

THE SHIP AND THE SEA

The Framework for a New Settlement

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About Compass

Compass is the pressure group for a good society, a world that is much more equal, sustainable and democratic. We build alliances of ideas, parties and organisations to help make systemic political change happen. Our strategic focus is to understand, build, support, and accelerate new forms of democratic practice and collaborative action that are taking place in civil society and the economy, and to link those with state reforms and policy. The meeting point of emerging horizontal participation and vertical resource and policy we call 45° Change. Our practical focus is the campaign to Win As One, a coalition of values, policies, parties, activists, and voters which can form a new government to break the log jam of old politics and usher in a new politics for a new society.

About The New Settlement

The New Settlement is a project from Compass that hopes to address the growing need for a new politics to build a new society. This campaign will work hand-in-hand with Win As One, the election-focussed campaign to win a progressive majority to change our democracy, and will attempt to provide a roadmap for what comes afterwards. The project will help describe a post neo-liberal world and the nature of a deeper democracy, political economy and state that will underpin it, along with the movement and alliances, across party, in civil society and purposeful business, that will shape it and bring it into being.

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Introduction

'Only a crisis – actual or perceived – produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes politically inevitable.'

- Milton Friedman

The moment is replete with possibility, both wonderful and awful. The old is dying but refuses to die. The new, in the form of a profound sense of interconnectedness and autonomy is being born but is fragile, dispersed and underfunded. Waves of crisis will keep hitting us, from energy and food supply, to mass immigration and economic breakdown, caused in large part by a dying economic system which has been found wanting both evidentially and morally, but still rules. The 'crisis of crisis management' stumbles on.

The climate emergency, the 2008 economic crash and the austerity that followed it, Brexit, the war for Ukraine, Covid-19 and the thwarted urge to Build Back Better, the cost-of-living crisis, strikes, crumbling infrastructure, the volatility in our political ruling classes that swing wildly between ill thought through radicalism and over caution. All and more have contributed to a palpable sense of malaise.

And yet, at the very same time, the desire for something better bursts through the cracks and the gaps of this crumbling system: a desire for power in our regions and nations, to provide mutual aid, to win racial and gender justice, to re-socialise basics like water and rail, to tax wealth and renew our broken political system. Movements like Black Lives Matter, MeToo, Extinction Rebellion and more show a restless and deep demand for change.

The gap between the two, between decline and fear, change and hope has never felt greater. Are we at a big turning point? Paradigms shift when the existing order is incapable of solving the problems its very existence creates. Then the search for a new paradigm begins. Two possible futures await: authoritarian or democratic? In the crisis, which one will be chosen?

It is in this looming knife edge moment that this Framework Paper attempts to explore why and how new paradigms emerge, what's happening now and the nature and likelihood of a progressive shift to what we are tentatively calling a New Settlement¹.

These opening thoughts are the precursor to a deeper piece of work

Compass and others are preparing for the Spring of 2024, to set out the vision, ideas and broad policy direction of a new progressive settlement; how do new economic and democratic practices enable it to happen? This feels like an increasingly essential task.

But to change the world, we must first interpret it.

The focus here is on the UK, but not because there are no lessons from elsewhere or because the UK is an island unto itself. The European and the global are inseparable from us and impact on us, as we impact on them. But the focus is about changing our society, the one we are largely from, operate in and can hopefully shape.

The audience, the 'we,' are those concerned but hopeful citizens of the UK that want their nations, their communities, and lives to be more progressive (a word that's unpacked below).

These opening thoughts are offered with humility and boldness. We mean bold in two ways; means and ends.

Looked at in hindsight, any New Settlement must eventually constitute a fundamental break with what came before. Shadows from the past will inevitably be cast, but the country, when it resettles, must feel like it's in a fundamentally different place. Just as the 1930s were clearly different from the 1960s, and the 1970s from the 1990s.

So first, the first big shift a New Settlement must embrace is from profit maximisation and possessive individualism being the overriding goal of society, to a new environmental, economic and social purpose for all, in which our collective ability to shape our lives and society is the most precious public experience we have. It means we will reproduce society not as unequal consumers, but as equal citizens².

And second and entirely linked, we need to express and create this new purpose in a new way. A future not imposed on us, either ordered and machine-like, or disordered and market-like, but negotiated and created collectively by all of us. A democratic and participatory settlement.

Neither, to say the least, will be easy. The making of New Settlements never are. But they are most effective when means and ends align. The society we create together will endure and grow precisely because we built it, we invested in it, we shaped it democratically together.

In this sense, this could herald a New Settlement like no other. Both the 'Machine Settlement' following the Second World War and the 'Market Settlement' of the last 40 years, did unify means and ends, but were driven largely from above. Planning begot planned lives and then choice begot consumerised lives. Both were driven by the elite. But a progressive 'Good Society' worthy of the name could never be forced on us. The attempt to administer what well-meaning technocrats deemed

was good for us was always going to frustrate and backfire by denying our sense of individual agency. The choice and consumer culture revolt that followed these constrictions, in the form of the Market Settlement, was in-turn too limiting because it thwarted any powerful collective agency and essential notion of the common good.

If a New Settlement could honour both our individual and collective needs and strike a balance between the public and private, the individual and the collective, without sowing the seeds of its own destruction by prioritising one too much, then we might really be on to something enduring. The New Settlement envisioned here will be driven largely from below, not above, and could therefore be unprecedented in how progressive and enduring it is.

We realise the term 'settlement' isn't right for some. It feels too static. It needn't be and it isn't what's envisaged. Instead, it can and must be a dynamic settlement, in the sense that through his work Roberto Unger envisages a highly creative and productive society³. The issue is what is created, to what impact, by whom and how?

But there is a good reason why the word 'settlement' might appeal. It is because we recognise the human instinct to both modernise and change, but also to conserve and protect. Dynamism and freedom yes, but also security and community. At their height, the Swedish social democrats would proclaim that 'secure people dare'. Society can be both dynamic within a settled frame that allows us to plan long term to deal with the seismic challenges and opportunities we face.

Is all this just wishful pie in the sky? Isn't neo-liberalism in some form bound to dominate? Nothing lasts forever. Dominant forms look impenetrable until the very moment they collapse, because internally they have been ossifying. The outer brittle edifice is always the last to fall. The dominant economic and cultural orthodoxies of the last 40 years have reached the end of their shelf life. They can decay for longer, but only if they're not superseded. So to what, why and how?

A New Settlement: Why Now?

Opportunity and danger

There is a desperate need, and demand, to set out a vision of what a better society looks and feels like, and to provide a new narrative for a post neo-liberal world. Compass calls it a Good Society. And then: what sort of political economy, public services and democratic structures, and more importantly culture, will support the lives we want and need given this perma-crisis moment? What is the role of the state, civil society and purposeful business (those firms who commit to a social and environmental role, not just profit maximisation) in this transition and how do we build big long-term shifts on critical and complex issues such as housing, levelling up (read inequality), health and social care? These issues can't be 'sorted' in one parliamentary term, by one party nor by policy enactments alone, but require strategies based on deep emerging political, sociological, cultural and technological foundations.

The current capacity of formal party politics to deliver such a New Settlement feels frustratingly thin. Those who might gain state power feel too timid to use it to necessary effect; those who might wield it with greater impact cannot break the party duopoly. The gap between the politics we need, and the politics we get, has never been wider. And it's growing. The 'panacea' of economic growth with the hope of making life a little better for those struggling financially would, even if it can be conjured, be short-lived and inadequate, storing up bigger problem. To borrow an emerging cliché, it's not sticking plasters we need, but new foundations for deep and meaningful change.

By way of welcome relief and hope, civil society, purpose-led enterprises, communities and a whole variety of sectors and campaigns fizz with ideas about new futures and there is an appetite for change in the country at large. Just look at polls that back big policy shifts from taxing wealth to owning the utilities. The pollster Omnisis for the refreshing Byline Times reported in August that 77% of voters now demand either radical, or significant, change to how the UK is run.

Looking back is instructive. 1997 tells us something. 1945 more. The former never set out to break with the 1979 Market Settlement, the latter forged its own. The 1945 Settlement was deep and enduring because it was built on solid foundations; constructed as it was at a national scale, out of Labour's experience of wartime administration, from big Liberal ideas of JM Keynes and William Beveridge together with a plethora of movements and campaigns – not least powerful trade unions. It was crystallised at the height of Fordism, the car production-line system which also lent government and the military a method of administration and delivery, all in the shadow of the then economic and military might of the Soviet Union, which forced Western capitalism to

strike a deal with labour or face possible revolt.

Today, hugely different challenges confront us. Then, following the extreme deprivations of the 1930s, employment, basic services, poverty and social insecurity were the dominant issues. While poverty has once again become a major challenge, the existential issue now is climate. Previously, the big Fordist state was the delivery mechanism; today, it must be empowered and networked citizens and civil society working with a facilitating state, alongside purposeful business. Today's metaphor for how we decide and do things is not the factory-like machine, but dispersed and connected networks in which technology and AI either liberate or enslave us. Then, society was more homogenous and deferential; today, it is wonderfully more diverse and autonomous. Then, national economies were relatively sacrosanct; today, economies are global. Then, there was a 'British Life' to be re-forged out of nuclear families and a still potent patriarchy; today, the very notion of Britain is hotly contested, and social life has been deconstructed – not least by waves of feminist struggle. Then, there were relatively simple blocs of ideas and people to be assembled in this linear Fordist fashion; today, we must grapple with intense complexity, not as a problem to be solved or mitigated, but as a joyous yet testing reality of late modernity's culture.

Indeed, it is the very notion of a plural and diverse society, that still honours security, community and place, that will be the creative engine of journey to a good society.

In all this we need a new North Star to guide and inspire us. A body of work that sets out succinctly and accessibly what a Good Society and Good Life might look and feel like, and then develop some of the signature ideas that need to be put in place to help deliver them. Critically, it should bind together radical and inclusive environmental, economic, social and democratic thinking into a seamless narrative. And at its core must be the assertion that that the public, the common and democratic hold sway over the private, the individual and the technocratic. This work may inevitably start out in partisan 'left' fashion; it has to start somewhere but should eventually build into a new and consensual common sense. And while thinkers and academics can do their bit to kick-start debate, any meaningful new narrative must be generated in a participatory and inclusive fashion.

As such, this New Settlement will be 'progressive' in character. The term progressive, for us, embraces all those who understand the urgent need to deepen democracy in pursuit of a more equal and sustainable society.

But any big lasting turn must go deeper than just the 'political' to include purposeful business, scientists, cultural creatives, public sector workers, community activists, people of faith, trade unionists, academics, sections of the media and other key opinion formers. All of

this and more constitutes the progressive majority the country has rarely had a chance to enjoy because electorally it continues to divide against itself.

A New Settlement will be by and for every enlightened citizen, founded on agreement about its broad scope, scale and direction. Some, inevitably, will want to travel further and faster. They can make their case and apply what influence they have. But what is required now, at least, is temporary agreement around the need to head in a new direction, in a new way.

To be clear, if progressives fail to provide a viable vision and can't chart a course to a better future, regressive forces will undoubtedly re-emerge to offer up at best a re-heated Thatcherism, or worse, an authoritarian populism, as they are in opposition in Spain, Germany, France and the USA, and in government in Italy, Austria, Hungary, Sweden, Turkey and elsewhere.

The first step in the creation of a New Settlement is to explore the very concept of 'Settlements'.

The Ship, the Sea and a New Voyage

Deep and relatively stable settlements result from the relationship between what has been termed 'the ship and the sea'⁴. This nautical metaphor is deployed to illustrate how the 'ship of politics' sails on the 'sea and tide of the times' in the creation of a deep and durable settlement. Deep settlements relate not only to the zeitgeist; they also embrace different levels of society - socio-economic, political, cultural, technological and ecological, with a new and enduring stability coming from their strategic alignment. This is what Antonio Gramsci, the famed Italian political theorist of the 1930s, referred to as the formation of a 'historical bloc' which, at its simplest, describes a critical array of forces and ideas that combine to change the direction of society⁵.

A nascent new historic bloc must now be actively fashioned and shaped. We return here to boldness. We know that the harbour is where the ship is safest, but its purpose isn't to stay there. As Antoine de Saint-Exupéry wrote: *'If you want to build a ship, don't drum up the (women and) men to gather wood, divide the work, and give orders. Instead, teach them to yearn for the vast and endless sea.'* The sterility of mainstream contemporary progressive politics is only going to be broken by the desire for something feasibly much better.

So, what are the wider historical and societal conditions (the sea) and political vessels and strategies (the ship) that can lead to a new settlement? As ever, the past has valuable lessons.

20th Century UK Settlements

Political forces, left and right, always attempt to shift the balance of economic and social factors towards a new equilibrium that favours their interests. In the main, this happens gradually when the tide drifts and the wind is still, but on rare occasions, maybe once in a generation, context meets political strategy, and a new settlement is forged. During the 1979 election, and sensing a paradigm shift taking place against the fading Keynesian era, Prime Minister James Callaghan told an aide:

'There are times, perhaps once every 30 years, when there is a sea change in politics. It then does not matter what you say or do. There is a shift in what the public wants, and what it approves of.'

Here we examine the nature of Labour and Conservative Settlements.

Progressive settlements: deep and shallow

The post-war Labour Government has taken on mythical status. Huge achievements in the establishment of the NHS, the welfare state, full employment, nationalisation etc., were all in marked contrast to the social deprivation of the 1930s. In retrospect the 1945 Settlement could be seen as the UK version of the state interventionist tide that internationally had found both authoritarian and democratic forms in the 1930s (Stalinism in the USSR, Fascism in much of Europe and the New Deal in the USA). Despite only enjoying six years in office, Labour succeeded in creating the 'political weather', reflected in the fact that the Conservatives broadly accepted Labour's post-war social and economic settlement throughout their following 13-year tenure.

It is critical to understand here that the pre-conditions for this new Machine Settlement were laid by the Fordist, big state War-effort; in other words, the population had already experienced the benefits of a 'collective' rather than 'fragmented' approach. As such the settlement was overlaid on these foundations, it didn't create it. Any New Settlement will not simply be legislated into being, but built on the material needs and emerging structures and culture that are already taking shape in society and the economy.

Compared with the legacies of 1945 it is easy to overlook the achievements of the Wilson-led governments in the 1960s. But it was Labour that brought the UK out of the cultural and legal dark ages of the 1950s by ending capital punishment, decriminalising homosexuality, legalising abortion and introducing the Race Relations Act and Equal Pay Acts⁶. Again though, Wilson's Labour could be seen to be riding the wave of the various social liberations of the 1960s. On the other hand, the Callaghan Government of the mid-late 1970s was preoccupied with economic crisis and was ultimately undone by the Winter of Discontent in 1979 and the conflict with the unions. Amidst a sense of growing

economic woes, the post-war Keynesian era ended with Labour's reforming capacity all but exhausted. Again, this was not just a factor of political and party exhaustion, but the waning of class, technological, cultural and geopolitical forces that had enabled 1945 to be such a turning point.

Nearly two decades later, the New Labour administrations of Tony Blair and Gordon Brown (1997-2010) proved to be an exasperating paradox. In the context of relatively benign economic circumstances, they were politically dominant with large parliamentary majorities. And yet, despite partial achievements in terms of public service renewal and the establishment of the minimum wage, they failed to shift public attitudes in a social democratic direction or build sufficient, enduring new social institutions.

It is easy to blame leaders, but New Labour was founded in a deeply pessimistic moment for the Left. Everything that had made the 1945 moment possible had been replaced, by globalisation, financialisation, consumerisation and individualisation. As such, New Labour was in office, but not fully in power. Their ship never sailed out of neoliberal waters. Stuart Hall referred to New Labour's 'Double Shuffle', a dominant neoliberal project combined with a subordinate social democracy project⁷. And Patrick Diamond remarks that '*similarities between New Labour and the 1951-64 Conservative administrations are striking*' insofar as both accepted the deeper settlements of the previous governments⁸.

Instead of laying the steady foundational building blocks for a new settlement, what we can call strategic incrementalism, New Labour's double shuffle helped pave the way for the crash in 2008 as an under-regulated finance sector finally blew itself up, and the sugar-rush to get the best migrant workers from East Europe, added immeasurably to Brexit. Meanwhile, the false pretences for the war in Iraq poisoned the well of UK politics and fuelled the turn to scepticism. All were driven by the refusal to try and break with the neo-liberal consensus. To be clear, Labour did many good things in office, but didn't build countervailing forces to the financial and media muscle of neoliberalism and ran out of steam with little pronounced legacy.

Regressive settlements: stable and unstable

In contrast, at certain historic moments the Right have been experts when it comes to the creation of regressive economic and political settlements. Historically, dominant traditional blocs (various national amalgams of bourgeois and aristocratic forces) have retained power through the co-option of subordinate emerging class forces into inconsequential reforms. These types of settlement were typically created in the late 19th Century by 'conservative modernisers' such as Benjamin Disraeli and William Gladstone in the UK, Bismark in Germany and Cavour in Italy, in which 'modernisation from above' aimed to

contain the `rise of the working class. Gramsci referred to this classical reformist process as 'passive revolution', to which he ascribed much of the resilience of capitalism⁹.

However, the regressive neoliberal settlement of the late 20th Century was the result of a far more ambitious societal project, in which a resurgent ideological and political Right aimed to totally remake society in the image of free markets. Margaret Thatcher once remarked: '*the means is the economy, the goal is to change the soul*'. In the case of the UK Conservatives during the 1980s, their approach was strategic in its economic focus, transforming the position of home ownership, privatising industries and commercialising public services. Despite the 2008 banking crisis, this totalising socio-economic settlement has endured for more than four decades.

But this Market Settlement is now breaking down. The global crash and the austerity measures that followed it prioritised the interests of finance, but at the expense of getting voters/consumers through the long cost of living crisis. Brexit combined a nostalgic desire to return to a presumed glorious past with the demand for a new democratic settlement, the first stage of which was withdrawal from Europe, to be followed by a second stage: a reordering of the state through devolution, levelling up and divergence from EU regulations. Covid and the political demise of Dominic Cummings and then Boris Johnson scuppered any remote chance of Brexit Stage 2 occurring.

The country has been cast adrift, with only ripples of the narrative to 'take back control' to live off but virtually no levelling up, less money for the NHS and no sunlit uplands of Singapore-on-Thames after the Truss debacle.

The response of Labour to the Corbyn rupture, has been to retreat too far to a politics of technocracy, making itself a small target to edge over the line first. But without a deeper analysis of the moment and a more radical agenda to address the huge opportunities and challenges the country faces, any change of government looks doomed to continue the 'crisis of crisis management'.

Varieties of settlement

Building on this historical analysis, a range of political forces over the past eight decades have created 'varieties of settlements' of differing types and degrees of durability (see Figure 1).

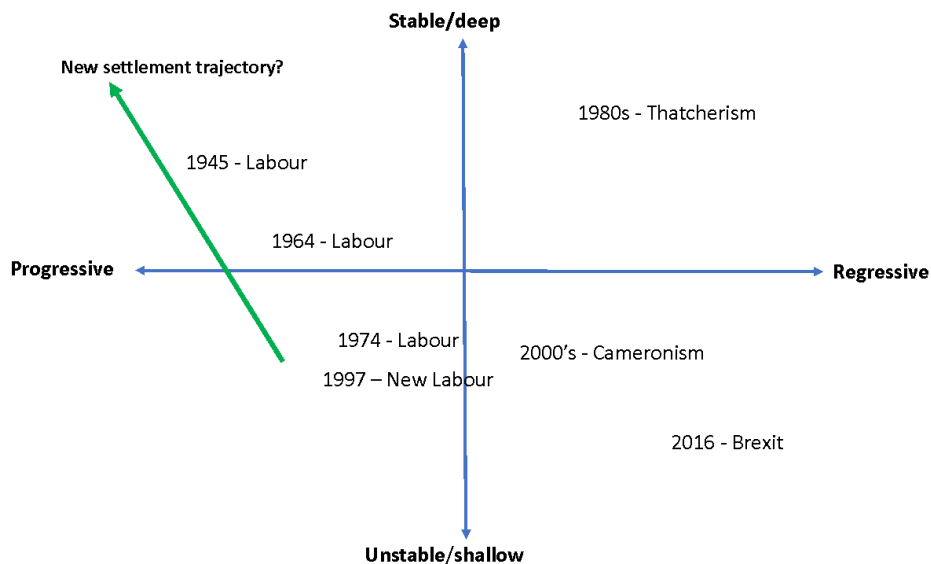


Figure 1. Varieties of settlement and the NS trajectory

Figure 1 illustrates that since 1945 deep and stable settlements have been the minority outcome. The power of the Conservative ship and the sea is reflected in the fact that as a political culture it has endured and adapted over four decades spanning different types of government; Thatcherism, Blairism and Cameronism as different adaptive forms, and Brexit/Johnsonism as its populist incarnation.

Corbynism came surprisingly close to rocking the boat in 2017, but failed badly for complex reasons, involving Brexit and his poor leadership, at the 2019 General Election. During this period the evolution of the Market Settlement has succeeded in undoing most, though not all, of the pillars of 1945 Machine Settlement. The NHS stands like a rock that the retreating social democratic tide left behind, but a rock that's also crumbling.

More common has been the creation of relatively shallow and unstable settlements. Instability arises primarily from contradictions or only partial reforms. Both New Labour and Cameronism involved different types of adaptive approaches that proved superficial¹⁰. Brexit, on the other hand, did have its sea and the ship moment, in which anti-EU sentiment could be seen as part of a wider tide of both Right Populism and dissatisfaction in the areas that had been deindustrialised and then simply left behind. While the Brexit settlement is now struggling, the abiding worry is that another bout of weak technocratic reformism will rejuvenate far-right populism.

Key elements of 20th Century settlements: a summary

There are structural and cultural elements to every durable new settlement:

1. Political economy and a meta governing concept

Settlements are underpinned by a dominant economic form. Technology and culture combine and shape the era when led by a political strategy – either progressive or regressive. In 1945, Fordist production combined with Fabianism to create a welfare state and the Machine Settlement. In 1979, small state, low tax neoliberalism combined with claims to freedom and individualism to forge the Market Settlement. These settlement formations were comprehensive, reaching into different parts of the state and civil society. Fordism wasn't just about how to make cars, but how to run government and make society. And the market logic, most notably private ownership and choice, permeated almost every aspect of life, becoming a new 'common sense'. All settlements contain predominant and subordinate elements, not least in terms of modernising vs conserving forces and direction. The predominant element becomes the meta descriptor; 1945 as the Machine Settlement; 1979 as the Market Settlement. People obviously don't think and talk in these terms, but the society in which they live reproduces itself largely influenced by these meta-forces.

2. Ownership and material needs

Ownership has been central to these two deeper settlements; public/collective in the period 1945-1979 and private/individualistic in the 1980s to the present, with the latter proving more pervasive. New Labour explicitly rejected issues of ownership for control. But ownership issues need to be a key feature of any new settlement. Of course, the nature of ownership doesn't need to be defined purely by previous styles (e.g., nationalisation or privatisation), but can be more varied in social form and more dispersed as fitting for a networked age via social and citizens ownership. Moreover, every potent settlement must be based upon successful material realities (e.g., the NHS in the case of 1945 and council house sales in the case of 1979).

3. The state and other institutions

Settlements tend to be defined by the institutions they create and leave behind. Manuel Castells argued that institutions are the embodiment of the values and energy of the forces that were dominant when they were founded¹¹. Thus, the NHS can be seen not just as the creation of Aneurin Bevin, but the demands and values of the militant South Wales miners who refused to accept a contributory health service, only one free at the point of need. And it was structured like the centralised command and control factory systems of the age. The NHS has arguably outlived other elements of the post-war settlement, despite right wing attempts

to dismantle it, in part because of this key facet.

The state has always played an organising role in every new settlement. 1945 was a case of the social welfare state, whereas 1979 saw the rise of the marketized state but also the strong state to police the failures, rejects and malcontents of neoliberalism. However, a constant has been the centralising and therefore remote, rigid and unresponsive nature of the British State.

4. Agency

Implied in all this is a sense of agency, the social blocs that any new political economy is there to extend, build on and reward? And how do those agents underpin a new settlement? This is more than how they vote, but how they live their private and social lives in step with the new settlements zeitgeist. Being a worker on a Ford production line wasn't just a job, but a way of being that made trade unions and therefore the Labour party strong. It bred cultural uniformity through working men's clubs and the political and cultural fabric of institutions like the Communist Party and the Workers Education Association. Likewise, Thatcherism rewarded and was rewarded by home ownership and the so-called popular capitalism of privatised shares. Life and society was geared to a culture and practice of turbo-consumption, the glue that held the Market Settlement together.

The agents of a New Settlement will be drawn from various social strata: the precariat, the remnants of the working class, creative and post-material etc., potentially just about everyone who doesn't have a vested interest in the continuation of zombified neoliberalism.

5. A North Star Narrative

Finally, a bigger sense of purpose: narrative creation and political storytelling matter for settlement formation. Labour in 1945 talked of a land fit for heroes. But again, the Conservatives have been most adept. Thatcherism and then austerity projected a potent constricting narrative by equating a nation's finances with a household budget, you can't spend what you don't have that linked prolificacy to the state and not the banks. Brexit, on the other hand, with the slogan take back control, articulated a nostalgic optimism following years of perceived loss. Nevertheless, and as Brexit is now showing, without some material basis any emergent settlement becomes unstable.

The Contours of a New Settlement

If these were the key features of 20th Century settlements, what might be the key components of a progressive New Settlement? Here we simply sketch some contours before deeper work begins:

1. A Good Society

We should start with purpose and the society we want to live in and the lives we want to lead - the fostering of a deeply social, ecological and humanitarian outlook and a willingness to become involved as active citizens, not only to benefit this generation but crucially future ones.

As the 1945 settlement was inspired by the aim to vanquish the 'five giants' - idleness, ignorance, disease, squalor and want - so the New Settlement will involve confronting today's great challenges. Here they are characterised as the 'three imperatives':

- Tackling the ecological crisis,
- Delivering greater equality, wellbeing and care, and;
- Giving people sufficient control over their lives and society.

This Good Society must look to satisfy both material and post-material needs. Material in the sense that poverty must be eradicated, and the country made much more equal. But post-material in the sense that beyond a certain point, more consumption brings little greater utility and happiness and destroys the ecosystem we depend on. Instead, it is issues such as time, creativity and autonomy that spark deep human interest. Such post-materialism has been decried as 'middle class', but the Brexit revolt suggests that it is important to all sections of society to seek greater control and a collective voice in establishing their security and sense of freedom. When people feel valued, connected and have some ownership or control in their lives - then they truly come alive.

2. A new political, social and caring economy

Every settlement has at its heart a new political economy. This new political economy cannot help but be shaped by AI/digital and dispersing technology, by the desire for human autonomy, and the imperative of climate. And if it is not to feed populism, then the new economy must help create the wherewithal for a much more equal society.

All this begs the question of the role, if any, for capitalism. 'Varieties of capitalism' analysis¹², suggests that there is an important role for elements of capital willing to cooperate with a more active state and a new social and environmental regulatory framework. In this new economy, there must be a large and dynamic public sector, more and varied forms of public and social ownership and greater partnership working. This corresponds to what JM Keynes and more recently

Mariana Mazzucato have termed ‘crowding in,’ in which the private sector works with the public around a common mission.

However, difficult questions remain concerning the role of Platform Capitalism in the form of the US tech monopolies that play a leading role in the neoliberal era¹³. The entrenched nature of their dominance points to longer-term transitions dependent on international collaboration, including stronger regulation, monopoly break-up and introducing more localised and socialised digital platforms. In addition, there is financialised capitalism, and embedded interests such as oil and the military industrial complex, which eventually have to be managed in society’s interests.

A compelling narrative must be created around the relationship between a green industrial strategy and better paid jobs. Opposition parties are tentatively heading in this direction, surfing the waves being created in the USA and Germany. But claims to high levels of growth cut across the climate imperative. There simply must be limits to the size of the economic cake or we all perish. We must live within the bounds of Kate Raworth’s Doughnut Economy¹⁴. Here an economy of innovation in low/no carbon areas goes hand in hand with the politics of redistribution. A new economic settlement will thus involve reforming and improving lower-skilled jobs in the ‘Foundation Economy’ comprising largely small and medium sized enterprises as the driver of a Green New Deal¹⁵. Upskilling could be linked to improved pay with new roles for inclusive further education and training institutions¹⁶.

Remaking material realities to provide the basics for a dignified life will involve the remaking of public service and the reform of a broken housing market. Any progressive new settlement requires a range of new in-built popular and pro-equality and anti-inequality instruments and institutions that could include¹⁷:

- Basic income floor (a plimsoll line for incomes);
- New form of asset redistribution through a citizens’ wealth fund, paid for in part by the state taking equity stakes in large companies in return for state subsidies (such subsidies are huge, yet state imposes no requirements in return);
- Four-day week;
- New forms of local and national public enterprises;
- A new settlement for young people who are being failed e.g. new forms of vocational education (through new model of the Open University) and a Basic Income for those aged 18-25;
- Removal of corporate ownership in areas like social care and huge investment in socialised care at the start and end of life¹⁸.

As discussed above, previous deep settlements, Left and Right, have included ownership as a central component. The expansion of the public realm will be an enormous and long-term task to reverse the shrinkage of public life in the neoliberal era. Such an approach will necessarily

be evolutionary, not least because of the costs of increasing public ownership. It would be sensible therefore to identify priorities linked to a green industrial strategy. This suggests a sequential approach to bringing back into forms of public ownership key eco-related sectors including transport, water and energy, but also newer collectively created assets such as data¹⁹.

Finally, this green and egalitarian transition must be paid for. Like other moments when 'money is no object', such as war and Covid, the means simply to pay for this transition have to be found. Here, conversations about taxing wealth and how we manage public debt and forms of money creation, such as quantitative easing for people not banks, have to be explored and developed.

3. Democratisation - of citizens, workplaces, the state, education and more

Previous settlements had little to say about democratic structures and culture. Of course, 1945 expanded the public sphere, just as 1979 shrank it. But now the focus on democracy must be explicit. Our democratic structures and culture run far behind the times. Politics has remained remote, occasional and binary, when our lives and decisions are now complex, frequent and plural.

As a first step any New Settlement needs to quickly upgrade representative functions of democracy. An early aim must be 'democratic coordination' in which important powers are devolved to the local and regional levels to construct political and economic formations capable of taking forward a green economic and social agenda.

It is encouraging to note that some of this is emerging in Labour policy – not least through the Brown Commission²⁰. Moreover, Lisa Nandy in her recent book 'All In' advocates a rebalancing of social forces involving local authorities, trade unions, community organisations, regional banks and citizens assemblies that give power and resources back to people and places, in which fiscal devolution is essential²¹. At the end of a first parliament, local and regional governance in England must be in a much stronger place. It is also the case that a new national government will have much to learn from radical local government and the civic experiments that have been initiated in difficult circumstances. From Andy Burnham in Manchester and Steve Rotherham in Liverpool, to Mark Drakeford in Wales and Jamie Driscoll in North of the Tyne but also Conservative Mayors such as Andy Street in the West Midlands, the boundaries of a more robust localism are being pushed and should be assisted.

However, much more is required to cement a social and political bloc in support of a New Settlement. Key to this will be electoral reform and the introduction of a system of Proportional Representation (PR) to

unlock the power of a progressive voter bloc that currently amounts to over 60 per cent of the electorate. More importantly PR can provide our stale two party system with an injection of creativity, talent and challenge. First-Past-the-Post locks in a bias to wealth and media elites, while all the electoral emphasis is on a few swing voters in a few swing seats. The current system of democracy makes any New Settlement almost impossible as radical ideas are given little if any room simply because of the way we count votes.

The Catch 22 of electoral reform, whereby the winners of the system are the only ones who can change the system and have no incentive to do so, is only unpicked through a 'progressive alliance', which is formed in part by the promise of PR.

But the cautious and conservative resistance within the system encourages pressure to build outside of formal structures until more radical change becomes inevitable (witness Brexit and support for Scottish independence). The same external pressures need to be built for a democratic transition. Here it is encouraging to see more single-issue campaigners, like XR and anti-poverty campaigners, pushing democracy as a first-order issue²².

Proposals to reform the House of Lords are also interesting, particularly if they were to lead to a chamber dedicated to collaborative relations across the nations (and regions) of the UK. Here the national question cannot be dodged but embraced. The nations of the UK must ultimately decide if they want to be part of a Union, or not. Any decisions must be constructively negotiated based on clear and obvious demands for change. Key here is the politics of England, as distinct from the politics of Britain. England must find its own voice, identity and institutional representation.

These steps towards a renewed representative politics can pave the way to a deeper forms of democracy. Citizens' assemblies are already well-practised and growing in popularity. They should become institutionalised locally and nationally to help make key and binding decisions. But we must go deeper still. Referendums don't have to be like Brexit, they can be like Ireland where complex issues such as abortion rights have been successfully negotiated. But in a digital networked world we can and must move to more 'liquid forms of democracy' where we decide in more fluid ways when and who represents us, and when and how we decide for ourselves directly. Emerging ideas like quadratic voting, which simply give us a chance to weight our votes on things we care most about, could begin to transition democracy out of the last century and into this one.

A reminder: None of this optional. If democracy isn't deepened in these kinds of ways, then people will look to authoritarian solutions to meet their needs and their dreams.

But just as the machine and market models permeated all aspects of life, so must the democratic. If we are to be empowered voters, then we must also become empowered citizens in our interface with the state, work and communities. Here, the state must adopt both participatory structures and a humble culture. Paternalism must go along with dominant target driven, technocratic, command and control methods. The idea that we co-produce services around our capacities and needs is starting to take root. It must be accelerated, replicated and scaled nationally and locally.

Here, the educative mission of the state is one of expanding horizons and capacity for action. There will be important roles for formal education (schools, colleges and universities) to develop the ability of people to think and reflect critically. However, and of equal importance, will be the need to reintroduce more popular and informal lifelong learning that embrace the community, family life and the workplace. Here, there is a role for a range of civil society organisations including the newly resurgent trade unions that bring in ideas and practices not yet part of the formal educational system. Working together, these education actors could herald the development of what has been referred to as a 'mass general intellect' that brings together knowledge, skills and attitudes²³ – a new critical faculty - not only for individual fulfilment but also support of a collective transformatory outlook. Learning from places such as Croydon's New School²⁴, education is the site in which we learn that most precious art - how to live with each other and become fully active citizens.

Two final things here. We must democratise the workplace because this is the route to greater innovation, productivity, social justice and fully rounded citizenship. Second, in all this the application of a human rights lens must be the bedrock on which we protect ourselves and society from the tyranny of overbearing states and corporations.

In the final part of this New Settlement Framework, we examine how to make such a future.

Creating a New Settlement

Evolution and break

New settlements are forged when political projects (the ship) draw in on the energy of the tides and the wind to build steadily, endure and then build again. People are obsessed with winning elections as the ‘be all and end all’ of politics. Of course, they are necessary, but insufficient. Blair won huge majorities but didn’t sufficiently change the weather. Attlee and Thatcher won elections and transformed society, both because they mixed being in office with big ideas and even bigger forces. Johnson won an 80 seat majority in 2019, but did him little good.

Attlee’s was more big-bang, a short wave of huge reforms, whereas Thatcher’s was more slow burn with little trace of what was to come in her 1979 manifesto, but founded on long and deep neoliberal thinking. We envisage this New Settlement to be longer-term, first setting the direction of travel and building capacity to act through the generation of new ideas and broad support, so that over time a new society is built block by block. In the words of Jerry Rice *‘Today I will do what others won’t, so tomorrow I can do what others can’t.’*

Such pragmatism stands in stark contrast with a ‘one more heave’ approach focussed on getting over the electoral line at any cost, or any notion of fast-track seizure of the state. The former has little impact in benign times, but is wholly inappropriate in an age of malign perma-crises, the latter defies democratic accountability.

Instead, a ‘long revolution’ will require trust, perseverance and nerve because, unlike 1945 and 1979, it cannot simply be imposed from above. The next settlement, if it is to be progressive, must be negotiated out of complexity. Eric Olin Wright in his work on ‘logics of transformation’ has suggested three transformatory traditions for our times:

1. Interstitial (building on contradictions from within the shell of the old)
2. Evolutionary (building of power within the existing system) and
3. Ruptural (effecting a dramatic change from one system to another)²⁵.

The New Settlement process, while largely evolutionary, will necessarily comprise elements of the other two processes. There will be political conflict or at the very least democratic contestation. The dominant bloc (fractions of capital and its neoliberal social and political formations) even if defeated in an election will retain big ships and they will do everything they can to frustrate and even reverse the progressive voyage. The degree to which they succeed will be down to the power, unity and agility of the New Settlement alliance.

Settlements – From local to global

Settlements can be created at different levels from local to global. Neoliberalism shows that the more global settlements are, the more powerful they are. At the other end of the scale, it is possible, for example, to see settlements taking place around new forms of national, local and community governance. Indeed, progressive national governments will have much to learn from local and sectoral innovation. As with previous settlements, the next one will only happen if it is built on what is already emerging.

Figure 2 shows how the three pillars of market, state and civil society overlap and interact around a Good Society values base of sustainability, equality and democracy. In each case there would be local, national and international variants²⁶.

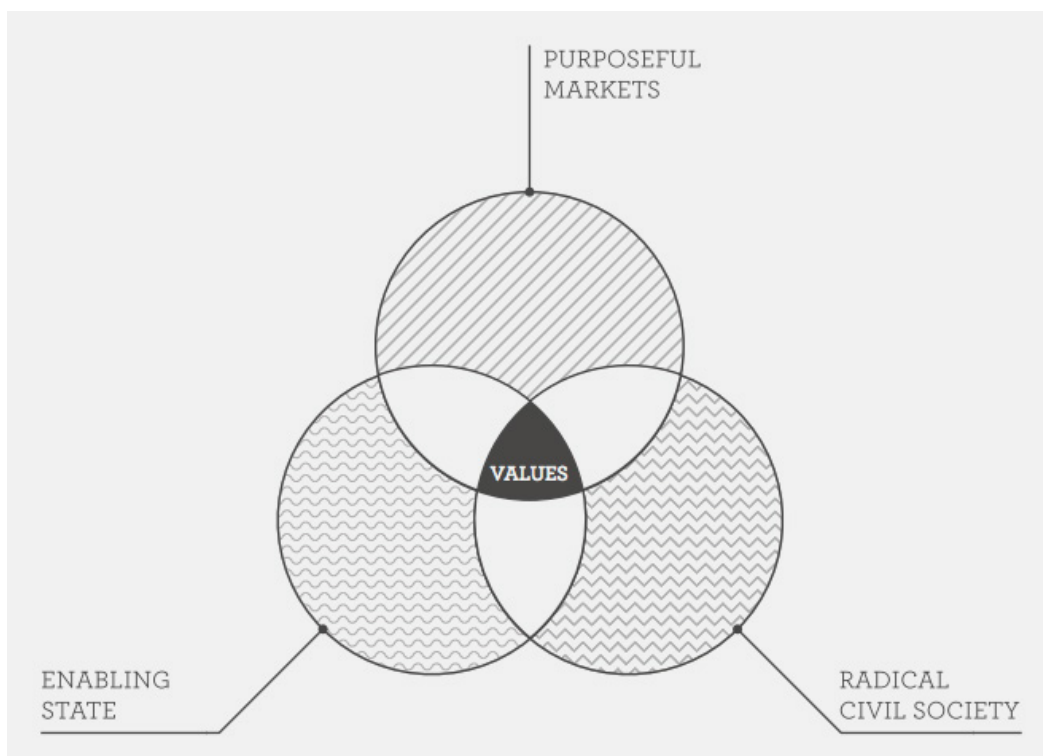


Figure 2. The intersections of markets, state and civil society

Figure 3 on the other hand describes the idea of 45° Change²⁷, the diagonal meeting point between horizontal/emerging new forces, the zeitgeist of participative innovation, and established vertical/designed forces and institutions, in particular the state. If the former are to be more than fireworks that light up the sky, giving us only a brief glimpse of the future, then they must be nurtured, facilitated, replicated and where necessary scaled by the state and purposeful corporations. It is along this 45° fault line, that a New Settlement will be fashioned and a Good Society forged.

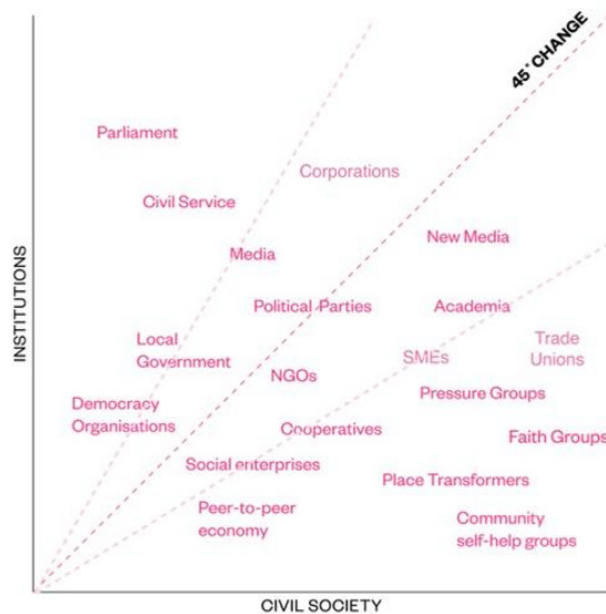


Figure 3. 45° Change

Taken together, these two conceptual figures provide us with an elementary guide to the ‘how’ of a New Settlement.

Paradigm shifts and big thinking – energies of the sea

But the question remains as to whether there is a unifying progressive concept that allows us to sufficiently understand this moment? Looked at historically, what is being discussed is a post-neoliberal settlement that is simultaneously green, democratic/pluralist, feminist, anti-racist and social/egalitarian. Up until now we have referred to these as being the roots of a ‘Good Society’. But a New Settlement by its very nature demands a closer look at the big thinking capable of embracing intellectual life and popular belief - a new good sense that yearns for something different and better and provides both the motivation and motor of big change.

What is being contemplated here are a series of paradigm shifts that find expression in the use of the term ‘post’ - decisive movements away from dominant forms of thinking and practice. These include:

- Post-Neoliberal (radical political economy rooted in overcoming inequality);
- Post-Anthropocene (radical ecological thinking aimed at reducing the impact of humans on the environment to zero by 2050);
- Post-Material (prioritising what humans really value);
- Post-Representative (people increasingly speaking and acting for themselves individually and crucially collectively as the means to meet the complexity and scale of the challenges we face)

- Post-national and national (balancing the needs and borders of countries with global demands and opportunities);
- Post-Racial (a shift in race relationships to the benefit of all) and
- Post-Patriarchal (a shift in gender-based relationships to the benefit of all).

The politics of a new settlement: single ship or progressive fleet?

The nature of the progressive vessel is equally challenging. While a previously used Compass metaphor of the Campsite has been useful in illustrating alternatives to the role of a single big progressive party in relation to smaller political forces, it does not offer the additional dimensions afforded by the nautical metaphor concerning the relationship between context, vehicle and direction of travel.

In the nautical metaphor, as in the camp site one, there are good reasons for thinking beyond the single big ship (Labour) and more about a flotilla of boats large and small (Liberal Democrats, Greens, civic nationalists etc.), all heading in the same direction. Increasing complexity and the perma-crisis age means that it is difficult for a single political force to adequately represent all parts of society no matter how big the vessel, hence the need for a flotilla. Similarly, sources of progressive ideas and practices tend to originate in radical civil society rather than in any political party. In terms of the metaphor there is, therefore, an important role for smaller and more agile boats in the fleet that can scout and venture out in terms of the exploration of new ideas and practices.

Conversely, as the ships of opposition become a government, the machinery of the expanded state can also be seen to become part of the fleet, adding considerably more power. The desired situation is for bigger and smaller craft to complement each other and work together.

Back to the present conjuncture, there are questions for Labour and progressive forces more widely. In terms of the metaphor, current caution equates to the Labour ship hugging the coast rather embarking on a voyage of discovery. The Labour leadership might respond by stating that the conditions are not yet right and there is much to be done to fix the broken vessel of the party and then government. But surely a perma-crisis era and the evidence of an emerging new paradigm impel us to set sail?

To be clear, any change of government is to be welcomed. But it must be a change that contains the seeds of a New Settlement, because anything less will perpetuate the crisis and open the way to authoritarian populism. The critical idea here is not the demand for some near perfect Labour government, but the pragmatic recognition of the urgent need for greater capacity and a new direction to build a New Settlement over time.

There is a wider question here, one relating to electoral and political strategy. The Big Tent or Single Ship approach both assumes all progressives will shelter under a single canvass or agree to sail in the same vessel as they have little or no choice in a First-Past-the-Post majoritarian system designed for two parties. In the context of severely restricted choice, Labour can opt to shape their offer in ways that placate the dominant interest of the right-wing media and big finance to win over sufficient Tory voters. To do this, by definition, they must offer a politics of change that promises and delivers relatively little of it.

The alternative, which we strongly advocate, is a genuine progressive alliance of the majority of forces and voters in our society. To be clear, this is no simple task of assuming progressives will vote and act together because they are told to. Rather, this latent progressive majority will only become a new political formation via a compelling material and political offer. This electoral and bloc building strategy carries with it the huge advantage over the single vessel approach to build a base to voyage from, as it forges an alliance not out of sections of the right, but out of existing progressive majority views.

Next Steps

What comes next is the hard work to fill the gaps and omissions and develop signature policy ideas, the case studies and stories.

Over the next year, working with many others, we will write the blogs, articles and reports that will fill the gaps. We will hold as many events and conferences as possible. In this way we hope two things will happen:

First, we will refine and define our thinking, making it stronger and more robust. As we do, we must turn it from this rather abstract and theoretical framework to a popular and accessible argument and account we can take much more widely – something that resonates because it explains and excites in equal measure.

Second, we will start to create a coalition of forces that want the kind of New Settlement outlined here and can help make it happen.

Endnotes

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