

# Labour must challenge the conventional wisdom of neo-liberalism and articulate an alternative to Austerity Britain where the state plays a positive role in delivering growth and raising living standards

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*This week saw Ed Miliband state that Labour was “party for all times, not only a party for good times”. [Bart Cammaerts](#) argues that this and other attempts by Labour to reframe itself still opposes the coalition on its own terms, rather than shifting the debate to a genuinely alternative view. By pointing out the flaws in the neo-liberal ideology that led us to the current crisis, Labour can start to outline a new vision for a ‘Fairer Britain’.*



Ed Miliband’s recent attempt at re-invention as the leader of the opposition shows that the reformist Left is in a difficult and awkward position. At a time when elections are supposedly won on the political centre of politics, the 2008 financial meltdown and the subsequent fall-out have created great uncertainty amongst political actors about where that political centre is situated today – it is a volatile moving object and now even more difficult to interpret according to the traditional left/right political fault line given the new polarisation which focuses on non-materialistic values such as immigration and climate change.

The New Labour project was based on down-playing the old Left credentials and adopting new Right values such as law and order – ‘tough on crime as well as on the causes of crime’. Cameron’s ‘new’ Tories consciously sought to ditch (at least rhetorically) the perception of a nasty right wing party for the rich amongst others by catering to some new Left values such as respect for the environment and gay-rights.

The British people chose the right wing version of the third way at the last elections leaving the Left in disarray, not only in terms of leadership, but also their political identity and ideological positioning. Feeble attempts by gurus, advisors and other luminaries to re-define Labour in a blue age of austerity have failed.

Their failure has been to attempt to fight the coalition on its own terms, rather than aiming to shift the parameters of the debate by articulating a genuine alternative vision. This has allowed the government to use reforms as a rhetorical veil to structurally break down the welfare state and to further commercialise the public sector, while Labour is perceived to lack credibility and has had little coherence in stating a clear alternative.

The key to developing a ‘new’ alternative narrative will be a return to ideology. Neo-liberalism has been dominant since the late 1970s, with New Labour subscribing to most of its core tenets whilst concomitantly rejecting its socialist legacy. As such, neo-liberalism managed to negate its negation (to put it in Hegelian terms); it made its ideological enemy capitulate and fully accept its core-premises – i.e. inequality is unavoidable, the filthy rich benefit us all, the market always knows best and the state should not intervene nor regulate too pervasively.

However, the landscape has now changed (as the late New Labour strategist [Philip Gould](#) might have put it). The main shift will be a gradual but nevertheless forceful return to a polarization on the old political fault line between labour and capital, between those that duly pay their taxes and those that don’t, between those who have seen their wages drop by 10-15 per cent and those who receive bonuses and generous pay-rises for their complicity in making life more miserable for everybody else.

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The problem that presents itself is that neo-liberalism, having been accepted by both the Right and a large part of the Left as the hegemonic ideology, has managed to position itself beyond ideology. As a result, any suggestion of an alternative vision countering its core-values and principles is dismissed as ludicrous, backward thinking and dangerous in going against the sacred will of the market. It is this conundrum that has to be broken first and foremost. Miliband and Labour need to consistently point out the [many and obvious flaws](#) in neo-liberal thinking and policies. It needs to be argued much more forcefully that the financial crisis, the need for states to bail out the banks and the high public debt, is not the fault of Labour, but of unchecked casino capitalism and the lack of proper and rigorous state regulation. The fact that train fares in this country are 4 to 10 times more expensive than on the continent is the logical outcome of privatization and of the choice to provide public services through actors that aim to maximize profit. Educational and healthcare provisions should have the interests of students and patients respectively at heart, not profits for private providers.

But each time the core question returns; what kind of country does Labour envisage to replace Austerity Britain? Crucial to defining the contours of such a 'Fairer Britain' is the need to develop a more positive and proactive role for the State in raising living standards for all, closing tax loopholes for big corporations, safeguarding the welfare state, protecting citizens and securing international agreements to tame market forces rather than being the passive victim of them.

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