

If Labour's lost faith in the state what's the point in...

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Ann Perkins has a very neat summary in the Guardian of IPPR's report, out today, that Ed Miliband seems to be adopting as the basis of his manifesto. [She says](#):

The [IPPR's big insight](#) is that it is not just politicians that the rest of us don't much believe in; it's the power of the state itself. Forty years on, Thatcher's libertarian friends are in control of the British political mindset..... The state is now widely perceived as the enemy of freedom and individual success.

The IPPR has submitted to the argument too. Twenty years after its radical approach to social justice made the state the principle vehicle for reform, it no longer believes the state can make change happen. Its ambition to reset politics is less about the era of no money, but the era of the small state.

As the author of a book called [The Courageous State](#) you will not be surprised to find that I do not agree with this hypothesis. As I said in that book, the current political environment in the UK is that of the Cowardly State. I describe this as follows:

Cameron and Osborne, with their allies Nick Clegg and Danny Alexander have become the apotheosis of something that has been thirty years in the making: they are the personification of what I call the cowardly state. The cowardly state in the UK is the creation of Margaret Thatcher, although its US version is of course the creation of Ronald Reagan. It was these two politicians who swept neoliberalism into the political arena in 1979 and 1980 respectively following the first neoliberal revolution in Chile in 1973 that saw the overthrow of the democratically elected Allende government by General Pinochet. Since then its progress has been continual: now it forms the consensus of thinking across the political divide within the UK, Europe and the US.

The economic crisis we are now facing is the legacy of Thatcher and Reagan because they introduced into government the neoliberal idea that whatever a politician does, however well-intentioned that action might be, they will always make matters worse in the economy. This is because government is never able, according to neoliberal thinking, to outperform the market, which will always, it says, allocate resources better

and so increase human well-being more than government can.

That thinking is the reason why we have ended up with cowardly government. That is why in August 2011, when we had riots on streets of London we also had Conservative politicians on holiday, reluctant to return because they were quite sure that nothing they could do and no action they could take would make any difference to the outcome of the situation. What began as an economic idea has now swept across government as a whole: we have got a class of politicians who think that the only useful function for the power that they hold is to dismantle the state they have been elected to govern while transferring as many of its functions as possible to unelected businesses that have bankrolled their path to power.

It is to this philosophy that Labour has now subscribed. Labour is now as likely as any other of the mainstream parties to present ideas that represent its abandonment of a belief in the power of government. They might wrap these up as devolvement of responsibility to local government. They could call them personal empowerment. Some on the neoliberal wing of the party most certainly represent them as part of a 'small government is beautiful' philosophy. But in practice in each and every case they are an abandonment of everything that Labour was supposed to stand for. That is because these policies represent Labour abandoning collective action in favour of individual action, or very bluntly, no action at all (which is, I'm sure, what will happen as a consequence of the so-called devolution of power to councils when no budget follows the responsibilities transferred).

This new policy agenda represents three things. The first is the success of entryism. Neil Kinnock was terrified of entryism, but in his case the concern was with Trotskyists. In practice, the neoliberals have succeeded where the Trots failed.

Secondly, this policy represents the failure of political thinking within the Labour Party. What it is actually saying is it has nothing to offer and it therefore wants to give up power because it has no idea what to deliver.

Thirdly, such an approach confirms the belief of so many in this country that political parties are not, at present, offering anything to them. The problems in the UK have not gone away. [As reports this morning show](#), poverty is now twice as bad as it was 30 years ago, and yet Labour does apparently want nothing to do with it. It is a shocking indictment of its leadership. No wonder so many chose not to vote. No wonder so many think Labour is out of touch. They are right.

It's not a good day for the health of UK politics, Labour of the country as a whole.