

BLAIR NOR BROWN



Much of the recent 'paper talk' about Tony Blair's leadership of the Labour Party has lurched between the surreal and the silly. Would he survive the Loch Fyne conspiracy? Is he more vulnerable to a flour attack from Fathers for Justice than a political attack from the Parliamentary Labour Party? If Tony is no longer Saint Tony, is salvation only to be found in Saint Gordon?

What a complete waste of time. This is tittle tattle masquerading as political analysis or serious news. Often it is as fashionable for the Left to get caught in this trap as it is for the press. In the middle of a crisis, someone has to go. There is a cathartic enthusiasm for such calls but they don't take you very far. Crises are invariably matters of policy rather than personality.

We need to remind ourselves that not a single member of the existing Labour Cabinet has stood out against any of the policies that are at the heart of the crisis of public confidence that Labour has to address. On the central issue that continues to dog the government around the country – the war on Iraq – Robin Cook was the only one to make a pre-emptive stand. Now he languishes within the ranks of what Downing St describes as the disgruntled and rejected.

It will be difficult for the Party not to be punished for the War in the forthcoming European elections, but the more serious implications will be found in municipal elections at the same time. There, we will have to engage with the more complex set of issues that 'image politics' no longer sweep over.

Whoever leads the Labour Party, the stark reality is this – New Labour is politically dead. It can no longer be given away let alone sold. The electorate have cottoned on to the fact that the modernising drive of the Washington Consensus was never more than a collusion between finance capital and malleable leaders.

The marketisation of public services was a gift to political shallowness. Politicians who lacked the courage to engage with the electorate on tough issues that connect taxation to climate change, living longer, widening education and decades of infrastructure neglect, were offered a fig leaf. Give the assets to the private sector and all the investment could be 'off balance sheet'. Renewal could take place, at no apparent cost to the taxpayer.

The Treasury was ecstatic. Private Finance Initiative (PFI) schemes gave way to PPPs (Public Private Partnerships). The razzmataz was terrific but the real costs have always been hidden. Even if you ignored the huge bureaucratic hurdles that had to be overcome, politicians were able to point to hospitals being built, school improvements taking place and infrastructure investment going in, and say 'Look, this is what a Labour government can deliver.'

It wasn't the investment claims that were dishonest. But the costs and long term consequences that were carefully dispatched into the long grass, are now coming back to haunt us.

Nothing illustrates this more clearly than the government desire to drive council housing into private

hands. Local authorities have been offered investment money (or the hint of it) if they persuade tenants to agree to stock transfers or ALMO's (arms length management organisations). Existing debts will be written off. New money, or borrowing rights, will be added in but only at a price. The one choice tenants are not to be allowed is the choice to remain as council tenants. Many have rejected this, demanding that the promised investment be channelled through the local authority.

Why should a Labour government have locked itself into such an obsessive determination to exclude the prospect of continuing public sector ownership and provision? The answer lies in the changed nature of capitalism itself.

Over the last 2 centuries, capital has moved from being land based, to production based and now into finance capital. The owners of this capital have also changed. They are no longer feudal land holders or individual or family owners of factories, but corporate institutions with global reach.

The new institutions representing capital may be ubiquitous household names but they have lost interest in the nation state, unless they own it. Production priorities have moved towards the developing world, where people are cheaper, exploitation easier and environmental duties non-existent. Through the WTO and global business lobbying, poor countries have been forced to open their economies to corporate takeovers of land and resources on a scale not seen since the early days of imperial conquest.

In the industrial world, corporate hunger for monopoly profits required a different formula. Finance capital needed the state to transfer public services into private hands. That way the taxpayer would provide guaranteed annual payments to lease back the services they used to own. New Labour/the Third Way was simply the convenient vehicle for doing this.

Perhaps the cleverest (or cheekiest) dimension of the whole process was to convince workers they had to change their pension scheme arrangements so that finance capital could roam more freely from productive into speculative markets. The scam is to deny workers the choice of directing any of the £50 billion of pension contributions we put aside each year into public and common ownership investment. Had we done so, Labour would not have needed a single PFI or PPP scheme. Nor would we have had to transfer any public assets into private hands.

None of this is rocket science. It merely begins from a presumption that Labour should govern in the interests of labour rather than of capital.

What alters the picture for the future is climate change. In this, at least Tony Blair understands something that the Treasury is still light years away from. Neither government nor parliament has faced up to the changes we will have to make to the global economy in order for economies to work at all.

The global free-for-all of globalisation has to be ended in favour of a shift to environmental sustainability. It will mean living differently rather than living poorer. Across the world, social movements are engaging with this in ways that governments are not.

Reduced product miles, lowering pollution (and land contamination), restoring local and regional markets, and production for food security rather than export (including the right of the poor to feed themselves before they feed the rich), are all issues that will be centre stage in the economics that Labour must turn its gaze to.

Internationally it must be matched by a shift to the use of environmental taxation (on aviation fuels) and taxes on speculative capital movements (the Tobin tax) to finance the World Bank and United Nations. If bankers knew that their wages depended on the introduction of a tax on speculative capital movements, I have every confidence it would be in place within the week. National leaders could bring this about in more managed terms if, collectively, they began to give the UN/World bank/IMF notice that they would

cease to make financial contributions in 2 years time.

Of course it would have to be matched with discussions with the developing world about how a new World Bank – one that was pro-poor rather than pro-neo-liberalism – would work. It is the same starting point envisaged by Keynes and others when the World Bank was first mooted.

Originally the World Bank was to be an adjunct of the United Nations; the mechanism through which UN programmes themselves were funded. Only the hijacking of the Bank by rich nations threw it into current monetary straight jacket.

To survive the turbulent upheavals of the decades ahead, the 21 st century needs a different vision, and different vehicles, to deliver sustainability and equity. Domestically and internationally Labour has to set off in search of the same vision.

The vacuous press obsession with a political game of musical chairs will take us nowhere. The spectacle of flawed characters chasing failing policies to sit on, inspires public cynicism or boredom. As a country we are not poor. It is the poverty of political vision that traps us most.

The crisis for Labour is not a question of leaders but ideas. It doesn't matter whose gang you are in but of how we harness the ideas that will lift people from insecurity to hope, from isolation to interdependency, from exploitation to sustainability. It isn't the need for new gimmicks or new Gods, just the search for a vision that will inspire.