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The word 'conservative' is not one that Labour likes. But the left has always been better at knowing what it wants to reform rather than what it wants to protect. If Labour wants to win the next election, it needs to understand what it wants to preserve as well as what it wants to transform.

Blue Labour offers a reminder that Labour's history is at once more radical and more conservative than many dare to imagine. Small-c conservatism is not about blocking all change, but honouring civic institutions, localities, stories and relationships. Ed Miliband may not sign up to all of Blue Labour's agenda, but some of his most distinctive contributions – on the economy and on the state – continue to be inspired by it.

Our country is conservative, and that is beautiful. Beyond Westminster and Victoria Street, the British people have a desire for order, strength, stability and community. People feel shaken by the downturn, and they are silently haunted by the perceived inevitability of national decline. They feel let down by the state, and humiliated by unemployment. Rows of terraced houses and tower blocks crave meaning, and fear a loss of identity. Managerialism doesn't speak to them. Human rights legislation doesn't feel like it belongs to them. People crave the

products of the market, but hate the debt, doubt and disappointment that it breeds. As a country we've confused aspiration with consumerism and we loathe ourselves for it. We don't just regret that we could be better; we suffer a burning anger that we should be.

Ed Miliband is beginning to get this: he told the Fabians in 2011 "our communities came to see us as the people who put markets and commerce before the common good. And many citizens came to see us also as the people who did not understand that the state could be intrusive as well as empowering."

But 'conservative' is not a word that our party likes. The word of the opposition, it makes us feel threatened. It is an unsettling word for a party that profited from a socially and economically liberal sense of progress in the heady 1990s. Tradition has become associated with a lack of reason, with an oppression that holds back rather than a source of radicalism that inspires new direction. We fear conservatism as a roadblock against women, diversity, liberty and internationalism. It pricks our anxieties about immigration and crime. It is associated with 'triangulation' and selling out to voters' basest instincts.

It would be complacent to deny that liberalism has given this country huge benefits. It has helped us challenge domestic violence, homophobia and racism. As a feminist, I have personally gained from liberalism and I'm under no illusion that our battles are far from done. But the left has always been better at knowing what it wants to reform rather than what it wants to protect. If Labour wants to win the next election, it needs to understand what it wants to preserve as well as what it wants to transform. To tell a story about where we're going, we need to know who we are and where we've been. The challenge is to harmonise them both. To find way of being conservative that is true to Labour.

If what we mean by 'conservative' is a politics that wants to safeguard the values and institutions that this country can be proud of, then this is perfectly possible. Family, neighbourliness, hard work and place are part of it. Dedication, honesty and compassion speak to it. This agenda is consistent with the central theme of Ed's leadership: responsibility. It chimes with Rachel Reeves' call for fiscal discipline in chapter 1, Kitty Ussher's call for a more empowering form of welfare in chapter 6, and a renewed emphasis on localism. David Cameron might be Conservative by name, but he doesn't offer anything like this agenda. He is old money with new markets, pragmatism and power. He is tearing up honoured institutions and the fabric of civil society without regard. We have to offer people something genuine, a better way of being conservative. This isn't just consistent with what people tell us in polls, pubs and high streets, it is also true to our values, and our tradition as one of the greatest grassroots organisations in this country.

Blue Labour reminds us that our history is at once more radical and more conservative than anything many of us dare to imagine. The official Labour party website says we started as a "parliamentary pressure group" whose chief achievement was to establish the welfare state. The truth is so much richer than that. Forged by workers who came together in representation committees, our earliest advocates were united by a desire to improve themselves and their families through collective action like the famous Dockers Strike of 1889. This tradition of self-organisation weaves its way through our history of co-operatives, mutuals, civic groups and unions, enriching our actions, building our leaders and strengthening our friendships. We saw it in the work of George Lansbury in the East End, in Bermondsey through Alfred Salter and the work of the great Keir Hardie. It continues to this day through organisations like Hope Not Hate and London Citizens.

Small-c conservatism is not about blocking all change, but honouring the civic institutions, the localities, stories and relationships that allow us to build a better Britain together.

In recent times this tradition and has been uprooted, and it's been painful. The Labour party that lost power in 2010 sounded hollow and technocratic. In its eagerness to help, it forgot that the market can leave us vulnerable as well as rich, that the state can leave us dependent as well as protected. Nick Pecorelli's contribution to this collection reminds us that the British people are now more than aware of these dangers; Ed Miliband knows he cannot ignore the poll data. He does not sign up to all of Blue Labour's agenda, but he drew from it throughout his leadership campaign, and some of his most distinctive contributions – on the economy and on the state – continue to be inspired by it.

The economy

When Lehman Brothers came crashing down in 2008, it brought the party's political economy down with it. For years Labour had let the City grow with the best of intentions – to fund our high ideals delivered through public services – but we didn't stop to think enough about how dependent this left us on the banks. We let the financial bubble grow unregulated, and used the profits to hand out benefits and public services. Now we are bankrupt, and the ugly asymmetries in our economy have been exposed. We know that our financial sector benefitted at the expense of manufacturing, that our southern tip grew rich at the expense of the midlands and the north, and that academic education benefitted at the expense of vocation. We spent too much and it disempowered us because we became dependent. The people grew needy, and Labour politicians became beholden.

Failing to challenge the market was one reason why the last Labour government put so much emphasis on the state, as other contributors have already pointed out. When you can't challenge free market orthodoxy, the state becomes your only lever for change, so you overuse it. In the wake of the crash of 2008, markets have rightly lost their untouchable status. We now want to talk about reforming the economy so that the state has to do less work. If you can build an economy that offers good jobs, decent pay and a sense of meaning, the argument goes, then you need to offer fewer tax credits and benefits via the state. It means you achieve social aims by reforming the supply side of the economy rather than just spending on the demand side. Whether we call this 'predistribution' or see it as part of 'responsible capitalism', we should get behind it, as Ed Miliband appears to be doing.

So yes, small-c conservatism does call for fiscal prudence, it does get angry at waste and it does believe that Labour thinks too much about public sector workers at the expense of their brothers and sisters in the private sector. But it also wants an alternative that the Conservative party cannot understand. It wants a living wage, an end to corporate monopolies and growth that delivers increased wages as well as increased profits. Putting in a hard day's work is a conservative value, but the Conservative party doesn't honour that. You do not respect work when you threaten to cut back on the minimum wage, make it easier to fire people and refuse to give labour any say over capital. This cannot be the only supply side policy that the country is left with. Blue Labour calls for something better.

Germany offers living, breathing examples that we can learn from. A deep emphasis on vocational education and apprenticeships combined with a refusal to cut down wages meant that the country has become an industrial powerhouse whilst Britain has become a home for call centres. Regional balance is another important part of the

German story. It is simply not affordable to have talent wasting in huge parts of the country that are abandoned by a free market or propped up only by public sector employment. One way of delivering sustainable growth might be regional banks, which again have helped develop more balanced growth in Germany by forcing capital to look for local opportunities. What is lost in flexibility is gained through balance, decreased risk and self-sufficiency. Finally, Germany also teaches us something about worker representation. Even if you work in a low skilled role, you should be given a genuine stake in the bigger picture. There must be investment in you, and mentoring, and the chance to move up the ladder. Ed Miliband has repeatedly said “there is more to life than the bottom line”. These policies are fitting examples of what he means.

The state

Ed Miliband’s recent speeches have acknowledged the politics of austerity, making it an inevitable part of Labour’s future vision, saying Labour “must rethink how we achieve fairness for Britain in a time when there is less money to spend”. But we should be honest and admit that the problem with Labour’s state went beyond its price tag. A purely economic explanation cannot explain why people receiving the highest benefits often hate the system most. A meagre transfer of financial resources cannot transform lives. At best it can carve out a space against material poverty, but in that space we were guilty of leaving people terrifyingly lonely. We have to fill the black hole of unemployment with relationships and experiences that give back power. Signing on once a week doesn’t count. Too often people are treated like a number to be processed rather than a fellow human being to be empowered.

This is not to say that Labour didn’t try to get people off benefits. But we didn’t do enough. The right understood

that it was criminal to leave people financially better off staying at home rather than putting in a hard day's work. It understood that a level of conditionality was essential not just for economic sustainability or a populist headline, but for a claimant's self-respect. It's true that some people are too vulnerable to contribute, and of course we must honour our obligations to them, but we shouldn't be afraid to acknowledge that many people out there can offer more than we ask from them, and it's depressing for all sides not to make the most of that potential.

James Purnell has already offered one suggestion. The former work and pensions secretary has outlined a guaranteed job scheme through his work at IPPR. This would offer anyone capable of working a job after one year on benefits, but if they refused to take it, their welfare would be withdrawn. Ed Miliband recently took up this idea with his proposal for a guaranteed job for young people, paid by a bankers bonus tax, after one year out of work. Refusal to take the job would result in the withdrawal of benefits. Ed Miliband has taken some flack from the left for talking about responsibility at the bottom as well as the top, but he is right. Responsibility is a human need. To give someone responsibility presumes dignity. Offering benefits without conditionality implies dependence.

London Citizens offers another example of good practice. An alliance of faith, community, union and civic groups, they managed to place over one thousand people in jobs at the Olympic site in Stratford at a fraction of the cost of most corporate workfare giants. Job vacancies were advertised through their member institutions, allowing job seekers to receive interviews and training in their local schools and churches with people they already knew. These relationships were built on pre-existing trust and confidence, and in the end some 1,280 people got jobs out of 1,747 who participated. Many were in the 'hard to reach' category and London Citizens said it cost them an average

of just £60 to place each claimant. More welfare should be conducted this way. The job centre employee who spends all day in front of a computer should go out and meet every nearby businessperson, church, school, union and university to bring people together. They should be paid to match up local skills with local needs.

This shift in the way that the state is conducted must also be accompanied by a wider cultural shift in our party, called for by MPs like Jon Cruddas who acknowledge that many of our politicians have become too abstract and professional. Even our local branch meetings are dominated by bureaucracy and procedure. In his Bradford West victory, George Galloway has shown us what is possible when you have a genuinely emotive vision for a local area and some meaningful relationships with faith and community groups. This is true, traditional Labour party politics, and it's why Ed Miliband has backed the Movement for Change, London Citizens, and the reforms proposed by Refounding Labour.

Of course we must also realise that there is a responsibility on the public to meet us half way. Some of their cynicism might be justified, but we shouldn't pander to the voter or indulge in an introverted self-hatred. We shouldn't be afraid to say that it is wrong to give up on voting or shrug off politics. We should frown on those who do not vote. If there aren't enough choices for people, they should join a party and change it or stand themselves. The obligation is on us all, the voter as well as the candidate, the cynic as well as the optimist, the reader as well as the writer.

All of these arguments are being heard in Ed Miliband's office in Portcullis House. Throughout his leadership campaign he repeatedly said he wanted to be both a reformer of the market and a reformer of the state. The shift to a vocational economy and a more relational system of welfare should be a central part of that change. Let us be

under no illusion that this is also what the public wants. It's the parliamentary party that is less convinced. It might help to point out that when we call on the party to become more conservative, we are not submitting to a right wing present, but reclaiming the celebrated traditions of our past. We are reinvigorating our future not through cynical poll data and the empty coldness of the swing voter, but with the warmth and soul of our experience. That is conservative, it is radical and it is Labour.