

# Discussion

## The Politics of the Alternative Economic Strategy

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Bob Rowthorn's article on the politics of the Alternative Economic Strategy in the January issue of *Marxism Today* raised a number of important issues and drew some provocative conclusions. In this brief response I want to question some of the political judgements on which Rowthorn's argument rests and to suggest a different way of constructing the agenda of debate.

### Rowthorn's case

It will be helpful first to summarise the argument put forward by Rowthorn. The worsening economic situation has destroyed the 'moderate' consensus of British politics, leading to the emergence of radical new forces on the Right, represented by monetarism, and on the Left where the Alternative Economic Strategy (AES) provides a rallying point. As a political strategy the AES is limited in two senses. It accepts continued private ownership and is therefore 'democratic' rather than revolutionary; and it is aimed at an independent progressive strategy within Britain and is thus *national* rather than international.

Nonetheless, the AES is a radical challenge to established powers and if implemented would meet with enormous opposition. But given the current balance of political forces there is no real prospect of the programme being implemented in full. The value of the AES is therefore essentially as a tactical and ideological weapon — tactical because it exposes the failure of the moderates to produce a clear programme, and ideological because it contributes to the self-confidence and political development of the Left and cultivates opposition to government policy. But as an ideological weapon the AES has weaknesses as well as strengths — it lacks a vision of the potential for radical social



change; it works with a centralised and bureaucratic idea of planning; and it fails to consider how Britain's economic relations with the rest of the world should be developed.

While there is no immediate prospect of the AES being implemented, Rowthorn argues, we have to consider what might happen if a Left government does come to power committed to carrying it through. Unless that government has overwhelming popular support — which is unlikely — then we must expect to face opposition from the Right, economic destabilisation and military intervention. In these circumstances a Left government would be forced to moderate its policies, or be defeated — *unless* the Left has a strong presence in the army. Therefore the labour movement must confront the 'ultimately decisive' question of the armed forces.

I am concerned about three aspects of this account. First the judgement that the AES cannot be implemented in the foreseeable future diverts our attention away from certain crucial questions. It leads Rowthorn to emphasise the tactical and ideological role of the strategy and to neglect its content; and it obscures the interrelation between the 'radical' version of the AES and other contri-

butions to the debate on economic strategy in the labour movement. Second, by assuming that there is a 'given' AES Rowthorn is able to criticise the strategy for having failed to deal adequately with certain questions. I will argue that it is helpful to treat the AES not as a programme but as a *field of debate* which is broad enough to encompass the issues he raises. The AES moreover is not a *substitute* for a *political* programme — it is an essential component. Third, I think it is misleading to treat the question of the military as 'ultimately decisive' — in the last instance the success of the strategy must depend on the commitment and understanding we can win among working people. Our prime concern should be with the practical steps through which we can build that commitment. I will go on to spell out these arguments.

### A plan for full employment now

Rowthorn's view of the significance of the AES is clearly conditioned by the judgements he makes about the likely pattern of political development in Britain. Although a Labour government he suggests may come to power at the next election it would lack either the commitment to, or the popular backing for, a radical economic and social programme. The AES, as he defines it, could not be carried through. Thus we should be concerned on the one hand to develop and extend the AES as part of a long term project of building an *ideological* consensus around a socialist programme and on the other hand to anticipate and work to overcome the essentially political obstacles which will determine whether that strategy can be implemented.

There is an element of tautology in this reasoning. To identify 'the' AES Bob Rowthorn constructs an 11 point summary of 'the fairly radical programmes put forward by

the Labour Left and the Communist Party', and uses this as his bench mark. Although he acknowledges, 'there are many different versions' which diverge from and dilute his own, his subsequent analysis is concerned with the 'radical' version. The doubt must arise that 'the' AES has been defined so as to be sufficiently radical to support the judgement that it could not be carried through in the immediate future — and yet to be sufficiently 'democratic' to hold out the hope that it might command wide popular support at some stage in the future.

There also seem to be certain inconsistencies in the reasoning. We are told the middle ground has been 'destroyed' yet it is then assumed that a new Labour government could get by with some form of moderate programme or watered-down AES. If this is the case then surely we should be concerned to understand what this moderate programme might look like and whether it might be pushed, by events or by political forces, in a socialist direction. Moreover since, as Rowthorn rightly argues, the AES derives its strength and popularity from the fact that it offers a practical alternative to mass unemployment, it is not obvious that it would *continue* to provide the basis for socialist mobilisation in opposition to a government prepared to implement at least some components of the strategy. If the AES does not stand up as a realistic short term programme it will not survive as a long term strategy for socialist change.

I have argued that Rowthorn's political scenario is partly tautologous and partly inconsistent. This is important because our underlying assumptions condition the way we approach debates about the AES. If we accept that the economic strategy can only be implemented at some unspecified date in the not-too-near future then we will naturally not be too concerned with the detailed content of the strategy and precise institutional proposals. Questions such as these should clearly not be the sole preoccupation of discussions on the AES but unless they can be hammered out in the labour movement we can hardly claim to have a serious alternative.

A good example is the planning agreement. The concept may be familiar enough, but there are a whole range of questions which remain unresolved. For example at what level within the enterprise should such agreements be negotiated (most big companies contain numerous independent divisions and many subsidiaries)? What new trade union structures will be necessary to bring different unions together at the level at which planning agreements are to be negotiated? What kind of alternative company strategies can workers develop and how can they be coordinated?

These issues have to be argued over *now* in order to build a coherent account of how a socialist industrial strategy will work. If we don't have the answers we can hardly blame the failures of the Left on the strength of the opposition.

The second consequence of Rowthorn's approach is that a certain area of debate on economic strategy has been cordoned off and labelled as 'the' authentic and radical AES. Very little is then said about the labour movement strategies outside this cordon. Will they too not be implemented because of lack of support, will they fail to achieve then-objectives because of some internal inconsistency, or are they to be rejected because then-outcome would be unacceptable according to certain political criteria? These questions are not entirely abstract because it is out of some wider and longer conception of the AES — based on policy generated by the TUC, individual trade unions and the Labour Party — that the economic programme of the next Labour government will almost certainly be constructed.

I would argue that we should root discussion of the AES firmly in the issues of immediate concern to the labour movement — unemployment, the state of industry, the provision of social services. Socialists have won little respect from working class people with a political practice which says explicitly or implicitly that the only real answer to our problems is socialism and what happens in the interim is not really our concern. Nor have we won respect with a practice which gives the pursuit of 'tactical advances for the Left' priority over the pursuit of material and political benefits for the working class. In other words we should not abandon the field of debate outside the enclave of our 'radical' AES in order to maintain a pure and distinctive socialist position. We have to provide good socialist answers to practical problems — not just answer people with socialism.

#### The AES as a field of debate

When Bob Rowthorn points to weaknesses in the AES he assumes the existence of an authoritative statement of the strategy in which certain questions are not adequately dealt with. For example, considering the danger of an energy shortage he writes that 'these questions are hardly ever mentioned in the Alternative Strategy'. This approach seems to me to be based on a conception of the AES that is at once too broad and too narrow.

It seems too broad in that it appears to expect the AES to perform the role of a political programme for a long term transformation. It may well be that such a

programme is necessary, but an economic strategy could only be one component. For example we should expect an AES to consider the implications for energy supply of a period of expansion necessary to restore a high level of employment, but we would hardly expect it to include a comprehensive energy policy. Yet we would hope to find such a comprehensive policy in Labour's programme. As an economic strategy the AES is primarily a set of policies for the short to medium term — which have been developed in response to the deflationary policies pursued since the mid-seventies. This is not something we should hold against it, for such policies are urgently necessary.

One the other hand Rowthorn's approach is too narrow in that it assumes that a definitive version of the AES has been set out when in fact there are a range of diverse contributions within a fairly loose but carefully structured framework. Debate on the AES is therefore much more fluid and there is far more space for intervention than Bob Rowthorn implies. The AES is not in my view a programme to be accepted or rejected — it is a field of debate, and the result is only as weak as the participants in this debate.

#### Winning popular support

Rowthorn ends his contribution with what he describes as the 'ultimately decisive' question of the military. Unfortunately he doesn't make clear what he sees as the implications of these warnings. For example it could be argued that any attempt to build support for a socialist programme is mere adventurism which will end in defeat as long as the armed forces have not been reformed. Presumably this position would be rejected. A second conclusion might be that we should prepare to 'arm the working class' to defend a socialist government against the military. In my view it would be sheer fantasy to imagine that such an armed confrontation could end in anything other than catastrophic defeat.

All we can do therefore is to seek to minimise the possibility of military intervention. We can do this in three ways. First by denying the armed forces the excuses for intervention they would need. This clearly rules out any strategy for the Left which seeks to bypass the requirement for a parliamentary majority — if any further reason were needed for doing so. There are strong grounds for believing that the armed forces would only intervene *against* an *elected* government in circumstances in which the actions of that government could be presented as a challenge to the constitution. A Left government should accept this constraint. Second, the likelihood of intervention may be reduced by making changes

in the forces themselves — replacing key officers, providing for the organisation of trade unions, and possibly even introducing conscription as a way of breaking down the conservative ideology of the military. Each of these changes could only be achieved by a committed government, but would carry with it the danger of provoking greater hostility toward that government. Third, the most fundamental factor affecting the possibility of intervention is the level of popular support for the government's objectives and methods.

Military intervention against *any* government would be a highly risky strategy which would undermine the whole construct of parliamentary democracy and create an extremely unstable political situation; against a popular government it would be virtually out of the question. It is extremely important therefore to look at the way 'popularity' is measured or communicated and this suggests that the role of the media is of more immediate concern.

I want to end by looking at the problems of building support and understanding for the kind of radical economic strategy we need if we are to move back toward full employment. The most immediate problem is one of communication. In recent years the Right has sustained an effective barrage of propaganda which has succeeded in translating a reactionary economic programme into plausible slogans appealing to personal experience. The Left meanwhile has become identified with failures of the past, with authoritarianism, bureaucracy and inefficiency. Where *the policies of the Left* are given any coverage they are presented as simplistic and unattractive — a 'seige economy', complete nationalisation, high taxation. There are of course many obstacles to reversing this process — the media, the cynicism left by previous Labour governments etc — and many reasons why we should not simply answer propaganda with propaganda. Nonetheless an important starting point is to present the framework of the AES as a clear and practical alternative to the absurd waste of monetarism, in terms which can be easily understood.

### Practical links

Second, we have to offer practical links between the AES and current struggles. The AES is constructed as a set of policies for a future Labour government, because it is argued — in my view rightly — that the state has crucial powers which limit the scope for independent action and which set the parameters for local struggles. Yet promises of future improvements are clearly insufficient to sustain commitment to opposition

to current policies and defence of jobs and services. There is room for action *now* based on centres of independent power — through trade unions, through local campaigns and Labour controlled local authorities — but if political support is not to be dissipated as hopes are raised and dashed we have to appreciate the limitations imposed by current government policies. The AES fits in two ways; first it offers an alternative framework which makes clear that the forces which local struggles have to contend with are social or *political* rather than natural. Second, as defensive campaigns raise the demand for people to have greater control over our own lives the AES indicates how the resources can be provided to make that control effective.

Finally, Bob Rowthorn identifies an important problem when he argues that many people see the AES as heavily weighted toward state action. Some have suggested that the AES is basically a corporatist strategy against which we should counterpose a socialist strategy based on workers' plans. I would argue that this is a false dichotomy — the two approaches are *complementary* rather than incompatible — but it points toward an important area of debate in the AES. Although I have argued that it is right that the AES should focus on the existing powers of the state, it does not follow that these powers should be *exercised* centrally by the state. There is enormous scope for devolution and *delegation* of powers, for legislation which

*enables* and supports action at other levels, and for provision of resources for local initiatives. Rowthorn mentions proposals for legislation to allow workers to vote to turn their companies into cooperatives. Other examples are the use of state sanctions and incentives through planning agreements to back up the plans which workers have developed for a company; statutory backing and finance for local authority initiatives in economic and industrial planning; provision for trade union representation on the boards of trustees of pension funds so that investment decisions can be controlled; and backing for moves toward joint control in industry. Measures such as these which *provide* power rather than imposing it should be an integral part of the AES.

In sum, the AES is a powerful weapon in the fight against the Tories because it provides a straightforward answer to the accusation that 'there is no alternative' to the monetarist devastation of the economy. But when we speak of 'the AES' we are in fact referring to a broad framework of policy within which there is wide scope for debate as to how policy and strategy should be developed. I have argued for constructing an agenda of debate which can bring together rather than divide the strands of thinking currently developing on the Left, but in a way that is keyed in to the practical concerns and policy development of the broad labour movement.