

# Britain's neo-liberal state

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The world we have lived in, created from the twin oil-price shockwaves of 1973 and 1979 and validated in the eyes of many by the events of 1989, is at last suffering its own crash. The era of Thatcher and Reagan, inflated by their offspring Clinton, Bush and Blair; the era of unfettered financial capitalism, unrestrained consumerism and a near mystical belief in the power of markets; the neo-liberal epoch of corporate conceit and neo-con adventurism, is drawing to a close.

Despite the pain, the horrible losses to come, and the disturbing spectacle of a left that had proved unable to oppose the beast in any effective way or prepare for its downfall now pretending that it knew better all along, this is a time to celebrate as well as tremble. It's good that we can now once again pose the questions about how we organise our economies and societies without being scorned or ignored.

Not that anyone should deny the achievements of the past three decades: the unprecedented development of what was before but now is no longer simply known as the "third" or under-developed world; the immensely welcome lifting from poverty of hundreds of millions; the greater equality implicit in this; the emancipating productivity released by new technology and its transformation of communications; the material realisation that we are indeed in important respects "one world".

At the same time the decades of talk about "globalisation" are now been revealed as a panglossian deception. A boondoggle of vast fortunes was unleashed, justified because benefits would "trickle down". Instead we seem to be witnessing a fearful waterfall of cascading misery, cutbacks, foreclosures and job losses on the middle and working classes in the global north, whose elites meanwhile are bailed out by governments they hitherto pretended to despise. And before we turn to the fate of the British state with which this essay is mainly concerned, we should spare a thought for those outside the European welfare system. Recently a Chinese toy manufacturer employing 7,000 people shut his factory in Dongguan overnight as exports collapsed. The pride of globalisation, that rural misery was reduced for so many, is under threat with no state provisions in place for them. The political and even military consequences could well be dire.

Nonetheless we should celebrate the possible defeat of one aspect of neo-liberal domination. It cheered the destruction of a communist world that was oppressive and unfree. The freedom it offered in its place, however, had its own form of authoritarianism. You can't buck the market, we were told. We had to be fatalistic and grateful and our standard of living would grow. Forces more powerful and wise than you and I had already determined "the official future" (1). There was no alternative.

The toxic mix of popular powerlessness, market inevitability and the glorification of leadership vindicated by the ever-rising value of property, was pioneered in Britain by Margaret Thatcher and deepened by Tony Blair. Here indeed, it is sad to report, Britain "led the world" - in the direction of

uncritical subordination to Washington, DC. In the process, the United Kingdom became - perhaps more than anywhere outside some city-states and micro-nations - a neo-liberal state.

This essay is offered, therefore, at a moment of hope as well as danger. It seeks to sketch roughly how the UK came to be a neo-liberal Kingdom and address some of the issues posed for UK politics, while hoping they have a wider relevance internationally. And when we use the terms “social democracy” and “progressivism” at points in this essay, we do so with a sense of reluctance, recognising both that they are unsatisfactory and that a “call” unsure of its name is one without a sure sense of itself. Progressives and centre-left politicians need to develop a better-shared sense of collective memory about the lessons of capitalism and how best to learn and relearn these lessons in the current context. While we are in a position to criticise we are hardly in a position to lecture the world on the best way forward. So while this essay primarily focuses on the possibilities of transforming the British state and space, it does so in the context of international politics and now political economy undergoing a planetary confrontation with the fruits of deregulated capitalism.

### **From Empire to Blair**

England’s “Glorious Revolution” of 1688 created a framework of compromise between monarchy and Parliament. It was followed by the union of England with Scotland of 1707, which joined two different countries while preserving their distinct legal traditions. Since then the narrative of British history has been the adaptability and flexibility of its political system. This provided a framework for the evolution of democracy without rupture or revolt at home, allowing the middle classes and then the working classes to be incorporated relatively peacefully into it, while all enjoyed the material and psychic benefits of a violent empire.

In his new, pioneering study of democracy in Britain since 1918, David Marquand identifies the two dominant paternalisms that oversaw the final stages of this domestic process. Whig imperialism and democratic collectivism together have “shaped and steered Britain through most of the 20th century”. The first is personified by Burkean gentlemen, the second by Fabian technocrats. Marquand also proposes that there are two other shaping “strands”: Tory nationalism and democratic republicanism. While these strands may have “home” parties they coexist in other parties too, as well as within individual personalities. Thus the Labour leader Clement Attlee who oversaw the formative government of “democratic collectivism” after 1945, could be flexibly Whiggish at home and imperial abroad; while his most original Tory successor the Whig imperialist Harold Macmillan was a Labour-style collectivist in his concerns for the working classes (2).

This twin domination of the British political system faced an apparently terminal crisis by the end of the 1970s. It was an emergency that challenged the authority and legitimacy of the state itself, not just a party political difference over the direction government should take. It was resolved by Margaret Thatcher who assaulted “consensus politics”, a term which both identified and repudiated the mutually shaping collusion of Whigs and collectivists. In the decade that followed she challenged and broke not only the role of trade unions but also humiliated the numerous institutions and attitudes of both the Labour state and high-Tory establishment.

Thatcher’s was a “Tory nationalism” in Marquand’s terminology. She made popular a host of right-wing prejudices and homilies such as comparing government expenditure to household spending, and denying the logic of Keynesian economics, stating that governments could not spend their way out of recession (the way had been opened to her on this by Labour prime minister Jim Callaghan in 1976). Across the Atlantic, Ronald Reagan used a similar, simple language to mark a new era of government. Each sought to reconfigure the state, getting out of welfare and macroeconomic management while pouring public resources into defence, security and foreign affairs.

However, Reagan's United States of America was, in comparison with the UK, vastly wealthy and its own master. Arguably it boomed thanks to a form of military Keynesianism that profited corporate America (laying the basis for what James Galbraith in his new study [1] describes as "a predator state"). For her part, by opening up the UK economy to the world, Thatcher accelerated the process that had started in the '60s and '70s of failing to support its own core businesses and industries in the way that medium sized nations traditionally do. Floated by North Sea oil, Thatcher's was an "OPEC" not a Keynesian nationalism. Her government deployed the revenues of black gold to fund the welfare services too popular for it to dismantle, while turbo-charging a rising elite that mainlined on global speculation.

The result was the emergence of a state with a politics that pretended to "world leadership" to sustain its legitimacy at home, while selling off much of the country's industry, both manufacturing and service, and this accelerated with New Labour. Its leadership of Tony Blair, Gordon Brown and Peter Mandelson set about seeking to save the public sector and prevent a catastrophic social and educational disintegration. And they did so on one level. Theirs has been an effective and original administration compared to the ghastly laxness of the Harold Wilson and James Callaghan period initiated after Labour won power in 1964. But despite the democratic reforms they inherited from their manifesto commitments including devolution and the Human Rights Act, New Labour's leaders, as Simon Jenkins has documented in *Thatcher and Sons* [2], continued the core twin principles of Thatcher's regime: the intensification of centralised executive authority and the cultivation of an elite order at ease with a politics focused on winners, wealth and corporate logic - a neo-liberal regime.

The godfather of this process whose influence spans the entire three decades is Rupert Murdoch. Like Thatcher, in his British role he engaged in a two-front conflict with the post-war order of Whigs and Fabians. While his control of the Sun gave him a cash cow to support his global expansion, it blasted the values of trade-union solidarity and family respect, exploiting the weakness of a snobbish culture to advance the values of a consumerism without citizenship, scornful of the possibility of good government. This powerful attack on traditional working class allegiance to democratic collectivism was combined with his ownership of the Times and Sunday Times, giving Murdoch a grip on the lucrative weekend purveyor of middle-class property and lifestyle news. At the cost of a small subsidy, he also gained control over the one-time Thunderer, the voice of the old Whig establishment itself, which was broken in the process.

New Labour promised a commitment to a "New Labour, New Britain", shaped by a "young country" and "new politics" that sought and gained Murdoch's blessing. Marquand is excellent on the astonishing shallowness and lack of any sense of history that allowed Blair to be mesmerisingly of the moment, until he backed Bush and American power. There were degrees of difference between Blair and Brown: the former less imbued with the politics of the Labourist tribe and a true believer, in so far as he believed anything, in the hyperbole of the "new dawn" of '97. Brown was more a creation of the back-story of Labour, partial to understanding the world through the eyes of the faithful, and with a genuine concern for ameliorating the plight of the losers in society.

Some see these different stress lines as defining Blair on the right and Brown on the left. This misreads the coherence of the New Labour project, which has had from its inception the notion of "New Labour plc" even if it was one that cared for its customers. Gordon Brown's ascension to prime minister saw him dress-up with an eye to democratic republicans, to distance himself from Blair, even suggesting a criticism of his own use of "levers" and command and control politics. Brown's political philosophy may have combined a stronger social-democratic sentiment but his aims remained focused on making the UK more competitive in terms of the global marketplace, which became the measure of success and the meaning of his internationalism.

The culmination of the triumph of the neo-liberal state under New Labour was symbolised by Gordon Brown's initial guest list to Chequers, the prime minister's country house. When he gained the premiership and could finally call the top job his own, two suitably distinguished men joined him there for the first post-Blair weekend. They were Alan Greenspan and Rupert Murdoch, the prime architect of the neo-liberal epoch and its ruthless media mogul. Neither was British or lived in the UK.

There is a European element to this as well. Had Labour reversed Thatcherite hostility and actively embraced membership of the European Union, it would have joined a project of inter-dependent government. Instead it continued to play the role of "reluctant partner" to EU integration, while showing an obsessional commitment to the "special relationship"; the twin pillars of Euro-detachment and globo-Atlanticism form a core part of its neo-liberal outlook.

The old British state was an "empire state" which oiled its wheels and deals in tradition clubland venues and networks, and then adapted itself to the equally top-down if more egalitarian norms of Labour collectivism. As the empire folded and its options narrowed, the "rational" way forward for this polity after the 1970s would have been to substitute Whig Europeanism for Whig imperialism and become a fully committed participant in the EU. Instead, Thatcher's response was to intensify a polarising adherence to the English national core and globalise the City of London that had once been the engine of imperial wealth and trade.

New Labour then faced a choice. It could have democratised the turn inwards, and built on Thatcher's demotic appeal by taking it in the direction of 'democratic republicanism'. This was the route advocated by Charter 88 that had some influence on Labour in the 1990s. It would have led to electoral reform and a Labour alliance with the Liberal Democrats. It was also the necessary condition for Europeanising the UK by deepening and constitutionalising its own democracy as a counter-weight to the influence of Brussels.

Instead, New Labour concentrated yet more power in a joint executive premiership of Blair and Brown, eviscerated the Cabinet as well as the Commons and the Lords and made Britain a bouncer for the Washington Consensus.

To achieve this, back in London the autonomy and self-belief of the old civil-service establishment had to be broken, so as to seize the traditional delights of its formally unaccountable power while disgorging the restraints of its informal and once tenacious gentlemanly codes. A new culture evolved, to replace the central processes of British government, with a different set of unelected advisers, businesspeople and a new class of what Colin Leys has called "entrepreneurs of the state", sitting in the fulcrum of power making decisions which were often without due process or proper consideration (3). This led to the rise of a new kind of person who made his reputation delivering access, contact and influence, in the words of Peter Osborne, who "would massage the links between the wealthy and the political class" (4).

At the same time vast sums are being expended on the formation of a "joined-up" database state also led by imports from the corporate world. The new state elite believed it could carry all before it. Both Thatcherism and New Labour fell for their own hype, and never harboured self-doubt about the merits of their mission. Much transparent rubbish has been written in praise of their farsightedness; for example the work of Brian Brivati, a serious academic, who had the misfortune to pen a book just before the "British economic miracle" proved to be nothing of the sort, which argued that Blair and Brown had reversed "the decline" which had so dominated post-war British politics (5).

A threefold process unfolded under New Labour whose dimensions and trajectories are only now becoming clear.

- First, an irreversible dismantling of the historic “sovereignty of Parliament” and its empire state through: a cultural destruction of the old “Establishment” clubland regime; a territorial break of its unitary form with devolution (to try and secure Labour’s hold on Wales and Scotland); a legal modernisation with the Human Rights Act. These were all far-reaching commitments inherited from the battle against Thatcher’s authoritarianism.
- Second, New Labour exploited the vacuum this created. Instead of replacing the old constitution it cultivated an even more centralised system of executive-sovereignty that treated the House of Commons with unparalleled contempt. Although progressive policies might be drawn up and implemented by able advisors, the core of this reformed state machine was dedicated to the construction of a corporate populist regime under prime ministerial fiat expanding surveillance and state controls to pioneer a new type of “database state”.
- Third, unable to appeal to the loyalty of traditional institutions such as Parliament and monarchy yet longing for unchecked executive power and dismissive of democracy, New Labour embraced market populism selling itself as the purveyor of choice, freedom and bust-free economic growth while dressing old socialist talk of inevitability and internationalism in the fresh language of “globalisation”. In effect it drew the old state through the eye of the City to create a regime that became a servant to the world financial markets.

Blair’s description was captured in his early Chicago speech of April 1999, his “Doctrine of the International Community”:

“Globalisation is most obvious in the economic sphere. We live in a completely new world. Every day about one trillion dollars moves across the foreign exchanges, most of it in London. Here in Chicago the Mercantile Exchange and the Chicago Board of Trade contracts worth more than \$1.2 billion per day.

Any Government that thinks it can go it alone is wrong. If the markets don’t like your policies they will punish you.”

He went on to include his own version of Britain’s constitutional modernisation as part of the process of fitting the Kingdom to the global realities.

As he became prime minister in June 2007, Gordon Brown looked back across a decade of power with pride and satisfaction. Speaking to the Lord Mayor’s banquet – an annual white tie report to the City itself, his words are worth quoting at length in case the reader is sceptical of the argument that Brown too was an architect of the neo-liberal polity:

“Over the ten years that I have had the privilege of addressing you as Chancellor, I have been able year by year to record how the City of London has risen by your efforts, ingenuity and creativity to become a new world leader.... Now today over 40 per cent of the world’s foreign equities are traded here, more than New York... 80 per cent of our business is international....

So I congratulate you Lord Mayor and the City of London on these remarkable achievements, an era that history will record as the beginning of a new golden age for the City of London....

And I believe it will be said of this age, the first decades of the 21st century, that out of the greatest restructuring of the global economy, perhaps even greater than the industrial revolution, a new world order was created....

Britain.... a world leader in stability....

So let me say as I begin my new job, I want to continue to work with you in helping you do yours, listening to what you say, always recognising your international success is critical to that of Britain's overall and considering together the things that we must do - and, just as important, things we should not do - to maintain our competitiveness... enhancing a risk based regulatory approach, as we did in resisting pressure for a British Sarbanes-Oxley after Enron and Worldcom....”

It was just such enhanced risk that permitted the credit-bubble catastrophe, and that regulation like Sarbanes-Oxley was designed to limit. The observer can only wonder about Brown's lack of embarrassment and sheer attitude in refusing to acknowledge his pivotal part in urging on London's lethal “casino capitalism” in this fashion.

### **The “Bitter Lemons” and “The British Fantasy Island Bubble”**

It seems that all this has come to a juddering halt, as Alan Greenspan is left spluttering before Congress, John Maynard Keynes is retrieved from the lower circles of hell, and Labour ministers once more telephone Will Hutton to be their Virgil and interpret the great sage's insights on finance capitalism and the economic cycle.

Initially there was a near-complete consensus amongst the political classes and the media that Gordon Brown and Alistair Darling, his Chancellor, managed the crisis in a masterful fashion. The adaptation of their rescue plan from a bailout to huge part-nationalisation of the Royal Bank of Scotland and HBOS won plaudits from across the political spectrum. In this view Numbers 10 and 11 Downing Street have acted with lightning speed, with little protest over the lack of scrutiny, oversight or democratic debate, and the absence of public forums where people can realise their anger and dismay at those who got us into this mess.

This has contrasted with the US experience where the fag end of George W Bush's disastrous presidency witnessed Hank Paulson, his Treasury secretary, having to fight tooth and nail to get his bailout plan through Congress. Part of this was undoubtedly due to the death pains of the Bush administration, as politicians sought to persuade their voters that they had nothing to do it; but part was thanks to the institutions of American democracy finally exerting themselves, after years of being over-ridden and humiliated at the hands of Bush and company.

In Britain, Alistair Darling's pre-budget report revealed the scale of indebtedness the country is likely to incur under optimistic projections. In order to ensure the government could still borrow this forced him to set out a commitment to higher taxes as soon as the recession ends – its projected duration seemed highly optimistic. There are signs of interesting differences between the two major parties. But what has really changed? There has been a switchback from near total scorn for the state, to delight in the decisiveness of government bailouts. The logic of both has been presented in the same language of “There is no alternative”, fertilised by conformist groupthink. Ideologically neo-liberalism derided government. But it traded on the covert support of state power, nationally and globally. Hence the ease with which it could embrace its “necessity”.

Today, all the political parties in the UK now face questions that draw attention to their allegiance to the prevailing political and economic orthodoxies of recent times.

The opposition parties at Westminster have had mixed fortunes. The Liberal Democrats in the form of Vincent Cable, Treasury spokesman, have had a good economic record over the last year thanks to their early warning of the excesses. But Nick Clegg, its new leader, has moved the party rightwards calling for a “smaller state”, lower tax and more competition, while backing away from wholehearted campaigning in support of Europe. As so often over the past twenty years, one can say that the Lib-Dems “have not done badly”. This seems to satisfy them. But it also confines them to the traditional mores of Westminster and local politics when there is a profound need for something genuinely different that they could have provided.

David Cameron’s Conservatives have in the past three years sought to square the circles of their inheritance. The new leader aims to put the in-fighting and doctrinaire obsession of Thatcherism behind him to create an inclusive Conservatism, at ease with contemporary Britain, and the achievements and limits of Blairism. In Marquand’s terms he has sought to ditch Tory nationalism for a flexible, inclusive “one-nation” Whig imperialism, seeking the same framework of “consensus” politics with New Labour as his predecessors in the 1950s and 1960s had with the welfare approach of old Labour.

At a time when his weaknesses are being revealed it is important to stress the positives as well as the limitations of Cameron’s vision. He successfully dumped Thatcher’s social divisiveness and moderated her hostility to government and the welfare state. Emphasising instead “wellbeing” and social responsibility, he described “the overriding mission we have set ourselves” as, “to revive our society just as Margaret Thatcher revived our economy; to reverse Britain’s social breakdown, just as she reversed our economic breakdown” (6). In the process, Cameron made the Tory party re-electable.

His aim was to become the true “heir to Blair” (in contrast to the more dour Brown), in the mistaken view that Blair was attractive and successful. But Blair was an adaptation of Thatcher and her neo-liberal settlement that Cameron was also seeking to break away from. It must have seemed like a perfect steal, to snatch back the inheritance. Instead it seems to have become a poisoned chalice. And not just because Cameron’s “new Conservatism” with its plutocratic opportunism is in some ways even more neo-liberal than New Labour.

The decisive vector of British politics is therefore not who will inherit the poisoned chalice of Tony Blair’s mantle, but who is furthest away from being identified with the epoch of Blair (and Bush). For his first three months as PM this seemed to be Brown, as he governed with a very different style and seeming integrity. His ratings soared above those of both Cameron and his predecessor. Then Brown failed to deliver on his promise of a democracy voters could trust; he declined to call an autumn election that he had blatantly prepared for while denying he had looked at polls. This exposed him as being just as spinning as his predecessor but without the flair. Brown became the unpresentable face of Blairism. His popularity crashed and Cameron’s time seemed to have arrived.

In the big-dipper of UK politics, the financial crisis suddenly re-reversed these terms. Gordon Brown excavated a belief in Keynesian solutions from his social democratic past and a solidity of purpose that was lacking from Blair’s lightness of being. Meanwhile Cameron and his shadow Chancellor George Osborne look closer to the old prime minister. In an exceptionally fast-moving situation, the Tories’ clothes are exposed as, literally, yesterday’s fashion. With newspaper supplements asking what will be “the hemlines of recession” and the sale of sewing machines on the increase, the classless consumerism of the Cameron Conservatives seems all too close to the shopping mall “social-ism” of Tony Blair.

### **Alex Salmond’s Honeymoon Comes to An End**

Beside the Westminster parties there is another shaper of UK politics, the Scottish National Party. Most accounts of current British power do not take account of the fact that the UK has two first ministers and two shaping political dynamics (a measure of which is that the Tories are a major force in only one of them). This account will try to compensate by addressing Scottish politics and providing some essential background.

Recent events have proven just as troublesome for Alex Salmond's SNP. Although the "broad tent" alliance of social democracy and good business sense in a populist, national project is progressive for Scotland as a country, it also turns out to be building Scotland's variant of the neo-liberal state. Salmond, a former economist at RBS, made befriending and being the ally of the Scottish financial sector one of his political priorities, and in particular RBS and HBOS; he used their strength and international power as one of the main pillars in the contemporary case for independence as they in fact headed for bankruptcy.

Since the financial crisis broke Salmond has veered all over the place, from slamming "spivs and speculators" in order to win brownie points in the Scottish Parliament, to calling on the existing RBS bosses to stay (the day before Brown and Darling part-nationalised RBS and forced Fred Goodwin, its chief executive to resign), saying, "let the people in charge guide the institutions into safer times" (7). The next day, confronted with these comments, he appeared lost for words. Invited to condemn RBS or bankers in general, Salmond refused to do either, commenting that there should be "no scapegoats" (8). The circle was then completed at the SNP annual conference when in a downbeat, sombre speech, he again tore into nameless "spivs and speculators", but gained little plaudits from a speech which was seen as platitudinous populism that failed to rise to the occasion (9).

These political difficulties should be understood in the context of the SNP's broad based alliance and catch-all nature as a political party, and Salmond's recent revealing remarks about Thatcherism: Scotland "didn't mind the economic side so much. But we didn't like the social side at all" – a striking echo of Cameron's similar distinction (10).

While Salmond's formidable achievement in giving Scotland a government it can respect should not be gainsaid, the case for Scottish independence put by the nationalists will have to change dramatically, and become much more ambitious and radical. The narrow, technocratic, economic case for independence - for the building of a "Scotland plc" and a "new Celtic Tiger" emphasising competitiveness, being business friendly and having low corporation tax – now seems much less plausible. Pre-crisis this had its rationale. It could be called the SNP "bank manager" case, personified by John Swinney and Jim Mather, now both ministers in the nationalist administration, as they mounted a "cocktail offensive" around the boardrooms of Scotland.

Their argument moved independence away from the emotional and romantic. Instead, independence was presented as Scotland becoming a tight, light, corporate-friendly national project in which business would be more supported than in the remote and over-centralist UK. In many respects this repositioning was a necessary transition for the SNP to go through to become a modern, serious political party. Its downside was twofold: first, it took the rich strain of the emotional resonance for independence for granted, and second, it anchored the SNP into an economic order complicit with neo-liberalism and the prevailing economic orthodoxies.

While this glided them to a stunning by-election victory in Glasgow the underlying weakness was revealed in the recent post-crash by-election in Glenrothes. Labour voters who up until a month previously would have sat on their hands turned out in large numbers to deliver a convincing victory for the prime minister (see Gerry Hassan's report from the constituency (11)). It is striking



that a week before, thanks to Salmond's intervention, Donald Trump was given permission to go ahead and build a billion-dollar golf course in the north-east of Scotland, overriding the local planning. Although there is no evidence of any direct influence on the voters, this decision imposed the interests of the global marketplace and Trump's clientele over Scotland's environment. The smallholder who still refuses to sell out to the American casino owner was disgusted. The Guardian reported that he was once a Scottish National Party voter but would never be one again. "I used to be proud to be a Scotsman, but I'm going to take both of my kilts out and burn them after this" (12). It was thus to the coincidental smell of singed tartan and dollar signs that the SNP finds itself needing to rethink how to understand, and present, the case for independence.

Fascinatingly, the coincidental timing of Trumpland days before Glenrothes was then matched, after the surprising Labour victory, by the UK government contributing its 126-page submission to the Calman commission, set up by a vote of the Scottish Parliament to assess the need for more powers and responsibilities for Scottish devolution (13). At great length, the answer of the UK government was there was no need for major new powers, while there was room for taking some back, and a bit of back-slapping at the wonder of the Scotland Act 1998 internationally; shades here of the Westminster belief in the eternal perfection of the British constitution. This matters because even after the cause of independence received a major setback, the UK government continues to pose the constitutional debate north of the border, as simply one of independence versus the status quo from which there is no constructive way forward.

The growing credit-crunch, and the crash following Lehman Brothers' bankruptcy and the gathering recession, have dealt powerful blows to the SNP and the Conservatives. Both have failed to find convincing responses during the crisis. Their leaders, Alex Salmond and David Cameron, have had their limitations exposed as each appears to be a prisoner of the neo-liberal order whose logic was previously embraced as offering voters freedom and greater autonomy.

So far – and these two words must be emphasised in a swiftly moving context – so far Gordon Brown has shown himself to be more capable than both his main opponents. It may be unfair given his central role in creating the neo-liberal state for over a decade, but more than any other party leader he has found a coherent response to the crisis. It has played to his strengths: his seriousness, inability to do micro-politics and love of grandiose plans and managed internationalism. But this does not bode well for the democratic republican decorations in the form of his initial green paper. Instead, the signs are that, in coalition with the arch neo-liberal and fellow creator of the New Labour "project" Peter Mandelson, Brown wants to set about an even more complete fusion of the 1997 combination of Whitehall and corporate power.

### **A New British State or Space?**

From their point of view, to achieve this they will need to shield the nature and character of the United Kingdom from public debate, leaving it to remain haunted by questions of the territoriality and hybrid nature of the UK as a "nationless state". The ghosts in permanent residence on its battlements will hardly be silenced by the "Whiggish" evocation of "stronger together, weaker apart" that is now the staple response of all three Westminster parties.

Even the anomalies of the Isle of Man, Jersey and Guernsey will need to be considered as the nature of officially sanctioned offshore banking arrangements, that encourage tax avoidance and evasion comes under the spotlight. These territories, with no representation in the UK parliament are dependant on the UK for defence and foreign affairs, and have been forced towards centre stage in the banking and economic crisis due to their status as tax havens. All of the smaller isles have encountered banking crises exasperated by their status in encouraging investors who wish to avoid

UK taxes. The Isle of Man authorities have cried foul to the British government, due to the collapse of the Kaupthing, Singer and Friedlander (Isle of Man) Limited, a subsidiary of Iceland's biggest bank Kaupthing. The UK government pledge to savers, that they would not lose their monies as a result of the Icelandic bank crisis, has not been extended to the isles, thus leaving the Isle of Man authorities pleading for special treatment to the UK government.

### **Guilty Men in the Age of the Bloviators**

Theodor Adorno once said, "the world wants to be deceived" (14). The glorification of globalisation appears to vindicate his perception. But there is now a desire for public truthfulness from politicians - not disingenuous waffle and flannel from the fellow-travellers of securitisation, who as credit-default swaps were transformed into yachts declared that they had seen the future and it works. A political system that once pride itself for its honour and decency has been humiliated. Public life and standards have been debased, from the rise of "sofa government" to the Iraq war through the "cash for honours" scandal, and now Corfu, where unsavoury Russian oligarchs with dreadful reputation like Oleg Deripaska mix with Mandelson, Osborne, Nathan Rothschild and two generations of the Murdochs.

During the last twenty years a new class of apologists for the economic, social and political order has taken shape. This elite has its own language, words and phrases which are shaped by a torrent of buzz words and jargon emanating from management and consultancy mumbo-jumbo. Its leaders have filled the air with talk of "the knowledge economy", "living on thin air", "the rise of the creative class" and "step change", and encouraged the emergence of a shameless group of self-promoting bloviators: Richard Florida and Malcolm Gladwell in the States, Anthony Giddens (in his "third way" phase) and Charlie Leadbeater in the UK, being four of the most obvious examples. This demeans the standards of public debate and intellectual standards (the Observer's review section recently putting Gladwell on its front page and asking, "Is this the world's most influential thinker?" about a figure whose books, *The Tipping Point*, *Blink* and *Outliers* are at best descriptive, polemical essays with little, if any originality in them. (15)).

Across British public life, in public institutions and discourse, the last decade of New Labour has been characterised by the bowdlerising and debasement of values and meaning. To talk about the future of our society we have been obliged to walk through a linguistic supermarket where sterile, vacuum packed in-words are provided by the supply-lines of the new elite. This has had many casualties, as government white papers and documents once renowned for their plain English have become inflated by gobble-de-gook obesity. Economic development agencies have abandoned talking seriously about political economy, and instead invoke "creativity", "innovation" and "doing the step change". Think-tanks evacuated any efforts at considering political economy. University departments scrambled for research funding by peer assessing each others' publications in journals of barely-read studies. City-wide and regional bodies stressed their aspirations to be "world class cities" basing their growth forecasts on shopping and tourism while discarding the solid revenues of manufacturing provincialism. In all parts of the UK, from London to Liverpool, Glasgow to "Newcastle/Gateshead", this has been an age of gloss and superficiality and financial considerations based on "neverland".

Can Gordon Brown lead Britain out of this? The question does raise questions about the transformation of most of our political classes over the last thirty years of which Brown is a leading example. There has been the "Red Brown" of 1970s socialism, the pale pink Brown of Kinnockite supply-side socialism, and the Union Jack Brown of New Labour, New Britishness (16). After the first three waves of Brown we have to ask whether the new era will witness the emergence of a fourth one that captures the political moment? Without indulging in too much remorse and

recrimination, there has to be some self-reflection on the policies that got us to where we are. This seems very unlikely to occur in the fulcrum of our political classes, with Brown presenting himself as the saviour of the world economic order in the same language of triumphalism and self-delusion which marked the high period of Thatcherism and Blairism.

In which case the future of British politics across the United Kingdom may not be shaped by the political parties as we currently know them. David Marquand's book calls for a democratic republican politics that honestly embraces the territorial issues of the Union and frees the English question from its integument. This is hardly a plausible programme for Brown or Cameron - while Clegg calls for the reinvention of politics but from within the Westminster fastness. A new approach is needed to the problems of Britain's neo-liberal state, which will end the fusion of money and politics.

## Notes

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[1] <http://www.amazon.com/Predator-State-Conservatives-Abandoned-Liberals/dp/141656683X>

[2] <http://www.amazon.co.uk/Thatcher-Sons-Revolution-Three-Acts/dp/0713995955>

[3] <http://socialistregister.com/recent/leys>

[4] <http://www.snp.org/node/14413>

[5] <http://www.guardian.co.uk/world/2008/nov/04/donald-trump-scottish-golf-course>

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