

BLUE LABOUR - STRONG ON THEORY, WEAK IN PRACTICE

REVIEW: Maurice Glasman: Blue Labour - the Politics of the Common Good, Cambridge, Polity Press, 2022.

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HOPEFUL BEGINNINGS

Back in 2011 it looked as if Maurice Glasman could become highly influential in the Labour Party. Ed Miliband had become leader in 2010 and, casting around for a cause to distinguish himself from New Labour, it looked as if Glasman's 'Blue Labour' could fit the bill. The basic idea of Blue Labour was that Labour had lost contact with its supposed constituency - 'labour', the working class. The colour 'blue' evoked sadness at this fact, the blue as opposed to white collar associated with manual labour, and also an innate conservatism attributed to the working class in terms of elementary moral and social values. Blue Labour values stability, a settled place to live and work, craft knowledge and ability, in contrast to the values of Blair and Mandelson associated with flexibility, adaptability and a disregard for a settled place to live and work. Glasman uses the terms, taken from Yuri Slevkine's *The Jewish Century* - 'Apollonian' to characterise the first of these, and 'Mercurian' to characterise the second.¹

JON CRUDDAS

Within the Parliamentary Labour Party, the MP who came closest to Blue Labour was Jon Cruddas, MP for Dagenham. In an interview given in 2008, as the Great Financial Crash was unfolding, Cruddas outlined the problem as he saw it:

'Why is the issue of class politics so contaminated now? The answer lies back in the intellectual moves made by Blair - particularly the debates around the knowledge economy - which assumed that the working class was withering away. As Blair transformed Labour into New Labour he legitimised the change by importing an intellectual framework that described old labour as being in empirical decline. The working class was no longer of relevance as a political and economic category ...

'I'm arguing that we anchor the experiences of different groups in a materialist politics. That is not necessarily reductive. It allows you to contextualise materially the shared experience of different people. The approach we have at the moment is a semiotic game of emphasising difference, be it through symbols of race or of religious difference. It's unable to understand or navigate its way through the politics of migration and demography. For the last ten years New Labour has used patterns of migration as a twenty-first century incomes policy, holding down the wages in semi-skilled and unskilled work. Now the government is reaping the consequences. And they can't deal with it by regulating the labour market because they've set themselves against this approach. Instead they have retreated into an identity politics which includes a simplistic idea of a white working class that is illiberal, intolerant and degenerate. Without a materialist politics one is unable to transcend the things that break people apart - one cannot find the shared experiences that bridge cultural, religious and racial differences ...

'I do think there was a deeper philosophical movement in New Labour that was worked through during the long period of opposition. You can trace it through an arc beginning with the 1983 Manifesto, then the defeat in 1987, up to the supply side socialism of 1992, with Brown as the architect. Then there is the radicalism of Blair from 1994 onwards. Throughout this period there is a systematic withdrawal of the state. Post-1983 the negatives are defined as trade unionism, 'tax and spend', and the politics of nationalisation. I think there was a grouping of right-wing Labour

¹ Yuri Slevkine: *The Jewish Century*, Princeton University Press, 2004. Slevkine argues that 'Mercurian' virtues traditionally ascribed to Jews, have become universally dominant in the twentieth century.

figures who saw that, generationally, the only way to gain power was to confront these polling negatives. Initially this was done with reference to a body of ideas that were quite brazenly used as justification for short-term political moves in pursuit of electoral purposes.

'The intellectual work of New Labour intensified from 1994 on, when a number of intellectuals, for example [Anthony] Giddens and [Charlie] Leadbeater, rose to the challenge and codified the political retreat. The genius of Blair when he became party leader was his ability to tell a story that legitimised all the political retreats since 1979 - "there is a rupture occurring in terms of industrial organisation caused by new technology and globalisation. Only I can understand it with reference to the knowledge economy'." The intellectual work helped to mobilise and organise the electoral cohorts that mattered in terms of gaining political power. It also wrote off the working class and other groups who had no political traction. It used a sociology that assumed they had no empirical significance in the future. It was a brilliant political movement to gain and retain political power.'

But:

*'The world was not like their stylised construction of it. The central contradiction of the knowledge economy thesis and the higher education debate is the belief that there is a massive expansion in the demand for graduates. If there isn't this demand and you're equipping people with this utilitarian way to tap into something that doesn't exist, they end up doing jobs for which they're overqualified. You've got generational immobility in the jobs market and in housing.'*²

AND JONATHAN RUTHERFORD

The interview was conducted by Jonathan Rutherford, at the time editor of *Soundings*, who himself was soon to become a major spokesman for Blue Labour. In 2009, with Labour still in power coping with the Great Financial Crisis, Cruddas and Rutherford wrote (in an article entitled 'The time has come for a new socialism'):

'The recession has dealt a serious blow to the neo-liberal orthodoxy. It was the sale of council housing that helped to secure its popular support. In the name of a property-owning democracy, the modest economic interests of individuals were aligned with the profit-seeking of financialised capitalism. It was a new kind of popular compact between the market and the individual.

'A similar compact between the business elite and shareholder value created a tiny super-rich elite – and became the unquestioned business model of the era. Its values of self-reliance and entrepreneurialism legitimised market-based welfare and pension reform, the drive to a flexible labour market and the transfer of risk from the state and business to the individual. New Labour entered government in 1997 having accommodated itself to the neo-liberal orthodoxy and with plans to deepen and extend its compact.

'Growth in the UK depended on this compact. It was driven by mass consumption which required consumers buying cheap credit. The housing market turned homes into assets for leveraging ever-increasing levels of borrowing. The credit economy created an indentured form of consumption as it laid claim to great tranches of future earnings. The lives of millions were integrated into the financial markets as their personal and mortgage-backed debt became the economic raw material for global capital. This commodification of society engineered a massive transfer of wealth to the rich.

'The neo-liberal model of capitalism generated unprecedented affluence for many. But it corroded the civic culture of democracy. Commodification and huge inequalities helped create a social recession with widespread mental illness, systemic levels of loneliness, growing numbers of psychologically damaged children, and an increase in eating disorders, obesity, drug addiction and alcoholism. It created monopoly forms of capitalism and an increasingly authoritarian, technocratic and centralising state. A ruling class accrued a dangerous amount of power and became a

² 'A new politics of class - Interview with Jon Cruddas MP', *Soundings*, No.38, Spring 2008.

*financial law unto itself. The gulf between the political elites and the population widened as economic restructuring destroyed traditional working-class cultures and communities.*³

But in 2011 this had become 'Labour must fashion a new patriotism':

'Labour in government contributed to the problem. It championed a flexible labour market that undermined people's jobs and wages. Its belief in globalisation blinded it to its destructive force. It celebrated a form of capitalist modernisation that became nihilistic. It abandoned people to the market.

'Globalisation has devastated people's ways of life. People fear the loss of their culture and their identity, which provide their lives with meaning. Who are we? Where do we belong? A disorientated culture like our own throws up these questions but it cannot answer them. People are left to cope with uncertainty.

'Labour recoils from the visceral politics of loss and belonging. It has been deaf to the pain. It fears people's bigotry and xenophobia and has been contemptuous of those nostalgic for a past that they imagine was better. But Labour has to make the journey through the loss, the rage against newcomers, the fear of strangers, and the nostalgia for an old way of life. We have supported a multiculturalism that hides the pain of this reality. It has been a practice of avoiding our differences. It has been permission to pass each other on opposite sides of the road.

'We are an immigrant nation. There is no going back and we must find ways of living together and creating a new vision of England. We demand that migrants must be like us. But who actually are we? They must share our British values. But what are they? Newcomers must answer correctly the citizens test. But could we?'⁴

Exactly the questions that encouraged me to initiate a website under the title 'British values'.⁵

GLASMAN - AN EARLY DEFEAT

Glasman coined the term 'Blue Labour' and launched the movement (if that is what it was) in 2009. He seems to have been on good terms with both the Milibands and soon after becoming leader, in November 2010, Ed Miliband secured him, somewhat to his surprise, a seat in the Lords which he took up - as Baron Glasman of Stoke Newington and of Stamford Hill in the London Borough of Hackney - in February 2011. Everything seemed to be going well until suddenly it all came to a crashing halt. Glasman explains why in a recent interview in *The Guardian*:

'Glasman remembers, with a shudder, the day he realised his career as the man the papers liked to describe as Miliband's "guru" had come to an abrupt end. "My wife, Catherine, brought all the newspapers into the bedroom and said simply: 'Fucking hell!' I was on the front cover of the Telegraph, the Mail and not in a good way. I put the covers over my head and stayed in bed all day." The catalyst for the disastrous coverage (the Daily Mail called him "the voice of reason") was an interview Glasman gave to the Fabian Review, a party organ, in which he rejected the principle of the free movement of labour within the European Union. ... To compound matters, Glasman further suggested that Labour should attempt to listen to and win over English Defence League (EDL) supporters – remarks also seized upon with delight by the rightwing press. This was at a time when Nigel Farage's Ukip was on the rise and the polarising political storms that were to take Britain all the way to Brexit – which Glasman later campaigned for – had begun to blow.

³ Jon Cruddas and Jonathan Rutherford: 'The time has come for a new socialism', *The Independent*, 1st April, 2009.

⁴ Jon Cruddas and Jonathan Rutherford: 'Labour must fashion a new patriotism', *The Guardian*, 1st July, 2011.

⁵ <http://www.british-values.com/>

*'After Glasman later criticised Miliband himself in the New Statesman as having "no strategy, no narrative and little energy", the former deputy prime minister, John Prescott, spoke for many Labour members when he tweeted: "Glasman. You know sod all about politics, economic policy, Labour or solidarity. Bugger off and go 'organise' some communities."*⁶

There's a certain irony in Glasman's apparently promising political career being trashed by accusations of being anti-immigrant. Prior to Blue Labour he had been deeply involved in the 'London Citizens' movement, originated in 1996 and concerned with the people at the bottom of the economic pile - non-unionised workers, cleaners, caterers, security guards etc, many if not most of whom were immigrants. London Citizens campaigned for acceptance of the principle of the Living Wage and also for an amnesty for undocumented immigrants. It worked in conjunction with faith groups, including Muslim and Hindu organisations. Glasman himself, from a lower middle class Conservative Jewish background, was deeply influenced by Catholic Social teaching and worked closely advocating an immigrant amnesty with the Catholic organisation 'Strangers into Citizens'. But he did recognise that there was a limit to the immigration Britain could sustain and that immigration and the cheaper labour it supplied was being used to undercut workers' bargaining power. That there were reasons for the bitterness and hostility this was creating.

The 2022 Guardian article continues: 'As much of the party turned on him, Glasman essentially took Prescott's aggressive advice. "I basically didn't talk to any media for about three years. I went quiet."' Which implies a certain weakness. 'Blue Labour' never amounted to very much in organisational terms. If one regarded its ideas with sympathy it was difficult to know what to do about it. There was a website which included occasional articles usually by Jonathan Rutherford. And yet, the ideas, as outlined in Glasman's recent book are strong.

TRADITIONS - BRITISH AND GERMAN

Glasman begins with an account of what he sees as the Labour tradition, distinguishing it from the European Marxist or Social Democratic tradition. It was a movement that, rooted in class, nonetheless saw itself as national, a means by which the nation in its religious, political and even class divisions could be united. It was not in principle anti-capitalist but it insisted that the capitalist system entailed mutual responsibilities. Drawing on the 'Apollonian' - 'Mercurian' distinction he says: 'The Tories in the nineteenth century became the dominant political forum by adopting the clothes of the Apollonians [Conservatism] while implementing the policies of the Mercurians [economic liberalism].' Blue Labour aims at reinstating, against the Mercurian diversion of the Blair years, the basic Apollonian character of the working class. Hence the opposition to the free movement of people and commodities through space required by 'global capitalism' - 'Globalism eliminates the possibility of politics to challenge this order, but maintains the state structure to enforce it.'

'For Labour, the obdurate persistence of the working class haunts its politics like an ancestral ghost.'

In 1996 Glasman published *Unnecessary Suffering*⁷, largely a study of the post war German economy based on a thesis he had written while at the European University Institute in Florence. In *Blue Labour* he says:

'One might say that the tragedy of contemporary European politics is that Germany remains misunderstood as exclusively fiscally conservative when this is only one aspect of its economic system. It is also characterized by a vocational economy in which self-organized institutions preserve and renew the traditions of a particular craft and regulate labour market entry; by regional banks that are constrained to lend within their region; by the significant representation of the

⁶ Julian Coman: 'Maurice Glasman, architect of Blue Labour: "Labour needs to be itself again"', *The Guardian*, 25th September, 2022.

⁷ Maurice Glasman: *Unnecessary suffering - managing market Utopia*, London, Verso, 1996.

workforce in the corporate governance of firms; and by the co-determination of pensions by capital and labour ...

'It is one of the great tragedies of European history that it did not become the basis of the political economy of the European Union, which chose globalization rather than the internationalism that inspired it. Instead, Germany's model has been weakened and is at odds with the prevailing model of the EU.'

He attributes the German success largely to the initiative of Ernest Bevin as British Foreign Secretary overseeing the remodelling of Germany, calling it 'the greatest example of Labour statecraft in action, renewing and democratizing ancient institutions, reconciling estranged interests, nurturing labour power and its representation in the governance of industry, upholding liberty at the level of the state and democracy within the economy' but he complains that Bevin failed to do the same in Britain because of the strength of the top-down tradition exemplified by the Fabians. He may exaggerate Bevin's role as against the continued influence of Germany's own 'ancient institutions' but in *Unnecessary Suffering* he does elaborate on the specifically German contribution. The Term 'unnecessary suffering' derives (if I've understood him aright - p.37) from the 'Catholic critique of capitalism' developed in the nineteenth century by Bishop Wilhelm Emmanuel von Ketteler of Mainz. The book appeals at length to Catholic social teaching (it is also concerned with the initial strength of the ideas associated with 'Solidarity' in Poland - and their subsequent defeat at the hands of the neo-liberal EU). In particular it stresses, as do the Catholic writers the importance of 'vocation', 'vocational education' and the formation of 'vocational groups'. All part of 'the dignity of labour' - title of a book by Cruddas who also appeals to his own Irish Catholic political formation.

THE DIGNITY OF LABOUR

As with the passage from Cruddas quoted earlier Glasman is highly critical of the Labour emphasis on the 'knowledge economy':

'As Chancellor of the Exchequer, Gordon Brown, for example, predicted in a 2006 speech that there would only be 600,000 low-skilled jobs by 2020.⁸ In fact, the number of cleaners, cooks, security guards and builders has grown since that time. A consensus developed that what was emerging was a 'knowledge economy', where the knowledge in question was general, abstract and transferrable. This then grew into the idea of the 'creative economy', in which the mobile, the literate and the 'creative' were the basis of productivity growth and prosperity and state policy were based on increasing their number. The channelling of national resources into higher education was paralleled by the collapse of the apprenticeship system, which fell from 250,000 apprentices in 1973 to 50,000 in 2016. There are, in contrast, 2.54 million undergraduates. The key moment in the humiliation of vocation as an educational practice was the transformation of the polytechnics into universities in 1992.'

In a larger historical perspective he attributes this to the nineteenth century when 'The distinction made in the 1830s between a profession and a vocation was decisive in the degradation of vocation as a practice.'

As part of the restoration of the dignity of the vocations Glasman proposes that the long sought reform of the second chamber of Britain's legislature should be based on representation of the different vocational groups, as the House of Commons is representative of the regions:

⁸ Chris Winch has indicated a confusion here which comes from Brown. The Leitch Review predicted that there would be 600,000 people without qualifications. The estimates for unskilled work were far higher, in the millions (figures from the UKCES 2010 - *Ambition 2020: World class skills and jobs for the UK*. London), so it followed that there would be many people in the Labour Force who were overqualified, confirming Cruddas's point about the overproduction of graduates. These and related points have been developed in articles by Chris Winch published in *Labour Affairs*.

'The Lords, in contrast, as a chamber which amends and advises, should represent vocational democracy, where people are elected from their working lives. There should be people elected from their sector, whether that be electrical or academic, medical or administrative. Doctors should elect a peer, as should nurses and cleaners. It would give an incentive to the organization of carers, builders and cleaners, who would elect a representative from within their vocation. Central to the Ancient Constitution is the idea of the balance of interests rather than the separation of the powers ... The vocational chamber would revise and amend legislation as it does now on the basis of the judgement of people who actually know what they are talking about and who are recognized as experts in their field by their peers through democratic election.'

BANKS OF ENGLAND

But the main target of Glasman's ire is now, as it has always been, the city and the emphasis British politics has placed on the financial as opposed to the manufacturing sector. He starts the book with a conversation he had with his mother: 'My Mum left school at 13 to work in a factory so she could support her four younger sisters and her ill father, who died a few months before I was born ... We watched Gordon Brown saying that it was the "destiny of labour to save the global banking system" and my Mum's eyes met mine and then she shook her head and closed her eyes.' We have become used of late to the distinction drawn in 'geopolitical' theory between sea-based and the land-based economies, with Britain as the archetypal representative of the sea and, perhaps, Russia as the archetypal representative of the land; but Glasman represents it as a conflict of interest within the polity, in this case the British polity:

'the British financial services sector, in practice, comprises two distinct systems: a global eco-system, centred on the City of London, and a local eco-system. This is not surprising. The City of London, founded by the Romans, was part of their extended maritime trade system incorporating Ostia, Piraeus and Marseilles, and was open to the sea, but they built the largest city wall in Europe to protect it from domestic pressures. From Roman times, there were two distinct economic systems: the territorial and the maritime. The domestic economy was strictly regulated; maritime trade was adventurously mercantile. The distinction between the formal and the substantive economy or the territorial and maritime economy was a central tenet of classical statecraft. Ports were placed at a distance from cities, for the sea was a place not only of tempestuous threat and piracy but also of tremendous wealth and speculation. The returns from the domestic territorial economy were always lower than those built around long-distance voyages and insurance. The basis of the British Empire was the City of London as the hub of an oceanic maritime economy every bit as much as the Roman Empire was built around the port of Ostia and the control of the Mediterranean. The distinctiveness of maritime trade is that it was based on commodification, in which everything, from people to precious stones, had a price. In the domestic economy, neither nature nor human beings were commodities and the rates of return on investment were thus constrained. In this, the necessities of life were secured without an exclusive reliance on the price system through a range of local and national measures.'

He sees the development of capitalism since the 1970s in terms of the maritime or globalist financial interest penetrating and colonising the territorial or domestic financial interest, symbolised by the history of the Northern Counties Permanent Building Society:

'It demutualized in 1997 and became simply Northern Rock, which sponsored Newcastle United Football Club and became the fifth biggest lender in the British market. A mutually owned institution which had partnered its region in good times and bad for 147 years, which had weathered four serious depressions and emerged stronger from each, could not last through New Labour's period in government. It was nationalized in 2008 and Newcastle United came to be sponsored by Wonga, a company that began its lending at 4,000% at a time when the banks were borrowing at less than 3%. The club is now sponsored by a Chinese betting company. It is understood locally as dispossession and disinheritance.'

In this context Glasman recommends the formation of what he calls the 'Banks of England' (the book is very English oriented, there is little if any mention of Scotland, Wales or Northern Ireland).

These 'would be constrained by charter to only invest within the area within which they are established.' A model for this is provided by the system of regional banks in Germany and Germany also provides a model for the reform he would like to see in corporate governance. Glasman makes no mention of the Bullock Report of 1977 but he does strongly support its main argument - the need for worker representation on the boards of major industries. He evokes the very opposite approach adopted by New Labour:

CORPORATE GOVERNANCE

'In New Labour's Corporate Governance Act of 2006, for the first time in British history, shareholder primacy was hard-wired into a company's statutory purpose.' As a consequence 'the maintenance of share price and its definition of assets and liabilities means that research and innovation are liabilities and intangible, and have no value in the model. In other words, the shareholder model has constrained investment.'

'The resilience of German industry was based upon two fundamental differences with Britain, both relating to corporate governance. The first was that in Germany each stakeholder interest – capital, labour and management – had access to the same information about the state of the firm and the sector and could negotiate a common response. The German High Court ruled in 1982 that co-determination took priority over the claims of shareholders as it was a matter of "public good" and this overruled the civil law concerning the ownership of capital by joint stock companies. This would have been a plausible outcome in British law if the principal/agent problem generated by establishing limited liability had not been resolved through share price alone ... In Germany, the governance and strategy of the firm became a matter of negotiation, as the workforce and their representatives gained a knowledge of economic performance and a practical role in the management of the economy. The workforce had interests in the flourishing of the firm and an internal expertise in the work of the firm and they carried risk, in terms of losing their livelihood if the company failed. The sacrifices asked of workers were balanced by their participation in the process of production as an institutional partner.'

In summary, *Blue Labour* is proposing 'three institutional changes – the establishment of vocational colleges and an apprenticeship system for labour market entry; the endowment of the Banks of England; and changes in the corporate governance so there is a balance of interests within the firm' arguing that these 'would challenge the domination of capital while resisting state domination and control.' It's about as good a political programme as one could want. Though on foreign affairs - Glasman sees China as 'the principal threat to our democracy' - the book leaves something to be desired and we may well wonder why the 'movement' has proved so feeble in terms of practical politics.

Cruddas, in the interview with which this article began, stressed his own distance from the left wing Labour Campaign Group. But the Campaign Group, weak in the Parliamentary Labour Party, had a strong constituency in the membership and ex-membership which provided a base for Jeremy Corbyn's leadership. Blue Labour may have a better sense of the nature and needs of the working class and it has a good understanding of the process by which the Labour Party has been rendered alien to the working class over the past forty or fifty years. It remains to be seen if it could provide a useful political framework for the current wave of union militancy.

'London citizens' however was an effective campaigning group that cut across, and beyond, party divisions. There is a division - call it 'Apollonian' and 'Mercurian' - that passes through the society as a whole and does not correspond to the party division. It passed through both the Brexit (Britain protecting itself against the world; Britain opening out to the world) and anti-Brexit (Europe as a closed market with a Social Democratic tradition; Europe as an open market based on neo-liberal economic theory) camps. It may be that Blue Labour should drop the emphasis on Labour, the hopes specific to the Labour Party, and attempt the sort of appeal Keynes was able to make in the nineteen thirties to the widest possible range of those peculiar people who take an interest in politics, those who know in their bones that our society is faced with near fatal problems that only politics can solve.

