



specialists in the Industry and Employment Division of the GLC based on this approach. A fair criticism of the strategy is that the powers for its implementation and the resources available to the public investment agency, the Greater London Enterprise Board, are exceedingly limited. This should not blind one, however, to the potential significance of this initiative as an influence on future Labour Party national economic policy.

Certainly at the launch, GLC Director of Industry and Employment, Robin Murray, addressed his inspired exposition of the strategy as much to guest speaker Neil Kinnock, as to the large and enthusiastic audience. His forthright call for a New Economic Policy based on a popular politics of production was presented as a clear challenge to the traditional emphasis on economic demand management in Labour policy. Kinnock's response, although including a 'hearty endorsement' of the new approach, appeared to embody in essence precisely this old image of deflation from above. The comparatively lukewarm reception that this evoked must have given the Labour leader some food for thought. Although some in the audience probably viewed this memorable encounter as a simple knockout of Keynesian Kinnock by Marxist Murray in fact it represented the first round of a more complex and potentially productive engagement.

The central achievement of the *London Industrial Strategy* is to introduce a publicly appealing notion of democratic planning into the heart of economic policy. In its commitment to specific policies for different sectors it links economic renewal to explicit social choice on future directions of production. And its involvement of workers and consumers through 'popular planning' establishes economic policy as a conscious political process, not merely the expression of abstract laws.

The significance of this is a profound one. For the reality is that the image of economic planning is sadly tarnished. Although successive Labour Party policies following the 1982 joint TUC/LP 'Economic Planning and Industrial Democracy' statement have dutifully included worthy proposals for new planning institutions, these have little popular purchase. The combination of Thatcherism's successful ideological assault on statism and the trade union Left's suspicion of tripartite economic bodies as class collaborationist has pushed planning off the political stage. A conspicuous success of the GLC Industry and Employment team is the democratic transformation of planning and consequent re-

habilitation of the concept. The rooting of industrial policy in popular participation gives it both a refreshing immediacy and a new found relevance to people as well as planners.

Nevertheless there are also tensions within the GLC approach. The launch meeting comprised an engaging mix of heady long term vision with sober short term realism. On the one side aspirations for socially useful production and an 'Economic Reform Bill' filled the air. On the other Ken Livingstone called for a realistic policy to secure City cooperation and others pointed to the need for an effective policy for small business and management. The challenge is to successfully integrate a genuine democratic politics with an economic realism.

Not everyone views matters in this way. Some simply see the industrial strategy as a step on the path to socialist revelation. Tony Benn in his contribution lumped together the two 'capitalist' strategies of monetarism and Keynesianism and counterposed them to the socialist alternative. Others appear at times to see the strategy as a route for bypassing some of the thorny questions of general economic policy or some of the harsh realities of industrial change. It is, however, the fusion of imaginative vision with a non-utopian strategy that offers the potential for a new left consensus, and toward which, encouragingly, many are aiming.

The impact of this new thinking on Labour's economic strategy has yet to work itself through the Party's policy machinery. A focal point for this process is likely to be Labour's Jobs and Industry Campaign which has already produced eye-catching regional and sectoral policy publications. It was significant that campaign head John Prescott wound up the *London Industrial Strategy* launch with an open-minded appeal to pursue the ideas at national level. Many of the contributors to the GLC and other regional economic policy initiatives will doubtless be answering the call.

The ultimate outcome is not yet clear. Although expressing a desire to break with the cosy 'Bonnington Hotel' elitism of traditional Labour Party policy formation, the advocates of democratic planning will still have to enter the policy process and confront the entrenched positions within the Party. A key will be the degree to which the trade unions and their members are prepared to adopt and promote a new open style of industrial politics. The Left has a crucial task here as well as in the recesses of the Labour Party's policy apparatus.

## LABOUR'S NEW ECONOMIC POLICY?

The launch of the GLC *London Industrial Strategy* last month was significant in two senses. First, as an imaginative expression of Labour's new local government economic initiatives. Second, as a pointer to the terrain on which national Labour Party policy for the next general election may be formed.

The *London Industrial Strategy* is a detailed plan of action for regenerating the London economy to create jobs and to shift economic activity in a socially useful direction. Its political origins lie in the planning agreements and Lucas Aerospace alternative plan of the 1970s. Its novelty rests not just in the application of these ideas to a regional economy but also in two other political principles that it embodies.

One of these is a sharp turn from policy based solely on general economic measures or unspecific support for industry. Instead the focus is on individual industrial and service sectors and the pursuit of particular production priorities within them. Socially desirable goals are presented for more than 20 sectors of the public, private and domestic economy ranging from transport and energy, through to food and homeworking. The other feature is the political approach adopted for the generation of each sector strategy. Participation of shop stewards and other trade unionists is coupled with a serious attempt to directly involve user and consumer groups in a process of 'popular planning'.

The *London Industrial Strategy* is the output of three years labour by a large team of