guiding principles' of the Third Way. He is anxious to emphasise that it is not a third way between conservative and social democratic philosophy, as the French Prime Minister, Lionel Jospin, had suggested. It is, Blair insists, social democracy 'renewed', 'modernised', 'made relevant to the 21st Century', but he then, as we have seen, uses 'third' in a chronological sense when he says that 'it represents a third phase of a post-war history — following the settlements of 1945 and 1979'.

Blair says that the Third Way combines 'social liberalism [which] emphasised individual freedom in a market economy' with 'social democracy [which] used the power of government to advance social justice'. But he goes on to reject the role of Labour as the 'social party' as 'a position of wholly unnecessary defeatism and weakness'. That leaves his 'liberalism' as the economic neo-liberalism we have already identified, and he nails his colours to the mast to defend 'effective markets' against public ownership and planning, 'even some of the planning of traditional democratic socialism'.

This must appear to be no different from the Reagan-Thatcher Washington consensus that Milton Friedman inspired during the 1980s, as became rather obvious when Blair and Bush recently agreed on their 'many shared values'.

So then the Blair obfuscation in the *Prospect* article begins. 'In the UK', he writes, 'we have the opportunity to combine values traditionally associated with Europe - fairness, solidarity - with the economic dynamism traditionally associated with the US'. How are they to be combined - with which as the dominant element? Will the two not often be in conflict, as they manifestly have been in the closure of coal mines, steel works, car plants, textile factories? 'Dynamic markets', Blair goes on, are to 'combine with strong communities'. How is that to be done, when all the jobs are gone on which the communities depended?

'Individuals', Blair says, 'need opportunities as well as safeguards within the market ...' But the only opportunities he offers are 'new knowledge and skill training'. That would be fine if there were the jobs in the run-down communities to go to. Creating new jobs is, however, one of the 'old nostrums — nationalisation, crude demand management, even protectionism' which, he says, 'proved inadequate'. Hasn't de-nationalisation, no management of demand for jobs and unregulated free trade proved inadequate? Just look at the railways, at the coalfields or Glasgow, and at foot-and-mouth disease. Even the whole emphasis on raising an underclass — presumably with means-tested benefits — assumes that the centre is holding, when it obviously is not.

The obfuscation in Blair's article is, however, worse even than the rather obvious deceptions. We need, he says, to tackle social exclusion and to encourage social mobility. He believes, he says, in the 'decentralisation of government' and 'the renewal of local civil engagement', but he talks of how 'revived progressive parties... having successfully colonised the political mainstream [we] can now reshape its content'. There is an assumption, that we know very well to be the reality, that this is to be done from the centre, not from the London Parliament, nor even from the Cabinet, but from the hugely swollen Prime Minister's office and the Task Forces and Special Units spawned from it. 'The development of an entrepreneurial high-status public sector' is to take place while 'effective markets are a precondition for a successful modern economy'. If this refers to the public-private partnerships in education, health, prisons, pensions, housing and transport, we know that this has just meant handing over public assets and public services for private profiteering.

It is this development which needs to be constantly borne in mind when Blair talks about values. To be sure, he does this less frequently nowadays, but no less plitudinously. 'The values of the centre left have changed little in 200 years', he says. If people read this quickly, they are likely to miss what it is saying. Where **was** the centre left in 1801? Half way between the French Revolution and Lord Liverpool? Was the centre left opposed to slavery, or to sending little boys as sweeps up chimneys? Did the centre left favour the toleration of trade unions? To ask these questions is to show how completely ahistorical

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this Third Way is. There was an unreformed Parliament, in which the landed gentry were totally dominant. The universal suffrage was a dream of radical democrats, who were the leftists of the very left, and whose relationship with the centre was mediated by the beadles, if not the executioners.

The idea that human knowledge has been a great liberator was still subversive only one hundred years ago. One recalls the Conservative Member of Parliament who in 1870 opposed the legislation to introduce compulsory schooling. His wife said: 'Don't you think that the little children should learn to read the Bible?' 'Yes', he responded, '... but with difficulty'.

As the economy has become more complex, expectations have changed, and values have been developed, partly in the struggle for the recognition of new rights, and partly in response to new needs. The project of the Third Way is very much about reintroducing the doctrine of responsibility, which is about rolling back rights, overriding needs, and subverting those values which are linked with human advance. It is all very well to tell us that 'people are co-operative as well as individualistic'. But what are the conditions which can facilitate their co-operation, and improve the quality of their individual lives?

The struggle to give expression to the wish to co-operate is, in old-fashioned terms, very often a class struggle. Those workers who are being summarily dismissed during the process of the concentration of capital, might well say that they would wish to be consulted about the future of the companies in which they work. Two decades ago, they might very well have demanded a measure of control over the decisions that affected them. They might have demanded that the books of private companies should be opened, in order to facilitate judgement about the impact of public-private partnerships.

But all participatory content in social engineering is denied by the Third Way. Blair lists his social innovations: the University for Industry, Welfare to Work, Sure Start, NHS Direct. Any transfer of power that is involved in these initiatives moves away from popular involvement. From those who have not power shall be taken away, even the little that they have.

But Blair does speak about passing power downwards, to the

Scottish Parliament and the Welsh Assembly, and, perplexingly, to the Regional Development Agencies, the beacon Local Authorities and the neighbourhoods gearing up for regeneration. For sure, those bodies which involve direct election can, from time to time, prove difficult to control. But in most of these instances, control is firmly in the hands of authority, and initiative is therefore either centralised or extinguished. The crisis in regional development is clear to sufferers of regional collapse and disintegration, although it may indeed be true that certain entrepreneurs perceive the festering mess in which they operate as a cauldron of opportunity.

Only a 'Sense' of Social Justice

Tony Blair in his article calls for the 'reversal of national decline', 'harnessing the new technologies to create wealth', 'encouraging science to push forward the boundaries of knowledge', while all this must 'address the most momentous issue of our times — creating environmentally sustainable growth'. Aye, there's the rub. The fact is that, among many other environmental disasters, even in terms of future growth, Britain will not meet its target of ten per cent of energy needs to be met from renewable sources by 2010.

The trouble with Blair's argument is that there is absolutely no indication as to how the contradictions, which are stated as if they were combinations, might in fact be reconciled. The art of politics is the reconciliation of conflict, but it is not enough to say the words. Action has to be taken. Blair concludes that 'The world into which we are moving will put a premium on flexibility, fairness, creativity'. But how much of each? Is it to be in that order? If fairness means social justice we need not what Blair keeps offering us which is 'a sense of social justice', but the reality. That means the actual redistribution of power and income, not only by a fundamental revision of our system of taxation and public spending, but by a genuine shift in the balance of wealth and power.

Since the Third Way is in fact a new partnership of Government and Big Business, of state and capital, the fine words about fairness and social justice are purely rhetorical. Effective markets mean the domination of the largest accumulations of capital and globalisation means that these will be primarily American. The instruments of

Third Way... Where to?

globalisation — the World Bank, IMF, World Trade Organisation — will be employed to open up markets everywhere. In the past it was in mining and manufacturing; today it is in the public utilities and services, and increasingly this will include all that social provision which we have come to rely upon in public hands — health, education, pensions, social security, housing, parks and pleasure grounds.

All this is to be reduced to the calculation of private money-making. Talk about a Third Way is a cloak designed to conceal the takeover of the institutions and defences of Labour by Capital, that is already far advanced in Britain. The advance can still be reversed, as it becomes increasingly clear what disasters are involved in the abandonment of public ownership and control.

The missing dimension in all claims for local, regional, or national regeneration is popular participation. The Third Way is a route by which it is intended to divert the Labour movement into technical fixes and commercial partnership, or rather, subordination. But all the time, the concentration of capital leaves behind it more and more areas of social devastation, misery and hopelessness. For sure, recovery requires new access to capital. But even more, it requires a liberation of the talents, an active involvement of the sufferers.

Along the Third Way may be found artistic deception, ingenious manipulation, and, in the last analysis, painful falsehood. Democracy depends on alternative commitments, to honest relationships, and truthful conduct. But these needs, which are essential to democracy, are all the more imperative for social democracy and socialism.

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