

**Economic Policies for the Many Not the Few:**  
**Assessing the Economic Strategy of the Labour Party**

Ben Fine  
Department of Economics, SOAS University of London  
bf@soas.ac.uk

Alfredo Saad-Filho  
Department of Development Studies, SOAS University of London  
as59@soas.ac.uk

## 1 – Introduction

The UK Labour Party is in a strong position to win the next general election, whenever it comes, and in whatever (Brexit) circumstances. Once in power, it will confront complex challenges, even beyond a disruptive opposition, an aggressive media, deliberate sabotage by transnational capital, and foot-dragging by the civil service. These would be serious but not original difficulties. The historically-singular challenge confronting the Corbyn administration would be how to bring about profound economic and social transformations leading to the unwinding of neoliberalism and financialisation in the UK, as opposed to submitting to the extreme pressures to moderate on election promises.<sup>1</sup>

If this is not done, the country will – at best – enjoy a good but conventional administration, that may push the boundaries of neoliberalism and improve the lot of the poor at the margin. This is valuable but not transformative. However, if it could disarticulate key levers of neoliberalism and financialisation, Corbyn's government could reshape the UK economy and society. Relevant, contrasting, parallels are the Attlee administration of 1945, with the mandate to build a welfare state and take charge of the commanding heights of the economy, and the Thatcher administration, elected in 1979, which imposed a systemic transition towards today's neoliberalism.

To identify policies for a prospective Labour Government that can produce immediate gains for the majority while, simultaneously, battling neoliberalism and financialisation, it is essential to understand the latter in detail. However, this poses its own problems; for example, although we live in the age of neoliberalism, and the UK economy and society are unquestionably neoliberal as well as financialised, few of their proponents in practice care to self-describe as either neoliberal or pro-financialisation, and these terms have become wide-ranging critical descriptors rather than clearly defined ideologies, policies or institutional arrangements backed up by law, power relations, and so on. Notions of neoliberalism and financialisation are also largely confined to the (academic) left, and ignored almost entirely by the mainstream. Finally, either together or separately, those critical postures have significant purchase on contemporary realities but they are fragmented, often mutually incoherent, and lack an

overall, systemic or systematic account of the obstacles that neoliberalism and financialisation offer to progressive change in practice, let alone how they might be overcome.

In this light, following this introduction, the next section examines the rise of Jeremy Corbyn as Party leader in broader context, and in light of the difficulties transcending neoliberalism and financialisation in the UK. The third section outlines the challenges and opportunities available to the Labour Party, the vexed issue of policy space, in both opposition and government, and the policies which could build a progressive alternative to neoliberalism. The fourth section concludes.

The upshot of this paper is that there is appropriate mobilising and transformative power of the Labour Party's current slogan of *economic and social policies for the many not the few*. This slogan captures the values, policies and perspectives followed here, and it points to the policies that can be deployed as part of an effort to challenge the neoliberal system of accumulation in this country. This leads to two key planks for the economic policies of the Corbyn administration, leaving aside other major issues such as industrial policy. The first is *the decommodification of provision of basic goods* (housing, water, sanitation, electricity, transport, healthcare, social care, education, and so on). These areas of provision have been privatised, internationalised and heavily financialised under neoliberalism, and they should be taken back into public control in light of the dysfunctions and inequities with which they have become associated. Second is to target *the provisioning of economic and social reproduction through participatory democratisation*. These planks can support the development of truly transformative (rather than merely palliative) industrial, social and incomes policies.

## 2 – Challenges and Opportunities for the Labour Party

Today, around the world, democracies are challenged by the rise of specifically neoliberal forms of authoritarianism.<sup>2</sup> This global shift is the outcome of the restructuring of economies and societies by neoliberalism. In the UK, these processes have fostered Brexit, the emergence (and subsequent evaporation) of UKIP and the consolidation of a hard-right (though deeply split) Conservative Party, as part of the mainstreaming of anti-EU and anti-immigrant rhetoric and policy action by successive administrations. Despite these challenges, the British (specifically, English) left has recently achieved its most significant successes in several decades, with the election, twice, of Jeremy Corbyn as Leader of the Labour Party and, in the 2017 elections, the highest share of votes for the Labour Party as well as the largest increase of the Labour vote since 1945.<sup>3</sup>

This is the most immediate context within which to assess the challenges, scope and prospects for Corbynism. As is well-known, Jeremy Corbyn's stumbling into the leadership of the Labour Party was in most respects fortuitous and accidental. The momentum (and Momentum) behind his leadership has met and, to some degree, overcome severe challenges not only from a hostile media, long used to Third-Wayism-as-usual as the only alternative to the less diluted forms of neoliberalism represented by the other main parties, but also – and especially viciously – from within the Parliamentary Labour Party. Corbyn's electoral successes confounded most pundits and even many within the Party, consolidated his position, and gave him (some limited) room to manoeuvre in building support for his continuing leadership, as well as presence on the national political stage, and in offering as well as gaining experience in the various dimensions and challenges of leadership.

In this context, it is essential to confront the conundrums around policymaking and, for an opposition Party, policy proposals and positioning. In large part, Corbyn's success is based upon the political opportunities, challenges and constraints in the UK, through Brexit, continuing deindustrialisation, the uncertainties spewed by the global economic downturn, as well as the attachment to, and growing aspiration for, a substantive democracy especially among the youth. The Party leadership has suggested – correctly in view of what follows – that these demands can be integrated and represented through the aspiration for *distributive and democratic economic and social policies*, and the slogan *policies for the many not the few*. A political programme built upon this platform can provide the necessary conditions

for a substantive democracy, shield the UK from the temptations of right-wing authoritarianism, and offer a route to build the conditions to transcend the neoliberal policies enforced by successive administrations since 1976.

What are, then, the options open to Corbyn and how could they be pursued, and with what outcomes if electoral success sees him installed as Prime Minister? There are a number of prisms through which to assess such prospects within the framework outlined above. One is by reference to the experience of the (British) Alternative Economic Strategy (AES) of the 1970s, and the policies of the Greater London Council (GLC) in the 1980s, each of which sought to address transformative economic policy (albeit on a narrower terrain for the latter). The AES identified that the British economy was characterised by 'three lows' (investment, productivity and wages). It further saw, appropriately, two major constraints to be addressed in pursuing any alternative; the financial sector and its inability or unwillingness to mobilise and allocate funds for investment, and the need to adopt industrial policies that ran against the global interests of transnational corporations. In this light, finance and global(ised) capital would need to be broken to leverage change. The AES was remarkably successful in advancing this approach and galvanising the trade union movement, the left of the Labour Party and a small but influential Communist Party to promote a Keynesian programme of interventionist expansion. It was, however, ultimately defeated by a Labour Government through its policies in response to 1970s stagflation, and the subsequent emergence of Thatcherism and the rise of (staunchly neoliberal) Third Wayism.

In turn, the GLC, under the Left Labour leadership of Ken Livingstone, believed that alternative policies could not be implemented by mobilising the labour movement alone and, with abolition around the corner, the GLC could propose policies secure in the knowledge that they would never have to be implemented. It proceeded to base itself on fanciful prospects of post-fordism in order to rescue the London industrial economy as well as mobilising social as well as labour movements. The small-scale, flec-spec, niche production targeted by the GLC would serve as an alternative to multinationals (that had, in any case, already departed the capital as major producers) and, in addition, the GLC adopted a supportive stance to the City as an international centre for financial activity.

Another essential prism, drawing upon, but not reducing itself to the lessons from the others, is by assessment of the constraints or opportunities imposed or offered to today's Labour Party and its transformative ambitions by the troika of globalisation, financialisation and neoliberalisation. These set the structural constraints which the Party both aims to transform, and within which it must formulate policies in seeking electoral office. In the British context, all three processes have been fully embraced by the media and the mainstream parties (evidently, with the partial exception of the Labour Party under Corbyn), with the imperatives of financialisation to the fore and with corresponding implications for the forms taken both by the globalisation and neoliberalisation of the economy and society.

Recall that the post-war political consensus in the UK inspired a contest over whether so-called 'collectivism', in the forms of (Keynesian) reformism or socialist revolution, would be capable of continuing to deliver progressive outcomes. Strikingly, they are now both off the agenda, and the certainties of the Keynesian period have become a distant memory; they cannot be brought back by nostalgia, legislation or political will. Consequently, even though higher taxes, controls on trade, domestic finance and capital flows, expanded social provision and the fine-tuning of aggregate demand could help to address competing short-term macroeconomic objectives and promote short-term improvements in economic performance and social welfare, these policies are likely to be undermined by the institutional shifts, changes in the structures of political representation, and social and economic transformations wrought by neoliberalism itself. Yet, the economic contradictions of neoliberalism, the sclerosis of the political institutions regulating its metabolism and the corrosion of its ideological foundations have made neoliberalism in the UK and elsewhere vulnerable to appropriate political and other challenges.

Traditional left concerns with equality, democracy, improved distributional outcomes and the promotion of collectivity in the workplace and in society more generally must be at the core of Labour Party political activity, underpinning its leftward shift. Still, transcending neoliberalism remains an ambitious task, that includes, but also goes beyond, general progressive aspirations, conventional electoral strategies and even changes in social, industrial, financial or monetary policies aiming to fulfil radical expectations. It is, however, clear that the integration of widely different struggles, delegitimisation of neoliberalism, and the emergence of alternatives require a broader and more ambitious political practice, driven and integrated by the demand for the *expansion of political and economic democracy*, that is, the redistribution of income, wealth and representative power in favour of the majority of the population. How to achieve this in the economic, institutional and political conditions imposed by neoliberalism is the main challenge confronting a prospective Labour government.

By necessity, this strategic picture is neither uniform nor comprehensive. For, even without the Brexit conundrum, there is transparent disarray among the ruling class (and the Tory Government) around the way(s) forward. To provide a popular alternative, it is first essential to identify in pragmatic detail, case by case, how we got into this situation so that the scope and means for doing something about it can be realistically and electorally incorporated into policy making. TINA (There Is No Alternative [to neoliberalism]) is no longer brandished as it was in the Thatcher years, but the boxing in, or out, of alternatives has become second nature and continues to be pursued doggedly by the mainstream media, even though there are many ways of enhancing economic performance that are set aside without thought and despite easily identifiable chronic and acute economic dysfunctions – from global warming to hospital emergency waiting lists.

An important way in which this can be done tactically is to focus on how the ‘three lows’ identified by the AES have been both intensified and extended to other lows under neoliberalism, thus showing that neoliberalism has worsened rather than addressed the weaknesses of the British economy, and even the apparent prosperity in recent decades has been predicated on intensified, destabilising, socially destructive and poverty-creating processes of financialisation. Concrete examples can include low provisioning of health, education and welfare, low levels of housing, and low responses to poverty and inequalities across each and every aspect of economic and social life, all of which tend to affect disproportionately the vulnerable: the young, the old, the poor, the disabled, and those in need of health or social care. That is, in general and in Britain in particular, neoliberalism has given rise to volatile and variegated vulnerabilities, and their identification provides an angle to illuminate not just the emergence of multiple, and worsening, dimensions of deprivation and inequality but, also, how they are attached to increasingly precarious livelihoods, whether through (low and insecure) paid work or through the (deliberately) limited provision of public services that used to be more readily and freely available in the past.

This expansive (and expanding) list of old and new ‘lows’ offers not just campaigning issues but also target constituencies that go beyond the youth and newly (re-)energised left-wingers that have been (perhaps unduly) associated with the rise of Corbynism. Such campaigning issues and constituencies, equally attached to alternative modes and content of policymaking, are vital to electoral success, in working against the structural constraints within which policy is formulated, implemented and has outcomes, and in supporting the Labour Party both in opposition and, more importantly, in government whenever that comes. Crucial, in these respects, is *the creation of a new common sense in support of collective interventions* (and the appropriate institutions to pursue and deliver), that is, political forms that were once seen as unexceptional but are now labelled as going back to the sixties, impracticable or even impossible.

Forging forward across each of these aspects is enormously challenging, each on its own, and more so in conjunction with one another. Encouragingly, despite long histories of cynicism (somewhat justified) and sectarianism around the role of the Labour Party, the vast majority of the left and progressive

movements has jumped onto the Corbyn bandwagon, at least temporarily shelving the British left's disease of sectarianism (including lack of unity, visceral hostility, and vivid memories of differences long since rendered irrelevant). But it remains to be shown how, in policy postures and in practice, where possible, how exactly has the newer Labour sought to square the circle of combining electoral success with structural change.<sup>4</sup>

### **3 – Policy and Strategy: Building an Economy for the Many<sup>5</sup>**

#### *3.1 – Policy Space*

There is a large international literature on the extent to which government policies are constrained as a result of the effects of 'globalisation', meaning the possibility of catastrophic capital outflows and runs on the currency if not conforming to establishment policy norms, the domestic institutional constraints imposed by neoliberalism, or the dull compulsion imposed by international organisations (IMF, EU, WTO, etc). Whatever the validity of such analyses, there can be no presumption that they apply, at least directly and without qualification, to political parties in opposition. This is because they seek election, if not necessarily as a sole objective, rather than claiming to be in a position to govern. In other words, parties in opposition have a degree of freedom around policy space that, aside from notions of integrity and keeping to promises, is denied to them once they assume office, with Syriza a leading example.

Nonetheless, with certain maverick exceptions, this does not mean that opposition parties have unlimited policy or discursive space, although the election of a new leader always offers new opportunities to (re)position within, or even to press against, policy space. So, what are the constraints under or against which Corbyn and his team are formulating policy?

First and foremost, there is the goal of electability. It is here that the space opened up by not being in government also tends just as readily to be closed down, since neoliberal conventional wisdoms have been openly and emphatically adopted by Labour in the past. In addition, the administrations led by Tony Blair and Gordon Brown implemented what are now widely recognised as major policy shifts towards neoliberalism, sharing common ground with the Conservative Party, albeit with differences of detail, so much so that Margaret Thatcher reputedly stated that New Labour was her 'greatest achievement'.<sup>6</sup> For many years it was widely accepted, within Labour itself, that shifting too far from this common sense would render the Party unelectable. Second, the threat of unelectability is purveyed mercilessly by a hostile media and many within the Labour Party itself, always searching for postures that can be ridiculed in any way and, in doing this, feeding upon each other's political prejudices. Third, and conversely, electability has become a totem for opposition within Corbyn's own parliamentary party and a stick to beat the leadership, partly out of deeply-embedded conservative instincts and partly out of genuinely conservative beliefs and a wish, however well-conceived, for self-preservation.

In the event, possibly at least as remarkable as Corbyn's election as leader has been the extent to which these constraints have been satisfied, breached or simply ignored under his leadership. This is the result of at least two opportunities that have been seized. One has been the building of political support for Corbyn inside and outside of the Labour Party, and the other has been the growing distrust of all establishment figures and institutions, as reflected in the EU referendum and, on a more mundane level, acceptance that Corbyn and his team will make gaffes and the media will exaggeratedly portray them as such, but that they continue to deserve support regardless (or because) of that. Just as Blair's Third Wayism represented a gentle, at times sharp, if always remorseless drift away from the labourism of the post-war boom, so Corbyn is enabled in a moment to be freed of any intellectual and political debts that are its inheritance. But electability endures in the background as both means and goal.

How these considerations have affected the formulation of economic policy primarily falls under the remit of Shadow Chancellor, John McDonnell. It is here that the ideology of socialism meets the goal

of electability through policies of incrementalism. As McDonnell puts it himself, ‘Our objectives are socialist. That means an irreversible shift in the balance of power and wealth in favour of working people ... When we go into government, everyone will be in government’.<sup>7</sup> In more prosaic terms, Margaret Hodge, a fellow longstanding Labour MP, who first met him in the 1980s, compares McDonnell to a ‘Jekyll and Hyde character ... You never know for sure if you’re seeing a sensible bank manager character or a revolutionary Trot’.

This ambiguity is transparent in what remains excluded from consideration, as opposed to what has been included in the Labour Party 2017 election manifesto and other Party documents. Despite the radical transformation of the Labour Party under Corbyn, there is no demand to restore Clause 4 to the Party Constitution; and there is no pinpointing the extraordinary concentration of economic power and wealth in the hands of multinational corporations in general and of financial corporations in particular. At most, these are manoeuvred around in a piecemeal fashion. More generally, however bold it might appear, Labour’s 2017 manifesto gives us a world that – if it had been proposed to Harold Wilson – he would have thrown it out as involving too much privatisation and too many tax cuts for the rich.<sup>8</sup> Appearances to the contrary, Labour’s manifesto is just a modest reversal of some of the things that have happened since Thatcher delivered the UK to neoliberalism; this is a measure of how disadvantaged the Labour Party has become, or made itself, and how challenging will be the attempt to roll back neoliberalism.

### 3.2 – Policy Principles

The problem of how to transcend neoliberalism is, in part, the problem of alternatives: mobilisation, active support and political trust can come together only through a positive programme of transformation; that is, the need for something to *aim for*, rather than merely rejecting something else that currently exists.

At the most basic level, rejection of neoliberalism and the hope for alternatives are often grounded on (more or less vague) notions of ‘social justice’, intuitive conceptions of democracy and accountability, and the means to secure a decent life. It is, then, appropriate that the *Labour Manifesto* should state (p.8) that ‘[w]e will measure our economic success ... by the ability of our people to live richer lives’.<sup>9</sup> This encompasses a wide variety of critically important outcomes, including reasonable and stable jobs and wages, social and economic infrastructure, the provision of housing, transport and other basic needs, social security, the reconstruction of the NHS, and so on, funded by progressive taxation.<sup>10</sup> These demands clash with basic tenets of neoliberalism; they are also inimical to financialisation and speculative activity: this contrast of policies and outcomes offers an advantageous terrain for discursive confrontation from the point of view of the left, as well as the possibility of mobilisation in practice.

These demands and expectations are also closely connected to the importance of macroeconomic policy – for, without putting macroeconomic policy issues at the core of Labour’s strategy, it is impossible even to think about social justice or trade union rights beyond vacuous slogans: the capacity must be created, ideas must be harnessed, legislation changed, and the material basis of the economy, work and society must be transformed. Strategically, these systemic shifts must aim to secure faster as well as environmentally-sustainable economic growth while, simultaneously, channelling disproportionate gains to the worse-off; that is, growth must be widely distributed, as well as predicated upon, and conditional on, the pillars of macroeconomic (including exchange rate) stability, and the aimed-for transformations in social and economic reproduction. In view of these goals, it is centrally important for economic as well as political reasons that Labour Party policies should focus on *the decommodification of social provision in the UK* while, also, continuing to fund social policies and transfer programmes aiming to secure minimum living standards for everyone. However, as a matter of principle – and, hopefully, political advantage – decommodification ought to take centre stage, since it offers not only the most cost-effective but, also, the most democratic way to ensure that everyone can

immediately and unconditionally access the basic essentials for life. This will also provide the material foundations for the *reconstruction of citizenship* after the depredations of the age of neoliberalism.

In practical terms, this implies the need to rebuild the NHS along its founding principles as the Service continues to enjoy huge legitimacy, is in deep crisis, and measures to support it and eliminate marketisation (much of it introduced by previous Labour administrations) will be hugely popular; positive outcomes will also be immediate, and will lend legitimacy to the wider strategy of decommodification. This should be complemented by a mass housing programme (also hugely and immediately popular, in addition to being highly visible and creating large numbers of jobs), and the takeover of utilities providing public transportation, electricity, water, gas, and other basic goods and services, as platforms to disarm a key pillar of financialisation in the UK. Under neoliberalism, the NHS has been depleted, housing has been dominated by the extraction of rents, and the public utilities have been heavily used as tools for the transfer of resources from consumers and the state to financial market operators and transnational speculators.<sup>11</sup> This encompassing view can be usefully contrasted with the degradation of social provisioning widely associated with the Conservative Party (as well as the Lib Dems and New Labour).

### 3.3 – Policies in Practice

These policy changes cannot be enforced solely, or even primarily, by the Executive. Instead, they can find strength and coherence only in practice, through the support that the Labour government must provide to (and will, in return, be provided by) the trade unions (not least with urgently needed reform of industrial relations and renewed institutional representation of trade unions in policymaking), social movements and independent mass organisations which will require significant legislative changes.<sup>12</sup> These can be connected to the proposed Constitutional Convention, whose main purpose can be presented – boldly, and politically – to the advantage of the Labour government as delivering on its commitment to democratise the economy and society in the UK.

In this context, the strongest thing that Corbyn has going for (if also against) him are his socialist credentials. These are unquestioned at least as far as the vast majority of the electorate is concerned and, equally if not more important, the generally hostile media. As a result, there is an almost perfect correlation between supporting Corbyn's leadership and supporting policies attached to (ideas of) socialism, after thirty years of neoliberal common sense to the contrary, including – dangerously and perversely – from within the Labour Party itself.

It is, then, unfortunate in principle but politically unsurprising that the hackneyed notion of 'credibility' remains at the heart of the Labour Party's macroeconomic policy, with reliance upon what is termed a 'Fiscal Credibility Rule' (FCR) – presented as a sustainable path for government debt, as well as continued deference to the Monetary Policy Committee (although care is taken to allow for suspension of the fiscal policy of 'normal' times, presumably in view of the likelihood of abnormal times to come). Indeed, from a two-page broadsheet,<sup>13</sup> we learn that (emphasis in the original): '*Labour will close the deficit on day-to-day spending over five years ... Labour [sic] make sure government debt is falling at the end of five years ... [and] Labour will borrow only to invest*'. In addition, the power to suspend normal policymaking will remain in safe hands (emphasis added), since: 'When the Monetary Policy Committee decides that monetary policy cannot operate (the 'zero-lower bound'), the Rule as a whole is suspended so that fiscal policy can support the economy. *Only the MPC can make this decision*'.

Recent Labour Party documents also make almost explicit reference to the common but woefully misleading notion of government budgeting as if a household: 'While there are exceptional times when shocks from the private sector mean that government has to step in to help, everybody knows that if you're putting the rent on the credit card month after month, things need to change'. And, if now bordering on reproducing the whole of the document:

*that is why we would commit to always eliminating the deficit on current spending in five years, as part of a strategy to target balance on current spending after a rolling, five-year period.*

- It is essential for our future prosperity that we retain the ability to borrow for investing in capital projects which over time will pay for themselves. Labour recognises the need for investment which raises the growth rate of our economy by increasing productivity as well as stimulating demand in the short term.

*And that is why our target for eliminating the deficit excludes investment.*

- And because we want to ensure that the Government's debt is set on a sustainable path, we will commit to ensuring that, at the end of every Parliament, Government debt as a proportion of trend GDP is lower than it was at the start.
- We will reserve the right, for as long as monetary policy is unable to undertake its usual role due to the lower bound, suspend our targets so that monetary and fiscal policy can work together.
- Rather than an arbitrary cut off for GDP forecasts, we will give the Bank of England's Monetary Policy Committee the authority to suspend the rule in the circumstances when it is clear that fiscal policy needs to work together with monetary policy to get the economy moving again.

*And to oversee all this we will make sure that the Office for Budget Responsibility is genuinely independent, reporting to Parliament rather than the Treasury.*

There is nothing here to render the bourgeoisie shaking in their boots. Monetary policy for normal times to steer the economy, with normal budgeting for normal times, and a little extra fiscal stimulus in case the economy does not or cannot respond to monetary policy, or QE, without any reference to 'people's QE', which became a Corbyn catchphrase in the 2015 leadership election.

In addition, if mainly of interest to political economists, the stances adopted by the Labour Party *entirely* conform with mainstream macroeconomic thinking and policymaking. Although elsewhere (see below) there is some emphasis on education and training, these would generally not count as investment but as current expenditure. So the traditional parameters of what counts as (government) investment and what counts as consumption remain as opposed to standing fully behind social investment as a macroeconomic policy (for example, the provision of free childcare). Even more notable for their absence from a heterodox economist's point of view is that the macroeconomy is conceived without any reference to its major drivers, not government monetary and fiscal policy (and government investment that pays for itself over the longer term), but the major multinational corporations that drive the global economy and the increasingly financialised interests to which they are attached.

Whilst the FCR is riddled with unsustainable analytical underpinnings, this is to take it too seriously in assessing its goals and influence on macroeconomic outcomes. Instead, the FCR is primarily, if not solely, to be understood as a bid for credibility, offsetting the socialist leanings of the leadership of the Labour Party. And here surely lies the key to the Corbyn economic strategy. On the one hand, the depth and breadth of support and organisation do not yet prevail that would allow for a full-frontal assault on the major corporations, the City and the media. On the other hand, so pervasive and pernicious have become the inequalities and iniquities of neoliberalism, that even mild reforms, leading to policies that would once have been considered completely unobjectionable, offer plentiful opportunity both to improve lives in the short term and to (re)build the movements and institutions for alternatives. In this

way, the policy freedom that derives from being in opposition can finesse the need for electoral credibility by judicious focus on struggles within and against the neoliberalisation of everyday life.

The same considerations apply to other areas of (economic) policy. Consider ‘Richer Britain, Richer Lives: Labour’s Industrial Strategy’.<sup>14</sup> An industrial strategy would surely take a close look at each and every sector (steel, cars, energy, and so on), in order to formulate a strategy for each of them but also designing measures of support across all of them, including how finance, marketing (imports and exports) and industrial relations are to be conducted. Also decisive would be the stance towards the role of globally organised production networks and multinational corporations. Instead, once again, the strategy is to build policies and movements in parallel with established powers, presumably in order to challenge them later, most notably through new technology, vocational training, and renewables. What’s not to like – well, for starters, the commitment to retain Hinkley Point,<sup>15</sup> which, if anything, is symptomatic of the constraints weighing heavily upon the Labour Party’s position and current strategy (insufficient strength to propose the policies that the leadership and the supporting movements *really* wish to implement, lack of clarity about the political viability of the possible paths forward – which will become clearer only in practice – and relentless pressure to provide immediate solutions to the UK’s long-term economic and social problems).

Similar challenges apply to the proposal for a National Investment Bank (NIB),<sup>16</sup> to be established alongside the existing financial system because of the latter’s inadequacies (hardly controversial). It again will serve as a focal point for alternatives in what investments it funds and the conditions attached to those investments – around trade union rights, equal pay, environmental sustainability, and so on. This is all credible and electable at least in principle, but not otherwise transformative other than as a first step in building a stronger movement for change, unless the NIB were much larger than the existing political constraints are likely to allow.

A very similar story can be told for the policy papers on alternative forms of ownership.<sup>17</sup> Once more, the idea is to build in parallel with, not to appropriate, existing ownership of capital. It begins well enough:

The economic system in Britain, in its current guise, has a number of fundamental structural flaws that undermine economic strength and societal well-being. The predominance of private property ownership has led to a lack of long-term investment and declining rates of productivity [growth], undermined democracy, left regions of the country economically forgotten, and contributed to increasing levels inequality and financial insecurity. Alternative forms of ownership can fundamentally address these problems.

But the answer is not posed in terms of the common ownership of the means of production (the old Clause 4, which has become politically unrealistic even within the Labour Party itself). Rather (emphasis added):

National ownership of *certain* industries promotes long-term planning of the economy, helps to provide modernising infrastructure, quality health and social care, and to combat climate change.

It is apparent that, drawing upon past experience of UK nationalised industries (and, in today’s common-sense view, unduly undemocratic control), and the positive experiences of cooperatives and the like from around the world, the goal seems to be to create islands of better performance than would otherwise prevail. Or is it the thin end of the wedge in building organisation and ethos for alternatives that run deeper and wider. Only time (and politics) will tell.

In short, the Labour Party’s economic policies under Corbyn’s leadership are relatively easy to locate in terms of (1) targeting electability, (2) relying upon (building) a socialist ethos on the back of popular

antipathy to the establishment, (3) limiting proposals to those that pre-empt any substance to the inevitable media onslaughts on grounds of lack of credibility, (4) selecting to remedy judiciously and cautiously from across the multiplicity of dysfunctions and inequities associated with neoliberalism, whilst building popular and organisational support, and (5) falling far short of targeting even the labourism of the Keynesian period let alone a socialist transformation. Such a programme would have been vilified by the left in the Keynesian period of social reformism. Significantly, and symptomatic of the weakness of the British left, corresponding concerns today are scarcely raised. Such is the damage that has been wrought to labourism by three decades of neoliberalism that Corbynism is not and cannot be a revolutionary moment, as yet; realism and pragmatism must prevail as a more reformist let alone revolutionary movement and ethos is (re)constructed. A notable example of this form of constrained pragmatism is the manifesto for 'A Fair Deal at Work',<sup>18</sup> which advocates greater rights for trade unions and workers, (slightly) higher minimum wages, four more holidays each year ('so that workers in Britain get the same proper breaks as in other countries'), and other marginal changes to working conditions, in addition to parallel improvements for the self-employed. The much-vaunted statutory right for worker representation on corporate boards, if implemented, would only bring Britain into line with most OECD member countries: a valuable and significant advance, but hardly the storming of Buckingham Palace, or even an updated version of the Swedish Meidner Plan. Once again, limitations are not due to lack of ideas or commitment by the Labour Party leadership, but to the weakness of the extra-parliamentary movements that must support them, and push forward the Parliamentary Labour Party.

#### 4 – Conclusion

The policies outlined here are not fully elaborated, because policies are necessarily context-specific and subject to short-term and electoral imperatives, as well as strategic choices. But this paper does claim that *it is both legitimate and possible to consider alternative macroeconomic policy frameworks for the UK*, which can respond to the urgent demands of the Many, while helping to marginalise the Few both directly, and through the social movements that are likely to emerge and gain strength through the process of implementation of progressive economic policies under Corbyn's leadership. This is, clearly, an agenda of confrontation, in the medium term if not immediately, which can be successful only with active popular support.

We also suggest that the most appropriate way to bring together the multitude of dissatisfactions with neoliberalism, financialisation and globalisation, while building a mass left movement that can sustain the Corbyn administration, is through a programme of decommodification of public provision. This would bring together issues of ownership (who provides what), accountability (who controls provision), financialisation (who profits from it), internationalisation (where do these profits end up), and distribution (who pockets them). In addition, it would expose the advocates of the status quo as tales of the 'handmaidens of finance', in contrast with the Labour Party's programme of provision for the people.

This political programme also places in stark opposition the interest of the Many and those of the Few, squeezing the middle-ground in ways that are likely to facilitate alliances with social groups that have been reluctant to support the current programme of the Labour Party for ideological reasons, self-interest or because of the barracking of Jeremy Corbyn and John McDonnell by an unremittingly hostile mainstream media (from *The Sun* to the BBC, via *The Guardian* and all that lies in between them).

Arguments against this economic strategy can be grouped around four key objections. First, at a static level, it may be argued that the UK is too poor to implement this bold programme of social provision, and that ‘growth’ in general, and productivity growth specifically, must take priority. This is invalid; the UK is one of the wealthiest and most influential countries in the world, and past experience, when the country was considerably poorer or even broken by war, shows that transformative outcomes are possible both statically and over time, and they can be inspiring at home, command long-term support, and create powerful incentives for other countries to follow, which at a stroke would improve the global environment in support of a Corbyn-led administration.

Second, and closely related, varieties of the ‘household metaphor’ may be deployed to claim that this strategy is simply unaffordable and that the commitment to reducing the domestic public debt and keeping inflation low must take priority. Debunking the swarm of fallacies embodied in these criticisms is the task of mass political education, which must be one of the key tasks of the Labour Party. Unless and until the Party itself commands the counter-arguments, and can offer inspired responses, these fallacies are likely to undermine the current programme and policies of the Labour Party.

Third, it could be argued that this economic strategy is too difficult to implement, and that several governments have failed in their attempts to follow similar strategies in the past, in this country and elsewhere. This is an important point, and there is no guarantee that similar failures will not occur in the future, under Corbyn or in any other set of circumstances. This challenge must be confronted, as part of the attempt to build a more just country, a fairer economy, and to address the problems of poverty and deprivation in the UK, and environmental sustainability worldwide. The strategy is one of both combating neoliberalism, delivering better, and building a movement for further measures. These are the most important challenges for our generation, and the Labour Party is capable of confronting them.

It is also essential to point out, within the Party and outside, that past discourses on systemic change in general and socialist transitions in particular, even before the Russian revolution, have been heavily oriented around the futility of aspirations that are not global and the corresponding inevitabilities of defeat, compromise and/or betrayal. It is not so much that we take a different view as one that sees such perspectives as unprovable in general, and certainly in advance but, most important of all, as premature in the case of Corbyn’s Labour Party. We are not at the point of having the luxury of exercising such choices (socialism in the UK or waiting for the world revolution?), as opposed to preparing the way for them as necessary and, in the process of doing so, improving living conditions for tens of millions of people right now. Indeed, those sensibilities seem to be pushing against an open door as far as the left is concerned in the UK, with its traditional cynicism of Labourism, if not labourism, evaporating in the volte face rush to line up behind, or putatively in the lead of, the Corbyn moment and the extraordinary and unexpected possibilities that it has opened.

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## Endnotes:

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- <sup>1</sup> For an overview of neoliberalism, financialisation and their consequences, see Fine and Saad-Filho (2017), Saad-Filho (2017).
- <sup>2</sup> See Boffo, Saad-Filho and Fine (2019).
- <sup>3</sup> For an overview, see Hannah (2018).
- <sup>4</sup> The classic case structurally denying the potential for achieving socialist aspirations through the Labour Party is made by Miliband (2019a, 2019b). For much of the left, with the rise of Corbyn, it is as if such analyses and pessimisms around the limits of such labourism have simply evaporated as evidenced symbolically and intellectually, for example, by Blackburn's (2018) analysis of Corbynism.
- <sup>5</sup> This section takes as given the policy proposals included in the existing Labour Party documents, in particular the 2017 Labour Party election manifesto, and the *Alternative Models of Ownership Report*, *Richer Britain Richer Lives* industrial strategy document, *Labour's Fiscal Credibility Rule*, and *Framing the Economy: How to Win the Case for a Better System*.
- <sup>6</sup> <https://www.independent.co.uk/news/uk/politics/margaret-thatchers-legacy-spilt-milk-new-labour-and-the-big-bang-she-changed-everything-8564541.html>
- <sup>7</sup> Quotes from <https://www.ft.com/mcdonnell> (accessed 2 April 2018).
- <sup>8</sup> 'If you think this [John McDonnell's economic plan] is damning stuff, look at the detail. Nationalisation – just returning some industries to public ownership, much as they are in many European countries. Taxes on business – just reversing cuts to corporation tax made by George Osborne since 2011. Higher taxes on the wealthy will only begin to reverse inequality at the top that began growing in the 80s. Shackle the banks? – about time too. Pump up spending and borrowing – in

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reality just borrowing to invest, with current spending held by a fiscal rule which, outwith a liquidity trap recession, is not very different from the rule of the Coalition government of 2010. The killer line about an irreversible shift in power – from Harold Wilson’s 1974 manifesto’ (Wren-Lewis 2018).

<sup>9</sup> See also *Framing the Economy* (pp.20-21).

<sup>10</sup> See *Labour Manifesto*, p.4.

<sup>11</sup> See, for example, *Labour Manifesto*, p.19 and *Alternative Models*, pp.6-7.

<sup>12</sup> See, for example, *Labour Manifesto*, pp.15, 17, 102.

<sup>13</sup> <http://labour.org.uk/wp-content/uploads/2017/10/Fiscal-Credibility-Rule.pdf>

<sup>14</sup> <http://labour.org.uk/wp-content/uploads/2017/10/Richer-Britain-Richer-Lives-Labours-Industrial-Strategy.pdf>

<sup>15</sup> It is going to be a disaster (unproven technology, uncertain finance, expensive deal, EDF is going bust, Chinese finance, and waste disposal down the road – what’s to like?).

<sup>16</sup> <https://labour.org.uk/wp-content/uploads/2017/10/National-Investment-Bank-Plans-Report.pdf>

<sup>17</sup> <https://labour.org.uk/wp-content/uploads/2017/10/Alternative-Models-of-Ownership.pdf>

<sup>18</sup> <https://labour.org.uk/manifesto/fair-deal-work/>