

THE PLAGUE OF THE ZOMBIES

The Liberal Democrats are in the ideological grip of the living dead. It's time to smack the zombies across the head with a shovel, says Simon Titley

Zombies are the reanimated dead. But the zombies of popular culture are imaginary. The ones in politics are real. And right now, there are a lot of them about.

We live in a time of zombie ideology. Neoliberalism has been the dominant creed of the past thirty years, since Margaret Thatcher and Ronald Reagan came to power. Such was the belief in this ideology that, when the Berlin Wall fell in 1989, people talked of the 'end of history'. The big ideological questions were assumed settled and politics was reduced to an argument about who could manage the system better.

Then came the financial crisis and neoliberalism died. To be precise, it died on 15 September 2008, the day Lehman Brothers collapsed. Conrad Russell, in his article 'The Ring of Slack Water' (*Liberator* 275, July 2001), remarked that apathy and hostility to politicians had historically always been a feature of periods in which there was no clear ideological conflict. He predicted that this moment of 'slack water' would not last and that new issues would arise.

The usual legacy of a major crisis is a political house clearance; dominant policies are delegitimised and new ideological divisions form. You might think that, by now, the main parties would have abandoned a dead ideology, rejected consensus politics and resumed competing on ideological grounds. They have not yet done so. Neoliberalism is dead but, like a zombie, it keeps walking. It walks because the political and financial elites assume that, after this little hiccup, it will be back to business as usual.

IDEOLOGICAL FAD

Redundant political orthodoxies take a long time to die. Remember Butskellite social democracy? It died during the 1973 oil crisis. But the ideological zombies stalked the land for another ten years, nationalising British Leyland and surviving even the winter of discontent. This zombie ideology was not destroyed until 1983, when Thatcher's landslide delivered a fatal smack across the head with a shovel. Now it's the turn of neoliberalism. This ideological fad has run its course and will be superseded by something else, though by what is not yet clear.

What does 'neoliberalism' mean? It is classical liberalism redefined as market fundamentalism, developed by 'Chicago School' economists and the 'Washington Consensus', which sought to roll back state intervention in the economy.

Although neoliberal policy seemed to increase prosperity in Britain, it was really just a giant 'Ponzi scheme' and couldn't last. The economy became over-reliant on casino banking, inflated property values and

consumer spending fuelled by easy credit. Earning a living by making and doing things seemed outmoded, and certainly less profitable than cashing in on the housing market. Inequality and indebtedness grew and the international financial system became increasingly unstable. This eventually led to the banking crisis of 2008, which brought us to the brink of disaster, averted only by massive state intervention of the sort that neoliberals had traditionally disparaged.

Neoliberal economic theory proved a calamitous failure and has been intellectually discredited. The once-fashionable concepts of 'efficient markets' and 'rational actors' have been abandoned by all but the most die-hard Chicago School economists. The *coup de grâce* was delivered by Adair Turner, chairman of the Financial Services Authority, who described the financial crisis as "a fairly complete train wreck of a predominant theory of economics and finance".

Critics of this view argue that the past thirty years have not really been neoliberal. Despite Mrs Thatcher and her wholesale privatisations, the state did not shrink and government expenditure (as a percentage of GDP) stayed more or less the same. But while the state may not have shrunk, it was transformed by various forms of marketisation such as internal markets, target culture, contracting out, PFIs and PPPs.

INSIDIOUS EFFECT

In any case, this is to ignore a more insidious effect. Neoliberalism's triumph was to change the way we see the world by making anti-social values all-pervasive. The market had previously been regarded simply as a useful mechanism for exchanging goods and services. Now, the market became an object of religious devotion, valued for itself, a metaphor for everything, an ethic that could guide all human action and replace previously existing ethical beliefs. Ethics was reduced to calculations of wealth and productivity. Values like morality, justice, fairness, empathy, nobility and love were either abandoned or redefined in market terms.

Thatcher's infamous quote, "there is no such thing as society" symbolised the neoliberal ethic. It represented a conscious rejection of the social nature of human beings and their capacity for empathy and reciprocity. People tried to fill the void in their lives by using consumer goods as a measure of their adequacy and importance as human beings. But they weren't any happier because this road led to social atomisation, insecurity and disaffection. In short, neoliberalism has bankrupted us not only financially but also morally.

For Liberals, the key political question is the distribution of power, specifically 'agency', the

ability to make meaningful choices about our lives and to influence the world around us. Some Liberal Democrats were tempted by the neoliberal argument that markets could deliver agency more effectively than democratic politics. But with the best will in the world, the capacity of markets to do this is limited. So people find a bewildering array of choice when they shop online or visit a large supermarket, but find they have less control over the neighbourhoods where they live. For all the 'choice' on offer, people feel that nothing they say or do makes any difference.

Given neoliberalism's destructive effects on the economy and society, why do some people still believe this zombie will carry on forever? Margaret Thatcher once declared "There is no alternative" ("TINA"), to which Peter Mandelson later added, "We are all Thatcherites now." Thatcher and Mandelson can at least claim they were speaking before the great crash. Now there is no excuse. But the neoliberal zombies march on.

Here's David Goodhart, impeccably centrist editor of Prospect magazine, in a recent editorial (October 2009): "Amid the din of the party conference season it is easy to forget the dirty little secret of British politics: that the underlying differences in philosophy and even policy between the three main parties remain narrower than at any time in the modern age... This is no cause for regret. An intelligent, unideological, technocratic politics is what is required to solve the many serious problems facing Britain and the world."

No cause for regret? When we bet everything on the financial sector and ran down our other industries? When we've run up more consumer debt than the rest of Europe combined? When we expect to retire on mis-sold pensions? When governments caved into lobbyists and wasted billions on weapons systems we'll never use and IT systems that don't work? When we spend more on subsidising private landlords and private railway operators than we did on building council houses or running a state-owned railway? When we celebrate a dog-eat-dog culture and make heroes of bullies like Alan Sugar or Gordon Ramsay? The answer to such problems is not the oxymoron of "unideological, technocratic politics" but some stark moral choices.

PROFOUND CONSEQUENCES

At this point, I can hear many Liberal Democrats saying, "Yes, but no-one mentions 'neoliberalism' on the doorstep. These ideological questions aren't relevant to ordinary people." But they are.

If you accept neoliberal orthodoxy, if you believe the basic ideological questions have been settled for good, this has profound consequences that everybody notices. They may not see it in ideological terms but they can still see the problem.

Politics implies the existence of alternatives. But if you assume the big questions have been settled, you are reduced to emphasising your competence rather than your beliefs. Politics is replaced by managerialism, with its talk of 'efficiency', 'targets' and 'delivery'.

And then because you have no great causes to fight for or any distinguishing ideas to set you apart, you resort to followership rather than leadership. Instead of engaging in ideological argument with the other parties, you compete to agree with public opinion.

And then to achieve followership, you rely on focus groups and opinion polls to determine policy, which often amounts to little more than superficial 'initiatives' contrived to capture the next day's headlines.

And then because you dare not risk communicating uncomfortable information to the public because it might be rejected, you try to tell the public what you think they want to hear. You are paralysed by caution because your overriding objective is to avoid causing offence. ("The temptation is to get rid of anything that anyone might criticise, and become politically neutral: provoking neither hatred nor enthusiasm," said Fraser Nelson, editor of The Spectator. He was actually criticising Cameron's Tories but might as well have been talking about the Lib Dems).

And then everyone complains about the political culture of 'spin', even though it's simply a logical outcome of your belief that all communication must sound attractive. And because it all looks like a cynical game, the media focus on the process of politics rather than the substance.

And then because you've reduced democratic politics to a matter of consumer choice, you hire ad men to run your campaigns and sell you like a brand of soap powder. And then you wonder why journalists ask you about your sex life or your favourite biscuit.

And then because you've emptied politics of all meaning, you no longer stand up for what you believe in but offer a litany of sanitised and banal slogans.

And then because you're using the same stock phrases, cliché-by-numbers and mix'n'match soundbites as the other main parties, your empty slogans about "change" and "fairness" sound interchangeable.

And then because you've converged on the same narrow territory as the other mainstream parties, the voters think you all sound the same and increasingly abstain or vote for fringe parties. At the same time, you no longer enthuse your base and your members drift away.

And then you're part of the establishment. In the Liberal Democrats' case, you enjoy all the disadvantages of the establishment (popular opprobrium) with none of the advantages (power). Because let's face it, if the most exciting thing you can say about yourself is that you're "credible" or "prepared for government", you won't exactly be rousing the masses.

This degeneration of politics is not a conscious conspiracy. It is rather a process in which the main players are largely unconscious of what they are doing, until you point it out to them. Even then the truth can be hard to take and breaking away from orthodoxy hard to do. Because to break free, you have to take risks in a risk-averse culture. You have to state publicly, "This system really is a load of old bollocks, isn't it?" – but no-one with serious ambitions wants to be the first to say it.

One could be charitable to Nick Clegg and assume that he refuses to repudiate the neoliberal consensus because of these risks. He talks about "this rotten system" but the malaise is deeper than he is willing to admit. Far from criticising neoliberalism, Clegg seems to buy the Tory narrative that we are living through a crisis of the state rather than a crisis of the market, so he can't offer a trenchant critique of the crisis, which

in turn prevents him sounding distinct.

A good example of this is Clegg's attitude to the MPs' expenses scandal. He believes this scandal caused public mistrust; therefore fixing the expenses system (plus electoral reform) will fix the problem. But the expenses scandal didn't cause public mistrust; it *crystallised* it. Trust had been undermined over many years by the tendency of neoliberalism to remove meaningful political choice and encourage people to retreat into their private spheres.

KITCHEN CABINET

There is another possible explanation for the continued presence of ideological zombies in the party. Nick Clegg might actually believe in neoliberalism. The composition of his kitchen cabinet suggests so. If one were to draw up a list of the key people involved in right-wing plotting over the past ten years and compare it with his closest advisers, the overlap is remarkable.

There's Chris Fox, appointed by Clegg as interim chief executive last year following the resignation of Chris Rennard. Fox was chairman of the advisory board of right-wing ginger group Liberal Future, founded by Mark Oaten in 2001. Until his appointment to the party's staff, Fox also chaired Liberal Democrats in Public Relations, a right-wing front organisation.

There's Paul Marshall, a hedge fund millionaire who describes himself as an adviser to Clegg. Marshall has been at the centre of right-wing intrigues, having sponsored and co-edited the *Orange Book*, helped found the ill-fated Liberal Democrat Business Forum and Liberty Network, and bought the think tank CentreForum and moved it rightwards.

There's Ian Wright, a major donor to Clegg's office. Wright founded Liberal Democrats in Public Relations and has regularly hosted right-wing caucus meetings. And there's Neil Sherlock, also a major donor to Clegg's office and a speech writer to successive Lib Dem leaders. Sherlock regularly hosts dinners under the codename 'Santa Fe', which are part fundraising event and part right-wing salon.

But don't assume that such people hold deep ideological convictions. Most are ideological shapeshifters, having been cheerleaders for social democracy in the eighties and the Blairite 'project' in the nineties. Their belief in the neoliberal consensus springs less from a moral commitment, more from groupthink, specifically a belief in the prevailing orthodoxy as the route to power. Yet they always latch onto the previous decade's political fashion and are perpetually behind the curve. And then they have the sheer nerve to call themselves 'modernisers'!

Just how "serious about power" are these people? They are convinced that conventional wisdom is the key to political credibility but look where it has got us. It has produced the dreary clichés in the Liberal Democrats' two recent pre-manifestos; the steaming pile of blandness that is the party's new election slogan; a succession of bleak messages from the leader that emphasise the stick rather than the carrot; and policies that seek to mitigate the crisis rather than tackle the root causes.

Is this the best we can do? Does the present crisis inspire no ideals or vision? Will our soundtrack remain the thud-thud-thud of zombies marching down the street?

This crisis should be a catalyst for radical thinking; such opportunities come along only once every thirty years and should not be wasted. So the goal should be to choose the future. The future is something we decide – nothing is inevitable (not even neoliberalism – it was chosen). The choice is between promoting our idea of the future and allowing someone else's future to happen to us. But whatever the choice, the past is not an option; even though zombies are still walking, they are still dead.

REALM OF BIG IDEAS

To define their idea of the future, the Liberal Democrats must enter the realm of big ideas. And there are plenty of debates they should join: for example, the recent ALDC booklet *The Theory and Practice of Community Economics*; the New Economics Foundation's work on building a sustainable economy; David Boyle's critique of giantism; the debates started by Matthew Taylor of the RSA on citizenship and decentralisation; the post-Copenhagen debate within the environmental movement on recasting the green cause in more positive and less doom-laden terms. The party could also rediscover its forgotten policies on mutuals and worker co-operatives.

The party needs to draw its thinking together around an idea of 'the good life well lived'. We used to know how. A Liberal Party report in 1974 said: "Once the basic needs of food and shelter are met, the individual's greatest satisfactions are to be found in love, trust and friendship, in beauty, art and music, and in learning, none of which are served by the mythology of growth for its own sake. It is because no-one else, and no other party, represents or advocates this crucial belief that the Liberal Party continues to exist as an independent and dedicated political party." We could do a lot worse than revive a similar vision.

This is not about adopting a rigid dogma but taking up causes that excite and enthuse people. And the party should campaign as an insurgency and cease pretending to be a 'party of government'. Let's stop calling our spokespeople 'shadow secretary of state' and put away the dressing-up box, shall we?

Until Liberal Democrats join the battle of ideas, they cannot blame the zombies, who will take their chances wherever they can find them. Members have only themselves to blame for allowing their party to be hollowed out ideologically and reduced to a 'leaflet delivery cult', to the extent that zombies could cut through it like a hot knife through butter.

Whether the Tories or Labour take power in this year's general election, it will not be a break with the past but a coda to the past thirty years. In the election after that, the zombies will be swept away. And if the Liberal Democrats persist in sticking with the old consensus, they will not be the ones holding the brush.

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