

Ebor Lecture York St John 9/07/14

Jon Cruddas MP:
'The Common Good in an Age of Austerity'

1. Introduction

Good evening. Thank you very much for inviting me to give this lecture as part of the 2013-14 series entitled 'The Morality of Austerity'.

Now, I will begin with a basic proposition: that here today in the United Kingdom we face a twin crisis of inequality and identity.

This is not simply a question of the distribution of material goods.

Rising inequality is not just an economic problem. It also violates our deep sense of democratic inclusion, justice and fairness.

Likewise, Britain's fragmented identity threatens not only social cohesion. It now threatens our very political unity- reflected in recent elections and future referenda.

For it appears that we no longer know how to define who we are or what we stand for; we are losing our ability to live together, work together or help one another- and indeed to talk about this.

In this context it is vital that we restore and reshape a vision of Britain that everyone can sign up to- Michael Gove for example has recently talked about the need to re-establish core British values.

To this end I suggest we need to look to an idea deeply rooted in Christian life and thought. The idea of the Common Good.

The Common Good is concerned with personal and mutual flourishing in terms of our talents and vocations.

It is about treating people as they really are: as human beings who belong to families, localities and communities. To shared traditions, interests and faiths.

Not as abstracted, rootless, atomised individuals that dominates neo-classical or neo-liberal thinking- the thinking that dominates our life.

To begin this talk I would like to make two basic points.

First, the more that I am involved in politics the more I realise that it is this later viewpoint regarding isolated human activity that has won out; it conditions our public philosophy.

I remember some 30 odd years ago, just before his death, Michel Foucault argued that neo classical economics- or neo-liberalism - was becoming 'bio-political' – in that it was being naturalised. Seen as eternal and beyond political contest; not situated in time or place.

How right he was. This needs to be contested.

That is why the notion of the Common Good is so vital today. It questions the very foundations of this liberal economic world view- of what it is to be human- of 'rational economic man'.

Second, politics has become increasingly instrumental and economistic. Therefore, a discussion of the notion of the Common Good helps us retrieve a language around what it is to live a good life. It provides a very different texture to our public conversation.

Let me give you an example.

No-one identified this better than Bobby Kennedy at the University of Kansas on March 18th 1968 when he dared to suggest the following:

'Even if we act to erase material poverty, there is another great task, it is to confront the poverty of satisfaction- purpose and dignity- that afflicts us all'.

He went further: 'the gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials.'

'It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country, it measures everything in short, except that which makes life worthwhile'.

I will just repeat that- GNP 'measures everything except that which makes life worthwhile'.

That says it all- I could just stop there. But we still have a bit of time left so I will develop these two basic points- that we are becoming more economistic in politics and that it is a specific type of economics that dominates.

2. Globalisation vs. isolationism

The need for a transformation in our thinking has, I believe, become ever more urgent in the context of a rapidly globalising world.

The main problem with current neo-liberal globalisation is that it detaches economic and political power from locality, tradition and interpersonal relationships.

That's because it makes a fundamental assumption about human nature: that we are essentially selfish, greedy, isolated individuals who seek to maximise our own individual happiness or short-term pleasure.

Ayn Rand has won if you will.

Purely individual interests ultimately clash. This conflict is then supposedly resolved by the 'invisible hand' of the market and the visible hand of the state.

In consequence we are left with an increasing centralisation of power, a growing concentration of wealth and an ever-more atomised society.

Faced with this crisis of inequality and identity, we are seeing two dominant responses.

Some demand ever more market globalisation, in the forlorn hope that it will promote the 'greatest happiness of the greatest number'.

The 'if it's not working lets intensify it' approach.

Others suggest a retreat into a nation-state that promises greater self-determination and protection from foreign meddling in domestic affairs- a modern national isolationism.

Both are equally dangerous. They back the impersonal forces of state and market against the interpersonal ties of society.

They do nothing to reduce inequality or to project a positive vision of our identity.

It is rather by embracing a specifically-rooted vision of the Common Good that Britain can reclaim a positive vision of itself.

This is Ed Miliband and Labour's vision of a country committed to the promotion of the flourishing of all peoples within its borders – his agenda described as 'One Nation'- and by extension of all peoples across the whole globe.

3. Common Good in an Age of Austerity

People will claim that this is not possible.

They will say that the debt burden means we must ruthlessly retrench social provision, whilst withdrawing all restraints on the very market systems that created the recession.

This is the coherent response of the liberal political economist- it just misreads human nature.

On one thing we can agree however: austerity is a reality. The state of our public finances is not acceptable.

But this problem is precisely the opportunity to change things, to shape a new, fairer Britain.

It provides a space in which to transform both the operation of the global market and the central state.

A vision of Britain built on pure economic liberalism can never recognise, let alone serve the common good. In its purest form it does not recognise the concept and its economics can never provide for it.

For most wealth accrues only to the top 1 per cent.

So it's the whole logic of economic liberalism that is in question. British GDP is evidently *not* the same as the common good of the British people- to return to the Bobby Kennedy of 1968.

And there is an alternative to this type of economy that increases inequality and erodes our shared identity.

That alternative is a true market economy which genuinely pursues the common good. The good of each and every one of us, individually and combined.

We owe much of our thinking about the common good to philosophers in Antiquity. So what can Christianity and other faiths add to our understanding of its nature?

Three crucial contributions I would suggest. And I would like to reference here the work of Professor John Milbank – who many of you will know.

First, religions generally insist that human beings are partial, rooted creatures who live in concrete, inherited conditions.

Yet they equally insist that we are in search of universal, transcendent principles such as justice, kindness and forbearance which apply to all human beings.

These ideas do not for religious outlooks exist as pure abstractions.

How else could we distinguish between good and bad craftsmen, good and bad Brazilian football players, good and bad statesmen or even politicians, good and bad neighbours?

So one could say that religions offer **exemplary stories** springing from particular soils and particular pasts that can nevertheless inspire everyone from whatever background.

Such stories are more effective than abstract notions that move no-one in particular. So without these stories we tend to be left at the mercy of biased, chauvinistic narratives that celebrate only national heroisms and caricature the other as an enemy.

To seek to follow religious stories – to dare to be yourself an Abraham, a Samson or a Good Samaritan – is not about subjective will or personal preference. It's about an inward desire and drive that can be nurtured through educative guidance, often over several generations.

Hence the importance of rooted institutions and practices that take the stories forward- not left to market vagaries pulled from the textbook.

Second, Christianity and other faith traditions also teach us that the common good concerns **the relational**. Not lone egos, nor an anonymous mass. But instead shared bonds that are both convivial and sacrificial.

That's because human beings flourish as persons who freely associate with others in groups, communities and nations.

So to the centrality of story as example, we can add the importance of **relational covenants**. Indeed many of the stories in the Biblical legacy are stories of covenant – from Abraham through Moses to Jesus and Mohammed.

The word covenant is vital here- as it expressly moves beyond the transactional so beloved by the economic liberal.

Third, religions remind us that we are not necessarily selfish, greedy and prone to violence.

Nor however, are we purely selfless and unconditionally cooperative.

Rather, most people naturally and rightly seek mutual recognition – a fulfilling of themselves alongside others. They want to be at home in the world, but they don't usually want to destroy the other home-dwellers.

Thus to the story of covenant, we can add the inner content of covenant which is mutual sharing. Religion has told a positive story about how human beings have made an agreement with God to agree amongst ourselves to celebrate each other and to share in justice the good things of life.

Exemplary story. Relational covenant. The principle of reciprocity. These aspects of our religious legacy are crucial to the rediscovery of a sense of identity and economic justice in the UK today.

4. Ethical economy and moral, mutual markets

This threefold vision can be the starting point for a transformed market economy.

The politics of the common good rejects the idea that markets are necessarily either immoral or amoral.

Instead, the common good promotes the idea of an ethical economy as also the most plausibly successful economy.

That means a model which combines private profit with public benefit by sharing reward, risk and responsibility amongst all stakeholders: owners, managers, workers, consumers, suppliers and members of the local community.

Our – Labour's- commitment to put workers on remuneration committees is just one example of this.

Such a model requires a rise in productivity to guarantee also a rise in salaries or wages, encouraging a greater sense of pride, duty and genuine calling in every workforce. In turn, this creates efficiencies, including higher retention and lower hiring/firing costs.

This guarantee will be achieved through a combination of legislation to redefine corporate organisation, fiscal encouragement of good practice and educative creation of a new business ethos.

By similar means we will encourage more vocational training and higher quality vocational qualifications. An ethical economy will also link small firms in wider associations working both for mutual benefit and mutual upholding of high standards.

Such an aim necessarily seeks to resist the routinisation of mental as well as physical labour through the misuse of technology.

Rather, technology is more efficiently employed when it is used to enhance the scope of individual creativity and personal engagement.

The notion of the dignity of labour itself is vital here.

We will also reform the banking sector by recognising and rewarding the social benefit of making capital more widely and responsibly available.

In these ways and others we will create a new economic covenant based on the mutual sharing of risks, rewards and responsibilities.

This approach is pro business, pro worker and pro aspiration.

This covenant will strengthen solidarity within firms and banks and between them. Greater cooperation between economic institutions will allow small businesses to offer to employees the long-term securities now only possible for large organisations.

In such a fashion we will challenge the false story told by neo-liberalism that greed engenders more wealth and more wealth for all.

Instead the truth can be told that solid and lasting prosperity is built upon foundations of virtue. Many exemplary narratives – such as that of the Rhineland model in the German economy – illustrate this today.

5. Pluralising the state and renewing society

And what does the common good mean for the governmental sphere?

Much of modern politics has been about notions of the 'popular will' or the 'general will'.

These notions treats us all as isolated individuals whose interests can somehow be defined by mass convergence.

In reality this tends to mean that executive power subverts the supposedly sovereign power of the people in whose name they pretend automatically and instrumentally to act.

Britain has never fully embraced this new tradition.

In this country the executive power of Prime Ministers and ruling parties remains accountable to the inherited sovereignty of the Crown in Parliament.

Parliamentary sovereignty personally represents the complex democratic will and interests of the people in terms of an evolving sense of the common good that stretches from the past into the future. This sense has included a notion of the ultimate answerability of all of us – singly and together – to a God of Justice.

So, governance in the name of the ‘common’ is about interpreting and inter-relating the multiple, plural goods that grow out of interpersonal relationships – whether between free persons or in groups and associations.

The trouble is that over the last 100 years, the British state has become ever more centralised, even as democratic participation has withered away and the power of the executive has increased. All this in spite of our unwritten constitution.

The European Union has suffered from the same disease. As a consequence voters have turned to parties like UKIP to express their anger with Brussels and Westminster alike.

People feel powerless and ignored. There are many estranged interests that neither participate in our polity nor are represented by anyone.

We are facing a crisis of legitimacy.

In this circumstance Labour’s politics of the common good requires three big changes.

First, no more top-down re-organisation.

Instead, locally run and organised schools, hospitals, house-building programmes and habitats.

Second, no more outsourcing of relational services to those parts of the private sector that are driven purely by corporate profit rather than a social purpose.

It is quite staggering that some £10 Billion of public contracts – of tax payers’ money- are allocated to some 20 private companies.

Rather, we need to forge cooperative ties with ethical enterprise – such as cooperatives, mutuals, and social businesses.

Third, combined local authorities will be given greater control over tax revenues to invest, grow their revenues and fund their own priorities.

By decentralising both taxes and services, we can simultaneously get rid of public debt and increase popular power. Cutting out middle and higher tiers of bureaucracy and managerialism reduces waste. And giving people more responsibility for what is spent ensures greater responsibility and exercise of thrift.

A Public Accounts Committee in every community if you will.

This is the proposed social covenant to match the economic one. Like the latter, it belongs in a different and truer story. Not the old one of zero-sum alternatives in which you have to choose between state debt or loss of services. Or between public security and personal freedom.

Instead, a truer story in which mutual care and financial prudence belong naturally together. In which your freedom of opportunity and expression is inseparable from the same freedom for your neighbour. A story exemplified in our everyday experience- a story of decency and neighbourliness.

6. The International Dimension

I have spoken of a new covenant situated in a different, less abstract and more common-sensical narrative of our past, present and future.

A narrative based upon the truth of the Common Good, which is that sharing and success belong together. We already know that the opposite assumption has destroyed sharing; now we are seeing that it also destroys success.

The new story of the covenant of reciprocal sharing applies both to the economic and the public realms, as we have seen.

But in the longer term we could move towards a third, international covenant, whose principles could already begin to guide and shape British foreign policy.

This could be a voluntary agreement amongst participatory nations to meet minimum standards of the sharing of rewards, risks and resources in both the economic and the social realms. Also to meet certain shared standards of 'subsidiarity', or of decentralised control and responsibility.

Part of that covenant could be a pooled promise of financial assistance under inspected control, if any nation found it hard to meet such standards.

Such an extended covenant for social and economic justice could indeed be a way to revive and rethink the UK as a united association of different self-governing nations.

A version of the same idea could make the EU work for and not against nations, regions and individual people.

And might it not even be a new way to reinvigorate the British Commonwealth?

6. Conclusion

Let me now conclude.

If we continue to think in the old, pessimistic ways that assume the reign of selfishness and mere quantitative aggregates, then an age of austerity can only be a period of reduced ambition.

But if we think in both more optimistic and more realistic terms of the common good, then austerity is converted into opportunity and innovation.

An opportunity to rediscover the story of our best British selves.

As a people, partly under religious inspiration, covenanted with each other in the interests of mutual benefit.

A people who aspire to wealth in the sense of an improved and shared material and spiritual well-being for all.

A people who aspire to good public services – to increased interpersonal care and greater democratic participation.

A people who aspire to be a beacon to the rest of the world and to collaborate with other nations towards the same, shared ends.

In this way austerity can allow us to recover and redefine a covenantal destiny- it is about Big Reforms without Big Money. It begins to answer what is the purpose of Labour without growth but with austerity

In this way a more generous Britain can also be a more successful Britain. In a genuine sense, it can be great again.

I will finish where I started.

Not with Kennedy but with his great adversary Lyndon Johnson.

Four years before the Kansas Speech I mentioned earlier LBJ spoke in Michigan of an ‘opportunity to move not only toward the rich society and the powerful society, but upward to the Great Society.’

Here material justice is simply the beginning. It tells a deeper story of human enrichment- of ‘the desire for beauty and the hunger for community’.

And where ‘the meaning of our lives matches the marvellous products of our labor’

He recites Aristotle- he considers the city, the country and the classroom where this Great Society was to be forged to overcome a ‘soulless wealth.’

It required a new statecraft- 'new concepts of cooperation, a creative federalism, between the national capital and the leaders of local communities'.

The task being to 'help build a society where the demands of morality, and the needs of the spirit, can be realised in the life of the Nation,'

That Great Society has at various times in this Country been called the Good Society.

It is what might have been with the idea of Big Society- remember that.
Or we could just settle here today with the notion of the Common Good.

Where we push back against a desiccated materialism- our 'soulless wealth' and contest the very foundations of economic liberalism and reintroduce the notion of obligation and duty to each other as citizens and humans.

It should not be a choice but an obligation.

Thank you very much.



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