

# Britain: Labour's Compass group plans its efforts to save capitalism

Paul Mitchell  
18 June 2009

An atmosphere of despair hung over last Saturday's conference, "No Turning Back: Visions, policies and campaigns for the good society," organized by the Labour Party's leading "left" group, Compass. Speaker after speaker described how deep the economic crisis has become and how far support for the Labour Party had collapsed.

There could be no "turning back" to neo-liberal free market policies, the speakers admitted. But this was only as a preamble to insisting that there was no possible socialist alternative. Instead a broad coalition of social democrats, Greens, liberals and nationalists had to be built in order to reform and regulate the worst excesses of capitalism.

The perspective advanced was epitomised by the session sponsored by the Tribune group, entitled, "What type of capitalism do we want now?"

Communications Workers Union General Secretary Billy Hayes told the audience that more than a quarter of all workers had had their pay cut over the last nine months. Almost a quarter had had their working hours reduced, and a similar number had lost their entitlement to benefits. By the end of the year there would be three million unemployed and five million people on council house waiting lists.

War On Want director John Hilary pointed out that millions of workers will lose their jobs in Britain, tens of millions in Europe, and hundreds of millions globally were in the same predicament. Across the world, nearly one and a half billion people lived in extreme poverty, he added.

He was "sad" when the recent G20 summit led by Prime Minister Gordon Brown went straight back to failed policies—more free trade, more free markets and more deregulation. Everything had been handed back to the very institutions—the International Monetary Fund,

World Trade Organisation and World Bank—that had caused the problems in the first place, Hilary protested.

Under Labour, he said, Britain had been in the forefront of trade liberalisation and deregulation, which had given more power to corporations and it, more than any other country, had pushed for privatisation and used aid money to force it on the world's poor. Labour had sided with oppressors against the oppressed, particularly in Palestine where the government had "rewarded" Israeli governments "every step of the way" with arms deals and preferential trade arrangements.

Labour Party deputy leader, Harriet Harman, sat stony-faced as Hilary lambasted Labour's record. She ignored his criticisms and said Labour's defeat was largely the fault of the MPs' expenses scandal. Harman was adamant that Labour "will carry on the last 12 years" and "shape a new economic order" dressed up with a "progressive promise" of more family, race and gender friendly policies. She warned the conference that the only alternative to Labour was the 10 percent cuts advocated by the Conservatives and increasing support for the British National Party.

Next to speak was Green Party leader and MEP Caroline Lucas, who said the Green Party's growing support (its vote in recent elections had increased more than any other party), its "radical policies" and anti-war credentials made it a vital part of any coalition based on "new politics."

As for Compass, its own "radical" policies amount to a referendum on proportional representation at the next general election, the abandonment of plans to part-privatise the Royal Mail and index linking the minimum wage.

The final keynote speaker was Compass chair Neal Lawson. He revealed that the organisation's management board had been in dilemma during the latest challenge to Gordon Brown—whether to "jump to a new leader or stick

with the devil we know.” He justified support for Brown by claiming that “substance not style” was more important.

Lawson told the conference, “We’re in a mess. It’s the end of the road for New Labour.”

“We stopped being a party of social democracy,” he complained.

“The simple answer is...we have to be a party that regulates markets. That helps business thrive.”

Lawson hoped that a progressive network of the “left” can pressure Labour in a new direction, a new “socialism” he said obliquely. He reminded the audience that the architects of the Welfare State—Keynes, Beveridge and Butler—were either Liberals or Tories.

According to Lawson it was the activities of the London Citizens group that forced Conservative London Mayor Boris Johnson to honour the “Living Wage” promise made by former mayor, Labour’s Ken Livingstone, and it will be proportional representation that makes Labour leaders stop ignoring the working class and stop concentrating on swing voters due to the first past the post system.

Labour’s jettisoning of the working class and its transformation into an open party of big business was not the result of the vagaries of the British electoral system.

Social Democracy was able to provide the essential pillar of bourgeois rule in Britain for over a century because it rested on the possibility of securing social reforms and improved living standards for the millions of workers who lent it political support. But by the 1980s, the political degeneration of the old workers’ organisations had reached a turning point. The development of the globalisation of production had ended the possibility of securing minimal concessions through policies based on national economic regulation. The bureaucracy concluded that its privileges and continued usefulness to capital depended on the systematic destruction of workers’ previous social gains.

The Labour Party under Neil Kinnock became a focus for broader layers within social democracy and academia that explicitly repudiated class-based politics and insisted that Conservative leader Margaret Thatcher had succeeded in determining the political agenda. Blair presided over the culmination of Labour’s ditching of its formal commitment to social reforms and embrace of Thatcherite free market nostrums. New Labour became the favoured political representative of the global financial oligarchy, and its key personnel became wealthy and influential people in the process. Lawson was a

member of this New Labour breed, becoming an adviser to Tony Blair, running Nexus, a New Labour think tank, and editing its journal, *Renewal*.

However, public hostility to the Blair government over its pro-business agenda and the unprecedented increase in the wealth of the super-rich at the expense of working people soared—as it did over the war in Iraq and Labour’s attack on civil liberties.

It was at this point, in 2003, that Compass was launched as a rallying point for those MPs, councillors, lobbyists and pro-Labour think tank advisors concerned that Labour’s dwindling support would see them lose their careers and influence. This, rather than any questions of principle, motivated Compass to make moves against Blair in the hope of rescuing New Labour. Their journal was filled with paeans to communitarianism, environmentalism, post-modernist critiques of consumerism and lifestyle changes to bring personal “happiness” unconnected to material wealth.

Two years ago Compass hoped that hostility to Labour, expressed in catastrophic local election results, could be diverted by the simple expediency of replacing Blair with Brown and making minor modifications to Labour policy.

This attempt to reconcile politics that serve the interests of a financial oligarchy with efforts to build a stable electoral base was already an impossible notion, but the economic crash dealt it a death-blow.

The super-rich regard any encroachment on the fabulous wealth they have amassed as impermissible. They demand the establishment parties use the global crisis to fundamentally restructure the economy and target the living standards of working people. They are increasingly supportive of David Cameron’s Conservatives and their pledges to impose cuts on a scale that will inaugurate an “age of austerity”—measures that require the preparation of a major confrontation with the working class.

The miserable response by Compass confirms that that there is no possibility of a left-wing opposition developing within Labour’s ranks that in any way sets out to defend the interests of working people.



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**