

We are where we are going forward

LIKE MOST PEOPLE I KNOW, I'm in a state heightened political anxiety. Whichever way people voted in the referendum we are beset by radical uncertainty regarding the outcome. The pound is continuing to bump along the bottom, pushing up the price of everything we import (and cheapening everything we export). The world economy continues to tip toe along the edge of a precipice, despite improving job prospects in the States and dodgy but positive growth figures out of Beijing. Just as disconcerting, Turkey, an important member of Nato, with its toe in the Balkans, and sharing borders with Syria, Iraq, Georgia, Armenia, and Iran, has somersaulted into dictatorship with Recep Tayyip Erdoğan and his Islamist cronies carrying out mass repression and ruling by decree. Meanwhile Russia bombs Assad's multifarious enemies as a means of securing Vladimir Putin a seat at the negotiating table despite his annexation of Crimea and incursions into Eastern Ukraine. Of course, we might take some comfort from Donald Trump's stumbles on the stump, but he is still far from out. In the meantime terror attacks are strengthening Marine Le Pen's Front National while Teresa May contemplates distributing ten thousand pound bribes to all and sundry designed to dampen opposition to fracking, as she plans the restoration of grammar schools throughout England and Wales, if not the UK.

Whichever way you choose to rack up random political facts (other permutations are available), there are not many reasons to be cheerful, let alone optimistic.

Consequently, it is not really surprising that renewed support for Jeremy Corbyn has become little short of delirious. So much so that Owen Smith his smarmy opponent in Labour's leadership election is promising much the same as Jeremy – only differing on retaining Britain's nuclear weapons and the need for a second referendum on the result of the government's Article 50 negotiations with the European Union; both men are promising a renaissance for British industry, expanded public investment in infrastructure, large-scale house building, tax rises for the well-to-do and big companies, and pay rises for everybody else.

Owen Smith would be able to count on the support of Labour's Parliamentary Party whereas Jeremy would not. Or so the argument goes. However, Jeremy's supporters do not believe Owen's reassurances or the depth of his commitment to the left's agenda for the renewal of British capitalism. Who could blame them? The Corbynistas are, I think, right to distrust the promise and policies of Jeremy's opponent for the leadership – they just don't believe that the gale of left wing social democracy now sweeping the party has the support of most Labour MPs – on the contrary, they think it's time to demonstrate to Labour's traditional right, left, and centre, who is in charge of the Labour Party: the vast and growing membership in the country, or those dragging their heels in Westminster.

There can be little doubt about the result of this election: Corbyn will win and enough MPs will cross to his side to form a credible shadow cabinet. No doubt there will be renewed attempts in Parliament to clip Jeremy's wings, but I doubt they'll get very far. Indeed, the Corbynistas are making substantial inroads into the party's apparatus and governing bodies and in the event of a split it is unlikely that they would lose control of the Party's name and structures.

It is, of course, a moot point whether Corbyn and Momentum can rebuild the party in Scotland or in any event win a general election without the implosion

of the Tory Party in England, but let's suppose that they can. What then?

Then it would be time for John McDonnell in Number Eleven Downing Street, and his advisers rapidly assembled in Whitehall to reshape the British economy by unleashing the 'entrepreneurial state'. This concept proposed by Mariana Mazzucato in her 2013 book, *The Entrepreneurial State: Debunking Public vs Private Sector Myths*, lies at the core of Jeremy Corbyn and Owen Smith's policies. In challenging the idea that the private sector is the natural home of innovation Mazzucato proposes a future for social democracy in neo-Keynesian terms. The state, and its dynamic relationship with the private sector, is said to be central to innovation and the growth of productivity.

She argues this because the state does more, much more, than solve market failure. Mazzucato points to touch screen technology, the Internet, and much else that would have been impossible without the initiative and risk taking of state agencies and institutions. Unlike the private sector the state can fund ninety per cent of its losses with ten per cent of its successes. Indeed private venture capital enters the field only *after* the state has brought new techniques and technologies to the threshold of the marketplace.

Because this has been true in nanotechnology, biological and material sciences, and in fields related to digital innovation, Mazzucato wants to reimagine the role of the state as the strategic risk taker and lead player in value creation – the state as prime creator of inclusive growth. This perspective involves the idea of the state retaining equity in innovations once they have been released to the private sector, not simply by fiscal means – improved tax take and the like – but via the creation of state investment funds and development banks, resulting in dynamic partnerships between private companies and the state.

This is a vision of state enterprise as articulate and nimble rather than lumbering and inflexible. It is a way of the Labour left moving beyond simple calls for

nationalisation or greater spending on welfare, and represents an attempt to conceive of the entrepreneurial state as a senior and essential partner with private enterprise in the retooling and redevelopment of British capitalism.

There are, of course, different perspectives underlying this strategy. For the communists in the Labour Party, the Trotskyists and neo-Stalinists, Momentum and the Corbyn levy merely represent a stepping-stone or stage towards mobilising 'the masses' to engage in the struggle for a real socialist transformation of our society. The problem with this is that it will involve, as so often in the past, communists in the Labour Party 'going native' in the warm embrace of labourism as full time trade union officials, policy advisors, and intellectuals working closely in related academic milieux. Nothing wrong with this in principle except that it inevitably demands adaptation to the social democratic imperatives of managing capitalism on behalf of the working class.

For the wider and far more numerous supporters of Jeremy Corbyn and John McDonnell – the mainstream so to speak of Momentum – the idea of managing capitalism on behalf of the working class is what it is all about. Beyond the level of rhetoric there is no anti-capitalist content to the plans of Corbyn, McDonnell, or most of their supporters. Tom Watson's assertion that the Labour Party is being wrecked by 'Trots' and 'Entryists' like the Militant Tendency of yesteryear is plainly absurd. All the assorted Trots from all the fratricidal groupuscules in creation can be numbered in hundreds in the UK, most certainly at less than two thousand comrades set against a Labour Party of half a million members. And while not wishing to denigrate the capacity of Trotskyists and neo-Stalinists for surreptitious manipulation it beggars belief that the Corbyn explosion is a product of plotting by communists of one sort or another burrowing into the otherwise healthy flesh of the Labour Party.

No, the groundswell of support for Corbyn is an expression of the desire for a movement and

government that will adapt capitalism to the needs of the mass of the population rather than the interests of the few. Hence the rather millenarian tone of much of the debate in which the calls for the re-industrialisation of Britain and the restoration of the old certainties of left labourism are given a new lease on life via social media, novel forms of localism, and popular modes of organising.

The problem is that none of this addresses the fact that an expansion of manufacturing in Britain would have to be high-tech and high value, employing large amounts of capital and very few highly skilled workers. Just as trains can run very well and safely without guards, the public can do without ticket offices, and dense networks of bank branches, so new modes of construction will drastically reduce the numbers of on-site workers. Automation will eat away at checkout jobs in shops, order picking in warehouses, and a host of other forms of employment.

Some way must be found to transfer the wealth created in capital-intensive, low employment sectors, to fund living labour where it is needed most in personal services, sports and recreation, hospitality, care, welfare, education, theatre, dance, filmmaking, design, architecture, haut couture, crafts, and the arts in general. Some of this transfer could be achieved by stringent fiscal policies, but fundamentally it would require a post-capitalist economy, rather than Corbyn's 'entrepreneurial state' to bring this about on the scale required.