

Democratic Socialism and the Local State:  
the Case of the Greater London Council

Daniel Egan  
Department of Sociology  
University of Massachusetts-Lowell  
USA

Over the past thirty years, capital has engaged in an increasingly global attack on the state. State responsibilities such as the provision of social welfare policies, environmental regulation, protection of trade union rights, and control over capital movements are today seen as threats to competitiveness. The replacement of nationally-defined social contracts between capital and labor by neo-liberal policies which leave labor at the mercy of the market and the diffusion of state functions to a variety of private and other non-state actors has resulted in “a tendential ‘hollowing out’ of the national state”(Jessop 1994: 251). The restoration of capital’s global hegemony following the successes of the anti-systemic movements of the post-war period (Arrighi, Hopkins and Wallerstein 1989) has been reinforced, post-1989, by the collapse of state socialism. Despite its obvious political and economic deformities, the existence of state socialism forced capital to accept state policies which imposed some limits on capital and provided tangible benefits for segments of the working class. The end of state socialism has freed capital from this burden.

At the same time, the defeat of state socialism and the retreat of social democracy have led the left to question the relevance of the state. “[E]veryone is now willing to mumble, as though it were an inconsequential concession in passing to public opinion and current received wisdom...that no society can function efficiently without the market and that planning is obviously impossible”(Jameson 1990: 98). The rise of postmodernism among the left has led to a more fragmented understanding of power in which politics has more to do with identity than with structures such as the state. In arguing that there are no universal

systems of domination against which a united opposition can be organized, the best the postmodern left has to offer is a plurality of specific resistances (Wood 1997). At the same time, much of the left has accepted globalization as an inevitable process over which the national state is essentially powerless (Hirst and Thompson 1996). The result is a deep sense of political pessimism in which an emancipatory, democratic socialist politics is no longer seen as possible.

Despite the pessimism of the postmodern left, social democracy's surrender to capital and the collapse of state socialism provide new opportunities for the left to redefine socialism. Any attempt to construct a democratic socialist alternative to capitalism must embrace the state, but in a fundamentally different way than did either social democracy or state socialism. The democratic socialist state must be a participatory one; it must encourage collective self-organization and provide opportunities for collective self-management in workplaces and communities. At the same time, the democratic socialist state can be an important resource for popular organizations, providing technical and financial assistance and coordination.

In this paper I examine the role that the local state can play in this process through an analysis of the radical 1981-86 Greater London Council, which twenty years after its abolition by the Thatcher Government remains one of the largest and most significant contemporary attempts to construct democratic socialism, albeit on a local scale.<sup>1</sup> The Labour GLC developed a very innovative program of democratic planning - often referred to as the "local economic strategy" - which was characterized by three broad themes: (1) investment in firms and infrastructure in important traditional, strategic, and/or emerging sectors of London's economy. Investment was linked to social criteria such as union recognition, worker participation in management, and equal opportunities policies; (2) labor

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<sup>1</sup>This paper is based on analysis of Council documents and intensive interviews with 35 Labour Left officers and councilors. Citations from interviews are indicated by (Councilor), (Officer), or (GLEB Staff) to indicate the respondent's position within the GLC.

market policies which emphasized equal opportunities for women and black workers and the participation of trainees and labor/community organizations in the management of training programs; and (3) support for democratic planning through labor and community organizations involved in struggles over layoffs and plant closures, pay and working conditions, sexism/racism at work and in unions, and the creation of alternative plans for workplaces and communities. The Labour GLC's radical program, both in its emphasis on participation and its integration of production and reproduction, provides an important if incomplete vision of democratic socialism; although the GLC lacked the powers or resources to successfully restructure London's economy in a democratic socialist way, it could illustrate the possibility of such a vision. In addition, the experience of the Labour Left suggests that while the constraints imposed by capital and the state are powerful obstacles to the success of democratic socialism (as ultimately demonstrated by the Thatcher Government's abolition of the GLC in 1986), the left has the ability to construct a considerable degree of autonomy through creative use of the contradictory nature of these constraints. The GLC became an effective site for democratic socialist politics because of the Labour Left's ability to transform normally centralized and highly constraining political institutions into resources for the left. Centralized relations were mediated by strong political leadership organized around a participatory strategy. Despite the power of structural constraints, therefore, the left has more agency than it realizes.

## **THE CASE**

A number of experiments in local socialism were carried out in Great Britain during the 1980s in local authorities, particularly urban and metropolitan councils, controlled by the left wing of the Labour Party. Labour Left-controlled councils, the largest of which was the Greater London Council, served as one of the major centers of opposition against Thatcherism during the 1980s, certainly more so than did the national Labour Party (Panitch

and Leys 1997). The Labour Left challenged Thatcher's reassertion of repressive central state power through the GLC's refusal to develop a civil defense plan for London, seeing it as a component of a strategy to fight and win a nuclear war. It also sought to impose a structure of democratic accountability on the police, which in London had historically been controlled by central government. The Council challenged Thatcherism's appeals to traditional values with its support of anti-sexist and anti-racist campaigns and by supporting gay and lesbian rights. County Hall itself often became an organizing tool. London's monthly unemployment figures were posted on the roof so that they could be seen across the River Thames from Parliament, and it served as a campground for striking coal miners and their supporters in their campaign against pit closures. Annual public education campaigns - Peace Year in 1983, Anti-Racist Year in 1984, and Jobs Year in 1985 - provided opportunities to defend social values in the face of Thatcher's pronouncement that there was no such thing as society.

In challenging the Thatcher Government's monetarist policies, the foundation of the Labour GLC's local economic strategy was 'restructuring for labor,' which meant expanding labor and community participation in investment and labor market policies so as to meet community needs for secure employment and collective consumption. 'Restructuring for labor' was thus in opposition not only to Thatcherism's market-oriented restructuring, but also to the Labour Party's tradition of social democracy, which emphasized a strong, bureaucratic welfare state and corporatist planning (Coates 1975, 1980; Miliband 1972; Panitch and Leys 1997). As I stated above, the Labour GLC's local economic strategy consisted of three major components: direct intervention in production, participatory labor market policies, and support for grassroots labor and community organizations. The Labour GLC established the Greater London Enterprise Board in 1981 (although it did not become fully operational until early 1983) to intervene in production by providing financial and technical resources to important sectors in London industry. By early 1986, just before the GLC was abolished, GLEB had investments worth £14.3 million in 130 firms accounting for

almost 1650 jobs saved or created. In return for this investment, GLEB not only acquired equity in assisted firms, but also required that firms meet 'good employer' standards on hours, wages, and conditions of work, allow Trades Union Congress-affiliated unions the opportunity to organize workers, and engage in enterprise planning, which consisted of agreements between management, unions and GLEB concerning product and market strategies, investment, employment, training, and equal opportunities.

Most of GLEB's investments were in small firms (which the Council defined as having fewer than forty workers), and so were unable to address the most powerful elements of capital. However, these investments were undertaken in a number of innovative ways which sought to strengthen labor. First, investments were organized in terms of sectors rather than individual firms. By socializing the costs associated with small firms which had traditionally been imposed on workers through low wages, workers could enjoy greater economic security. Second, GLEB provided considerable support to worker cooperatives. Cooperatives offered opportunities for democratic control over work not found in capitalist enterprises. Over £3.7 million was invested in individual cooperatives, and GLEB spent over £1.8 million providing cooperative infrastructure such as research, training programs, a cooperative database and support for local Cooperative Development Agencies.<sup>2</sup> GLEB also established the London Cooperative Enterprise Board in 1984 to provide capital and technical assistance to cooperatives. A third way in which the Labour GLC, through GLEB, sought to directly intervene in production was through the creation of technology networks, which were organized to encourage public participation in the development of socially-useful technology. In addition to challenging the deskilling and labor-substitution tendencies of conventional technology, technology networks sought to allow people to design products

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<sup>2</sup>In addition to GLEB support for cooperatives, the Project Development Unit, part of the Council's Industry and Employment Branch, spent over £3 million providing support for local CDAs as well as other organizations offering support services for cooperatives.

that met needs which were not being satisfied by either the market or the state. GLEB spent £4.8 million on five technology networks. These networks developed, among other things, educational and recreational products for young children, an energy efficient modular housing system, a mobile screening unit for vascular diseases, human-centered computer graphics systems, and a prototype replacement for London's famous double-decker, open-platform bus which would preserve a two person bus crew.

Unlike the Council's intervention in production, local authority support for training was not new in Great Britain. What was new about the Labour GLC's training policy was not only its connection to an active program of job creation, but also its participatory character. The Council, which created the Greater London Training Board to oversee its labor market policy, rejected the narrow, job-specific task training emphasized by the Thatcher Government and instead sought to integrate skills training with general education and equality awareness in projects which were responsive to the needs of trainees and the community. By 1986 GLTB had provided almost £15 million to 74 projects and organizations with over 2800 training places. In addition, GLTB either created or provided support for training programs and necessary support services - such as English language training, child care, and anti-racist/anti-sexist training materials - for women and ethnic minorities, who had been historically underrepresented in training programs. The Council's commitment to a labor-, rather than employer-, centered training program was also reflected in the inclusion in the management of GLTB-supported training projects of representatives of relevant unions, community organizations, and trainees.

In addition to the important role which labor and community organizations played in both direct intervention in production and training, the Labour GLC's Industry and Employment Branch also provided financial and technical support to a wide range of local labor and community organizations as part of its strategy for democratic planning. This commitment to democratic planning was in part a product of the Labour Left's participatory politics; popular organizations were seen as playing a central role in defining needs and

strategies for meeting these needs in the workplace and community. It also, however, reflected a sophisticated understanding of the limits of state power. While democratic planning required state intervention in order to expand social control over capital, state action by itself was insufficient for such control. Given the power of capital to constrain the autonomy of the state (Carnoy 1984), the Labour Left saw the need for some form of countervailing power outside the state which the institutional activists (Santoro and McGuire 1997) of the GLC could rely upon to push the Council the other way. The Labour GLC could both encourage participation and strengthen its own autonomy by providing popular organizations with grant aid to pay for staff, offices, research and publications, meetings, and other organizing expenses. By 1986, the Council had made over 700 grants totaling £19 million to about 300 organizations. These included trade union support units, which were union organizations supporting local union and community action to defend jobs and develop alternative plans in response to plant closures or privatization; centers for the unemployed, which worked to organize the unemployed as well as assist them with applying for benefits; women's and ethnic minority employment projects, which were involved in anti-sexist and anti-racist advocacy within the labor movement, organizing against low pay and for the extension of training and employment opportunities, and support for community enterprises; domestic production projects, which supported workplace child care and a number of community laundries serving council housing residents; and labor/community campaigns which arose out of specific area or industry conflicts such as plant closures, privatization, or inadequate provision of services.

The Labour Left GLC is important for a number of reasons. First, it represents the largest and most important case of urban democratic socialism within the core of global capitalism. Indeed, the Labour GLC's local economic strategy brought the struggle for democratic socialism into the very heart of global capitalism; London's role as a world command city (Feagin and Smith 1987; Sassen 1991) containing high proportions of the top tier of capitalist decision-making institutions has few equals. Second, the Labour GLC's

orientation towards New Left politics makes it a significant case in terms of rethinking the relationship between production and reproduction in left strategy. Since urban space is usually associated with collective consumption and the reproduction of labor power (Castells 1977, 1978; Cockburn 1977; Harvey 1973), the Labour GLC's efforts to integrate a radical strategy for reproduction with an interventionist strategy for production represents a significant expansion of the role of the local state. Finally, the Labour GLC is significant for the emphasis it placed on the participation of workers and community organizations in the development and implementation of its program. The Labour Left sought to create a "different kind of state" (Panitch 1993), one which emphasized a democratic integration of the local state with an alternative civil society. The Labour GLC actively sought to be pushed from the outside, and understood that its role was more to support and encourage popular movements than to dictate policy to them. The Labour GLC, despite the limits imposed by political and economic constraints, thus provides an ideal case study for understanding just how far the local state can go toward contributing to a more democratic socialist society.

## **CONSTRUCTING LOCAL AUTONOMY**

While the considerable constraints which the national state and capital place on the local state must be acknowledged, it is also true that the local state's proximity to the everyday lives of its citizens provides opportunities for popular movements to make creative use of the local state in ways which challenge the interests of the national state or capital (Boddy 1983; Duncan and Goodwin 1988; Saunders 1979). The autonomy of the local state is a continually contested and changing relationship based on the current balance of forces. A theory of local state autonomy which emphasizes the potential for conflicting interests between the local state and both capital and the national state suggests the possibility that the local state may be an effective setting for challenging the interests of capital or the national



state. In other words, the contradictory relations of the local state imply that the local state is open to those who seek ‘non-reformist reforms’ (Gorz 1967) - that is, “anti-capitalist reforms” which are “implemented or controlled by those who demand [them]” through “the creation of new centers of democratic power” (8-9). The use of the state to develop non-reformist reforms is, however, limited by the local state’s dependence on both capital and the national state. This implies the need for a strategy which is both ‘in and against the state’ (London Edinburgh Weekend Return Group 1980). Such a strategy raises the question of just how much space exists within the local state for political movements to develop and implement non-reformist reforms. How does being ‘in’ the state provide opportunities for and limits to acting ‘against’ the state?

The Labour Left was able to make effective use of structural contradictions within the local state to obtain the institutional resources necessary for the Council’s local economic strategy. More precisely, the Labour Left was able to construct a considerable degree of local autonomy - much more than is generally recognized in the British local state (Fainstein and Young 1992; Gurr and King 1987) - within which democratic socialist policies could be developed. In this section, I examine two sets of state relations which provided opportunities for the Labour Left: external relations between the local and central state, and internal relations between the left and the GLC bureaucracy. In both cases, centralized state relations were mediated by the participatory politics and strong leadership of the Labour Left, thereby turning constraints into opportunities.

### ***THE LABOUR PARTY***

The form and extent of political mobilizations of labor and social movements is of critical importance in defining the space for radical local state politics. Traditionally, social movements and political parties have been seen as distinct, reflecting the dichotomy between civil society and the state characteristic of Western political culture (Cohen and Arato 1992).

Social movements reflect collective challenges to political authority, usually by subordinate social groups lacking institutionalized power and usually making use of unconventional forms of protest, while political parties mediate the relationship between social actors (whether individual or collective) and state institutions by contesting elections (Tarrow 1994). In the case of the GLC, the boundaries between movement and party were weakened, as labor and community activists saw an opportunity to win control of the Greater London Labour Party (GLLP), which was to serve as the principle source of political resources for radical local politics in London during the 1970s and 1980s.

Since its origins the Labour Party has contained a minority wing committed to a more radical socialist politics that contested the party's commitment to social democratic welfare statism (Coates 1975; Miliband 1972; Panitch and Leys 1997). The party provided the left with a safe space from which to push for a more transformative political program. Clause Four of the Labour Party's 1918 constitution, which contained the mandate "[t]o secure for the workers by hand or by brain the full fruits of their industry and the most equitable distribution thereof that may be possible upon the basis of the common ownership of the means of production and the best obtainable system of popular administration and control of each industry and service" offered, until its removal in 1995, the possibility of working class control of the economy and thus served as the inspiration for decades of socialist agitation within the Labour Party. The Independent Labour Party (1893-1931), the Socialist League (1932-1937), the informal Labour Left circles around Aneurin Bevan in the 1950s and Tony Benn in the 1970s were the historical precursors of the 'new urban left' of the 1980s (Gyford 1985). These socialist-oriented elements of the Labour Party have had some success in shaping Labour programs when the Party was in opposition, and despite Labour governments' inability to implement these programs (Coates 1975) or outright hostility to these programs (Hodgson 1981), 'socialism' was a term that, at least until the 1980s, even the Labour leadership would acknowledge. The Labour Party thus served as the institutional base from which the left's campaign for the GLC was organized.

The experience of Labour governments during the 1960s and 1970s provided the stimulus for the rise of the Labour Left during the 1970s and 1980s. The 1964-70 Labour Government had come to power with the promise of organizational and technological modernization, but the beginnings of Britain's post-war decline led Labour to pursue a deflationary policy of cuts in social provision and wage restraint and attempts to impose restrictions on strike activity by unions (Coates 1975; Leys 1989). Discontent with Labour's record led to the takeover by the late 1960s of the party's National Executive Committee Constituency Labour Party sections, and support within CLPs for Labour Left candidates and positions increased throughout the 1970s. This provided a base within the Party that was supportive of debates concerning how best to extend public ownership. The trade union movement was also experiencing a shift to the left at this time, which was reflected in more vocal expressions of support for workers' control of industry, workers' cooperatives, social audits of enterprise performance, joint campaigns with community organizations to fight closures and cuts in services, and alternative plans for more socially useful production (Coates 1976, 1978; Coates and Topham 1974; Craig, Mayo, and Sharman 1979; Wainwright and Elliott 1982).

This growing move toward the left in Labour Party economic strategy was not accompanied by a similar shift in the Parliamentary Labour Party. Although the 1974-79 Labour Government was elected on a manifesto calling for public ownership and democratic planning, it quickly abandoned these proposals once in office. Continued opposition by the Parliamentary Labour Party to the radical proposals coming from Labour's grassroots, however, led to the rise of a campaign for the democratization of the Labour Party. The Labour Left scored a number of victories in these intra-party struggles. The 1979 Party

Conference approved the mandatory reselection of MPs, which meant that sitting MPs could not automatically run for reelection but instead would have to be selected by their CLP for every election. In 1981, an electoral college was established for choosing the Leader and Deputy Leader; the Parliamentary Labour Party was given thirty percent of the votes, while the CLPs received thirty percent and affiliated organizations forty percent, thereby ending the PLP's monopoly over leadership elections. The Labour Left was less successful in trying to make the manifesto writing process more accountable. Although the left won approval in 1979 for making the National Executive Committee rather than the Labour leadership responsible for election manifestos, it failed to win enough votes in 1980 and 1981 to implement this decision. Despite this loss, by 1980-81 the Labour Left was in a position to contest for the Party leadership. Michael Foot, who was associated with the soft left Tribune wing of the Party, was elected Leader of the Labour Party in November 1980. Tony Benn, who was the Labour politician most closely associated with the radical left in the Party, lost the election for Deputy Leader on the second ballot in October 1981 by a margin of one percent.

The Labour Left's concern for democratizing the Labour Party was equally applicable to the Party in London. Labour councils were characterized by short public meetings which merely ratified decisions made in private meetings of the Labour Group (i.e., Labour councilors) and restricted public access to committee meetings and documents. The dormancy of many local Labour parties was the product of overly bureaucratized and sometimes explicitly anti-democratic organizational practices. Local Labour Parties lacked an aggressive program for recruiting new members (Seyd 1987; Lansley, Goss and Wolmar 1989), and those individuals who did join faced an array of obstacles to holding their

representatives accountable. There tended to be little contact between the General Committee (i.e., the CLP's decision-making body) and party members. Ward membership and subscription lists were often not disclosed to members, and copies of the constitution and standing orders of the local Party could be hard to come by. Minutes were often incomplete and inaccurate, and agendas for Party meetings were often late. Councilors tended to be reselected automatically on the basis of arbitrary nomination and selection criteria that assumed the non-participation of Party members.

Despite these barriers to democratic control within the Labour Party at the local level, a number of events coincided to expand the possibilities for such control and for challenging "the paucity of traditional Labour's imagination" (Councilor). Dissatisfaction with the 1964-70 Labour Government's economic policies was expressed through the rejection of Labour in local elections. In 1967, Labour lost control of the GLC and became the opposition party in London for the first time since the 1930s, and in London borough elections the following year Labour went from controlling twenty London boroughs to only four. As a result, much of the Labour old guard in London was swept from office not only through direct election losses, but also through competition for a smaller number of existing Labour seats. At the same time, left activists who had earlier rejected the Labour Party for more revolutionary socialist or community politics were beginning to enter the Party. These activists comprise what Gyford calls 'the new urban left' (Gyford 1985). Instead of representing a more traditional working class, Labourist politics, the new urban left was more grounded in the new social movements that arose during the 1960s, particularly feminist, anti-racist, and community movements as well as a more grassroots labor movement. They entered the Party out of a growing recognition of the limits of a left politics

that was separated from a mass party. The revolutionary left - for example, the International Marxist Group and the International Socialists/Socialist Workers Party - could not begin to challenge the Labour Party as the party of the British working class:

There was no way in which you were going to build anything without the Labour Party.... The solid attachment of millions of working-class people to the Labour Party meant that it was this party which had to be taken over and changed (Livingstone and Ali 1984: 43).

The growing influence of the Labour Left in the Party nationally in terms of both policy and internal organization made the Labour Party more attractive to left activists who had previously rejected it: “in a sense the Labour Party was both changeable and changing, and that's why people went into it” (Officer).

Simultaneously, the feminist movement was developing a critique of revolutionary politics as being centralist, anti-democratic, and too oriented towards an insurrectionary millenarianism (Rowbotham, Segal and Wainwright 1979). Left activists were also beginning to recognize that community struggles over housing, community development, education, and health care tended to remain relatively isolated from each other:

In all those community politics, they had developed in the late '70s the realization that you had to have a more concerted policy rather than just go pressurizing as an individual group (Officer).

So when the GLC came along...that seemed to make perfect sense to me, because if you could link up on a London-wide basis you would be stronger than just linking up on a borough basis. I saw the local government being able to act as the coordinating force (Officer).

This was especially important after the Conservative victory in 1979:

There were some moments after Thatcher came to power when we just gave up on struggles that we had been involved in. The local state seemed like an easy way to get your hands on a bit of power. It wasn't that we gave up, really, we just needed some back up from the state (Officer).

It [the GLC] was a space where we weren't going to immediately experience defeat (Officer).

Community organizations needed resources to organize and sustain campaigns, and they increasingly saw local councils as an important source of these resources. Given the relative newness of these movements, they tended to have less well developed national networks than did the labor movement, and so it made sense for these movements to focus their political energy on the local state. In addition, the relatively greater local orientation of these movements was a response to the relative centralization which historically characterized the labor movement and which often marginalized issues of relevance for these movements.

The fact that the Greater London Labour Party was by this time an organizational vacuum provided the left with an opportunity to fill that vacuum, especially because the left possessed the energy and organizing skills necessary to bring the local parties back to life. George Nicholson, who would become chair of the Planning Committee in the Labour GLC, said of the rise of the left in the Southwark CLP

Frankly, you could take over the party by accident and in a way that's what happened. It wasn't a hugely pre-meditated thing - just by half a dozen people joining the ward you changed the politics of the ward - you couldn't help it (Goss 1988: 95).

The left's success in gaining leadership positions in local Labour Parties was not a consciously organized entryist strategy, but instead reflected the hollowness of the local parties themselves.

By 1977, the entry of left activists into local Labour parties that had been going on for the past few years began to yield results. That year, the left won control of the Greater London Labour Party Executive Committee. It did so by winning the Constituency Labour Party and women's seats, as well as by benefiting from a split in the traditionally more right wing union bloc arising from union dissatisfaction with the Labour GLC's spending cuts and subsequent layoffs of GLC workers. The left's success in winning control of the Party did

not come in time to prevent Labour's decisive loss in the 1977 GLC election, but many Labour Left politicians used the period of opposition after the 1977 GLC election to begin organizing for the next election. Given the small number of left councilors in the 1977-81 Labour Group (3 out of 28) and the subsequent lack of a left presence on particular committees that could have provided important oppositional space, the left's political project was heavily dependent on non-GLC institutional resources. This was already the case in light of the more extra-parliamentary orientation of the Labour Left, but its position within the GLC provided further organizational incentive to look outside the party-state apparatus. In particular, the Labour Left placed great emphasis on democratizing the Party's candidate selection and policy development processes, a strategy which gave unions and community organizations a much more active role in these processes than had been the case in the past.

A conference of left activists and politicians held in 1978 to develop a strategy on rates and council house rents became the basis for *London Labour Briefing*, a monthly newsletter beginning in February 1980 which served as a forum for developing electoral strategy and policy proposals for the 1981 election. Fringe meetings were held at party conferences and monthly meetings were held at County Hall to discuss policies and candidate selection. Ken Livingstone, as a member of the Greater London Labour Party Executive Committee, identified marginal seats that the left could challenge and encouraged left activists to stand for Council seats in the selection process. While only three sitting Labour councilors were de-selected by their Constituency Labour Parties, the result of the left's active involvement in the candidate selection process was that it was able to fill roughly three-fourths of the vacant candidacies. Once candidates were selected, shadow committees were formed to allow candidates to get to know each other and to discuss the



details of how the Manifesto would be implemented in a Labour GLC. Candidates were also allowed to attend GLC Labour Group meetings for the same reasons.

Although it was too late for the left-controlled Executive Committee to influence the Labour manifesto for the 1977 GLC election, it did agree that the manifesto for the next election should be written through working parties in consultation with unions and community organizations rather than by a small caucus of councilors or party leaders. Also, it agreed to present the manifesto for approval to a full party conference rather than to only a subcommittee of the Labour Group. The process of writing the 1981 Manifesto began in June 1979 with the convening of six working parties (including one on Industry and Employment) made up of Executive Committee members, nominees from affiliated bodies (unions and cooperative and socialist societies), and co-opted Party members. The working parties operated in a much more open atmosphere than was usually the case with manifestos. Drafts of the manifesto chapters were available to Party members and open meetings were held to discuss the drafts. During the summer of 1980, the draft manifesto was sent to London CLPs and affiliated bodies for their responses, and most of their amendments were accepted by the Executive Committee. The Manifesto was approved by a special GLLP conference in October 1980. In contrast to these aggressive organizing efforts, the Labour Right, facing disarray after the 1977 election, did not devote the same energy to organizing for the 1981 election as did the left. As a result, when Labour won the May 1981 GLC election, winning fifty out of ninety-two seats, the left held a plurality of seats within the Labour Group (twenty-two left, ten center, eighteen right). The left entered the Labour Group leadership elections the day after the election with a slate of candidates for Leader and key committee chairs which was agreed to by an open caucus attended by two-thirds of

the Labour Group. The right was caught completely unprepared, and as a result Livingstone won the leadership election thirty to twenty and the left won the opportunity to implement its radical manifesto.

### ***CENTER-LOCAL STATE RELATIONS***

Great Britain is a unitary state. This means that local authorities exercise only those powers which are specifically provided for through statutes of Parliament. Parliament can require that local authorities take a particular action or it can grant a particular local authority or group of authorities the discretion to take a particular action, but at all times local councils must be able to identify the statutory power(s) underlying their activities. If such powers are not available, then local authorities are prohibited from taking that action. A complicated system of controls and sanctions exists to prevent *ultra vires* action by local government. Central government departments have the power to approve certain local by-laws and key appointments, as well as the power to transfer or take over local authority activities that exceed central government guidelines. Central executive power to compel local councils to adhere to Parliamentary statutes is complemented by a strong system of judicial control. Ratepayers can take local authorities to court to either prevent or rescind actions which exceed statutory powers. Councilors are subject to imprisonment and surcharge for actions taken by their local authority which fall outside existing powers. The Audit Commission, a government-appointed body which examines local councils' accounts to ensure proper accounting practices, is also charged with evaluating the legality of council activities and can take local authorities to court. In the final analysis, local state policy is determined by central

government's power to create, define the responsibilities of, and abolish lower tiers of government.

There was no Parliamentary statute which granted powers to the GLC to undertake an interventionist economic strategy. However, Section 137(1) of the Local Government Act 1972 allowed the Council "to incur expenditure which in its opinion is in the interests of Greater London or any part of it or all or some of its inhabitants, for a purpose which is not otherwise statutorily authorized." The Council could levy a two pence rate to finance activities for which there were no statutory powers. Section 137 served as the foundation for the Labour GLC's economic strategy. Of the approximately £40 million raised annually between 1981-86 through Section 137, £26 million were devoted to economic policy. The Labour GLC's interest in expanding the role of local authorities, in particular through its local economic strategy, was even more striking in comparison to previous GLC administrations' use of Section 137 revenue powers. In 1978/79, for example, the Conservative GLC spent just over £979,000 under Section 137. Although rates such as the one provided for under Section 137 had a number of shortcomings for local government (Alexander 1982), they did serve an important redistributive function at the metropolitan level. Westminster and the City of London, the wealthiest of Greater London's boroughs, accounted for almost 30 percent of Section 137 revenues (*Annual Abstract of Greater London Statistics*, various years), an amount well out of proportion in terms of population or area. As one Labour Left officer put it, "It was nice to be able to work with the City!"

Although Section 137 was the major legal rationale for the Council's economic strategy, the Labour GLC made creative use of a number of other statutes that had previously been narrowly interpreted. Section 142 of the Local Government Act 1972, for example, allowed the Council to "make or assist arrangements for the public...to obtain information

about the services available within London provided by the Council, by other authorities, by government departments or by charities and other voluntary organizations, and other information on local government matters affecting London.” The Labour GLC made use of this power to produce an unprecedented stream of reports, newspapers and other publications explaining its policies to Londoners and serving as a resource for mobilizing popular participation. It also provided a foundation for a wide range of public forums, festivals, and awareness campaigns. Section 71 of the London Government Act 1963 gave the Council power “to conduct, or assist, investigations into and the collection of information relating to matters concerning London.” Although very traditional data collection had been supported by this power, Section 71 also provided room for more progressive action research, both by the Council and by Council-supported organizations, and public inquiries on such matters as the privatization of British Telecoms (the nationalized telephone service) and corporate restructuring at Ford (the largest private employer in Greater London). For the Labour Left, research was a collective process which integrated theory and action.

The GLC had a series of statutory powers concerning such long-standing metropolitan responsibilities as housing, transport, and planning. The existence of these powers, while seemingly providing the Council legal protection for its actions, gave central government a degree of direct control over these functions which was lacking with regard to the economic strategy. In 1982, the GLC’s housing stock and responsibility for council housing maintenance was transferred by the Thatcher Government to the boroughs, where the Conservative program of housing privatization could be more effectively pursued. In terms of planning, the GLC’s revisions to the Greater London Development Plan, approved by the Council in 1984 and designed to make urban planning more sensitive to community

and ecological concerns, required the consent of the Secretary of State for the Environment in order to be implemented. The Secretary of State's refusal to grant approval to the revised plan (rendered moot by the Government's decision to abolish the GLC) meant that the existing Plan, written in 1976 and reflecting more traditional planning goals, remained in effect. One of the biggest battles between the GLC and the Thatcher Government concerned transport. When the newly elected Labour GLC tried to implement a reduction in public transportation fares in 1981, a Conservative borough council took the GLC to court for violating its fiduciary duty to the Outer London boroughs, which had fewer urban transport services. When the case went to court and, eventually, to the House of Lords, the GLC lost. The Transport Act 1969, which gave the GLC the power to administer London Transport, was interpreted by the court as requiring the GLC to administer London Transport "economically." In 1984, the Thatcher Government transferred the GLC's responsibility for London Transport to a newly created quasi-public body, London Regional Transport.

In each of these cases, a well established statutory power permitting the GLC to undertake certain activities ultimately prevented or severely limited the Labour GLC's implementation of policies which challenged the priorities of the Conservative Government. While such powers had proved useful to previous GLC administrations, in the context of irresolvable political and ideological differences these powers served as a means by which central government could rein in a radical local authority. By contrast, the advantage of Section 137 of the Local Government Act 1972 for developing radical policies lay in its ambiguity. Since the GLC was allowed within the constraint of the law to interpret what was "in the interests of Greater London or any part of it or all or some of its inhabitants," central government lacked the institutionalized means to exert direct control over whatever met this criterion. Section 137 was a reflection of the local autonomy necessary even in a highly centralized state system due to uneven development (Duncan and Goodwin 1988), and the Labour Left took full advantage of it. At the same time, Section 137 insulated the Council's economic strategy from the Thatcher Government's assault on local authority spending

(Boddy 1984; Butcher, Law, Leach and Mullard 1990; Jones and Stewart 1985; Lansley, Goss and Wolmar 1989). While overall Council spending saw real net revenue expenditure fall by over 40 percent and real net capital expenditure increase by only 11.5 percent between 1981/82 and 1984/85, real net revenue expenditure by the Industry and Employment Committee, the lead committee for the local economic strategy, increased twelve-fold and real net capital expenditure more than quadrupled (*Greater London Council Annual Report, 1981/82-1984/85*). Section 137 thus provided crucial space for the Labour Left to act on its economic strategy free of the legal sanctions associated with *ultra vires* as well as the constraints associated with central government control over more well established local authority responsibilities.

In using Section 137 and other statutory powers to justify a particular action, the Council was legally required to demonstrate the reasonableness of that activity: “The Council in reaching its decision must have regard to all relevant considerations and give them appropriate weight and disregard irrelevant ones and its decision must not be so unreasonable that no reasonable authority could have taken it.” The importance of demonstrating reasonableness so as to avoid sanction for *ultra vires* action meant that legal advice played a major role in the construction of GLC economic policy. If a local authority could demonstrate that it received competent legal advice that a particular action was within statutory powers, then even if the action was later found to be illegal the council (as well as the councilors) would not be subject to central government or judicial sanction. This was especially important in the context of activities for which there was no legal precedent, as such activities posed a greater risk of being found to be *ultra vires*.

Selecting the necessary statutory powers and interpreting them in such a way as to permit an innovative and radical economic program required considerable legal skills. This meant that the source of legal advice was crucial. One Industry and Employment councilor comments that early in the Labour GLC’s tenure, there was a tendency

to go to the most hostile counsel that you could imagine, because if that QC [Queen’s

Counsel] were to say that it was OK, then clearly it was absolutely and totally kosher and nobody could challenge it. I think it took about a year or so...to make us realize that the way to use the law is to say “this is what we want to do” and then go and get somebody who’s prepared to say “that’s definitely a legal and proper way of doing it.”

Another Industry and Employment councilor argues that Council members had to wrest control of the process of seeking legal advice away from the GLC’s Legal Department:

We realized early on by one or two mistakes that we made that lawyers are not the pillars of objectivity that they like to claim themselves as being. Of course, we knew this in some theoretical way, but the truth was that our officers were choosing the lawyers themselves and briefing them themselves. Whoever writes the brief can often determine the answer, particularly if you write it and take it to a known conservative lawyer. As soon as we understood this important point, politicians made all the key decisions about which lawyers we went to for key briefs. The GLC cannot be explained in any other way; it simply would not have been possible for us to do the great proportion of the most interesting and radical things that we did.

Although the legal articulation of the central-local state relationship imposed considerable formal constraints on local policy, it was also flexible enough to be reinterpreted by the left in a more favorable manner.

This flexibility could be even more pronounced when a policy was rejected on legal grounds. For the 1984/85 budget year, £26.5 million was proposed for what was called a ‘socialist wages policy,’ which was designed to produce greater income equality between low wage GLC workers and more highly paid professional or managerial Council employees. This would be done by, among other things, ensuring a minimum wage of £100 per week and instituting a 35 hour work week. While the Council had the statutory power under Section 112(2) of the Local Government Act 1972 to provide “such reasonable terms and conditions, including conditions as to remuneration, as the authority...think fit” and the Labour Party had made a commitment to greater wage equalization in its 1981 Manifesto, the Solicitor to the Council argued in a September 1983 memo that this proposal was taking into account “irrelevant factors” and thus rejected it, stating that “[t]he Council must be guided by ordinary economic principles....It should not make a payment solely on the basis of the opinion that, on ideal, social or philanthropic grounds, such a payment is the

minimum which any employee should receive.” What is most interesting about this case, however, is that the Solicitor did not argue that such a policy was inherently *ultra vires*. In 1978, Labour councilors in the London Borough of Camden faced the possibility of surcharge and imprisonment for agreeing to an ‘excessive’ pay settlement, but that decision was eventually upheld in court. Camden Council was facing a well organized and militant workforce which, according to the Solicitor’s review of the case, had “so disrupted [vital services] that real hardship was being caused to the elderly and handicapped and to commercial concerns, and where the whole administrative machine of the borough was in imminent danger of having to close down.” In other words, Camden was forced into its decision by the political mobilization of its workforce, while the GLC’s decision was taken “freely and voluntarily and without pressure”; the presence of extra-parliamentary pressure made Camden’s decision legal, while the absence of such pressure made the GLC’s proposal legally unacceptable. This suggests that the definition of ‘reasonableness’ was not only a technical question of legal interpretation, but a political question as well - it could be reasonable for socialist policies to be implemented in the context of strong external pressure for those policies. This provided, at least potentially, even more room in which the GLC could carve out some safe space from central state controls.<sup>3</sup>

As a result, the legal framework of the local state was such that it was sufficiently open to creative interpretation. The law, which has historically been an important constraint on state policy in general and on local authorities in Britain in particular, became an important resource for creating and defending the local economic strategy.

### ***LOCAL STATE BUREAUCRACY***

Block (1987) and Offe (1984) argue that state managers’ dependence on private

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<sup>3</sup> For a more complete discussion of this issue, see Mackintosh and Wainwright (1987).



capital accumulation as the source of state finance, although mediated by working class political pressure, leads them to construct policies which reproduce capitalist social relations. This raises the problem of how a radical administration can implement its strategy in the face of opposition from state managers. The Labour Left saw this structural dependence as central to understanding the failure of previous Labour Governments to implement their policies (Benn 1981; Livingstone 1987). The potential for such bureaucratic opposition was considerable in the GLC. A common theme among Labour Left councilors and officers was the 'mandarin culture' of the GLC. The Council recruited university graduates into its administrative stream and provided them with a strongly tracked career ladder. Whereas the Council prior to 1981 made little effort to accommodate lower level staff who wished to learn new skills or continue with their education, administrative/professional staff had an extensive system of training and educational opportunities available to them. This privileged administrative culture was reinforced by a rigid division of labor within the Council. Given the legal requirement that all Council actions be based on Parliamentary mandates, the Finance and Legal Departments wielded considerable power over GLC policy; in the absence of concurrent reports from these departments affirming the reasonableness of a specific policy, that policy would either be rejected or modified to meet the mandate. More generally, the GLC possessed formal conventions called Standing Orders which defined the powers and responsibilities of councilors and officers. Members debated and voted on committee reports prepared by officers, but were not to participate in the actual writing of committee reports or the execution of policy. Officers, of course, had no voting rights, but instead were responsible for providing advice to and executing the decisions of councilors. Discussions between members and lower level officers were actively discouraged. Instead, members communicated only with higher level officers: the Director of a particular department, one of four Assistant Directors-General responsible for a number of departments, or the Director-General. By preventing members from being involved in writing committee reports and

limiting their contacts with officers, the Standing Orders concentrated considerable power among senior officers over the content and flow of information necessary for councilors to make decisions in committee and to exercise control over the implementation of policy.

What allowed the Labour Left to overcome this potentially obstructionist organization was the left's dominance in the GLC Labour Group. Although the Labour Left held only a narrow plurality of Labour seats in the GLC (22 out of 50 Labour seats in a 92 seat council), their aggressive grassroots campaign for the 1981 GLC election ensured that the left dominated the policy orientation of the Labour Group. The only desertions from the Labour Group came soon after the 1981 election, when two members left to join the Social Democratic Party.<sup>4</sup> As one Labour Left councilor notes, the Labour Right "could always threaten to leave, but if they didn't leave, they were with us...once the bulk of the Labour Right decided to stick with the Labour Party, they would vote for a Labour Group decision." Thus, while the Labour Right would not support policies that raised the possibility of surcharge - such as the Fares Fair policy for London Transport - or that touched sensitive nerves - such as a grant to a feminist publisher for a children's book on sexuality - "we [the Labour Left] didn't lose any vote that mattered"; this included the major components of the Council's economic strategy. As a result, the Labour Group was less vulnerable to efforts by the GLC bureaucracy to assert its power through divide and conquer tactics.

From this political base, the Labour Left was able to make a number of major organizational changes which further enhanced its ability to develop and implement a radical economic program. Standing Orders were changed so as to permit greater communication between councilors and officers. At the same time, members became more involved both in drafting committee reports and in implementing policy, thereby ensuring greater political control over the GLC's policy. Ken Livingstone, as Leader of the Council, rejected the

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<sup>4</sup> The SDP was formed by right-wing Labour politicians who opposed the leftward shift of the Labour Party during the 1970s and early 1980s (Seyd 1987).

traditional pattern of chief officers working to the Leader. This gave considerable power to committee chairs relative to senior officers. As one Labour Left councilor states,

Ken's view was straightforward - 'the state is a bunch of bureaucrats. We have to smash it.' It was good to have someone like that because it meant that you could always say "if you don't deal with me, you can always see Ken Livingstone."

A strong Policy Coordinating Committee was established to ensure broader political accountability among senior officers. The PCC, which met weekly and was open to all Labour Group members, was a strong central policy committee consisting of all committee chairs.<sup>5</sup> Councilors would question officers about committee reports and then, after the officers left, would make decisions on recommendations to the Labour Group. Once the Labour Group decided on policy, the Chief Whip would provide officers with instructions for carrying out policy. Officers were responsible to the PCC and, in turn, the Labour Group as a whole rather than solely to the Leader. The Labour Left was successful in building a relatively strong political united front with which to push its program and defend against bureaucratic obstruction.

In terms of the local economic strategy, the most important specific organizational reform undertaken by the Labour GLC was the creation of new units, both within and at arm's length from the Council. The 1981 Labour Manifesto (Greater London Regional Council of the Labour Party 1980) argued that existing GLC units such as the Planning Department, which was primarily concerned with land use planning, the Central Policy Unit, which was responsible for developing strategic policy for the Council and emphasized more conventional office and commercial development for London, and the London Industrial Centre, which had offices in major world cities promoting inward investment in London, were inadequate for a radical strategy. I have already discussed the Greater London

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<sup>5</sup> In addition, the Greater London Labour Party had two seats on the PCC. This gave the Party membership, through their representatives, played a direct role in deciding Council policy.

Enterprise Board and the Greater London Training Board; new units were also created within the Industry and Employment Committee itself. The Economic Policy Group was established in July 1981 with a staff of five (although, due to considerable opposition from senior officers, the EPG did not become operational until early 1982) to advise the Industry and Employment Committee, write the *London Industrial Strategy* (Greater London Council 1985), and coordinate Council activities with borough councils, trade unions, and community organizations. By September 1982 the volume of requests for grant aid from labor and community organizations led to the creation within the EPG of the Project Development Unit to review applications for assistance and monitor projects and the Popular Planning Unit to support political education and organizing. The Contract Compliance Unit, which was responsible for ensuring that companies with Council contracts satisfied 'good employer' criteria on wages, hours and conditions of work, and equal opportunities, began operation in early 1983; in January 1984, the CCU was split into two units, one responsible for the construction industry and the other for all other Council contracts. The Industrial Development Unit, created in June 1983, was responsible for developing an early warning system to defend against plant closures. Other units emerged as part of the process of writing the *London Industrial Strategy*. The Industry Unit was primarily responsible for conducting research on the *LIS*, the Infrastructure/Areas Unit became responsible for developing strategy for the hard hit areas of the East End and West London, and the Employment and Welfare Unit emerged to write the *London Labour Plan* (Greater London Council 1986). In response to both the rapid expansion of the EPG from a small unit of advisors to a collection of more specialized units with almost 200 staff involved in both policy development and implementation and the early experiences of bureaucratic opposition, the EPG was replaced in June 1983 by the Industry and Employment Branch, a new department within the GLC which, in addition to the units described above, contained its own administrative support unit providing legal and financial advice. Given the novelty of the Labour Left's strategy as well as the expectation of bureaucratic resistance, creating new units and staffing them with

new, left-wing officers was seen as a solution to the organizational problem of how to develop and implement radical policies within state institutions not designed for such policies.

In addition to internal reforms such as the creation of new units, the Labour GLC established a series of consultative forums to bring popular organizations into the policy process. For example, the Industry and Employment Committee sponsored a number of Popular Planning Assemblies and an extensive series of public consultations concerning the *London Industrial Strategy*. Other committees, including the Greater London Training Board, included representatives of community organizations as both voting and non-voting members. In creating institutionalized means in which Londoners could make their opinions known to and criticize GLC councilors and officers, the Labour GLC benefited from the countervailing power which extra-parliamentary organization posed to the GLC bureaucracy.

What is perhaps most interesting about the Labour Left's relationship to the GLC bureaucracy is not how suspicious the left was about the bureaucracy's potential to rein in the left, but how positively the left came to regard this relationship. Given the Labour Left's interpretation of Labour Government failures during the 1960s and 1970s as resulting from overly bureaucratized party and state institutions as well as the New Left's more general and theoretical critique of bureaucratic socialism (Panitch and Leys 1997), we might assume the Labour Left to be a hostile character witness for the GLC officer structure. This is what makes their positive evaluation of the overall performance of career officers in working with them to develop and implement Labour's program so striking. Participants identify a number of factors to explain their positive evaluations of left-bureaucracy relations in the GLC. First, bureaucracies are not homogeneous. As a hierarchical form of organization, bureaucracies provide spaces in which the left can create alliances with career officers in opposition to more traditional bureaucratic imperatives:

While some officers were really obstructive, it was absolutely not the case that that was the officer view in general. I worked with different officers, and there were some who actually were quite sympathetic to the new policies and were perfectly prepared

to work with us. There were some who actually could be convinced by rational argument that particular policies were not mad, and therefore they were prepared to carry them out. And there were some who were just very professional, and even if they thought we were mad, they were perfectly prepared to be cooperative if that's what people wanted to do (Officer).

Internal tensions between higher and lower level officers created opportunities for alliances with the latter. One Industry and Employment councilor states that after an Assistant Director-General who was transferred for interfering with Industry and Employment's work was replaced, officers came to him saying "How do you think she treated us?" Early suspicions were replaced by a recognition that some elements of the bureaucracy were not by definition obstructionist.

Second, when confronted with strong political leadership bureaucracies can be brought under control. The Labour GLC offered a clear political program and made no secret of its determination to see it implemented:

Some people may have called it naiveté, but I think there was certainly a lack of cynicism when many of us joined the GLC at the beginning, which is, I think, something that actually helped to prevent the bureaucracy from grinding us down too quickly. It was that collective sense of eagerness to win. We had a task to perform, and we were going to bloody well see it through...I think they did realize after a time that we were quite serious. We were going to do it. They'd go along with us. A lot of officers changed quite dramatically over the course of the four or five years (Councilor).

The Manifesto, the Policy Coordinating Committee, and the left's ability to maintain its hegemony within the Labour Group despite its narrow plurality all reflected a high degree of political organization challenging bureaucratic power and forcing the latter to adapt to the needs of the former. Finally, the contradictory class characteristics of professional-managerial labor provides a resource for radical policy (Derber, Schwartz and Magrass 1990). Professional-managerial claims to neutrality and objectivity can lead to a technocratic conception of work in the state, but they also provide an opening for state managers to provide advice and support for highly 'political' administrations:

I'm sure a lot of them would not have shared the politics of the people who were in control. That's what I mean, they were exemplary in the fact that they served those

people, and served them in a committed way. “This is the agenda, we’ll get on with it.” And they did. They could have done it in very different ways. You know, you can go through the motions, do your job. There’s nothing really wrong with that, but they did much more. They really worked in a very committed way. We worked very, very hard. And they worked just as hard as the bright young things that came in (Officer).

At their best they had a notion of themselves as public servants which was really quite a genuine commitment to carrying out the wishes of whatever administration was there. That was rather extraordinary to people who were very heavily ideological, that those people could serve one regime, a Conservative regime for a period of time and then serve the Labour regime, and do so by and large to the best of their ability (Officer).

In addition, the intellectual nature of professional-managerial labor emphasizes creativity, and efforts to develop a radical, interventionist local economic strategy where none had existed before required a great deal of creative energy. New legal problems had to be addressed, new sources of finance utilized:

We happened to find lawyers, accountants, valuers who were interested in what we were doing. Through bringing them into contact with what we were doing deliberately, we were able to offer them the best professional challenges of their lives (Officer).

I was always incredibly impressed by what I can only describe as the real devotion of the committed civil servant. A lot of these people had a very small arena for which they were responsible, and yet they took it very seriously....Some of the people were actually thrilled. A lot of the things that were buried away were being pulled out and something was being made of them (Officer).

In creating new roles for the GLC, which had the stigma of having vaguely defined strategic responsibilities relative to the boroughs or the London County Council which preceded the GLC, the Labour GLC stimulated an increased identification among officers to the Council as an institution. The Thatcher Government’s plan to abolish the GLC further reinforced this identification.

Although many participants say that a number of very sympathetic and often radical career officers appeared over the course of the Labour GLC, the left’s assessment of bureaucratic support for its radical policies is grounded in a structural understanding of the contradictions of state bureaucracies which is independent of any particular officer’s personal views towards those policies. Despite the structural constraints which provided the

GLC bureaucracy with its power and the explicit opposition of individual high level officers, the contradictions of the GLC bureaucracy gave the left considerable room to develop and implement radical policies within the local state.

## **CONSTRUCTING LOCAL STATE AUTONOMY**

The Labour GLC faced significant structural obstacles which, with its limited powers and resources, placed limits on its local economic strategy. Global capitalist forces constrained its ability to restructure London's economy, and Britain's unitary state made it vulnerable to intensive levels of surveillance, control and, ultimately, abolition by the Thatcher Government. In light of this, if we were to simply read the extent of GLC autonomy from its position in the world capitalist economy and Britain's unitary state, it would be easy to dismiss the GLC's autonomy as minor and the Labour Left's experience as marginal. To its credit, the Labour Left had no illusions about what the GLC could do. During the period leading up to Labour's 1981 election victory, there was a real sense that the Labour Left in London was part of a wider movement within the Labour Party for a more radical politics. In addition, the Thatcher Government was highly unpopular early on because of record levels of unemployment and severe cuts in social provision (Gamble 1988). Both of these factors meant that the Labour Left saw a real possibility for a radical Labour Government to come to power in the next election, which had to be held by 1984. Such a Government would provide the broader political and economic resources necessary for a local economic strategy to adequately address the needs of London. Ken Livingstone made this point in the June 1981 issue of *London Labour Briefing*, a monthly newsletter which served as a forum for the Labour Left in London:

We must ensure that we plan the way ahead rather than just respond to the Government's attacks as they occur. Part of our task will be to sustain a holding operation until such time as the Tory Government can be brought down and replaced by a left-wing Labour Government enabling us to secure the immense financial resources which London really needs.



At the same time, however, economic forces are not abstract and monolithic laws, but instead are experienced, adapted to, reproduced and resisted daily by people in their workplaces and communities. This means that a radical national strategy which targeted these forces had to be implemented at a local level. Just as control of the local state was necessary but not sufficient for a radical local economic strategy, so too was control of the central state necessary but not sufficient for such a strategy:

When you're prefiguring something which you could use as the model on a national basis, you would have to decentralize it locally (Officer).

alternative economic policy ought to be community-relevant and should have a community dimension, even though the problems weren't going to be solved at community level (Officer).

central government policy under a Labour Government had not effectively addressed these [local economic] issues; in other words, were you to get the central government and pull all the levers, you couldn't actually deliver what was a sensitive enough policy to the kind of areas we were talking about. Therefore, you had to have a layer of government below the central government in order to mobilize communities to play a bigger role in their own regeneration....given all the worldwide restructuring forces, all the problems of national economic policy, essential though they were, it was still essential to have some middle range institutions (GLEB Staff).

Not only would this type of strategy offer greater space for democratic control, it would also offer the central state a more accurate picture of everyday life in workplaces and communities than is available through top-down examination: "Instead of surveys, you need sous-veys; you need visions from below" (Officer).

A major underlying component of the Labour Left's concept of strategy, therefore, is that "the local and the national are not alternatives" (Greater London Council 1985: 61). A purely local, decentralized strategy was inadequate both in terms of the Labour Left's understanding of the nature of London's economic crisis - the *London Industrial Strategy* saw rising unemployment and inequality as the result of capitalist development and British state policy (Greater London Council 1985) - and the resources that were necessary to address that crisis. While a more national, centralized strategy would satisfy (at least more so) these criteria, it would also be insensitive to local particularities and the need for

democratic control. The Labour Left's strategy was centralized in that it was based on a rejection of 'local solutions for local problems.' London's economic crisis was a specific expression of a general crisis of British and advanced capitalism, and so the local economic strategy was directed at the political-economic forces which were at the core of that crisis (i.e., capitalist social relations). Within this context, however, the local economic strategy was democratized in that it was located within the local state and was defined by its intention to expand the possibilities for democratic control of the economy within workplaces and communities.

The political and economic constraints experienced by the Labour GLC suggest that the local economic strategy had to be more cultural than material in its accomplishments. Labour's 1981 Manifesto states that a Labour GLC "has a key role in *defining the way forward*"(Greater London Regional Council of the Labour Party 1980: 13)(my emphasis). The Labour Left sought to demonstrate the possibility of a democratic socialist economy in contrast to Thatcher's claim that 'there is no alternative' to market provision and restructuring in the interests of capital:

Given the relative strength of the left compared to the strength of capital, given that we couldn't take on the centers of power, then one needed some sort of context where you could illustrate the ideas of the left. I think it's always a good idea to achieve what footholds and victories you can and use them to establish examples and illustrate the kind of direction in which you want to lead society so then people can decide whether to follow. So it's not like a full model because we don't have all the levers of power, but it's a model that gives a glimpse forward (Officer).

In terms of actually reshaping the London economy, you have to be honest and say the effect was fairly minimal. You could say that without a national government really backing that economic philosophy and throwing its weight behind you, whatever a local government with its limited powers can do is inevitably going to be limited, and therefore what was done was exemplary rather than material, if you like. Or you could say in the end, again given the local government's limited powers, that the ideas were precisely what mattered and that the notion of greater participation by ordinary people in the economic processes that shape their lives was a very profound and important idea, and as far as the GLC helped spread it and sow it and so on, that was a very valid thing to have done (Officer).

The fact that the GLC did not survive long enough for these projects to serve this exemplary function does not change the fact that the Labour Left saw its real contribution as being the development of an alternative economic culture which could prefigure more democratic social relations.

The Labour Left GLC can thus be seen as a reflection of the Gramscian ‘war of position.’ Although the local state is unlikely to succeed in an economic ‘war of maneuver’ in which it seizes control of capital, the nature of the local state makes it especially effective for a ‘war of position’ in which the state and capital are confronted by an alternative hegemonic system, one which emphasizes democracy, cooperation and social equality in contrast to the individualism and market-based values associated with capitalism. Because it is the component of the state system with which people have the most direct contact in their everyday lives, the local state has great potential to serve as an “educator” (Gramsci 1971: 260) for participatory democracy. As a result, even though the Labour Left GLC was unable to restructure London’s economy – nor could it – it could, by supporting labor and community organizations and providing a coordinating center for their activities, provide people with a “taste of power” (Mackintosh and Wainwright 1987) in which they lived the experience of participation.

A more sophisticated understanding of local state autonomy, therefore, would see it as a contradictory process in which local autonomy is *constructed* through the intersection of admittedly powerful political-economic constraints and the conscious activity of social actors who make creative use of the contradictory nature of these constraints. The local state, in other words, can have a considerable measure of autonomy from both capital and the national state. The nature of this autonomy takes two major forms. We can speak of *reproductive autonomy* to the extent that the local state has an independent impact on the well being of its citizens through its contribution to the reproduction of capitalist social relations. Reproductive autonomy is necessitated by the inherently uneven nature of capitalist development (Duncan and Goodwin 1988); spatial differentiation complicates the

management of capitalism, and so the granting of autonomy to the local state permits the more effective management of local situations. The Labour Left demonstrated that restricting politics to ‘the art of the possible’ guarantees local state policy which is formally autonomous but which is firmly grounded in the consensus established by capital and the national state. In contrast, we can speak of *transformative autonomy* to the extent that the local state has an independent impact on the well being of its citizens through policies which challenge existing social relations. Although both forms of autonomy are the result of a specific balance of forces, the oppositional nature of transformative autonomy places special emphasis on autonomy as a constructed process rather than a residual quantity.

In this paper I have paid particular attention to how the relations which made up the GLC-as-local state contributed to the Labour Left’s construction of transformative autonomy. The intersection of centralized state relations and participatory democratic politics is the key to understanding this process. In each case, transformative autonomy was a function of the degree to which centralized political structures were democratized, whether through internal Labour Party reforms, creative legal interpretations, or the construction of mechanisms to ensure the accountability of state managers to elected officials. This intersection of structure and agency is best expressed through the term *participatory centralization*. Relatively centralized state-centered resources are necessary for the local state to challenge capital and the national state, but these resources must be conditioned by democratic interventions in order for them to be useful as part of a strategy which seeks to increase participation by labor and communities in economic policy. Participatory centralization captures the democratic dialectic which the Labour Left was able to construct between the local state and civil society. The participation of labor and community organizations was essential to the local economic strategy in determining unmet needs and providing important political resources for satisfying those needs in a democratic manner, but this required a local state committed to providing financial, technical, political, and organizational resources to support these organizations and coordinate their activities.

Far from escaping the state, the experience of the Labour GLC suggests that the left must struggle to transform the state as part of its strategy for democratic socialism. The local state offers a particularly important site for this transformative process.

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