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3 BRITISH POLITICIANS: THE DREAMER, THE MANAGER AND THE BROOKER

Jan-Erik Lane

Professor emeritus with Geneva University, Switzerland

janeklane@gmail.com

Abstract

New Labour came close to changing the political economy of the UK. There were 3 leading personalities that time has treated somewhat grimly. They have rendered account of their doings. In fact, New Labour was a necessity, if there would be a shift of power to the Left. It signalled the necessary ideological transition from ownership focus towards sustainability and equality. There will be more “new”, if French developments are to be avoided for “socialism”. This article concludes that to avoid the disaster of the French socialist party, New Labour needs rethinking away from Marxism’s ownership focus towards sustainability and equality.

Keywords: Political economy, Labour, Leadership, United Kingdom

INTRODUCTION

The public choice model of the politician in a competitive rule of law system was best captured in the Peltzman article from 1976. Starting from rational choice assumptions, the model politician would behave so as to maximize benefits to him/her over his/her costs. In short, the politician would incur costs and energy in order to acquire benefits like status and power. This model is contested but attractively simple. The evidence from the US is no doubt positive. How about the UK?



NEW LABOUR ERA

UK politics between 1997 and 2010 is very interesting from a public choice perspective involving new policy making. The 3 leading politicians have given their own account of events and motives behind a remarkable series of events.

We thus have 3 sources about motives for each one participating in the same game: rise and fall of New Labour. It should be emphasized that these memories are very different, reflecting much personalities. But taken together they shed light upon political motives. The style of writing is also very different in a manner relevant to the question of a model politician as conceived by public choice scholars. Since both Blair's and Brown's writing is highly personal, one needs Mandelson's more neutral account to follow what was going on.

No attempt to describe the history of New Labour will be made here – only the motives of the key persons are looked at. New Labour exists hardly any longer and the party is not close to government. Was there a model politician behind the success of New Labour?

BLAIR

Although hardly a heavyweight politician, Tony Blair saw early the possibility of Labour replacing Thatcher and her government. But a transition of power requires a new Labour, argued Blair forcefully. He was not alone, but perhaps he was the visionary. Only a radical break with its socialist past (paragraph 4) could make Labour "regierungsfähig". His views on party reform was shared by others in the party, but the fervour was his. The 1997 election victory proved him right. And Blair realised that that the swing was so strong that it would last long. The British electorate had become fed up with Thatcherism and New Labour promised better public services, more to NHS, fairer taxation and positive attitude towards European integration. Austerity was no longer the option for the majority.

Coincidentally, the party leadership became open due to premature death meaning that the new party leader would also be Premier. "This is mine", declared Blair. He could achieve two goals: reform the party and govern the UK simultaneously.

Yet, there was a serious problem in that the Second Man – Gordon Brown – wanted to candidate too. Instead of a fierce leadership fight, one devised the peculiar solution that Blair will be Number One, but would later step down and let Brown take over, also as premier, if Labour stayed in power. "When would this occur?", became a poisoned question for the Labour government, the longer it stayed in power.

Finally, Brown forced Blair out. The construction was very unfortunate, no doubt conceived by the Third Man. Brown wanted the premiership as badly as Blair, who was defeated by various tricks.

Blair first period fulfilled Peltzman model well. His second period failed in this respect, as he had ventured into foreign policy. Blair's memoirs deal much with the Iraq invasion where he comes down justifying his stances. Blair lost much aura and the only positive outcomes were two great speeches, that of Tony Benn and that of French Villepan.

Blair talked about "shoulder to shoulder", but this was not with British people but the Bush people. When the casualties came, Blair had no Peltzman defence. Both the Afghan and the Iraqi developments showed that the UK had stepped into a quagmire. Perhaps Blair has not fully yet recognised the folly. The Al Queda attacks followed *Deobandi* teachings from the Indian Sepoy 1858 uproar. The Afghan invasion favoured the Tadjik's, but the majority of the population were Pashtuns. The costs became enormous, but real outcomes few, except for gender equality.

In any case, Blair tried New Labour policies but was blocked by chancellor Brown. To manager Brown the UK were mislead by the reports of WMDs. For visionary Blair the damage was irreparable.

The question of WMDs have been much debated, as none were found. However, it is well-known that mustard gas was used against Kurdish villages in the 1980s.

BROWN

Gordon Brown's memoirs are hardly original, telling us about the enormous amount of policymaking he initiated or was party to. His life was one long policymaking – very impressive. During the global financial crisis Brown turned into a world leader. He does not speak about Peltzman's vote winning strategy but offers support for his clients: those who were left behind. Brown was more of a true socialist than Blair but Brown linked up with New Labour as he witnessed deindustrialization in Scotland. There was not a policy Brown would consider if relevant. His intelligence compensated for partial blindness. In the final 2010 Brown missed the vote winning message, namely deficit reduction.

Despite his managerial skills, Brown was not a Peltzman model politician. He failed to attract the Libdems for a coalition that would bring PR to Great Britain. Unintelligibly, Nick Clegg chose Cameron. Maybe Brown was too demanding a person? The realisation never occurred to Brown that he might have had more impact if he had accepted Blair as leader.

MANDELSON

Peter Mandelson served both Blair and Brown, even they could not collaborate. Like Brown he came from a traditional Labour background. Very radical as young, he mastered organisation needs of his masters, for which he was roundly awarded. Mandelson has been

portrayed as the Machiavelli behind two charismatic politicians. This is an exaggeration. Often Figure in the media, he was the advisor who sometimes came up with Peltzman model solutions. He seems to have been the fixer and the comforting man. In 2010, he could not broker a deal with the Libdems that would have saved the UK from Cameron and Johnson.

RELEVANCE OF NEW LABOUR

One may contrast the early success of New Labour with the downfall of French socialist party, no doubt due to elite egoism. Socialism is and will always be a myth. It can be employed at mass rallies, but not in policy-making.

Just as Marx was wrong about the cohesiveness of the working class facing dismal pauperization he believed, so Schumpeter failed to see that intellectuals might work for capitalism. In fact, French sociologist Tocqueville already before *The Communist Manifesto* pointed out that real wages would go up in the market economy. The chief protagonists of capitalism after the Second World War were intellectuals at universities like Chicago, Virginia and Freiburg.

In any case, no socialism has been forthcoming. China today is hardly a socialist country like the USSR once were. And North Korea is not what Schumpeter dreamt about as replacing capitalism. However, today's global market economy faces the very same problem that occupied Marx and Schumpeter, namely the enormously skewed distribution of income and wealth. Look at the following Diagram.

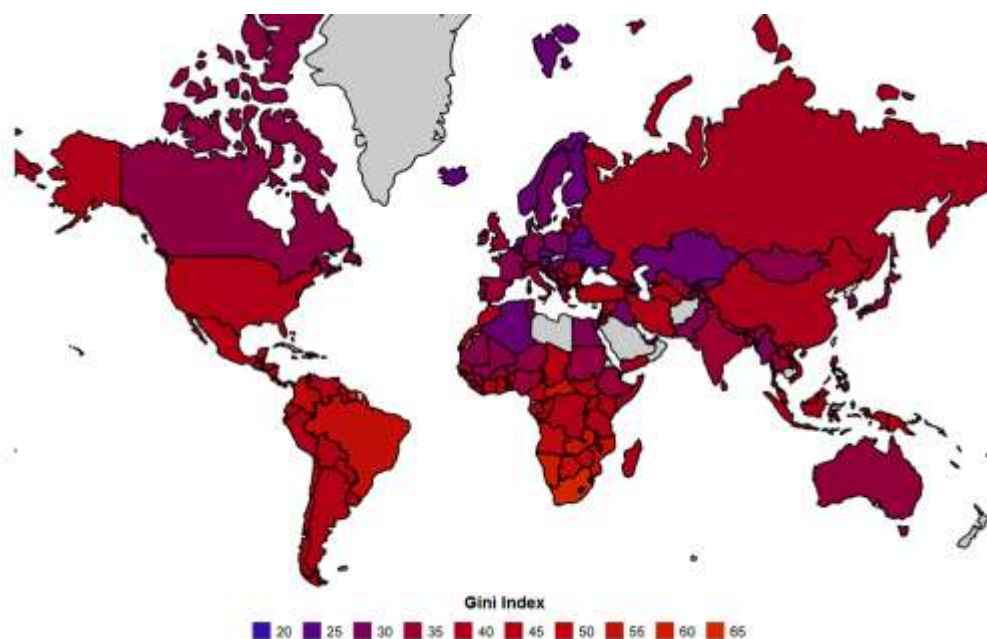


Figure 1. Gini Index by country 2022 (World Bank, Wikipedia)

The skewed income and wealth distribution impacts upon global warming politics in two ways. First we have the argument that capitalist greed is a major cause of global warming. Second, we hear that climate policies must take into account the rich-poor cleavage, between countries as well as within.

The global market economy comprises a number of capitalist economies. Each of them faces a set of common problems.

The only countries that came close to democratic socialism were the Scandinavian welfare states. Here, public sector spending and taxation were increased to around 50 per cent of GDP, offering a number of merit goods and services impartiality, like health, social, old age care free university training as well as various transfer payments. The mixed economy was created partly under influences from Keynesian economics. However, recently the Swedish or Scandinavian model – “*folkhemmet*” – has lost its redistribution edge, allowing some privatisation as well as less progressive taxation. Several EU countries have some welfare state programs, but socialism is no longer on the political agenda with EU.

French economist Piketty advocates the relevance of a major system transformation to a socialist economy now. He argues that most of the time capital owners take a larger share of national income per year than labour. It seems that Tocqueville already in 1840 was right when he underlined that capitalism might benefit also labour. In any case, the future of the global market economy appears not in doubt, at least not the more institutional version.

It has been argued the capitalism is the root cause of the ecological crises. However, the capitalists would suffer or perish too, if advanced life becomes impossible. One can separate between institutional capitalism à la Williamson (1985) and criminal capitalism. Illegal capitalism no doubt hurts Mother Earth.

Today socialism or the welfare state is not the priority in British politics. Instead, the UK must fulfil its promise to global warming cooperation as listed in Table 1 below.

Country	CO2 emissions 2019 / Gigatonnes	GDP 2019 / Billion USD
China	10,7	14280
United States	4,8	21373
India	2,5	2832
Russian Federation	1,7	1693
Japan	1,1	5123
Germany	0,7	3888
Iran, Islamic Rep.	0,6	291
Indonesia	0,6	1119
Korea, Rep.	0,6	1651
Canada	0,6	1742
Saudi Arabia	0,5	804
Mexico	0,4	1269

South Africa	0,4	388
Brazil	0,4	14280
Turkey	0,4	21373

CONCLUSION

New Labour was the attempt to give the UK Scandinavian type socialism – the only form of socialism worth trying. It did not succeed due to competition between Blair and Brown, two exceptional politicians that not even the Third Man could master. To avoid the disaster of the French socialist party, New Labour needs rethinking away from Marxism's ownership focus towards sustainability and equality.

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