

Via dollaro\$a

On the 'Third Way'

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I have always believed that politics is first and foremost about ideas', confides Tony Blair in the opening sentence of last year's Fabian pamphlet *The Third Way: New Politics for the New Century*. In the event, as the case of 'stakeholding' indicates, the prime minister has a habit of discarding big ideas as rapidly as he acquires them. Given the chronic immediatism of contemporary politics, exemplified by a 'New Labour' lately embarrassed by its train of spivs and chancers, the 'Third Way' may well suffer the same fate – and this despite the intellectual reinforcement supplied by Anthony Giddens's matching reflections, *The Third Way: The Renewal of Social Democracy* (Polity, 1998). Advertising an intimacy between Houghton and Downing streets, its author blurb maintains that the director of the LSE is 'frequently referred to in the UK as Tony Blair's guru [and] has made a strong impact on the evolution of New Labour' – hubris prompting one French commentator to nominate him as the 'organic intellectual of Blairism and author of its Little Blue Book'. If critical reaction to date has ranged from the incredulous to the contemptuous, the chief proponent of Thirdism has mainly himself to blame. Annunciations of a political year zero by the Antonian Calendar leave as many bothered and bewildered as bewitched; while intimations of the 'end of ideology' invite Régis Debray's rebuff of a scoop a mere two centuries old. Best regarded as the tribute paid by pragmatist vice to ideological virtue, Blair's confident prospectus for a seemingly very English *via media* is in fact eloquent testimony to the enervation of actually existing social democracy.

Betwixity

The setting for the re-edition of the Third Way is a putatively post-socialist universe in which, according to Giddens, 'there are no alternatives to capitalism' of the sort historically projected by reformist (let alone revolutionary) socialists. Post-war Keynesian social democracy, intent upon a fundamental modification of capitalism, is now no more viable than the pre-war Marxist social democracy aspiring to its abolition, and 'the arguments that remain concern how far, and in what ways, capitalism should be governed and regulated'. Amid 'the major revolutions of our time' – foremost among them the 'globalization' over which Simon Bromley cast a sceptical eye in *RP* 80 – adaptation and reorientation are the order of the day.

'Third Way', then, is shorthand for a 'modernization' of social democracy, acknowledged by Blair to be 'work in progress'. Advanced as an alternative to collectivist 'Old Left' and hyper-individualist 'New Right', what are its contours? Part of the devil lies in the prepositional detail. Is it a way *between* – or one *beyond* – the antonyms of the endlessly serviceable idiom of 'new' and 'old'? Blair himself seems not altogether sure. His centennial 'vision' amounts to a syncretism posing as a synthesis:

The 'Third Way' ... is the best label for the new politics which the progressive centre-left is forging in Britain and beyond. [It] stands for a modernized social democracy, passionate in its commitment to social justice and the goals of the centre-left, but flexible, innovative and forward-looking in the means to achieve them.... it is a *third* way because it moves decisively beyond an Old Left preoccupied by state control, higher taxation and producer interests; and a New Right treating public investment, and often the very notions of 'society' and collective endeavour, as evils to be undone. My vision for the 21st century is of a popular politics reconciling themes which in the past have wrongly been regarded as antagonistic.... The Third Way is not an attempt to split the difference between Right and Left. It is about traditional values in a changed world.

Blair thus asserts the endurance of social-democratic values alongside a 'permanent revisionism' in respect of policies ('a continual search for better means to meet our goals' in a 'changing world'). However, the duly indicated values – 'equal worth', 'opportunity for all', 'responsibility' and 'community' – whatever else they are, are scarcely social-democratic, and crucially omit equality in anything other than a liberal acceptance. For his part Giddens, while likewise defining the Third Way as 'an attempt to transcend both old style social democracy and neoliberalism', reaffirms the centrality of equality to the Left, ranking it first in his value hierarchy. But rejecting 'equality of opportunity' on the grounds of the 'deep inequalities of outcome' it would entail, he indeterminably redefines inequality as 'exclusion' and equality as 'inclusion'.

Thereafter, 'equality as inclusion' figures prominently in Giddens's third way programme, together with such eminently desirable goods as the 'new democratic state (the state without enemies)', the 'democratic family', and the (compulsorily new) 'new mixed economy'. The evasion of 'powerful realities' remarked of Giddens's earlier 'utopian-realist' *Beyond Left and Right* by Michael Rustin (RP 74), is endemic in the Blair–Giddens agenda. An irenic rhetoric of reconciliation, abstracting from strategic considerations and depoliticizing government into the consensual administration of things, discounts or underplays palpably opposed material interests and social forces, ignoring the fact that a serious reformist politics is, of necessity, adversarial. Thus, when Giddens writes that the 'new mixed economy looks ... for a synergy between public and private sectors, utilizing the dynamism of markets but with the public interest in mind. It involves a balance between regulation and deregulation, on a transnational as well as national and local levels; and a balance between the economic and non-economic in the life of society', he risks Engels's sarcasm on 'social quacks, who ... profess ... to redress, without any danger to capital or profit, all sorts of social grievances'.

As it happens, this would be unjust. Unlike Blair, Giddens both professes not to consider economic globalization an incorrigible 'force of nature' and proposes to levy the Tobin tax on the virtual economy of the financial markets, insisting that 'lack of political will' is the central obstacle to its imposition. As he pointedly notes, 'It makes no sense to contest market fundamentalism on the local level but leave it to reign on the global one.' For Blair, on the other hand, 'thinking the unthinkable' is restricted to redeployment of social-democratic *dirigisme* from economic to social policy, where recrimination against 'statism' is forgotten. The hypocrisies of 'community' (not to mention 'the international community') are patent: so much honey on a sharp knife. The 'underclass' produced by close on two decades of neo-liberal social engineering is to be 'incentivized' and 're-engineered' by the communitarian state; 'companies', meanwhile, 'will devise ways to share with their staff the wealth their know-how creates'.

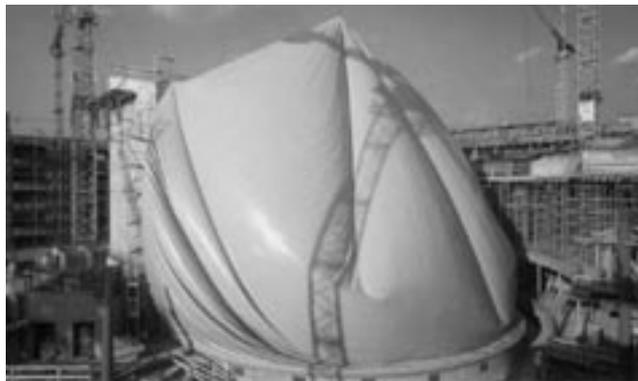
Encounters of the third kind

Belying its publicity pitch, the reorientation to which the Third Way beckons represents not some supersession of the legacies of 'Old Left' and 'New Right', but rather a pro-

found accommodation to the verities, values and policies of the latter. That this should coincide with the erosion of global neo-liberal hegemony attendant upon economic crisis in Asia suggests an unwelcome historical parallel with what Ross McKibbin and Eric Hobsbawm have dubbed ‘Very Old Labour’. Fidelity to post-war foreign-policy traditions is evident in New Labour’s commitment to the tax-and-spend warfare state, and its addiction to the ‘special relationship’ with the USA as a post-imperial Viagra, inducing the yuletide spectacle of nuclear disarmers turned B-52 liberals. Continuity with the pre-Keynesian economic orthodoxy fatally embraced by the 1929–31 administration of MacDonald and Snowden was apparent in this government’s initial, defining gesture: surrender of one of social democracy’s key regulatory instruments – monetary policy – to central bankers with an exclusively anti-inflationary mandate. ‘Taking the politics out of interest rates’, just as they had earlier been taken out of tax rates, New Labour promoted a consumerist model of politics without the choice.

As to the European credentials of the Third Way, the Keynesianism renounced at the local level is not envisaged for the continental. Despite the predominance of centre-left governments throughout the European Union, consummated by the arrival of a Red–Green coalition in its preeminent economic power, New Labour has shown no inclination to query the impeccably Hayekian dispositions for the ‘artillery of commodities’ made at Maastricht, from lethal convergence criteria to untrammelled Central Bank. Where German finance minister Lafontaine echoes the full-employment vocation of social democracy, Blair and Brown intone the neo-liberal litany of ‘prudence’. The clear and present danger is that an unprecedented opportunity for European social democracy to display its reformist mettle – to embark upon a second way – will be needlessly, and shamefully, squandered.

For Blair ‘Europe should develop a Third Way’, but only in the sense of a compromise-formation ‘between the nation-state ... and a European super-state’. Those inclined to detect in the New Labour ‘project’ a nascent British Christian democracy should think again. Roman Catholic communicant he may be, but the prime minister seems oblivious of the social teaching of the Church, encapsulated in John Paul II’s *Centesimus annus*, that adroit post-Communist update of the famous papal encyclical of 1891, *Rerum novarum*. Manifestly antipathetic to the continental ‘social model’ inspired as much by Christian as by social-democratic thought, Blair’s design for the EU eschews any Delorsian entrenchment of such solidarism at the supranational level to counter globalitarianism. Indeed, he discloses the underlying logic of the Third Way when he avers that ‘Europe’s aim should be to match the dynamism of the single market of the United States without losing the values of social cohesion which its Member States share’ – as if the connection between market ‘dynamism’ and social incohesion across



the Atlantic were fortuitous. To that end, Blair offers a recipe precisely for perdition: 'Europe needs to pursue economic reforms to make its product, labour and capital markets more flexible in order for the euro's success and create new jobs' (*sic*).

In other words, an allegedly Third Way for Britain and Europe is polarized towards something like the American Way: mid-Atlantic *laissez-faire* with a communitarian face. As Hobsbawm has argued, the 'progressive centre-left' invoked by Blair involves not just an abandonment of social democracy, but a departure from 'the central tradition of the 19th and 20th centuries on the continent'. Symbolized by the Washington encounter between Clinton, Blair and co. last September, what it betokens is the convergence of a post-revisionist European social democracy with the American 'New' Democratic Party of Clinton, whose signature of the 1996 Welfare Reform Act at Republican behest reversed Roosevelt. When, in habitual decisionist style, Blair decreed Labour a 'pro-business and pro-enterprise party' at its annual conference, a pan-capitalist polity was foreshadowed in which Labour would function as substitute caretaker of a broadly neo-liberal order, playing Democrats to the Conservatives' Republicans. Were that eventuality to transpire, the UK would warrant Nyerere's verdict on the USA: a one-party state which, with typical extravagance, has two of them.

If this is a half-accurate reading, then the implications of the Third Way are radical. And novel. The 'amazingly unhistorical' nature of the debate over it has been bemoaned by W.G. Runciman and others, who have identified the New Liberalism and the Social Democratic Party as domestic precursors. In truth apprised of the frequency and lability of the term in twentieth-century European political history, Giddens alludes to its emergence on the hard Right after 1917–18 to designate an alternative to Western liberalism and Eastern Bolshevism; its migration to the Left – the refurbished Socialist International (especially its Scandinavian wing) – after 1945 to denote a course between American capitalism and Russian Communism; and its appropriation by varieties of reform Communism (e.g. Italian Eurocommunism) in the 1960s and 1970s to signal equidistance from Stalinism and social democracy. While not supposing that genealogy is destiny, Norberto Bobbio authoritatively reminds us that '[t]he history of political thought – or perhaps I should say, political fantasy – can produce thousands of examples of such third ways'. Registering, and ratifying, the movement of the centre of political gravity sharply to the right, the Blairite Third Way retains the characteristics of what Bobbio calls the 'inclusive middle'. Topographically, it occupies a Centre determined by Thatcherite parameters, while claiming to transcend (old) Left and (new) Right. In conditions of British parliamentary 'democracy', the upshot is to disenfranchise the former and radicalize the latter.

The matrix of the bizarre combination of realism and utopianism, fatalism and voluntarism, that is New Labour lies in the decisive defeats inflicted on the Left in the 1980s. Its Third Way offers a discursive transfiguration of the consequent balance of political forces, affecting supersession, reflecting accommodation. An idea whose time had gone before its umpteenth coming, *tertium non datur*.