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New Labour and the Theory of Globalisation[1]

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Abstract

This article argues that the theoretical basis of the New Labour project was sociological in its framing, drawing in particular on the ideas of Anthony Giddens. The theory of globalisation, individualisation and risk advanced by him and others became the rationale for New Labour's rejection of 'traditional' socialist and welfare ideologies, holding the collectivist, materialist and class-based politics that these had upheld to be now obsolete. However it is argued that Marxist analytic perspectives retain their relevance in understanding the dynamics of what is more clearly understood as global capitalism than in the more diffuse language of globalisation. The concept of systemic contradiction developed by sociologists such as David Lockwood in the 1980s retains its relevance as an analytical resource in contemporary capitalist society.

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[1] A version of this paper was given as a contribution to a plenary panel on 'Sociology, Politics and Public Policy in 21st Century Britain', with Anthony Giddens and Sue Duncan, at the British Sociological Association's Annual Conference in April 14 2007 at the University of East London. A shorter version of this article was published in the British Sociological Assocation's Network No 98., Autumn-Winter 2007.

One under-recognised difference between the era of Thatcherism and that of New Labour lies in the theoretical frameworks which justified these two political projects. The intellectual authorities by which the Thatcherites were inspired were primarily free-market economists, such as Milton Friedman and Friedrich Hayek. The discipline of sociology was their particular *bête noire*, being held responsible (not altogether unreasonably it must be said) for the legitimation of social democratic concerns about inequality, social injustice, and the necessity for an active role of the state in redressing such wrongs. Thatcher's aphorism, 'there is no such thing as society, only individuals and their families' can be taken as her summary denunciation of sociology and all its works. The role of sociology students and departments in the headier conflicts of the 1970s, and the reputation which they acquired as a vanguard of revolutionary radicalism, no doubt also played a part in the marginalisation of this discipline. The fact that the former Social Science Research Council had to be renamed by Sir Keith Joseph, the Economic and Social Research Council, summed up this ideological intent, with its positively Stalinist ruthlessness about acceptable and unacceptable nomenclatures.

Because New Labour has been in many ways committed to market society and the disciplines deemed necessary to it, the fact that it has relied on a rather different disciplinary underpinning has been less obvious. But that is nevertheless the case. Its most influential social theorist has been not an economist but the most prolific and widely read British sociologist of his generation, Anthony, now Lord, Giddens. The concepts which have shaped New Labour thinking have been ideas of globalisation, individualisation, risk, and the knowledge economy' to which Tony Giddens has made a major contribution, both in their development and their promulgation. In Over To You Mr Brown, (2007) Giddens' contribution to the transition in New Labour leadership, these ideas retain the salience they have had in his long sequence of political writing since the publication of The Third Way in 1998, on more or less the same day as a Fabian Pamphlet by Tony Blair which had the self-same title.

So if we are to understand the New Labour project, we need to understand this underpinning theoretical analysis, and to understand what it both includes and excludes, by way of social facts and social dynamics. The intellectual choice which has been crucial to New Labour's development has in fact been the choice of 'globalisation' as the central idea through which its thinking is organised, and the total exclusion from its agendas of the idea of capitalism as a still-existing dynamic system. Giddens once wrote an excellent textbook, called Capitalism and Modern Social Theory, (1971) which correctly described the development of sociology in terms of debates between its three most important classical thinkers, Durkheim, Marx and Weber. Plainly differences concerning the nature and prospects of capitalism both needed to be and were central to this analysis. Later, Giddens wrote a number of substantial theoretical treatises, from a broadly neo-Weberian point of view, whose purpose was to refute Marxist theoretical principles, substituting a pluralist conception of competing forms of power for Marxist claims for the dominant role of the means and relations of production. One of these texts was called A Contemporary Critique of Historical Materialism(1981) making it plain how central this goal was in Giddens' work. By the time the arguments for a Third Way appears, capitalism has virtually disappeared as a mentionable subject. 'Globalisation' in effect takes its place, as the main descriptor of the ambient system. Globalisation is seen as a system of expanded economic competition, to which all national economies including Britain's are increasingly exposed. It is also seen as a system of communications which is transforming life-worlds, dissolving old collective identities (such as those of class or community) and engendering new and more individualised identities of subjects, as consumers, 'active citizens' and the like. New Labour's programme has been substantially one of adaptation to these proclaimed new realities, with the necessity to compete in global markets, and to respond to the demands of new individual subjects for choice in as many spheres of life as possible, as its major guidelines. 'Traditional' socialism, whether social democratic or state socialist, was deemed anachronistic, since it was held to

depend on class collectivities which have largely disappeared, and on acceptance of a passive relationship to state provision which was neither desirable nor any longer acceptable. Because Marxist social analysis had always been closely tied to political perspectives of various kinds, and because the latter were deemed either wrong or unfeasible, it was assumed that the analysis could be thrown out of the window together with the politics. In the debated referred to above, Tony Giddens gave as a reason for not engaging with Marxist analysis of capitalism as a social system that Marxist politics was dead.

Yet even if one sounds like a troglodyte to say so, perhaps globalisation is best understood not as an entity in itself, but is rather a defining attribute of one specific social system, namely that of modern capitalism.[2] It has only a diffuse descriptive meaning outside this frame of reference. Although of course there are major technological concomitants to globalisation, in the new communications technologies, and their 'overcoming of the limits of time and space', the fundamental change signified by this term has been the shift of social power (once an important theme in Anthony Giddens' work) that has taken place since the social crisis of the 1970s. The decisive change in the landscape was the defeat of one system of power (or two, social democracy and state socialism were different) and the triumph of another. Among its key aspects were the reshaping of the global economic system effected by the deregulation of capital and to a smaller degree commodity markets, the total defeat of Russian and east European Communism, and to a lesser degree of 'traditional' welfarism and social democracy in the United States and Britain, and in some other countries, in the early 1980s. New communications technologies, given such importance in the theory of globalisation, have been a decisive resource by which owners of capital (themselves an abstract collective

[2] The most important theorist of globalisation, Manuel Castells in his Information Age trilogy (1996-1998) is quite clear he is writing about transformations in a still-existing capitalist order, not its supercession.

of property holding interests - banks, funds, corporate owners etc.) have been able to advance their interest in the global expansion of the sway of capital. But neither the emergence of these information technologies, nor their diffusion and effects (for example in enabling virtually instantaneous international transfers of money and capital) were likely to have taken place in other than a capitalist economic system. Indeed, we can still observe than in other systems, even that of the partly-capitalist China, the diffusion of information technologies is still resisted. The backwardness of ICT systems in the Soviet Union is cited by some as an explanation of its collapse.

Economists still attached to Marxist and Ricardian concepts, like Andrew Glyn and Bob Sutcliffe were among the first to recognise the crisis of social relations to which 'globalisation' was a response. They explained the conflicts and hyper-inflationary pressures which occurred in the 1970s (sociologists will remember Habermas's 'legitimation crisis', political scientists the state of 'ungovernability') as a consequence of a falling rate of profit (relative to labour) following on the full employment and growth of the welfare state arising from the Great Boom of 1950 – 1975. Andrew Glyn in Capitalism Unleashed: Finance Globalisation and Welfare (2006) analyses the development of capitalism since the 1970s. He argues that the ideology of monetarism, the deliberate engineering of unemployment, the relocation of manufacturing industry to locations with cheaper labour supplies, the exposure of insulated national economies to the forces of the global money and capital markets, all followed as the strategic decisions of capital to defend its own conditions of existence.

Meghnad Desai has argued in Marx's Revenge (2002) that the current phase of 'globalisation' is better understood as 'reglobalisation', as a return to the free-market environment of the pre-First World War period, after the 'short twentieth century' (1914-1989) in which different modes of state autarchy (Fascist, Communist, Social Democratic) obstructed advance of the global market. Desai argues that Marx's prediction that capitalism would continue its transformation of

the world until there is nothing outside its system left to transform is being fully vindicated. Marx's Communist Manifesto (1848) does after all theorise and celebrate what we call 'globalisation' as its central argument, and its central passages still provide its most succinct description. [3]

The Idea of Capitalism

[3] "*The Bourgeoisie cannot exist without constantly revolutionizing the instruments of production, and thereby the relations of production, and with them the whole relations of society. Conservation of the old modes of production in unaltered form, was, on the contrary, the first condition of existence for all earlier industrial classes. Constant revolutionizing of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones. All fixed frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into air, all that is holy is profaned, and man is at last compelled to face, with sober senses, his real conditions of life, and his relations with his kind.*

The need for a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere.

The bourgoisie has through its exploitation of its world-market given a cosmopolitian character to production and consumption in every country. To the great chagrin of Reactionists, it has drawn from under the feet of industry the national ground on which it stood. All established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilized nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of old wants, satisfied by the production of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations. And as in material, so also in intellectual production. The intellectual creations of individual nations become common property. National one-sidedness and narrow-mindedness become more and more impossible, and from the numerous national and local literatures, there arises a world literature.

The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilization. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image."

From Marx and Engels, The Communist Manifesto (1848)

What advantages might there be in our continuing to make use of the analytic frames of Marxist-influenced sociological theory to understand the contemporary world, as Glyn and Desai unfashionably believe we should. How might we better understand our situation if we do?

David Lockwood, an eminent sociologist, argued in a classic article, Social Integration and System Integration[4] in 1964, that a society can be in state of apparent equilibrium or consensus at the level of norms and beliefs, but nevertheless be unstable in terms of what he called 'system contradictions'. This contribution to sociological theory, unusally bringing together functionalist and Marxist concepts, was put forward at the same time as Lockwood was questioning arguments of 'revisionists' in the Labour Party (ancestors of the Third Way) that the working class was becoming bourgeoisified, and that the Party should adapt to this change in perceived attitudes. Lockwood and his co-author, John Goldthorpe, of The Affluent Worker (1968), were arguing at this time that working class solidarity might be not disappearing, but instead changing its dominant character. What they termed 'expressive solidarity' was being displaced by 'instrumental solidarity'. While this was bringing some homogenisation of values, it did not by any means signify the end of class conflict.

Social Integration and System Integration turned out to be a highly prescient article. Four years later, in 1968, Britain and many other nations of the affluent West entered its most turbulent period of social conflict since the Second World War. The appearance of consensus about the goals of consumer prosperity, and the seeming 'end of ideology' (Daniel Bell's influential book of this title was published in 1961) did not prevent contradictions at a system level (unresolved conflicts of classes, superimposed on newer conflicts between generations and

[4] To be found in G.K. Zollschan and W. Hirsch (eds), Explorations in Social Change (1964).

soon genders and ethnicities) giving rise to great instability, indeed to a state of near social breakdown. [5]

What implications might this argument have for political analysis today? I am not suggesting that the social upheavals whose possibility were theorised in abstract terms in Lockwood's argument of 1964 are to be anticipated in contemporary society. There is no reason to suppose that they are.

But the analytic distinction between 'social' and 'system' integration nevertheless retains its potency. It invites us to consider the systemic contradictions of the present order, as something distinct from the consensus of political and social attitudes that its Blair-Cameron-Brown politics may now seem to reflect. It may also identify strategic difficulties not only for New Labour, but for any left-of-centre political formation, which tries to resolve problems which may be recognised as significant even within its own adaptive political outlook. Consider for example three major issues.

The first is the current levels of social inequality, which New Labour for all its efforts has in ten years been able to do more than stabilise at its previous level. (It has improved the relative incomes of the poorest ten percent of the population, but been unable or unwilling to restrain the rapid growth in incomes and wealth of the richest ten percent.) Educational outcomes and therefore employment prospects for the lowest third of population remain obstinately poor.

The second is an emergent crisis of social solidarity, reflected in recent arguments (by Avner Offer and Richard Layard for example) to the effect that improvements in living standards seem to be accompanied by no increases in

[5] Goldthorpe wrote an acute sociological analysis of the inflationary crisis of the 1970s, explaining it as the outcome of an unresolvable conflict of social classes over the distribution of wealth. ('The Current Inflation: Towards a Sociological Account' , in The Political Economy of Inflation, ed. J,. Goldthorpe and F. Hirsch 1978.)

self-reported happiness, but on the contrary by social epidemics of crime, clinical depression, family breakdown, addictions to drugs, alcohol and gambling, and obesity.[6] The social response to this diminished solidarity is moral panic and hysteria aroused by perceived threats to security and well-being - from drug-dealers, terrorists, paedophiles, asylum seekers, and street criminals. Fundamentalist religion may be one form of 'psychic retreat' or rescue from the anxieties aroused by this situation of anomie, the emergence of 'virtual communities of feeling' like those mobilised in response to the death of Princess Diana and by the abduction of Madeleine McCann, is another.

And the third is the environmental crisis, and its now obvious dangers.There may be widespread agreeement about the relevance of these three issues, and about the desirability of addressing them through policies and interventions. Indeed Anthony Giddens in Over To You Mr Brown puts forward or endorses proposals relevant to all of them.

But it is surely necessary to address the systemic difficulties or structural resistances that appear whenever we try to address these problems, if we are to have much hope of resolving them. One could say that the frenetic style of much New Labour policy-making has been a form of manic denial of structural contradictions, just as Brown's 'stealth taxes' to help the poorest may have been his means of circumventing them.

Here are some examples of what I mean. In a globalised economy, whose leading edge is its financial sector, how can one compress differentials of income and wealth and demand more corporate responsibility, without leading this most footloose and mobile form of capitalism to respond by its own counter-action, for example by transferring its activities to more tax-friendly locations? This is

[6] On this debate, see M. Rustin, 'What's Wrong with Happiness', in *Soundings* 36 Summer 2007.
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surely part of the logic of informational capitalism, the self-interested behaviour of what Thomas Friedman, one of its advocates, described in The Lexus and the Olive Tree as the 'electronic herd'.

Similarly, how far is diminished social solidarity not the outcome of this same economic and ideological system, on which Britain and other affluent nations in fact depend for their prosperity? Don't attempts to create more inclusive and supportive communities founder not only on inequality, but also on the induced egoism of consumer societies, the reluctance of people to sacrifice their relative advantages (e.g. access to better schools or neighbourhoods) for a fading sense of a common good? Isn't the problem with offering the equivalent of 'consumer choice' in public goods the fact that people often want services, for example schools, which are not merely good in absolute terms, but which will confer relative advantage, in a competitive and anxiety-ridden society, on themselves and their families? Thus 'consumer choice' can unwittingly be a driver of social inequality and separation.

And one need go no further than the arguments over the contribution of cheap and massively expanding air travel to global warming, and the reluctance of government to curb this because of its contribution to economic growth, to see the connection between the risk to the environment and the functioning of global market society.

It need not follow that such contradictions, because they exist, are unresolvable. They may not be, as the growing mobilisation of concerns about global warming may indicate. What is surely clear is that such contradictions need to be faced, not mystified or glossed over, through formulations which make even the idea of structural obstacles to desirable changes unthinkable.

There may be a possible gain in the transition from the Blair to the Brown era, in a willingness to engage in more open debate on these questions, and perhaps also in a diminished admiration for the more acquisitive aspects of global capitalism.

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