

Radical Hope

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Thank you Matthew for the invitation to speak.

The RSA is just the right place to take a longer view of the Labour Party, government and the future of our country.

As an aside anyone covertly recording this for Tory Central Office can have a night off as its being streamed live on the internet.

Now, I'll begin with a story.

One that dominates the philosopher Jonathan Lear's brilliant book, *'Radical Hope: Ethics in the Face of Cultural Devastation'*.

It is about the Crow Indians.

A story about what happens when the economy of a society is destroyed and a people's way of life comes to an end.

It was told by their great chief Plenty Coups, shortly before he died.

He said, 'When the buffalo went away the hearts of my people fell to the ground, and they could not be lifted up again. After this nothing happened'.

What did he mean?

That the culture that gave their life meaning and purpose died.

The whole fabric of their beliefs and standards was destroyed and this loss was irreparable. What would come next?

The Crow people actually survived despite this loss because their leadership re-imagined a future; it created a 'radical hope'.

It was radical because it was a future without guarantees but most important it was without despair.

In a period of rapid social and economic change it raises key questions about how we draw on a community's memory and traditions to define the future.

The book throws up many challenges for all today's political parties.

For example, the Labour Party is the product of industrial society.

A party built on mass production over one hundred years ago: a large stable workforce, large productive units, mass consumption, and a class society.

Yet we are now in the middle of a de-industrial revolution fragmenting the communities it once sustained.

A post-industrial economy is taking shape around our advanced manufacturing and the new information and communications technologies.

The shift to a services economy is flattening out old, hierarchical command and control structures.

Digital technology is unseating whole industries and workforces, and production is becoming more networked and disorganised.

Our class system is being reconstructed.

The disruption of technological change is greater than at any times since the industrial revolution.

The institutions and solidarities workers created to defend themselves against the power of capital have disappeared or become outdated and ineffective.

As such, social democracy has lost its social anchorage in the coalitions built up around the skilled working class.

Once great ruling parties can appear hollowed out; in danger of shrinking into a professionalized political class.

Often in government they were not very social, nor very democratic.

Top down and state driven.

Compensating for the system not reforming it.

A politics about structures and not about individuals.

This model of social democracy built in the industrial era has come to the end of its useful life.

These forces also challenge the Tories and their traditional Conservative values.

The dominant force over the last 30 years has been the ideology of Neo-Classical economics - Neo- Liberalism.

Its market fundamentalism has driven growth and its destructive impact is now increasingly understood: a centralizing and authoritarian state, an economy driven by individual greed, a culture of personal entitlement at the expense of a sense of obligation to others, public goods commodified, communities fragmented and our democracy weakened.

We are now living with its consequences.

The biggest bank bailout in our history, the slowest recovery, and the link between economic growth and rising living standards broken. Huge wealth for a few, while wages for the majority have been stagnant for years. Homes for ordinary families are not being built, and the skills training which business and young people need to succeed is inadequate.

People's talent is wasted in dead end jobs.

There is not enough quality affordable childcare to help women earn.

The care system for the elderly is turning into a social catastrophe.

In 2015 George Osborne will leave the country with a deficit close to £70 billion and the national debt still rising.

Here is one blindingly obvious paradox.

Despite this failure of the old order, we are also living in a time of tremendous opportunity.

As the economy recovers, people want the opportunity to use their skills and talents to make a better life for themselves and their children.

There is fantastic energy and willingness to create, and to build, and to turn Britain around.

So is there not two futures taking shape in our country today?

The first is the future of innovation and wealth creation.

We are just at the start of the internet revolution.

Radical innovations in the generation, processing and transmission of information, will continue modernising the whole base of our economy.

New services, products and markets will mean more knowledge, prosperity and opportunity.

The web is breaking down barriers.

Digital technology has transformed startup costs and it has never been easier to start and run your own business.

For example, new platforms like Etsy are opening up global markets to small businesses and

the self-employed.

Kickstarter provides crowd sourcing for inventors of every kind, and Unbound brings together potential investors and authors to create subscription financed publications. New creative cultures will generate economic wealth and deepen and enrich our experience of everyday life, expanding the sphere of human freedom and expression.

Cities were at the heart of the first industrial revolution, with Manchester as the first modern city.

They will drive the new economic revolution across the world.

In Britain our cities will accelerate the forces of economic development.

With better infrastructure and digital connectivity, and good skills and employment strategies, they will play to the creative strengths of their people.

But without radical reform to our economy this future will only belong to the few.

There is **a second future** taking shape in the shadow of the first.

A country scarred by dispossession.

Its great industries gone and with them the skilled jobs and communities of the working class.

People driven from secure full-time work into precarious, badly paid jobs.

Poverty and inequality increasing- especially amongst the under 30s.

Public services standardized, treating their users like supplicants and victims.

Social mobility ground to a halt: the younger generation competing for fewer jobs, and shut out of the housing market.

One fifth of children leaving primary school without achieving a basic level of numeracy and literacy.

10 million people lacking basic digital skills.

The rapid pace of social and economic change has left millions behind and they feel abandoned.

We are living in the best of times, and the worst of times.

For sure the future direction we choose for our country will be decided by politics.

But our system of government is failing people.

Instead of sharing power it hoards it.

Those who makes decisions on our behalf, whether they be in Westminster, Brussels, in business, the media or working in the public sector, are too often unaccountable.

People feel powerless to contribute and make their voices heard.

So Government has to change, and yet there will be more public spending cuts to come.

So we literally cannot afford the status quo.

Creating power

I believe that Labour together with the wider social and progressive movements will define the political settlement of the coming decade.

We defined the dominant political settlement of the Twentieth Century.

We built our welfare state.

It was a profound achievement.

But too often we settled for that.

The ideology and institutions of 70 years ago became the horizon of our ambition.

Confronted by Neo-Liberalism in the 1980s we sometimes just defended institutions and ideas

that were offering diminishing returns.
We became institutional conservatives defending the outdated.

We will not build the new economy with the old politics of command and control.
Central government, big bureaucracies and corporations faced with complexity and unpredictability are all losing the power they once had to shape the world.
Our welfare state is ill-equipped to deal with modern social evils like loneliness and the loss of community.
Our health service is struggling to cope with the rise of chronic illnesses like depression, obesity and diabetes, and we literally lack a proper system of care for our growing elder population.

Our political parties cannot keep up with our complex and fast changing society.
In the new economy, politics will be about innovation and participation.
About networks, not hierarchies.
Parties will not win power in government; they will have to create power by building partnerships and wider public involvement.
Instead of imposing change on communities, politicians will need to use their insights and experience of what works and what doesn't.
We will be conveyors, bringing people together to help them find solutions to the problems they face.

These are insights that you are making here at the RSA in your excellent work on 'The Power to Create'.

Just as in the age of steam and the age of the railways, our new digital age is radically changing society.
But while rail transformed society it also created opportunities for the robber barons to monopolise and control it for their own good.
We have to tackle concentrations of power, and make sure people have the skills and the abilities to take advantage of the internet.

In the vanguards of the new economy there is a new productive force which is the 'life of the mind'.
There are new kinds of raw materials - the intangible assets of information, sounds, words, images, ideas – and they are produced in creative, emotional and intellectual labour.
New models of production are using consumers and their relationships in the co-inventing of new ideas, products and cultural meaning.

People no longer just want to consume the culture and products handed to them.
Technology, from computer aided design to the new 3D printing, will provide individuals with the means to actively create culture and to pursue creative forms of labour.
Individuals will be able to design and make the things they live with.

To develop these opportunities throughout the population we need an education system that cultivates the full range of individual capabilities.
Our present model of education rewards conformity in pursuit of a narrow, logical and mathematical form of intelligence.
It fails far too many children and it reproduces the power of the already privileged.
It is wasteful of our most important economic resource which is human ingenuity.
We need to give craft and vocational work the same value and status as academic work, and

prioritise digital inclusion to help adults who lack digital skills make the most of the internet.

The future represents a powerful challenge to my party.

Historically, our instincts have too often been to centralize, conform and control.

To shape the future of our country we in Labour know that we have to do things differently.

Rethinking socialism

I've always been ready to admit I'm on the romantic and conservative side of socialism:

The conservative radicalism of John Ruskin, the romanticism of William Morris, the ILP, George Lansbury, EP Thompson.

One that values the local, the parochial and the magical as sources of political agency and power.

We build our future on these patterns of the past.

Labour's traditions lie in the popular movements of collective self-help and improvement; the temperance societies, holiday clubs, cooperatives, and the trade unions.

Before we became a party of the state we were a movement developing leadership, organising people and creating power.

Why don't we confront the future through these traditions?

Our values grew out of our religious roots.

So let me begin the new with the old.

Luke 17, verse 20-21

'The kingdom of God is not coming with signs to be observed; nor will they say, 'Look, here it is!' or, 'There it is!' For behold, the kingdom of God is within you'.

The power to change our lives lies within each one of us.

The political theorist Roberto Unger makes this point.

The institutions and structures we build make us who we are.

But: 'They are finite, and we are not. There is always more in us, more capability of insight, of production, of emotion, of association, than there is in them'.

We are, says Unger, 'context-transcending spirits' - tonight's first political sound bite.

Socialism for me is about this power within.

This freedom to aspire and to find self-fulfillment is part of our modern consciousness.

It is individual, but it is not selfish.

It involves the right of everyone to achieve their own unique way of being human.

To dispute this right in others is to fail to live within its own terms.

It is a mutual recognition that we are all dependent upon other people throughout our lives.

We need one another to succeed individually.

In our industrial society solidarity called upon an underlying shared identity and common economic interest.

But it is no longer so effective in our diverse society of individuals.

We need to create new models of interdependency.

I would suggest reciprocity which establishes a sense of justice in relationships: 'do not do to others what you would not have them do to you'.

And a renewed idea of fraternity which unlike solidarity recognises the diversity between equals.

For me these define a politics that is both radical and conservative

A mix of 'new' and 'blue' Labour if you like.

The socialism of the future will be about creating power together for individual freedom.

A future worth making.

Labour's Policy Review has been working on a programme of national renewal in a time when there is no money to spare.

Labour has been learning lessons from the past. Government over the last 30 years has often failed to meet the challenges of our time.

The old mechanical model of public administration will not work in a future of complex problems. It has no solutions to the pressing problems of our time such as loneliness, family breakdown, and the decline in trust.

People are losing confidence in the ability of our public institutions to serve the collective interest.

We will need to redefine the relationship between government and individuals, renewing our institutions step by step, learning as we go about what works, building dialogue and partnerships, promising less and asking more- Tawney once said that Labour always promised too much and asked for too little.

The role of government will be to use its authority to create power for change: leveraging capacity, generating momentum and negotiating between different interests to secure the common good of society.

Designing policy will involve deliberation and co-creation with those who will be affected.

Giving people more control over their lives, rather than pulling levers for them in Whitehall.

How about 3 standards for a prosperous democracy?

The first standard is an inclusive economy.

An inclusive economy is pro-worker, pro-business, and pro-aspiration.

Labour will reform the institutions of our economy to deal with the causes of our economic problems, and we will devolve power to our cities to unleash their economic potential.

We will grow our way out of austerity:

boosting science and technology for innovation;

boosting small and medium size businesses;

boosting our infrastructure to increase trade;

reshaping the relationship between finance and the productive economy to deliver more 'patient capital'.

People want decent jobs that are fairly paid.

We will build dialogue between workers and employers to create partnerships for improving both business performance and pay and job quality.

We will tackle low pay, and set up employer led skills training, and a national system of vocational education.

Sharing power with people to give them more control over their lives includes over the work they do.

The second standard is an inclusive society

Emotional life is at the heart of the relationships that bind society together and family is its bedrock. Government can help bring security and stability to society by investing in families.

Labour will invest to prevent social problems from developing and so save money in the future.

We will take a whole family approach to policy that uses the power of relationships to strengthen the capacity of men, women and children for resilience, love and care.

This includes:

Valuing the role of fathers at home as much as mothers at work; and helping families balance their work and home commitments by extending free childcare.

People need more control over their health and care and so bringing health and social care together in a whole person approach is a major priority.

Instead of leaving older people helpless and dependent we will help families and communities to work with professionals to support them at home, and to help them manage their long term health problems.

Relationships transform peoples lives and so our policies will be designed to involve people as genuine partners in shaping their services around their individual needs.

An inclusive society thrives with self-confident citizens.

Our education system needs to include character development across the curriculum: helping children to develop the emotional skills, self-esteem and relationships to live flourishing lives.

We will benchmark our public policy on whether or not it adds social value, fosters reciprocity for a sense of fairness and justice, and increases individual and community resilience in the face of adversity.

The third standard is an inclusive politics.

Politics is about empowering individuals and their families, in the work they do and in the places they live.

Yet we've got a trickle down economy alongside a trickle down government.

Labour will share more power and responsibility with people:

Increasing the power of local places by building collaboration amongst public services and organisations, and pooling funds to stop inefficiency and avoid duplication;

Developing the Government Digital Service to drive change across government - standardising data, improving sharing between departments and encouraging innovation.

Our traditional tools of policy making - money and top down government regulation – stifle people's agency and initiative, and are too often ineffective.

Parties will need to build networks to connect with the great array of small scale innovations in society that are pioneering new directions for policy.

In the future reform will need to engage more with people's behavior and cultures and will mean mobilizing people on the ground for change.

The internet is changing the nature of the public sphere.

It can be used to rebalance power between citizens and the market and between citizens and the state, but we will address the problems of concentrations of power, child safety, privacy and data security.

National Renewal

This morning in Leeds my colleague Andrew Adonis set out Labour's strategy for national economic renewal if we win in 2015. We will begin with the biggest devolution of power to our cities and county regions in 100 years bringing government closer to the people.

It will establish regional banking, local powers over high streets, people powered public services, and a top class system of vocational education and training tailored for local need. It will bring affordable homes to our sons and daughters so, if they choose, they can live in the places they grew up.

Labour councils like Leeds are already drawing together local public, private and third sector data to redesign their cities.

And we will foster the creativity that has seen Tech City grow in London and we will repeat it in other English cities.

Twenty years ago this month Tony Blair took hold of my Party and made us face the future.

He spoke back then of building a new era in an old country.

We face the same challenge today- in tougher times.

Ed Miliband will deliver on this vision in the new digital age.

Our Policy Review is the engine for these ideas- for new thinking and facing the challenges of the future.

Labour built its history organising working people to defend the integrity of their family life, to struggle for fair wages and a decent home, and to create a better future for their children.

An aspirational politics about bread and butter issues, that remain the fundamentals for a decent life.

But to this tradition we must make a prophetic story of human possibility for these new times.

We do not live in the future.

We live now in the only life we will ever know.

Our prophetic story is about how together we can create a world in which each of us can live life to the full.

To achieve in the time we have, our highest good.

We can call it 'radical hope'.

Thank you.