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## Britain's project

Having left the EU, the United Kingdom must embark on a national programme of self-renewal.

BY ROBERTO MANGABEIRA UNGER

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**T**he best reason for Brexit was always the desire for the United Kingdom to do something outside the European Union that would be harder to do inside it. The most useful result of the scrambling of class allegiances that took place in the 2019 general election is that it gave both the Conservatives and Labour a chance to rid themselves of ideas that have become irrelevant to the solution of the country's problems. The mounting restlessness of nations and regions within the UK suggests that the Union can be preserved only if these regions and nations begin to envision together a future that they cannot achieve apart. And a legacy left behind by the sufferings that Covid-19 has imposed on the British people is the hope that the ordeal will be survived by an effort to make larger the lives that have been made longer.

These apparently unconnected facts point in the same direction: to the need for a national project. Britain does not have one. What kind of project would respond to the opportunities implied by those circumstances – a project not beholden to the fantasies and interests of the cosmopolitan elite that does business and makes policy in and around London? The very idea of a national project may seem anachronistic to that elite, which can barely disguise its distaste for the national idea and its scepticism about transformative ambition in politics.

The need for such an agenda nevertheless follows from the two major problems that the UK faces. These problems decisively trump the two national issues that the moneyed and governing classes take seriously: how to pay for the emergency – in public health, governmental finance, and economic output – and how to reposition Britain in the world economy.

The first problem is the decline of Britain's productive base. The UK has stopped making enough goods and services that the rest of the world wants. The decay of its production system risks turning Britain into a collection of hedge funds, theme parks and café chains. No vibrant national life can thrive on such a foundation. The only effective solution is a set of

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*[see also: [John Gray on the perils of grand designs](#)]*

The second problem is the lack of constitutional arrangements that allow the UK to reshape its economy and to deal with its differences. Without a combination of strong central initiative and radical devolution, including within England, the country has no way to redress its economic failings or to settle with its unaccommodated nations.

These two problems are connected: new constitutional arrangements are a precondition for economic reconstruction, while the need to raise productivity can motivate constitutional reform and give it focus. Failure to solve these two problems disempowers the mass of working people, denying them the means by which to share in the building and the benefits of a programme of national renewal. It undermines, as well, any response to the threats that concern British elites.

A national project that meets this test can win the support of a broad majority of Britons and cut across conventional ideological divisions. It can speak to leftists who, having given up on the governmental direction of the economy, understand that corrective redistribution through taxes and social spending is not enough to redress inequalities that have their basis in the economy and in education. But it can also appeal to One Nation Tories and liberals ready to abandon the dogmatic institutional commitments and illusions of classical liberalism for the sake of a more effective conception of freedom.

Such a national project would offer a progressive approach to the supply as well as the demand sides of the economy. It would not limit its proposals to policies, such as redistributive taxation and social spending, that leave the structural causes of inequality and disempowerment untouched. It would innovate in the economic, educational and constitutional arrangements that shape the distribution of advantage and opportunity.

The alternative order must seek both to protect and to empower ordinary people. It must provide a haven to the individual worker and citizen – a haven of safeguards against governmental and private oppression as well as of capability-assuring economic and educational endowments. But the individual should be safe and equipped in that haven so that all around him there can rage a storm of experiment and innovation. Such a storm does not happen spontaneously; it needs to be aroused. The initiatives that arouse it form the

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## The great slowdown and its main cause

Productivity growth has slowed dramatically in all the advanced economies since the 1970s, but no high-income country has seen greater deterioration in productivity since the 2008 financial crisis than the UK. The fundamental reason for the productivity slowdown in the richest part of the world is that science and technology-intensive production devoted to permanent innovation – which we call the knowledge or innovation economy – remains confined in every sector; from product design and advanced manufacturing to precision agriculture, to fringes that exclude the overwhelming majority of workers and businesses.

What distinguishes these insular vanguards of production are practices – new ways of working and producing – rather than cutting-edge technologies. Such practices give production some of the characteristics of a scientific research programme. They entrust workers with greater freedom to take the initiative and require them to cooperate more closely and freely. And they hold the promise of loosening or even reversing the most universal constant in economic life, the constraint of diminishing marginal returns. Returns from any input or innovation in the process of production rise, plateau and decline. To the extent that innovation becomes perpetual rather than episodic and gains a foothold in how we work and produce, we can hope to hold off the decline and break through the limit that it places on productivity growth.

*[see also: [Helen Thompson on why are entering the age of experimentation](#)]*

The insular character of this new vanguardism has become a driving cause of economic stagnation and inequality. It generates inequality out of the chasm separating the advanced part of the economy from the rest of the production system. By condemning everyone outside the insular vanguards to relatively backward practices and technologies, it inhibits any sustained rise in productivity. It also threatens many of the policy goals that are now most widely professed, in Britain and elsewhere.

For example, the low-carbon production required by a “green new deal” cannot be achieved

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## An innovation economy for the many

A dilemma about economic growth now confounds the whole world. The time-honoured shortcut to economic growth – conventional industry: the mass production of standardised goods and services, on the basis of rigid machines, semi-skilled labour, and extreme job specialisation, as in an old-fashioned automobile plant or steel mill – has stopped working, as one country after another has deindustrialised. Such industry survives only as a leftover of an earlier vanguard – industrial mass production – or as a satellite to the new one, the insular knowledge economy. An alternative formula for growth, now that the old one is broken, would be an innovation economy for the many. That alternative, however, does not yet exist anywhere.

Some European countries, especially Germany and Switzerland, retain a large and vital manufacturing base, which they are now struggling to convert into its more advanced knowledge-intensive equivalent. Britain finds itself in a different situation. Its once vaunted strengths in making things – cars, motorbikes, trains, planes and ships – have largely wasted away. Attempting to revive these bygone glories in anything like their old form is dangerous as well as futile. The vast majority of activity in the UK's service economy, meanwhile, remains confined to personal care, bricks-and-mortar retail, or 19th-century-style professions and trades, such as the plumbing, electrical, and building trades, disconnected from the front line of production.

Nothing other than a radical agenda will do. Britain must seize on the advantages of its disadvantages and develop an innovation economy with the potential to provide enough jobs and opportunities for its people. Any move in this direction must include initiatives in three areas: the quality of production, the character of education, and the way in which the state makes and implements policy.

Enhancing Britain's productive apparatus requires dealing with two distinct realities: the uplift of the small and medium-size businesses that generate most of the country's output and the majority of its jobs, and the reskilling of the part of the labour force that is

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government; rather, they use the authority of government to create a different market economy for the sake of socially inclusive economic growth.

To raise up backward business and bring it closer to the frontier of the knowledge economy, the UK needs a 21st-century equivalent to 19th-century agricultural extension, as it evolved, for instance, in the United States. That system created family-scale farming with entrepreneurial characteristics – the most efficient agriculture that the world had ever seen. It did so by developing institutions and practices that enabled decentralised coordination between farmers and governments and cooperative competition among the farmers. Those initiatives made the latest science available to farmers, instructed them about best practice, and insured agriculture against economic and physical risk by means of food stockpiles, crop insurance and price supports. They also reshaped agricultural markets to the benefit of the family farmers, rather than to the advantage of the oligopolies from which they bought and to which they sold.

*[see also: [Andy Haldane on why we need community capitalism](#)]*

This historical example suggests a direction. A vast distance separates the majority of small and medium-sized businesses, relying on skills, technologies, and practices that pre-date the knowledge economy, from the tiny number of firms in the pharmaceutical, semiconductor, software and other industries whose production lines resemble laboratories. But every economic activity can be transformed, and work made more productive, as well more interesting, by the application of a simple principle. Whatever we have learned how to repeat and express in a formula or an algorithm we can embody in a machine. The machine allows us to devote more of our time to what we have not yet learned how to repeat. A responsibility of the state is to encourage technology to evolve in ways that enhance labour rather than replace it. The more advanced our machines become, the greater the opportunity, and the need, to run ahead of them.

The upgrading of technologies and capabilities cannot take the same form in parts of the economy as different as the supply of specialised components, the management of complex data, or the provision of person-to-person care. But in every part of the economy this uplift needs to be established in decentralised and experimental form. Central and local government should work together to set up a national network of support centres that would do for people

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Funded by a combination of fees and state subsidies and given freedom to experiment under expert management, these centres should be clearing houses of information about best practice and access to technology, finance and markets. They should assist the producer on the ground, just as agricultural extension did, and help provide businesses with the instruments to advance. They should also be able to count on a national public-investment facility. Such a facility would be set up by the British government to fund the development of technologies that apply across a wide range of sectors and that enhance the productivity of labour rather than substituting machines for people.

It is not enough to support firms; a more inclusive knowledge economy must also include individuals who have insecure ties to business enterprises or no such links at all. The best place to begin is the middle part of the job structure – the part hurt most by the economic shifts of recent decades, in Britain as in much of the world. There the aim is to turn skilled workers, such as nurse practitioners and machine repair specialists, into technologically equipped artisans. We can apply the same aims and methods lower down the job hierarchy – to shelf stackers in supermarkets, for instance, as well as higher up, in law, medicine, architecture and other liberal professions.

This upgrade of productive capability needs to be complemented by laws and policies that protect people who work in conditions of unstable, temporary or precarious employment. We cannot abolish by decree the arrangements that have emerged in the aftermath of the decline of industrial mass production: a system of outsourcing and subcontracting on a global scale. But we must not allow labour-market flexibility to serve as a pretext for the abandonment of the labour force to economic insecurity. Such insecurity, and the cheapening of labour that comes with it, undermines any sustained and inclusive rise of productivity. The law should require, for example, equivalence between the treatment and remuneration of work performed under conditions of stable and of precarious employment.

From these initial steps, there begins to emerge what progressives have long lacked: an approach to the supply side of the economy that will significantly moderate inequality in the distribution of economic advantage and opportunity. Without such supply-side reforms, the demand-oriented policies that have monopolised the attention of progressives – fairer taxation and generous social spending – fail to reach their goals.

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# Tongue-tied prophets: an education that equips British youth

The counterpart to these economic measures is radical reform of British education. The national curriculum shackles British youth. It does so by its intimate association with testing for the sake of ranking, by the value it places on the memorisation of facts and formulas to the detriment of reasoning and argument, and by its failure to prepare pupils to use information critically and to understand both natural and social phenomena by discovering how they change.

To become a nation of innovators and experimentalists, the UK needs a form of education that prefers the mastery of analysis and synthesis to the assemblage of dead information; that chooses selective depth over the shallowness of an encyclopaedic curriculum; that embraces cooperation among students, among teachers, and among schools and rejects the juxtaposition of individualism and authoritarianism in the classroom; and that teaches every subject matter at least twice, from clashing points of view.

The same spirit can and should inform technical education, which ought to give priority to the higher-order practical and conceptual abilities required by today's advanced technologies and practices rather than to the machine-specific and job-specific skills emphasised by traditional vocational training.

So momentous a change in the nature of learning and teaching cannot be imposed by a clique of enlightened despots. It can happen only at the instigation of a pedagogic leadership, made up of many hundreds of teachers and educational reformers, spread throughout the UK. They, not politicians and civil servants, can persuade the British people to see their programme as a project of national liberation and individual empowerment. Under democracy the school must not be the instrument of the state or the family. It should be the voice of the future and recognise in every young person a tongue-tied prophet.

Yes, private education would best be abolished to deny the moneyed and polished classes an escape from the national reality. But the country should not have to choose between state schools teaching the relatively unsuccessful and fee-paying ones teaching a more demanding

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in such a direction have all fallen victim to the marriage of class injustice and lack of imagination in British society.

## **A state that can experiment**

Debate about education introduces a wider discussion about the improvement and delivery of public services. The state must continue to provide a universal minimum of public services. The best way to enhance the quality of public services beyond this state-ensured minimum, however, is for civil society, acting through not-for-profit cooperatives or associations of specialists and interested publics, to share with the state in the competitive and experimental provision of these services.

There can be no sustained improvement in the quality of public services without experimentation, and no vigorous experimentalism can take hold in a structure subject to uniform rules and standards. Justified reverence for the National Health Service, reinforced by its heroic work in the pandemic, has obscured its inadequacy as a model for the delivery of public services, including health services, in the future.

The state too must be able to experiment, and to tailor policies and laws to the needs of different regions and sectors, rather than governing through a monolithic set of directives that extend to the whole of society. To experiment, it must partner with local government, with civil society and with the businesses and individuals that it would engage in the effort to deepen and spread the most advanced forms of production.

## **A constitution that helps Britain remake itself**

These changes – in the economy, education and the state – can begin within the constraints of the present British constitution, but they cannot develop within them. Without reforming the distribution of power between Britain's central government and its nations and regions,

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the UK apart. The heart of the needed constitutional revisions must be a new way of imagining the relationship between Westminster and the parts and peoples of the country.

Contrary to prevailing belief, strong central initiative is not incompatible with the empowerment of local or regional government. The UK can have more of both. The way to have more of both is to distinguish areas of law and policy in which the centre and the regions will have distinct responsibilities from those in which they will exercise concurrent powers. Productive uplift and educational reform are prime candidates for the latter.

*[see also: [Jonathan Powell on the search of common values](#)]*

It is widely supposed that a federation is more hospitable than a unitary state, like the UK, to having both centralised and devolved power. But that belief is mistaken. In a federation, all federal states or provinces enjoy the same measure of prerogative to make their own laws and policies. In a unitary state, no such presumption of equality or homogeneity exists: one part of a country can bargain for much wider rights of divergence from the established rules and policies than other parts. And it may use this right not only to develop its own way but also to create an alternative model for the whole country.

That is what has begun to happen in the UK, by force of circumstance more than by design. Scotland does not have, and may not want, the same constitutional deal as Northern Ireland and Wales. The Greater Manchester and the West Midlands combined authorities exemplify another form of devolution within England. Experience has run ahead of constitutional imagination.

Britain's interest is to widen the range of ways in which decisive central initiative and far-reaching devolution can work together: to deploy concurrent and not only divided powers as part of the constitutional arsenal of such a combination, and to take the economic, educational and administrative pieces of the agenda of inclusive productivism as the essence of what the combination would be for. No country reforms its constitution only later to decide what to do with the reformed constitution.

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Two questions remain: the nature of the constituency that could support such a project of national renewal, and the relation of the hopes that this programme expresses to the way in which the British people think about themselves today.

The struggle over Britain's departure from the EU revealed the chief division in the country. The losers – the victims of the economic upheavals of recent decades, and the insulated, the well-heeled but disengaged or retired denizens of the south-east – voted in the majority to leave. The winners – who hold favoured places in the economy, and the ambitious, who vie for such places – voted, for the most part, to remain. They did so with the support of those who regard themselves, in the academy and the media, as guardians of respectable opinion.

A national alternative requires a reshuffling of this polarity: that the losers and the ambitious come to be allied against the winners and the insulated. As for respectable opinion, the best that can be hoped for is to divide it. The making of such a coalition sets a daunting task because it involves assumptions, anxieties and aspirations as well as class interests. It is, however, the kind of task implied by any attempt, in politics, to make the necessary possible.

Like the liberals and socialists of the 19th century, we have reason to recognise the primacy of structural, and above all institutional alternatives in politics. We cannot, for example, deal with economic stagnation and inequality effectively without narrowing the gap between the advanced and the backward parts of the economy. After-the-fact redistribution through taxation and social spending would have to be enormous to redress the inequalities that result from that division. To contain these inequalities, we need to reshape both our economic and our political institutions.

*[see also: [Linda Colley on the case for a new progressive alliance](#)]*

Unlike the classical liberals and socialists of the 19th century, however, we understand that we must resist entrusting our futures to rigid institutional blueprints. We must imagine and achieve structural alternatives without succumbing to structural dogmatism. Thus one of the most important attributes our institutions should possess is the capacity to facilitate their own revision in the light of experience. As they create opportunities for continuous innovation, they weaken the dependence of change on crisis, and the influence of the past on the present and future. These commitments contradict a prominent strand in contemporary

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After the misadventures and calamities of the 20th century, the British people have come to believe that it is natural for human life to be small, except when war and emergency call for sacrificial action and release us from the bonds of belittlement. For contemporary Britons to put experiment and imagination at the core of their economic and constitutional arrangements is for them to reject this belief and to deny that the dictatorship of no alternatives is forever. It is to act on the idea that the overriding aim of progressive politics is to empower ordinary men and women, so that we may become bigger together, and that the preferred way of achieving this goal is change in the institutions that define the market economy, democratic politics and independent civil society. While almost always piecemeal and gradual in its method, such change can nonetheless become revolutionary in its outcome.

Contemporary Britons should not need to stand before William Blake's image in the National Portrait Gallery to think that belittlement is unnatural. They should be able to believe that having resolved to find its way alone outside the European Union, their post-imperial country can now organise itself to give its citizens a better chance to live larger lives.

Roberto Mangabeira Unger's most recent book is "The Knowledge Economy" (Verso)

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