



LABOUR PARTY PAMPHLETS: SOCIALISM INTO THE EIGHTIES

Social Security (51pp, £1); **Taxation** (54pp, £1); **Private Schools** (53pp, 60p); **A Future for Public Housing** (72pp, £1), London, The Labour Party, 1981.

The Labour Party is in the doldrums and on the evidence of these pamphlets social planning and policy-making within the party are equally quiescent. This first batch of discussion documents in the series 'Socialism in the 80s' will be disappointing to all those interested not only in the future of the Labour Party but also in the future of the welfare state. Rather than setting out a range of radical possibilities for the next Labour government, and better still the next two or three administrations, as the first stage in establishing detailed social plans and social priorities, the options presented in these documents are restricted for the most part to the familiar Butskellite consensus of the pre-Thatcher period and therefore do not represent the radical departure that might have been expected in the current phase of rebuilding. Much worse than this failure to establish a framework for planning radical change, however, is the apparent inability of the Labour Party to carry out a critical evaluation of the welfare state and therefore to benefit from the shortcomings in the field of social policy of previous Labour administrations. There is little to suggest, for example, that the analyses of the social policy record of the last two Labour governments contained in the Fabian studies *Labour and Inequality* and *Labour and Equality* have been taken into account, let alone the more radical critiques of the welfare state by Marxists like Gough and Leonard which have been published in recent years.

Criticism tends to be reserved for the public schools and the parasitic nature of the private sector, and there is very little critical material on the state welfare services. The one exception is the pamphlet on housing

which at least recognises that the Tory victory in 1979 has major implications for the organisation and management of welfare services and not simply for their finances. This is a lesson that must be learned by the whole labour movement and the public sector unions in particular. Many welfare services are characterised by over-centralisation and excessively rigid bureaucracy and are not accountable to clients. However, even the housing document proposes the further growth of 'bureau-professions' with the development of a professional career structure in housing management. Many clients of the social services would provide some suitable comments on the conclusion that 'a major review of (housing policy) is now needed, doing for housing departments what the Seebohm Report did for social services'. Unless a critical evaluation of the welfare state forms the basis for social planning alongside the detailed analysis of poverty and inequality, the social services are not likely to become the vehicles for freedom and welfare that they are widely believed to be, both within and outside the labour movement.

While the Labour Party itself apparently misconstrues the nature of the welfare state in capitalist society, however, there is little hope for radical change. These documents do not suggest that it has attempted or is attempting a close analysis of the failures of the welfare state, or that it has a clear conception of social planning.

In the first place, the discussion of social security, taxation, education and public housing, and the policy options, is based on a liberal view of the welfare state as a countervailing force to the private market through a system of distribution based on wholly different principles, such as need. The survival of massive inequality and poverty over the whole of the postwar period and the fact that the experience of the social services for many of its clients is closer to repression than welfare suggests that this view is quite inadequate. Increased social

expenditure and the expansion of the social services have not necessarily represented progressive increments in the welfare of the working class. This is not to suggest that the welfare state has not contributed to welfare, but that its institutions, like others in capitalist society, contain fundamental contradictions. So the welfare state may on the one hand enhance welfare and on the other, control people. This is familiar enough to Marxists, but unless the Labour Party comes to grips with this contradiction it will not realise the extent of the changes which are necessary in capitalist society to substantially reduce inequality, eradicate poverty and promote welfare. At the moment it is more concerned to defend the hard-won institutions of the welfare state from current attacks and the restoration of Tory cuts, than to raise questions about the nature of those institutions. Thus social policy formation remains circumscribed by existing institutions, including many of those in the private sector, and social planning non-existent.

Secondly, these documents provide no guidelines for social planning or any indica-



tion of social priorities. One indication of this is the separation between the discussion of social security and taxation. The two subjects were considered by separate working parties, and are only linked in the discussion of finance, but it is clear that they must be closely related in any socialist social strategy. So, for example, of the two million people living below the state poverty line about one-third are paying tax. The absence of concerted social planning is also indicated by inconsistencies between the discussion of different welfare institutions. For example, the firm statements of principle on public schools might be contrasted with the prevarication on private pensions. Public schools are a relatively easy target, serving an elite outside of the traditional social services, though relying on state subsidies, but private pensions are now received by about one-half of the workforce. Discussion of the former centres on abolition and the latter only on adjustments to the management of pension funds.

Thirdly the false division between economic and social policies is maintained throughout these pamphlets. It is assumed that economic policy will raise the revenue for social policy to distribute. Therefore, the social consequences of economic policy are not considered, nor are the economic consequences of social policies. For example the aims of taxation are said to be: paying for public services, helping to restructure British industry, creating fair shares and managing the economy. The social aims and effects of taxation are not considered, yet the social security document refers to the overlap between this sector and taxation. More importantly, a strategy which *combines* economic and social policy and reconstitutes the traditional order of priorities between the two is not developed.

Some of these shortcomings may be illustrated by a brief consideration of the substance of the pamphlets. Social security takes the largest proportion of public expenditure (25%) and provides income to roughly one-quarter of the population. The proportion dependent on supplementary benefit has increased from 3% of the population in 1948 to 8% today, some 4.5 million people. The strategy recommended by the Labour Party to overcome this dependence on degrading means-tested benefits is not new or radical, it is the classic liberal one closely associated with Beveridge. But the Beveridge welfare state is a minimum or subsistence welfare state based on the assumption that there should be a significant income gap between those in and those out of work. The document argues rightly, that 'this basis must now be rejected' but provides no indication of how this change might be effected. Neither does it address the question of the repressive aspects of social security administration. Administration is treated as a minor issue in the mistaken belief that in essence the system is a healthy one. The *level* of expenditure is again seen as crucial. Statistics on poverty and inequality are not linked with an analysis of the factors which create poverty and dependency on means-tested benefits and therefore there is no concerted strategy to abolish poverty.

The options for changes in taxation are similarly limited. For example the proposal for a wealth tax suggests levying 1% between £100,000 and £300,000, up to 5% on the top slice above £5 million. A glance at the social security pamphlet reminds us that the single person's pension is £30 a week. The liberal tradition on which policy-making in the Labour Party is currently based is, perhaps, best exemplified by the pamphlet on education which fundamentally underestimates the depth and rigidity

Reviews

of class inequality in its desire to secure equal access to education. The housing document, the best of the bunch, pays tribute to the proud record of public housing in this country and rejects utterly the Tory future for public housing: a stigmatised ghetto for the poor. But it goes on to suggest that all would be well if the Tory cuts could be restored. This is only partly true: there was much that was wrong with the public housing system prior to 1979. A better starting point for planning a socialist housing policy would have been an appraisal of previous Labour policies. For example, it was the Tories who introduced the so-called tenants' charter, however restricted and incomplete it may be.

These documents are the outcome of discussions within the Labour Party and are clearly aimed more at internal debate and I suspect, particularly at the more conservative parts of the labour movement, than at encouraging public discussion. But we are constantly reminded that the debate in the Labour Party is about policies and not personalities, and on this evidence that debate is not very far advanced.

Alan Walker