

# Britain's Compass group: Former Blair acolytes seek to rescue New Labour

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17 May 2006

When Home Secretary John Reid pronounced that the Compass group was leading a left wing coup to depose Prime Minister Tony Blair and return to “Old Labour” values, he could not have been more wide of the mark.

An examination of Compass, its personnel and its politics reveals it as an attempt to save New Labour from electoral oblivion and thus safeguard the careers and influence of a layer of party apparatchiks and advisers. They include figures that have played a central role in fashioning New Labour, as well as a relatively younger layer who have made their fortunes thanks to their ability to trade on their access to the government.

Their hope is that public hostility to the government can be dispersed by the simple expediency of replacing Blair with Chancellor Gordon Brown and making minor modifications to Labour policy in order to assert that it is now more in tune with the will of the electorate.

Compass was launched in September 2003 amidst growing public disaffection with both the government and the entire process of official politics. Blair's decision to join the US-led war against Iraq in the face of widespread popular opposition, and the exposure of his claims that Saddam Hussein possessed weapons of mass destruction, had destroyed the prime minister's credibility. Together with the government's pro-business agenda this had left Labour's standing at an all-time low. With a general election in May 2005, many became worried about a political meltdown.

Compass set out to become the rallying point for those within and around the party machine—policy advisers, academics and pro-Labour journalists, together with Labour MPs and councillors fearing the loss of their seats.

This is a social layer motivated by powerful economic self-interest. Though by no means numerically substantial, it plays a crucial political role.

The Blair government in fact rests on two constituencies. It functions as the political representative of a global financial oligarchy, which dominates all aspects of economic and political life. But Labour's refashioning as a right-wing, overtly pro-capitalist party was a major political operation that involved thousands of party and trade union bureaucrats. Once it came into government thousands more gravitated around this core in order to secure access to the seat of power and the wealth that was to be opened up through Labour's privatisation of essential social provision.

This upper middle class stratum that is centred in London and the southeast, has also benefited significantly from Labour's big business agenda. In particular, intimate relations have been built up between the personnel of think tanks whose remit is to legitimise and elaborate Labour's pro-business policies; lobbyists who act as middle men between government, public services and corporations in hiving off public services to private capital; and finally journalists whose job it is to put a popular spin on a massive redistribution of wealth away from working people to the rich.

Neal Lawson, who is the chair of Compass, is typical of the New Labour breed. A former adviser to Blair, he also ran Nexus, a New Labour think tank, and edited its quarterly journal, *Renewal*.

His previous brush with fame was in 1998 when the *Observer* newspaper alleged that his lobbying company, Lawson Lucas Mendelsohn (LLM), was offering access to government ministers in return for substantial cash payments. A reporter posing as a prospective client at LLM's offices said that “for a £5,000-£20,000 monthly fee, clients were instructed ‘in the political grammar of the world of Tony Blair.’”

Other members of Compass, such as Cathy Ashley and Anna Coote, work for charitable organisations, which also provide consultancy services to corporations, the public and voluntary sector in relation to government policy.

Compass also brings together representatives of all the key pro-Labour think tanks, including the Institute of Public Policy Research (IPPR), the Fabian Society, Progress, Catalyst, *Renewal* and the New Economics Foundation.

The most important of these is Demos, represented by its leader Tom Bentley, formerly the adviser to David Blunkett when he was Secretary of State for Education.

The business connections of Demos make Lawson's efforts pale by comparison. Its website explains: “Demos works in most public service sectors, including education, health, policing and social care,” alongside government departments, local authorities and corporations such as Centrica, the NatWest Group, Shell and Vodafone.

Its trustees include Andrew Mackenzie, Chief Executive for Industrial Minerals, Rio Tinto, Nick Claydon, a partner in the Brunswick Group, the international PR firm which acts for almost a third of the FTSE 100 top firms, and Ed Straw, a partner at PricewaterhouseCoopers.

The position of prominence enjoyed by Demos is thanks to the key role it played in the genesis of New Labour. Demos was set up by Martin Jacques, the editor of *Marxism Today*, together with Geoff Mulgan, a regular contributor to the magazine. *Marxism Today* began its life as the theoretical journal of the Communist Party of Great Britain.

From the mid-1980s it became a focus for broader layers within social democracy and academia that were explicitly repudiating class-based politics. Its *Manifesto for New Times*, with its claims that the world was entering a “Post-Fordist society”, and its insistence that Conservative leader Margaret Thatcher had succeeded in determining the political agenda, were taken up by the Labour Party's leadership under Neil Kinnock.

Together with *Marxism Today's* anti-Trotskyist pedigree this opened the door for its key personnel to the highest echelons of the Labour Party—particularly those who became the leaders of New Labour. This was at a time when the Labour Party was conducting witch-hunts against the Militant group and others on the left of the party, which heralded Labour's ditching of its previous reformist policies that ended with Blair's junking of Clause 4, the party's commitment to social ownership.

Compass acknowledges its intellectual debt to Stalinism in its programmatic material, much of which is written by former supporters of *Marxism Today* and gives a version of the British labour movement history indistinguishable from that publication.

Its pamphlet “What is the Democratic Left?” written by Lawson, Paul Thompson and David Purdey, states that the precursors of Compass came from both Labour and the Communist Party.

Crucially the pamphlet focuses on what they describe as “the death of militant labourism, with the defeat of the miners’ strike in 1984.” In contrast the pamphlet praises “the outstanding success of *Marxism Today*” and *The Manifesto for New Times*, which it attributes to its recognition of the end of the class struggle as the basis for “building a new, democratic left.”

This development within the CP was echoed in the Labour Party. Following Labour’s defeat in the 1983 general election, the bulk of the party, including most of its nominal left, “came to our senses... A crucial turning point in the ensuing civil war was the realisation by most Labour members that *Militant* really was an entrust, anti-democratic party that deserved to be expelled.”

Alongside the Stalinists and the witch-hunters another group is identified as a crucial element in the genesis of New Labour’s supposed “democratic Leftism.” These were the renegades from various radical groups, which Compass describes as “a third current that had its roots in the new left that emerged from the struggles and social movements of the late 1960s and 70s. Turned off by their experiences in or with the far left, many had joined Labour, but as genuine seekers for a radicalised social democracy rather than as entrusts... Most of these forces inside and outside Labour supported the Blair revolution, some more sceptically than others. Labour had to change, we were prepared to be part of a modernising coalition and Blair was the necessary catalyst.”

Compass presents an accurate picture of the forces that made up New Labour. Moreover, they have every right to claim a special place for the Stalinists. As well as advisers who provided the ideological justification for renouncing the class struggle and social ownership, many of those who have become New Labour’s key personnel were trained by the Communist Party—including Reid, former Foreign Secretary Jack Straw, European Union commissioner Peter Mandelson and Education Secretary Alan Johnson.

There was no better place for the seedbed for right wing, anti-working class politics than the environs of the Communist Party of Great Britain. Indeed, in the midst of present faction fight, Lawson responded to accusations that he was leading an old Labour coup by retorting, “We are an organisation packed with people who were fighting Trotskyites when some of the modernisers were Trotskyites.”

Precisely who amongst his pro-Blair critics Lawson was seeking to embarrass with claims of a former connection with Trotskyism is unclear. But its use as an insult stakes a claim for Compass to the mantle of New Labour’s repudiation of socialism that will be lost on no one within the party.

The *World Socialist Web Site* has identified the political phenomenon that is described in such glowing terms by Compass as “renunciationism.” Such intellectual shifts as the wholesale repudiation of class politics and a pronounced lurch to the right always have their roots in profound objective causes.

Over the preceding decades the social interests of the labour bureaucracy had become increasingly divorced from, and antagonistic to, those of the working class it claimed to represent as it became integrated into the apparatus of the state and corporate management.

By the 1980s, this political degeneration of the old workers’ organisations had reached a turning point. The development of the globalisation of production had ended the possibility of ameliorating class antagonisms through policies based on national economic regulation. The

bureaucracy concluded that its privileges were no longer compatible with efforts to secure even the most minimal concessions for the working class. Rather their continued usefulness to capital depended on carrying through the systematic destruction of the previous social gains won by the workers’ movement.

The embrace of a Thatcherite economic and political agenda by the Labour Party and the Trade Union Congress found its echo in similar organisations throughout the world. But the most striking expression of renunciationism was the ascendancy of a capitalist restorationist wing within the Stalinist bureaucracy, led first by Mikhail Gorbachev and later Boris Yeltsin, which presided over the liquidation of the Soviet Union.

The transformed relationship between the old bureaucracies and the working class also impacted directly upon a section of the middle class that gravitated around the official labour movement in academia and local government. At the very point that the bureaucratic apparatuses and programmes that had been used to discipline the working class and suppress the threat of revolution were at the point of collapse, they too made their peace with capitalism and sought a new basis for maintaining their privileged social position.

This is what in 1997 united the supposed leftist intellectuals—whether nominally Stalinist, Labourite or Trotskyist—behind Tony Blair and New Labour.

For almost a decade, they were able to utilise the ideological confusion caused by the betrayals of the old workers organisations to their personal and political advantage.

But this is now coming to an end. In this month’s local elections Labour lost more than 300 seats—precisely the type of electoral debacle long feared by Compass—which has served to ignite the bitter faction fight within the party.

Should Labour lose office the gravy train comes to a halt. The place of Demos, et al. would be usurped by their pro-Conservative counterparts as big business advisers and go-betweens. It is this, rather than any questions of principle, that motivates Compass to make moves against Blair in the hope of rescuing New Labour.

As might be expected from a group of academics and policy advisers, Compass has produced reams of material supposedly outlining its vision for the future. In the end, however, it all boils down to pinning its hopes on a fresh bout of rhetoric and a new face at the top.

These are the people who most enthusiastically proclaimed New Labour as a “third way” and Blair’s government as progressive politics for the modern era. Its embrace of the market, they insisted, did not lessen Labour’s commitment to a more egalitarian and democratic society. Rather it offered the only realistic, practical means for achieving these ends.

What do they have to say after nine years of a Blair government?

Labour has presided over a historically unprecedented increase in the wealth of the super-rich at the direct expense of working people. It has dragged Britain into one imperialist adventure after another and is set to do so again, this time against Iran. In order to stifle political and social dissent it has abrogated fundamental civil liberties that bring into question the very rule of law.

Yet in response Compass merely issues a gentle reprimand to the government for being too defensive—not “sufficiently new” or “sufficiently Labour” in Lawson’s words—and even calls for some reference to “class” while insisting that it was correct to rewrite Clause 4 and nail “its colours to the mast of public service reform.”

Iraq is barely mentioned and there is no record of the group mounting any organised opposition to either the war or the ensuing occupation. And Lawson succeeded in writing a 40-page pamphlet, grandly entitled “Dare More Democracy,” that fails to even mention, let alone oppose any of the government’s actual attacks on democratic rights.

Instead he makes clear the Compass group’s only real concern: to

identify the hot button issues that can win back the support of “Labour’s swing voters” or “switchers” from the middle class professions and the skilled workers.

Compass offers very little that can do so. Most of its documents are made up of banalities and soundbites. It thrashes around looking for some political and ideological examples of a successful social democratic party or philosophy for government—flirting with the so-called “Swedish model,” communitarianism, environmentalism, post-modernist critiques of consumerism and proposals to focus on lifestyle issues that will bring personal “happiness” unconnected to material wealth.

It can only offer such a thin gruel because its aim is to claim the mantle of New Labour, rather than offering any real political alternative to it.

One of Lawson’s most revealing comments was on the difficulties Compass faced in drafting its manifesto. “We really had to try and find the right language,” he told the *Guardian*. “We still wanted the government to succeed. But how do you say, ‘You’re heading the wrong way—turn round and come this way’ in a way that isn’t Old Labour? We averaged about six words a day over two years because we were constantly ripping up drafts: ‘No, no—that smacks of old politics.’”

The “right language,” as far as securing the support of New Labour and its corporate backers is concerned, prohibits any genuine popular appeal. It means there can be no suggestion of a commitment to the “old politics” of redistributing wealth to working people, let alone forthright opposition to colonialism and war. All that is left is to warm over the discredited nonsense of the “third way” about democratic market capitalism and personal self-realisation.

The aspirants to the New Labour crown grouped around Compass who are now acting as cheerleaders for Gordon Brown face precisely the same political dilemma as that faction grouped around Blair. It has proved impossible to reconcile politics that serve the interests of a financial oligarchy with efforts to build a stable electoral base.

Compass portrays New Labour’s difficulties as a problem of presentation, when it is a problem of substance. The millions of workers who have become hostile to Blair’s government have every reason to be. And they will not be deceived by the efforts of Compass to buttress the disintegrating ideological façade that has been used to conceal Labour’s role in facilitating the political monopoly of a fabulously wealthy elite.



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