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Editorial

A WEIGHTLESS HEGEMONY

New Labour's Role in the Neoliberal Order

THE CENTRE LEFT governments that dominated the North Atlantic zone up to the turn of the millennium have now all but disappeared. Within six months of Bush's victory in the United States, the Olive Tree coalition had crumbled before Berlusconi's Forza Italia. The autumn of 2001 saw Social Democrats driven from office in Norway and Denmark. In April 2002 Kok's Labour-led government resigned over a report pointing to Dutch troops' complicity in the Srebrenica massacre. The following month, Jospin came in a humiliating third behind Chirac and Le Pen in the French presidential contest, and the Right triumphed in the legislative elections. In Germany, the SPD–Green coalition clung on by a whisker, aided by providential floods. Though the SAP retains its historic grip on Sweden it now lacks an absolute majority, and Persson was trounced in the 2003 campaign for euro entry. In Greece, where PASOK has only been out of power for three years since 1981, Simitis squeaked back in 2000 with a 43.8 to 42.7 per cent lead.

Within this landscape, Britain has been the conspicuous exception. In the United Kingdom alone a Centre Left government remains firmly in place, its grip on power strengthened, if anything, in its second term of office, and still enjoying a wide margin of electoral advantage. Both features—New Labour's survival against the general turn of the political wheel, and the scale of its domestic predominance—set it apart within the OECD zone. Elsewhere, although administrations have shifted

from Centre Left to Centre Right, party voting blocs have remained relatively stable—only a point or so off 50:50 in the US, for example. In Britain, counter-cyclically, a much more drastic shift in fortunes has occurred. Blair's successive parliamentary landslides, in 1997 and 2001, have produced the largest Commons majorities in postwar history, the second returning 413 Labour MPs to 166 Conservatives and 52 Liberal Democrats. Even with the UK bogged down in the occupation of Iraq, New Labour looks set to win an unprecedented third term of office in 2005.

The British exception poses three interconnected questions which need to be considered within a comparative, international context. What are the reasons for the stability of Blair's regime? How should the record of New Labour in office be assessed? Where ought the logic of political opposition to it lie?

Blair's unprecedented parliamentary majorities need first to be decoded, for the underlying electoral geography looks rather different. In absolute terms, Labour's popular vote of 10.7 million in 2001 was well down even on the 11.5 million that saw Kinnock defeated in 1992. Fewer than one voter in four (24 per cent of the total electorate) actually marked a cross for Blair's government, while turnout fell from a (then) record low of 71 per cent in 1997 to a mere 59 per cent in 2001.¹ Unrepresented in parliament are the 2.8 million Labour abstentions in Britain's former industrial heartlands—the metropolitan conurbations of Tyne and Wear, Manchester, Merseyside, the West Midlands, Clydeside and South Wales. It was the hard-core Labour vote that stayed at home: whites in the old colliery districts, Asians in the Lancashire inner cities, under-25s in particular. Turnout fell below 44 per cent in the blighted constituencies round the Tyneside shipyards, the bleak Glaswegian council estates and the semi-derelict terraces of Salford and central Leeds; below 35 per cent in the ruined zones of Liverpool's docklands.² Measured in terms of working-class disenfranchisement, the Americanization of British politics has accelerated dramatically under New Labour, to abstention levels worthy of the US itself.

¹ Even in 1997, a scant 30.9 per cent of the total electorate voted New Labour. The 13.5 million ballots that made up Blair's first 'landslide' compare poorly to the 14 million with which Major scraped back in 1992. See David Butler and Dennis Kavanagh, *The British General Election of 2001*, London 2002.

² Social realities hard to square with Ferdinand Mount's claim that the electorate was too happy to vote: *Times Literary Supplement*, 15 June 2001.

Blair's massive majorities, then, have been the product not of voter enthusiasm but of a winner-takes-all electoral system, which has luridly distorted one of the most striking events in current British politics—the collapse of the Conservatives, the country's historic party of government. For if New Labour's support has been weak, the Tory vote has crashed: from a respectable 14 million in 1992, to 9.6 million in 1997, to a mere 8.3 million in 2001. In all the major urban centres, the new Middle England that was Thatcher's dream—non-unionized, service-sector owner-occupiers—has abandoned her party, either voting Labour or staying at home. The Conservatives retain only two seats out of 23 in Inner London; one of 25 in Greater Manchester; none in the urban Merseyside or Tyne and Wear regions.³ They have been virtually banished from the Celtic periphery, with a single seat in Scotland, none in Wales. Their current 166 MPs are returned largely from the Tory heartlands, the shires and southern suburbs. Nowhere else in Europe has a governmental party of the Right undergone such a fall. It is this debacle that has been the precondition for the past seven years of New Labour's uncontested rule—its weightless hegemony.

Decline and its solutions

Behind this role reversal in the political system lie the social and economic changes wrought by two decades of full-tilt neoliberal reform. Historically, the roots of Conservative dominance can be traced to the peculiar configuration of English capital as it emerged in the seventeenth and eighteenth centuries, when a landed aristocracy, undergirded by a wealthy, London-based merchant layer, became Europe's premier capitalist class and commander of an expanding overseas empire. The northern industrial manufacturers, coming into their own during the very decades when property-owning England froze at the spectre of revolution across the Channel, sought not to challenge this landowner-led bloc but to join its ranks. The capitalist-aristocracy's state—the sovereign crown-in-parliament at its core—was preserved in all its archaic essentials down to the end of the nineteenth century, accumulating an increasingly powerful array of hegemonic institutions: Crown and Dominions, Whitehall and Westminster, the City, law courts and armed services, universities and public schools. It proved fully capable of

³ The only exception was the Dagenham–Barking area of South Essex, which saw a 5.9 swing to the Conservatives.

absorbing the impact of universal suffrage. Consistent with the internal logic of this established order, it was the Conservatives, with their resolutely imperial and landed background, rather than the Liberals, more closely linked to towns and industry, that emerged as the unitary party of capital necessitated by the first-past-the-post system, once the working class had achieved its own representation with the birth of Labour. Masters of the national statecraft, the Conservatives were, for most of the twentieth century, the natural political voice of the Establishment.

By the 1960s this hegemonic bloc had presided, with brief Labour interludes, over nearly a century of decline from Britain's imperial zenith. The 'audit' of the Second World War had revealed a creaking and outmoded manufacturing base, archaized through lack of investment, while the City, with Bank of England and Treasury support, sought higher returns abroad. Lend-Lease locked the UK into propitiatory debt dependence on Washington. For a decade or more after 1945 the extent of the slippage was masked, as the slow rebuilding of war-shattered economies in Europe and Japan allowed Britain to bask in relative superiority, while Churchill fought to cling on to the remains of empire. Elsewhere, old elites were destroyed and renewed in the fires of war and US occupation; here the traditional order, propped up by victory, continued to preside. Finally in the 1960s with the colonies all but gone and the new challenge of the European Community on the horizon, the symptoms of stagnation became impossible to ignore.

Four attempts at modernization followed over the next fifteen years, united in their assault on organized labour. Politically limited compared to its Continental equivalents, the British trade-union movement possessed a toughness and cultural cohesion within the UK's entrenched industrial class system that gave it a strong say in determining shop-floor working practice. Wilson's 'In Place of Strife'—trading a curtailment of union rights for a say in 'white-heat' technological and corporate developments—failed to win the support of his own party. After 1970, Heath's Selsdon Park strategy—EEC entry, plus fiscal stimulus and a crack-down on organized labour—ran into intransigent trade-union opposition. The Labour government returned in 1974 again targeted the unions as principal cause of unemployment and inflation, and pioneered—in an advanced country—the IMF's restructuring programme. Callaghan's spending cuts devastated the lowest-paid public-sector workers; their defiance, and the backlash against it, restored the Tories to power.

Finally, with Thatcher, modernization was executed with a vengeance. Unemployment was coldly held above three million for a decade while the Conservatives pushed through a breakneck programme of social re-engineering that crushed union resistance, deregulated financial services, and privatized public utilities and council flats to create a new mass layer of small investors and owner-occupiers. With the exception of the defence industry—where ‘British jobs’ remained precious—manufacturing was left to twist in the wind. This was finance capital’s solution.

Marketizing the establishment

But to effect such changes involved an ideological onslaught not only against trade unionists and national utilities but the civil service, universities, BBC—in the end, against the whole Establishment ethos of public service, class deference and cultural distinction upon which the Conservatives’ political hegemony itself had for so long been based. Thatcher preserved the traditional institutions of the *ancien régime* but her assault drained them of legitimacy. The logic inevitably made itself felt within her own party. The grandees who, under the old class-command system, held sway over strategic policy and leadership decisions, loyally supported by a middle-class base, were now supplanted by more combative, petty-bourgeois and *nouveau riche* layers, closer in ideological terms to Poujadism than to the high Tory tradition. The Conservative Party fell victim to its own success.

Given a battery-charging spell in opposition after Thatcher’s dispatch, a pragmatic Conservative leadership—Clarke, Patten, Heseltine, Hurd—might conceivably have forged a working consensus over European monetary and political union, though the Maastricht Treaty would inevitably have been a traumatic moment for the party of empire. Counterfactually, Labour would then have been left to manage the 1992 Black Wednesday fallout that resulted from Lawson locking an over-valued pound into the Exchange Rate Mechanism. But Labour’s fiasco under Kinnock in 1992 kept Major in power. The internal crisis of Conservatism exploded with the party still in office, as Eurosceptic Cabinet factions rebelled against Major over Maastricht.

The pragmatism of the traditional Conservative elite was largely eclipsed by this new layer after the electoral defeat of 1997, divorcing the party from the interests of the City and multinationals. The downward

sociological spiral was given a further twist in 1998 by a party constitution that gave the hitherto powerless members of local Constituency Associations—average age, 62; most are country dwellers—the right to elect the Conservative leader. The result was the rejection of credible national politicians in favour of Iain Duncan Smith, a strutting clown incapable of landing a single parliamentary blow on Blair, despite the government's difficulties in Iraq. Finally in October 2003, following humiliating defeat in a London by-election, Central Office apparatchiks prompted a backbench coup, denying the Party membership their lethal ballot. That today Michael Howard—reviled during his time as Home Secretary in the 1990s—should be hailed as a saviour of the party, is itself a measure of the depths of the Conservative crisis.

The consolidators

Entering office in 1997, New Labour were heirs to a social landscape transformed by Thatcherism. In the City, the industrial-scale architecture of the deregulated financial companies dwarfed the toy-town remnants of gentlemanly capitalism. Suburban infill had spread across southern England. Silicon and pharmaceutical firms, funded by Japanese and American capital, sprouted along the M4 corridor southwest from London and Reading. Terraced streets in the old textile towns stood boarded up; iron and steelworks had been ploughed to rubble. Eminently successful as a transfer of class wealth and power, Thatcherite modernization had fallen manifestly short as a solution to long-term problems of productivity and investment. Many of the cash-starved utilities had foundered in private hands. Schools and hospitals continued to deteriorate. Railway privatization proved a disaster.

From the start, however, New Labour was pledged to consolidate the Thatcherite paradigm rather than create a new model. Its charter statement, *The Blair Revolution*, displayed an awestruck respect for her achievements. At the Treasury, Brown would aim for fiscal-surplus levels usually only demanded of the Third World, to be ameliorated by a few low-cost anti-poverty measures. On constitutional change, 'steady, piecemeal reform' was in order. The criminal-justice system would be toughened to increase the likelihood of conviction. On Europe, disdaining Tory 'neoliberalism in one country', New Labour would advance the free-market programme across the Continent. Any moves towards an autonomous federal bloc, centred round France and a

reunified Germany, would be thwarted through unwieldy EU enlargement and constitutional insistence on intergovernmental mechanisms. A London–Paris–Bonn/Berlin axis would ensure that European military expansion was locked, through NATO, behind US leadership.⁴ On defence Blair pledged: ‘Yes, I would push the nuclear button’. The Shadow Cabinet was whipped to produce unanimous support for Clinton and Major’s September 1996 air strikes on Iraq.⁵ Although New Labour’s social-democratic supporters have not ceased to hope that the government will see the light and turn to policies of social redistribution, the leadership has never given them grounds for such illusions. The programme for the bellicose, vehemently neoliberal entity that Blairite Britain would become was largely laid out in advance. As New Labour enters its eighth year in office, what have been the results?

Sustaining growth

On the economic front, Clarke and Major had already nursed recovery from the two-year recession that ended the Thatcher–Lawson boom. From 1993, when sterling’s low valuation following ejection from the ERM helped lift exports, growth rates began to revive. By 1995, Major could boast the lowest inflation and highest growth and employment figures in the EU. The finance bubble initially pumped by the Federal Reserve’s interest rate rises that year sent the London Stock Market soaring. In the City, brokerage fees and commissions in foreign-exchange, insurance and financial markets rocketed. Deregulation, low labour costs and a world language had made the UK the most inviting port of entry for foreign capital to the European Single Market. From 1996 the pound began to strengthen along with the rising dollar, benefiting from uncertainties over the coming euro. Import prices fell, and house values began to surge again. Employment rates rose, with the strong growth of the service sector—hairdressers, coffee shops, garden centres, retail outlets. Generous tax-breaks on equity-based accounts lured small savers into the stock market. Household debt took off, and the UK began to experience its own provincial version of the imperial bubble.

⁴ Peter Mandelson and Roger Liddle, *The Blair Revolution*, London 1996, pp. 82–3, 29, 210, 240, 164–175; Britain’s role in bringing labour flexibility, deregulation and downward tax competition to Europe is enthusiastically reiterated in Gordon Brown, ‘Economics vs Dogma’, *Wall Street Journal*, 28 May 2003.

⁵ John Kampfner, *Blair’s Wars*, London 2003, pp. 5, 21.

New Labour was thus presented with a consolidated four-year expansion. The party's most substantial boast is that it has efficiently husbanded the same trends forward. GDP growth averaged a respectable 2.4 per cent between 1997 and 2002, if somewhat down from the 3.2 per cent of the previous five years. With poorer ICT investment in the 1990s, the UK has suffered less fallout from the post-2000 collapse in that sector than the United States. Days lost in strikes have fallen from 27 million in 1984, through an annual average of 620,000 under Major, to a record annual low of 368,000 during Labour's first term. The credit boom has taken employment rates to historic highs, even if only 40 per cent of Britain's workforce are in tenured, full-time jobs. Crucially, for the regime's opinion-poll ratings, personal consumption has grown at an average 5.7 per cent between 1998 and 2003—albeit still based on soaring household debt, shored up by rising house prices.

For some observers, Britain has now entered a new 'post-decline' era of economic buoyancy, with growth rates higher and unemployment lower than the major Eurozone countries.⁶ On this view, globalization plus neo-liberal policies have turned the UK's traditional financial and commercial bias to advantage, making it the ideal offshore servicing platform for international capital; deindustrialization will bring the final quietus to stagnant manufacturing. But many of the underlying contours of British decline still persist. GDP growth since 1997 has largely been dependent on an expanding workforce, particularly in the low-skilled sector, and longer hours worked, rather than rising output per worker hour. Across the economy as a whole, productivity levels are still low by G7 standards. Investment has lagged, especially in ICT, where the paucity of funds has generally been attributed to poor skill levels and depressed R&D spending. Overall, the UK ratio of capital per hour worked ranks among the lowest in the EU.⁷ Meanwhile, the country's historic infrastructural backlog has not been solved by privatization. The railway network is plagued by breakdowns and fatalities, with the same recipes poised to

⁶ Andrew Gamble, 'Theories and Explanations of British Decline' in Richard English and Michael Kenny, eds, *Rethinking British Decline*, Basingstoke 2000. Such prognoses are not new. Around 1987, at the height of the Lawson boom, the pages of the financial press and even learned journals rhapsodized on the UK renaissance.

⁷ Stephen Nickell, 'The Assessment: The Economic Record of the Labour Government since 1997', *Oxford Review of Economic Policy*, vol. 18, no. 2, 2002 (henceforward *oxREP*, 2002); Mary O'Mahoney, 'Productivity and Convergence in the EU', *National Institute Economic Review*, 180, April 2002.

yield equally dire results on the London Underground. The Blair–Brown shibboleth of 30-year contracts for ‘private finance initiatives’ to fund capital developments in transport, energy, hospitals and schools locks those services into huge repayments to corporations for decades ahead.

Gross transfers to the rich from the poor have continued under New Labour. Indirect taxes, though they have fallen slightly following the mass protests against fuel prices in 2000, are still higher than in Thatcher’s day. Brown’s tax credits for low-paid parents and pensioners—garnering much praise from left-liberal commentators for giving the poorest decile an extra £15 a week—have been offset by larger changes in underlying income distribution; according to one recent analysis, ‘the overall pattern of inequality is little changed, remaining at historically high levels’.⁸ The minimum wage, at £8,736 per year, is set below labour-market rates for most of the country; the Tories are pledged to retain it.⁹ Wage differentials and the gender pay gap have widened during Labour’s second term, and the UK Gini coefficient has continued on the upward trajectory it has followed since 1979.

Other social indicators are equally bleak. Literacy levels have now fallen below those of the United States—let alone the EU. Pupil–teacher ratios still lag substantially behind eurozone levels. Since 1997, teachers’ pay has slipped by 9 per cent (for men) and 11 per cent (for women) down their respective relative-pay ladders. New Labour’s response to the ensuing shortages has been the employment of still lower-paid, lower-skilled ‘classroom assistants’.¹⁰ Health spending, too, remains so far behind European levels that even if projected increases—currently under threat—go through, British expenditure, at 8.7 per cent of GDP, will still be well below the expected West European average of 10.7 per cent. Waiting times in Accident and Emergency departments are now longer than when New Labour came to power. The number of doctors per 1,000 of population is currently 1 in the UK, compared to 2.7 in the

⁸ Tom Clark et al, ‘Taxes and Transfers 1997–2001’, *OXREP*, 2002, p. 198.

⁹ The minimum wage is set at £4.20 per hour (August 2003) and inapplicable to under-21s. Claims that over 1 million workers ‘have benefited’ from its introduction are overstated; rather, ‘would be in a position to benefit if they were able to take their employer to a tribunal’. See *National Minimum Wage: Report of the Low Pay Commission*, April 2003, pp. 14, 22–3.

¹⁰ *Statistics of Education: Class Sizes and Pupil Teacher Ratios*, Dept for Education and Skills, February 2003, pp. 12, 18. Literacy levels measured by percentage of the population on the bottom two, of five, gradations of reading and writing ability.

United States, 3 in France and 3.4 in Germany. New Labour's per capita recruitment targets for doctors and nurses, even if projected through to 2024, still fall below the average that the EU achieved in 1997. Blair's private-finance programme for selected foundation hospitals looks set to increase inequality—via marketization—within the overall dearth.¹¹

New Labour statecraft

More than its economic and social policies, it was New Labour's constitutional proposals that caused most excitement among its well-wishers before 1997. The hope was that the modest measures on offer might catalyse a dynamic which, reinforced by European integration, could challenge the fictions of Crown-in-Parliament—even, in wilder imaginations, the monarchy itself. Once again, the 'Blair Revolution' has delivered its promise: piecemeal reforms. Peripheral devolution—affecting some 13.5 per cent of the population—has been made fact. The Callaghan government had been toppled for renegeing on its promise of a regional assembly in Edinburgh. From John Smith's time, New Labour was pledged to be more canny. An element of proportional representation has allowed the Scottish Parliament, established in 1999, to represent a slightly wider span of opinion than permitted at Westminster, with a handful of Socialists and Greens. But its limited powers and the stranglehold of a Labour–Lib Dem pact keeps Holyrood a relay for English policies—one reason for a 2003 turnout of under 50 per cent, the lowest north of the border since 1852.¹² In Wales, where high unemployment levels add bitterness to complaints about the multi-million pound new Assembly building in Cardiff, turnout last year scraped 38 per cent to return a scant Labour majority. In Northern Ireland, Blair has worked assiduously for the success of the American-initiated peace process begun under Major; one genuine, if limited, achievement has been the reduction of sectarian killings there.¹³

¹¹ Julian Le Grand, 'The Labour Government and the National Health Service', *OXREP*, 2002; Audit Commission, *Acute Hospital Portfolio*, London 2001, p. 141. For a powerful critique of New Labour's PPP and PFI programmes for the NHS and beyond, see Colin Leys, *Market-Driven Politics*, London 2001, pp. 177–202; Alysson Pollock et al, 'Public Services and the Private Sector', Catalyst Working Paper, 2001.

¹² *Guardian*, 3 May 2003.

¹³ Though the most striking victory over sectarianism was achieved, according to one participant, on 15 February 2003, when tens of thousands from both communities marched shoulder to shoulder, while banners proclaimed 'ULSTER SAYS NO—to war'.

But partial democratization at the periphery has been accompanied by an unprecedented tightening of power at the centre—of far greater moment for the UK state as a whole. Thatcher may have stripped Establishment institutions of much of their charisma but she took care to leave them formally intact. For Blair too, *ancien régime* flummery and patronage—albeit reduced to pastiche—plus sovereign-parliament freedom from checks and balances, have proved the perfect shell for neoliberal statecraft.¹⁴ There was never any question of electing—or even appointing—a Constituent Assembly. The mooted referendum on proportional representation was kicked into the long grass, once the 1997 election results came in. The feudal upper chamber has been cynically recast as a well-upholstered arena for official appointees, head-hunted via an accountancy firm, Pricewaterhouse Coopers. Mass royalist spectacles have been avidly seized—or staged—as photo opportunities for the Prime Minister.

Meanwhile, the Blair government has institutionalized an authoritarian concentration of control within Downing Street itself quite new to the UK system. Thatcher's governments always included substantial, independent-minded figures—Gilmour, Carrington, Heseltine, Lawson, Howe—whose clashes with her punctuated the 1980s; Major's were notoriously fractious. Genuine Cabinet debate came to an abrupt end with New Labour. On the very morrow of the 1997 victory, Brown and Blair scornfully dismissed their top civil servant's suggestion that the Cabinet should at least be informed that interest rates would henceforth be set by the Bank of England. 'They'll agree', the Prime Minister is reported to have said.¹⁵ Blair has installed a private staff vastly bigger than Major's, not counting the seedy new-age entourage of the First Lady. The Hutton inquiry permitted a glimpse into this swarm of 'special advisers', pliant security heads and tabloid-trained factotums in Downing Street, bustling feverishly to do their leader's will in whatever murky operation is to hand.¹⁶ The moral atmosphere—reminiscent of

¹⁴ See Tom Nairn, *Pariah*, London 2002, *passim*.

¹⁵ Andrew Rawnsley, *Servants of the People*, p. 33. It was considered a novelty worthy of front-page reports and approving editorials when, in May 2003, after six years of New Labour government, the Cabinet was summoned for its first discussion on whether Britain should join the euro.

¹⁶ Reinforced in June 2001 by a contingent brought in from the late-Cold War British Embassy in Moscow, including David Manning—strongly backed by Michael Levy, Blair's fundraiser and special envoy to the Middle East—as *de facto* national security adviser and opposite number to Condoleezza Rice; Francis Richards at GCHQ; John Scarlett as head of the Joint Intelligence Committee.

Nixon's Oval Office—was exemplified in Blair's nervous-obsessive drive to force an unreliable underling out into the open, without exposing himself: 'TB said he didn't want to push the system too far'.¹⁷

Toughness issues

At the Home Office, Blunkett has surpassed his Draconian Tory predecessors in pandering to prejudice on criminal-justice and immigration issues, and shifting power from the judiciary to the executive on sentencing policy. The new Criminal Justice Bill will not only limit the right to trial by jury and remove the rule against double jeopardy, but increase obstacles to the admission of defence evidence, expand police powers to stop and search, and extend possibilities of detention without charge. In its Asylum and Immigration Acts of 1999 and 2002, New Labour has instituted cruelties—the voucher system; 'dispersal'; total employment ban—from which even Howard drew back.¹⁸ Blair's own thoughts on these 'touchstone issues', revealed in private memos leaked to *The Times* in July 2000, provide an insight into the ambition, vanity and hypertension of the 1980s lawyer behind the mask (described, even by his political uncle Roy Jenkins, as a second-rate mind). In these hand-written documents, the Prime Minister expounds on the need to combine:

'on your side' issues with toughness and standing up for Britain . . . We need a thoroughly worked out strategy to regain the initiative in this area . . . This should be done soon and I, personally, should be associated with it.

Asylum and crime. These may appear unlinked to patriotism but they are: partly because they are toughness issues; partly because they reach deep into British instincts.

¹⁷ From the diary of Blair's Director of Communications, Alastair Campbell, as presented to the Inquiry. See www.the-hutton-inquiry.org.uk for a bulging cache of Downing Street documents discussing how best to present vague or unsubstantiated intelligence on Iraqi WMD as a case for war. The Hutton Report on the events that led to the death of the former UNSCOM inspector, David Kelly, who spoke too openly about Number Ten's manipulation of the '45-minutes' claim, is due to be published in January 2004.

¹⁸ For an excellent account see John Upton, 'Feasting on Power', *London Review of Books*, 10 July 2003. New Labour has also surpassed the Conservatives in its support for reactionary local Hindu and Muslim currents on education issues. The blend of multicultural piety and neo-imperial ruthlessness was memorably encapsulated by a Blair aide in December 1998: 'We were going to have real difficulties squeezing in enough bombing time before Ramadan'. Kampfner, *Blair's Wars*, p. 31.

On crime, we need to highlight tough measures: compulsory tests for drugs before bail; the *PIU* report on confiscation of assets; the extra number of burglars jailed under ‘three strikes and you’re out’. On asylum, we need to be highlighting removals.¹⁹

Party of war

In its essentials, New Labour’s diplomatic policy has been a continuation of the UK’s standard post-Suez stance: no longer a power, Britain could still be an ‘influence’ on Washington, most effectively by brokering interests between Europe and the us. But the post-Cold War global context has added a new twist, a ratcheting up of American demands. Under New Labour, London has been pledged both to fight for neo-liberal deregulation throughout the EU and to keep Europe rallied behind the us, militarily and diplomatically, even with the Soviet threat gone. The organic links between domestic and foreign policy have been clear enough. If a globalized free market was—in the slack Las Vegas-speak of Third Way theorists—the only game in town, the us was its only marshal. City and multinational interests had every reason to support a superpower that carried a big stick, if it was used to reinforce the unfettered freedom of finance capital and the marketization of public assets around the globe.

Historically Labour’s leaders, less burdened by ideals of nation and empire, have often proved more eagerly subservient to Washington than the Conservatives. Attlee, informed by his ambassador that the Americans would ‘test the quality of the partnership by our attitude to the notion of a token ground force’, had no hesitation in splitting his Cabinet and purloining NHS funds to rearm for Korea.²⁰ Eden, in contrast, defied the White House with Suez. Wilson applauded Vietnam (though he balked at the token force) while Heath—alone of postwar prime ministers—never went to Washington and refused us demands for the use of British bases during the Yom Kippur War. Even Thatcher,

¹⁹ ‘Touchstone Issues’: memoranda from ‘TB’ of December 1999 and April 2000, *The Times*, 16 and 27 July 2000. The shallowness of the Blair persona was sharply exposed in the panic that erupted in July 2003 when, his key advisors—in this instance, Alastair Campbell, Sally Morgan and Jonathan Powell—having judged him capable of managing a business-promotion tour of the Far East on his own, the Prime Minister was stranded without his entourage as news of Kelly’s death came through.

²⁰ Alex Danchev, *Oliver Franks, Founding Father*, Oxford 1993, p. 126.

Atlanticist to the hilt, expressed her anger over the invasion of Grenada. Major and Hurd were openly dubious about US policy in Yugoslavia in the mid-1990s; Paris was much closer to Washington than London was, at that point. Nonetheless, Blair's vow to Clinton—'Whither thou goest, I will go'—has given Labour's thralldom a new twist.

Under Clinton, national-security doctrine had already evolved towards 'the dramatic escalation of the use of military force to settle other countries' domestic conflicts', as a means to refashion the inherited international order.²¹ As Albright famously put it: 'What's the point of having the world's greatest military force if you don't use it?' Iraq—already effectively partitioned, sanctioned, subject to intimidatory USAF overflights—was the key Middle Eastern target. Clinton signed off on regime change in 1998, providing New Labour's first chance to prove its loyalty. Between the onset of Operation Desert Fox in December 1998 and the summer of 2000, USAF and RAF aircraft pounded Iraq with around 400 tons of ordnance, firing over 1,100 missiles in the first eight months alone. The UK, according to Defence Secretary Geoff Hoon, was responsible for around one fifth of these.²² The bombing of Iraq continued throughout the final act of the dismemberment of Yugoslavia.

Here New Labour once again proved more aggressive than its Conservative predecessor and displayed far greater disregard for international law. NATO's 78-day aerial bombardment of Yugoslavia was in clear breach of the doctrine of national sovereignty and coolly bypassed the UN Security Council. Blair now emerged as even more hawkish than the White House, pressing for ground troops as well as air attacks. Downing Street's top PR talents were dispatched to NATO HQ in Brussels, where Campbell and Hoon competed with Bernard Kouchner to elevate 'genocides' into 'holocausts'. Blair's particular advantage over other middle-ranking world leaders, his advisers believed, was his ability to reassure Americans about the nobility of their imperial mission. His speech to Chicago bankers on the occasion of NATO's fiftieth anniversary—justifying pre-emptive military strikes and long-term land occupations by US-led forces—assured his audience that, under this newly minted 'doctrine of the international community', such actions

²¹ 'Changing Our Ways: America's Role in the New World', Carnegie Foundation, 1992.

²² *Hansard*, 24 May 2000; *New York Times*, 13 August 1999; see also Tariq Ali, 'Throttling Iraq', NLR 5, September–October 2000.

could be guided by ‘a more subtle blend of mutual self-interest and moral purpose’.²³

The transition from Clinton to Bush may have called for some psychological adjustments in Downing Street—where aides had been boasting in October 2000 that Gore’s team was showing them how to win the next election—but it required no shift in diplomatic policy. London’s strategic rationale was still that of influence with the White House. After September 11, Blair once again pulled out every rhetorical stop for the war on terror. Britain was America’s closest aide-de-camp as Operation Enduring Freedom rolled across Afghanistan. By the spring of 2002, Brown had already set aside a war-chest of £3 billion to prepare a 40,000 strong British invasion force for the conquest of Iraq.

The confection of weapons intelligence had started even earlier, with the UK once again taking pole position in circulating WMD ‘evidence’, with ever-lower standards set. The faked faxes allegedly from Niger government officials detailing sales of yellowcake uranium to Iraq were, according to IAEA specialists, ‘depressingly bad’.²⁴ In September 2002, launching his dossier ‘Iraq’s Weapons of Mass Destruction’, Blair announced to the House of Commons: ‘The WMD programme is up and running . . . [Saddam Hussein] has existing and active military plans for the use of chemical and biological weapons, which could be activated within 45 minutes’.²⁵ A second UK dossier, commended by Colin Powell to the UN in February 2003—‘I would call my colleagues’ attention to the fine paper that the United Kingdom distributed yesterday which describes in exquisite detail Iraqi deception activities’—famously included material downloaded from the web that recycled 12-year-old evidence, with no reference to dates.

Had the invasion of Iraq met with no stronger response than sullen passivity, Blair’s trumped up *casus belli* and forged WMD dossiers would no doubt have been forgotten. As it is, from May 2003 onwards the tough local resistance to the occupation has begun to produce a reckoning in the UK, although typically displaced from political realities. Little stress has been put by the British media on the Blair government’s

²³ ‘Doctrine of the International Community’, speech to the Economic Club, Chicago, 23 April 1999.

²⁴ Seymour Hersh, *Prospect*, June 2003.

²⁵ *Hansard*, 24 September 2002.

responsibility for the numberless Iraqis killed or injured during the heavy preliminary bombing and land invasion; or for those shot at road-blocks, on demonstrations, or in their homes; for the thousands of prisoners, held without trial, hooded and handcuffed Israeli-fashion; for the shops and houses bulldozed in reprisal, as in Jenin; for the inferno of social breakdown and destruction of material infrastructure that has accompanied the Anglo-American occupation. Instead, UK attention has centred almost entirely on the apparent suicide of a British toxic-weapons specialist from UNSCOM—thoroughly colonized, under Rolf Ekeus, by the CIA and MI6. The Hutton Inquiry, however revealing, has also served to keep thoughts focused on local backstabbing, so accounts can be settled without calling into question the continuing neo-imperialist occupation of Mesopotamia and the British role there. Such matters are for Washington to decide.

Disputes in Europe

Part of New Labour's initial appeal to liberal sentiment rested on its promise to 'take Britain into the heart of Europe', breaking with Tory xenophobia and chauvinism to pursue a more positive engagement with the Continent. This is the one element in its original set of promises that has been largely discarded. To the satisfaction of Murdoch and large sections of the City, the UK remains outside the Eurozone. No referendum on the single currency is in sight. Schengen rules do not apply. Brown has been leading a hard fight for free-market nostrums within the economic provisions of the draft European constitution; the UK's anti-federal demands are already inscribed in the decision-making process. The eastward sprawl of the EU, strongly backed by Washington, had always promised the fatal disablement of any unified assertion of European power. In dividing New Europe from Old over Iraq, the US has now cracked that project across the skull, with London's help. Under Blair and Brown's watch, Britain has quarrelled more bitterly with France and Germany than at any time since the Second World War.

But, as predicted in these pages, now that Iraq has for the moment been battered down, London is hastening to mend fences with Paris and Berlin, and they with the White House.²⁶ Chirac and Schroeder lose no chance to proclaim how much their respective armed forces are contributing to NATO operations in the Balkans and Afghanistan. Blair has gone

²⁶ See Tariq Ali, 'Recolonizing Iraq', NLR 21, May–June 2003, p. 17.

as far as he dare in support of a convincing European Defence Force. The heart flutter that saw him briefly hospitalized in October 2003 came immediately after Washington had banged the table over the necessity of NATO leadership for any such corps.

The Blair cult and its acolytes

The nature and extent of Thatcher's hegemony was hotly debated during the 1980s but it was always clear that a majority of the intelligentsia—writers, academics, artistic circles, tv programmers at Channel 4 and BBC2—were intransigently hostile to her government. Though it had powerful support from the Murdoch, Black and *Mail* media conglomerates, the Conservative regime was always opposed by the *Guardian*, *Observer* and *Mirror*, and had only qualified approval from the *Financial Times*. The *Independent* and *London Review of Books*, both launched in the 1980s, were antagonistic. Yet there was no automatic pole of political attraction for these liberal or mildly social-democratic layers.²⁷ 'Independence', even if it meant isolation, was a declaration of virtue.

Blair, in contrast, has enjoyed the backing of virtually the entire media lobby.²⁸ The blessings of the Murdoch empire—much courted by New Labour with tv-franchise promises—and of the financial press are logical enough. The *Economist* has explained with particular clarity why Blair is 'the best Conservative prime minister' they could wish for. The adulation he has received from former anti-Thatcherites—while implementing a domestic programme virtually identical to that which they abhorred under her regime, and an overseas one far bloodier—is a more arresting phenomenon. In a crowded market, critical front-page headlines will always sell more papers. But inside, a swathe of centre-left opinion makers have toiled to articulate a Blairite common sense over the last seven years—swinging, sometimes within the same column, from high-church pomposity to louche understanding, in their attempts to square the normal expectations of left-liberal conscience with a policy

²⁷ If anything, the majority were closest in outlook to the pro-Europe, anti-union SDP, which split from the right of Labour in the early 1980s and ended up in alliance with the Liberal Democrats.

²⁸ In the 2001 election this included the whole Murdoch stable: *The Times*, *Sun* and their Sunday editions; the *Economist* and *Financial Times* (which had switched, somewhat gingerly, as early as 1992); *Independent*, *Guardian*, *Express* and *Mirror*. The *Daily Mail* stayed silent. Only the *Telegraph* supported the Conservatives.

agenda that systematically overrides them; in the process, saturating the political semiosphere with a fog of apologia.

No postwar prime minister has ever been hailed with the eulogies that greeted Blair after the May 1997 elections. His 'principles and objectives, a mix of hard-headed idealism, deserve the trust the country has so massively placed in him', Hugo Young told *Guardian* readers; Blair had 'the most personal vision, pursued with the most single-minded courage, that any modern leader has shown'. Polly Toynbee in the *Independent* described a citizenry 'bowled over' by Blair's speeches on tv: 'men and women said they'd wept. They believe in his humility, his emotion, his radical passion.' For Euan Ferguson in the *Observer*, Blair 'had pulled off a stunning, apocalyptic victory'; he was 'the only man with the courage, foresight and determination to bring an end to the most venal and mendacious government this century . . . No cynical opportunist he, no lover of soundbites for their own sake. New Britain? Fairness not favours? These are Blair's own words, his own beliefs.'²⁹

The Blair cult, replete with talk about 'grown-up politics' and 'Britain being comfortable with itself', has been a novel departure for London's liberal intelligentsia, which traditionally prided itself on a certain dryness and distance of tone. From the outset worries about corruption, for which Major's ministers had been pilloried, were waved aside. Disquiet when Formula One motor racing was exempted from a tobacco-advertising ban—following a £1 million donation to New Labour from the sport's chairman, Bernie Ecclestone, over which both Brown and Blair lied to the press—was assuaged the instant Blair declared on tv that he was a 'pretty straight sort of guy'. Peter Mandelson's six-figure loan from the offshore account of the man about to be appointed Paymaster General evinced from Hugo Young the comment: 'If moral perfection is the standard, soon there will be no leaders left'. Francis Wheen found it 'difficult to see what uniquely vile offence Mandelson committed' in intervening at the Home Office to speed a British passport for Srichand Hinduja—on the run from criminal corruption charges over the Bofors arms deal in India, but nevertheless donor of £3 million to the Millennium Dome's Faith Zone. Polly Toynbee was driven to demand 'Who lives without often economizing with the truth?' as Cherie Blair

²⁹ Young, *Guardian*, 2 May 1997; Toynbee, *Independent*, 3 May 1997; Ferguson, *Observer*, 4 May 1997. The FT confined itself to an editorial purr over the rise of UK gilts and equities with the election results.

overrode ministerial regulations on investment, used Downing Street notepaper to secure a property deal and put pressure on the Home Office over the deportation of her personal style-guru's lover.³⁰

Spellbound

The fervour of the Blair cult intensified with the drumbeat of war. In Kosovo, 'It was a British Christian whom Albanian Muslims thanked for their salvation', Andrew Rawnsley sermonized for the *Observer*. While in Afghanistan: 'The last few weeks have been an opportunity to display many of his best qualities as a man and leader. There's little question that he has risen to the challenge quite magnificently'. The *Economist* concurred: 'He is grave, not grandiloquent. He is often sincerely moved. This emotional fluency is a wonderful gift in politics, especially at times of war'.³¹ 'Blair's undeviating allegiance to Washington is justified', wrote Young, as cluster bombs and daisy-cutters rained down on Afghan villages. For David Marquand, his conduct was 'impeccable', showing that 'a British prime minister with the right mixture of courage, grace and forensic skill could play a significant, outward-looking internationalist geopolitical role'. Neither the extension of American military bases across Central Asia nor the blithe disregard of the UN raised a scruple in this instance. In joining the assault on Kabul, the *Guardian* assured its readers, Blair 'did something big and right'.³²

It was only with the approach of a full-scale Anglo-American invasion of Iraq that Blair's liberal following began to balk. Many rediscovered their admiration for the sanctions-and-bombing regime of Operation Desert Fox as the countdown to war began, and peace demonstrations filled the streets of Europe and the US. Nevertheless—even as she lamented his alliance with the unsuitable Bush—Toynbee in the *Guardian* could declare Blair's presentation of the confected dossier on WMD to the House of Commons, in September 2002, 'a bravura performance, spellbinding in its quiet solemnity, reasoning the arguments one by one'. In general, the more unconvinced liberal commentators pronounced themselves

³⁰ Respectively: *On the Record*, BBC 1, 16 November 1997; *Guardian*, 29 December 1998; *Guardian*, 30 and 31 January 2001.

³¹ Rawnsley, *Servants of the People*, p. 291; Rawnsley, *Observer*, 7 October 2001; *Economist*, 20 September 2001.

³² Marquand, 'The Liberal Nation', *Prospect*, March 2002. *Guardian*, 30 October 2001; the *Daily Telegraph* hailed 'Blair's finest hour'.

by Blair's case, the more adulatory they became. 'An impassioned and impressive speech which may give future generations an inkling of how, when so many of his own party opposed his policy, Tony Blair nevertheless managed to retain their respect and support', was the *Guardian's* editorial opinion on 19 March 2003; adding, on 14 April, 'In ways that Bush never could, he provided a high-minded tone to the drive to war'.

Critics of his Iraq policy in the *London Review of Books* could still find Blair 'the most successful politician of his generation', 'unusually and sincerely devoted to international law', 'the democratic statesman par excellence', endowed with a 'very attractive' bonhomie, who had done 'the right thing' in Yugoslavia, and showed 'real passion' on Iraq, 'performing well' in a 'plausible', even if—in the final resort—wrong-headed cause: '*au fond* a good thing'.³³ Even the *Independent*, by far the most critical of the broadsheets on Iraq, swung round on the eve of invasion: 'Blair has shown himself in the past few days to be at once the most formidable politician in the country and the right national leader for these deeply uncertain times'. On his death-bed, Hugo Young, after bitterly reproaching the leader he loved for a mistake in Iraq—it was 'time for him to make way for Brown'—still saw the sub-contractor of Basra swathed in mists of greatness:

Tony Blair had such potential. He was a strong leader, a visionary in his way, a figure surpassing all around him. His rhetorical power was unsurpassed, as was the readiness of people to listen to him. He had their trust. He brought credibility back to the political art.³⁴

Prospects

Blair faces more than one *mauvais quart d'heure* at present, but it would take an extreme miscalculation on his part—or more serious health problems—for him not to survive them. Though the Prime Minister's supervision of the decisions that led to Kelly's death is perfectly clear, he

³³ Respectively, Conor Gearty, 'Blair's Folly', 20 February 2003; Ross McKibbin, 'Why Did He Risk It?', 3 April 2003; John Lanchester, 'Unbelievable Blair', 10 July 2003. For a tougher approach see 'Short Cuts' by the paper's consulting editor, John Sturrock: 19 June 2003.

³⁴ *Guardian*, 16 September 2003. A striking exception to all the above was Andreas Whittam Smith in the *Independent*: 'Iraq is Tony Blair's war. He should now do the honourable thing and resign': 29 September 2003.

was carefully shielded from cross-examination at the Hutton Inquiry by the presiding magistrate—whom he had himself selected. The Hutton Report, due in January 2004, is unlikely to do Blair any terminal damage, though it may prove an enjoyable moment for Brown's camp. The British judiciary are not known for rocking the political boat. Nor, in all probability, is Blair seriously at risk from discontent among Labour MPs over the government's latest obeisance to the market, the introduction of differential fees for university education. A party incapable of halting its leader's plunge to war would be quixotic to dismiss him for making one campus costlier than another. After swallowing so many larger toads, why should the backbenches gag at this one? In any case, Blair's eventual departure need not spell the end of New Labour. Brown, his obvious successor, is in some ways more deeply educated in the American ideology than Blair and more avowedly Atlanticist. If his hands are less steeped in blood it is only because they have been so busy at the till. A further lease of power under his redecoration is eminently possible. Responsibility for excesses at home and abroad can be conveniently swept away by a pseudo regime change.

In uniting around Howard, the Conservatives have regained some of the animal spirits necessary for a political party to operate, but they start from an abysmally low electoral base. In addition, they face a tough struggle against increasingly unequal electoral representation. The population drain from Scotland and the North into southern England, and the suburbanization of the countryside, have swollen the number of voters in safe Conservative seats; at the same time, deindustrialization has emptied the old Labour regions. Had they won the same share of the vote as Labour in 2001, the distribution of the Conservative electorate would nevertheless have left them with 140 seats fewer under the first-past-the-post system. To gain an overall majority (of one) in Parliament, the Tories would have to be 11.5 per cent ahead in votes, whereas Labour could be 3.7 behind in votes and still retain control of the House of Commons. Boundary changes are due, but will continue to lag some years behind the demographic tide.³⁵ The cards are still stacked massively against any quick Tory comeback.

³⁵ Butler and Kavanagh, *British General Election 2001*, p. 332. The Conservatives also face a political identity problem. The suggestion floated before Howard's assumption of the leadership, that Clarke might lead a group of pro-Europe, anti-Iraq War Conservative MPs into the Liberal Democrats, would have created a formation clearly to the left of New Labour, though still within the ambit of neoliberal politics.

North Atlantic comparisons

How, then, should New Labour be seen in comparative perspective? It is obvious enough that neo-labourism is a variant of neoliberalism. But the neoliberal revolution has taken two different political routes over the last twenty years. The high road pursued by the pioneers involved all-out class warfare against organized labour, exemplified (in chronological order) by Pinochet, Thatcher and Reagan. In the USSR and Eastern Europe, the collapse of communism allowed a local version of this route, in which social demoralization was such that there was little resistance to crush. By contrast, the low road, taken by perhaps the majority of capitalist democracies, was to institute marketization almost by stealth, keeping clashes with labour as limited, sectoral and de-ideologized as possible, but slowly consolidating a mass social layer with a vocal interest in extending the rights of private property and reducing social protection mechanisms. This has been the route adopted in most of Western Europe, in the larger countries of Latin America—Argentina under Menem and Brazil under Cardoso—and in India, first under Congress and now the BJP.

Over time, combinations of the two have also emerged. France offers an illustration: Juppé attempting the high road in the mid-1990s and being defeated by stiff popular resistance; Jospin taking the low road, with an inconspicuous but steadily advancing programme of privatization; Raffarin then discovering that there now existed a larger social base that would support pension and other changes, against trade-union opposition. Sequences of this kind, increasingly common, indicate a general transformation of the political landscape since the end of the Cold War. Over the last decade, long-standing overlaps between the policies of conservative and liberal, or Christian Democrat and Social Democrat parties—always compatible with quite sharp ideological and political distinctions between them—have tended to fuse into a qualitatively more homogeneous programme. Traditional contrasts have counted for less and less, and conjunctural opportunities—or constraints—weighed more in determining which of the pair could carry the standard of neoliberalism further.

It is still the case, of course, that the two broad fronts maintain differentiated cultural palettes, designed to appeal to distinctive core constituencies as well as attracting unaffiliated layers. The balance of forces

between them will typically be determined by the point that the society in question has reached along the neoliberal spectrum. Viewed in this light, New Labour in Britain occupies a peculiar position that explains much of its success. Across Northern Europe—Scandinavia, Germany, Austria, the Low Countries—trade-union movements have not been defeated in head-on confrontations, and survive as major institutions, if increasingly passive ones. In part as a result, much of the welfare-state provision developed in these countries in the postwar decades has yet to be seriously dismantled. Neither Social Democratic parties nor their Christian Democratic or liberal rivals have been able to do more than trim around the edges, although the direction of change is unmistakable. Here the Dutch have made more headway along the low road than any of their neighbours.

Germany—where the SPD is spearheading a determined attack on the country's traditional social protections of the labour market and retirement—suggests the region may be entering a new stage. But although employers have welcomed Schroeder's Agenda 2010—and his warmer relations with labour leaders may give him a short-term advantage in pushing changes through—capital has no particular preference for Social Democratic parties, either in Germany or throughout Northwest Europe. Their trade-union bases remain distinctly less reassuring than their parliamentary leaderships. Nor, despite the best intentions of their elites, have these parties been transformed ideologically into explicitly pro-capitalist formations, along Anglo-Saxon lines. They cannot yet offer themselves as the most reliable instruments for neoliberal progress. Centre Right alternatives, of which the current Danish regime is the most effective example, often remain a better option. In Germany itself, Christian Democracy—bilked of victory in 2002—has the whip hand in the opinion polls.

In the United States, an opposite situation prevails. There organized labour is so weak, the black and other movements of the oppressed so co-opted or destroyed, the poor so defenceless, that the ideological terrain—shared by both Democrats and Republicans—is well to the right of the scene in Europe. By international standards, the Clinton Administration did sterling service in advancing the neoliberal cause, with an attack on welfare and deregulation of financial markets that Old World governments of the right could only envy; not to mention breakthrough innovations in neo-imperial policing abroad. But in domestic

terms, Clinton simply cleared the road to Bush's 'compassionate conservatism'. Once the Democratic Party and organized labour had been still further purged of New Deal residues, there was no reason for us capital to content itself with Third Ways. The result is a Republican Administration committed to a programme for the corporations and the rich unseen since the days of McKinley.

The British synthesis

Britain, on the other hand, had possessed a strong, if defensive trade-union movement with a relatively cohesive working-class culture. In breaking its resistance to the cutting edge of neoliberalism in the North Atlantic zone, Thatcher made possible cuts in social spending, and transformations of labour and financial markets, without parallel in Europe. But her increasing hostility to the EU, the deepening divisions within Tory ranks under her successor, and evidence of electoral restlessness after nearly two decades of the same regime, gradually diminished the attractions of Conservative rule for the City and British multinational capital at large.

In these conditions, once Blair had completed the institutional transformation of the party begun by Kinnock—subordinating both constituencies and trade unions to the leadership—and turned it around ideologically, New Labour could become a superior option. It could credibly guarantee fresh momentum, uncompromised by the scandals of Major's time, to press ahead with the programme of deregulation and privatization—above all in health, where booming us profits show what fortunes can be reaped;³⁶ but also in university education. At the same time, it could sell all this to its working-class voters, and the popular electorate at large, as a more socially inclusive and concerned system of rule, mitigating the harshness of Thatcherism. Unlike the Conservatives, New Labour also promised the domestication, not just the repression, of a trade-union movement that in numerical terms was still relatively large. It was because Blair had secured the politico-institutional foundation for this formula that he could forge a deal with Murdoch before his election and New Labour seal a pact with big business that has lasted ever since. A precondition of its dominance has been the ground-breaking work of Thatcherism, which has also given

³⁶ See Robert Brenner, 'New Boom or New Bubble?', p. 74 below.

it—when required—a convenient foil to keep its voters and members in line. This has been reinforced by the damage the Thatcherite pioneers wreaked on the Conservative Party itself.

Structurally, it is this mid-way location between the American and North European patterns that has produced the characteristically hybrid culture of Blairism. Macroscopically, the OECD countries do not seem to be moving towards a political re-synchronization of the sort that characterized the 1980s and 90s.³⁷ The war on terror carries little conviction for the masses outside the United States. There seems small chance that the current range of variegated and competing ideologies in the Atlantic zone will suddenly align themselves either behind a neo-conservative model or in a reversion to the Centre Left. Could New Labour, however—especially if handed one ghoulish extension of office after another—point the way to a third possibility: a new hegemonic formula that would be a symbiosis of the two?

In December 2002 Rowan Williams, Blair's new Archbishop of Canterbury, laid out a highly political agenda. Unstoppable processes of globalization had installed a new, essentially consumerist political model: the market state, as described by Philip Bobbitt in his *Shield of Achilles*.³⁸ 'The government is now asking to be judged on its delivery of purchasing power and maximal choice', the Archbishop explained. But if the market state is here to stay, what of its legitimacy? What happens to the things that really matter, 'to social awareness, cumulative experience, growth and learning, in a marketized society'? The UK fuel protests of 2000 were evoked as a warning: work, relationships, schools, family, public life 'can do little' within the context of a rootless social environment. Williams concluded: 'Without the perspective of religion, our whole politics is likely to be in deep trouble'.

Here the neoliberal agenda is reiterated in a soft and caring voice: troubled for our future, for our environment, for our long-term incarcerated; sensitive to the cruelties of social deprivation, to the need for a 'shared world of values'; gay-loving (up to a point); beseeching us to speak to God as we wend our way through the market. Williams also called for the active involvement of organized religion in state-sponsored education

³⁷ See the editorial, 'Testing Formula Two', *NLR* 8, March–April 2001.

³⁸ For an account of the book see Gopal Balakrishnan, 'Algorithms of War', *NLR* 23, September–October 2003.

and social services. Reprinting the piece, in tandem with an interview with Blair on the marketization of the public sector ('twin texts for modern times'), the *Guardian* editorialized: 'Read the interview. Read the lecture. Each . . . is a powerful witness. We should be impressed that we have a premier and a prelate in touch with the real world in which we all must live.'³⁹

The real world that the synthesis of neo-labourism must negotiate includes, of course, the Anglo-American occupation of Iraq. Blair's solidarity with Bush still occasions surprise among his admirers, yet it follows logically from the New Labour formula. It was, after all, the Centre Left in the late 1990s that first forged what could properly be called neoliberal militarism, famously breaking with every previous diplomatic convention to establish the West's right to attack whatever country offended it, on humanitarian grounds of its own choosing—a frontal challenge to the basic precepts of the postwar order never attempted by Reagan or Bush Senior.

Today's Republican Administration has widened the pretexts for preemptive aggression, and wrapped them post 9.11 within a much more belligerent nationalism. But current US policy in the Middle East, with its talk of spreading democratization and women's rights, smells just as much of the Third Way as of the Project for the New American Century. The Bush and Blair regimes are by no means identical. But their alliance is natural—not just because of London's traditions of external fealty to Washington, but because of the internal positions of each within the neoliberal spectrum today. For the same reason, New Labour can never really cold-shoulder the EU as its predecessors did. Its intermediate location between American and European patterns ensures, in a rather

³⁹ Rowan Williams, Dimpleby Lecture 2002 and *Guardian*, 20 December 2002. Bobbitt responded in a letter to the *Guardian* the next day:

If only the great papers in my country had editorials of half such depth and clarity. At a time when the media enjoy greater influence and thus must bear greater responsibilities, it is really heartening to read such an essay. I am glad you are proud of your prime minister and see clearly precisely what struggle he is fighting—largely a struggle for intellectual and moral understanding. I am glad you are proud of your new archbishop and that you dismiss the caricature by which he is sometimes portrayed. At a time of deep confusion and enormous temptation to pander or dismiss, you are trying to see things as they are and describe them unflinchingly. I fear this will not make you very popular, at least in the short run (say, a quarter of a century). Some of your readers will feel betrayed. But you will also have your fans, including, Philip Bobbitt.

different sense from Blair's fond notion, that it will continue to be a 'bridge' between them.

Upshot

What political conclusions follow from this scene? A large section of left opinion in Britain, if now repudiating Blair, still clings to the idea that, whatever its record, New Labour remains a lesser evil which must, in the last resort, be defended at the polls. There are two standard arguments for doing so, each with its own constituency. In intellectual circles—where residual infatuation with Blair has persisted, much as it did with Kennedy in the us, long after the mask of the hero had slipped—a cultural identification is at work. There is a sense that somehow, despite the evidence, New Labour represents a better, more liberal vision of England than that of the New Conservatism. 'Think of all the ways in which the Tories made Britain seem mean-spirited, aggressively materialistic, philistine, corrupt and xenophobic', a contributor to the LRB exhorted its readers.⁴⁰ 'Seem' is the key term. Under New Labour, single-parent benefits can be cut, school buildings sold to private companies, cabinet seats handed out in exchange for home loans, millions taken for passports or advertising franchises, asylum seekers locked in country-of-origin detention camps—but, to this sensibility, it all feels much better. Any remaining doubts can be suppressed by invoking the ghost of Thatcher.

The alternative defence appeals to class rather than culture and is more popular with Labour and trade-union activists. Here the belief is that the soul of True Labour lies slumbering deep within New Labour's brittle carapace. The lived reality of Blair's policies is pushing public-sector workers and others at the sharp edge of the neoliberal assault to rediscover their class interests and move to more militant positions. Grass-roots pressure will force trade-union leaders to stand up to the government, demanding more labour-friendly policies, or that workers' needs be listened to, at least. The left should not abandon the party that trade-unionists still claim. Activists should stick with New Labour and offer criticism from within, while putting their shoulders to the electoral wheel.

But the New Labour party machine was definitively insulated against the left by Kinnock, two decades ago. Its democratic capture is unimaginable

⁴⁰ Lanchester, 'Unbelievable Blair'.

today. Furthermore, there is scant evidence of a new radical trade unionism on the march in Britain. Although labour markets are tight, days lost in industrial action remain at record lows. After twenty years of neoliberalism, the British working class itself has been transformed—above all, through the deindustrialization of its heartlands. Its capacities for collective action have visibly waned. Disciplined stands against New Labour have been increasingly minoritarian and defensive; if hard-fought, as with the firemen. Other sectors have become more atomized, financialized—as home owners and future pensioners—and relatively better off. Their potential for concerted social action has yet to be revealed.

With very few exceptions—Bob Crow, the railway workers' leader, is one—union bosses have rallied to Downing Street's side every time it mattered.⁴¹ The Transport and General Workers played a crucial role in disarming the potent but short-lived fuel protests of 2000—the closest thing there has been to a mass domestic movement against New Labour; though those involved overlapped to a large extent with the embittered ranks of the Countryside Alliance, which unites a service-starved rural populace with devotees of fox-hunting. For their part, the Fire Brigades Union called off a strongly supported strike in order to free up the troops standing in as black-legs, so they could be despatched for the conquest of Iraq. At the Labour Party Conference in September 2003, the bosses of the four big trade unions—Simpson (Amicus), Woodley (T&G), Prentis (Unison) and Curran (GMB)—instead of mobilizing their members for an electoral college to send Blair packing for his warmongering role, banded together to keep Iraq off the agenda. As for constituency delegates, the Prime Minister's address received a three-minute standing ovation from them. The shrinking party membership continues its rightward march. According to opinion polls taken before the invasion, two-thirds of Labour Party constituency chairs supported the war on Iraq—well above the level of national backing for it.

There is no reason for any greater sentimentality towards Labourism than Blair himself has shown. The *Economist's* judgement that he is the best right-wing prime minister Britain could have is perfectly accurate. For the left, the logic should be clear: any other would be preferable. It is

⁴¹ In other instances, fine speeches—by Bill Hayes of the Communication Workers Union, for example—failed to mobilize a divided workforce against privatization of the Post Office.

an anachronism to think that the performance of rival parties competing within the field of neoliberal politics can be distinguished, once in office, by their ideological pedigrees or electoral bases. The policies they adopt correspond to the balance of forces within that society—typically, the legacy of antecedent regimes—and of the world outside it. Just as Clinton was far to the right domestically of Nixon, so Blair has been of Heath; let alone Eden or Macmillan. Today, the UK's main opposition parties, Liberal Democrats and Conservatives, are attacking the government from the left on student fees and pensions, attracting the disapproval of the financial press.

Judged against its immediate predecessors, an objective audit can only conclude that New Labour has scattered a few crumbs to the poor, while otherwise consolidating and extending Thatcher's programme; externally, it has a far more bloodstained record. The civilians killed in Blair's successive aggressions abroad—Iraq, Yugoslavia, Sierra Leone, Afghanistan, Iraq—outnumber Thatcher's tally by tens of thousands. Such domestic pittance as the regime has distributed count for little beside the destruction of international legality and loss of foreign lives that have been its hallmark. Like any government, Britain's can only be judged on its record and on a rational assessment of its future trajectory. The sooner New Labour exits the better.