

This link, which came to dominate Liberal politics in the days of Beveridge and Keynes, was first identified by Mill, for whom finding the right balance between individualism and social responsibility was a moral imperative as well as the main question in modern social engineering.

Reeves brings to life this extraordinary figure in a sympathetic but critical biography, a comprehensive study which reveals – ‘warts and all’ – the multifaceted personality of this philosopher–man of action. It must be said that there are not many ‘warts’, but Mill was no saint, let alone ‘the Saint of Rationalism’ as Gladstone dubbed him – at least not in the sense of being only motivated by some cool utilitarian calculus of costs and benefits. On the contrary, he was passionate to an excess, often allowing his emotions to drive him beyond prudence. His personal austerity and principled approach to public affairs were somehow ‘saintly’, but Reeves puts them in context and shows how Mill could also be extremely prickly and unforgiving, especially when it came to what he perceived as affronts to his beloved friend, intellectual partner and (eventually) wife, Harriet Taylor. It did not help that she was also touchy and self-centred. Reeves offers a persuasive reassessment of their relationship and her influence on him. This is an area which has attracted considerable debate, largely because Mill was always extravagantly generous in his praise of Harriet’s gifts and contribution to his intellectual development. Weighing carefully the evidence, Reeves suggests that she should not be regarded as either the instigator of Mill’s most radical views (for example on gender equality and ‘socialism’), or as a boastful mediocrity. Instead, Harriet was for him primarily an intellectual companion,

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who constantly stimulated and encouraged him to explore new ideas and venture into uncharted and difficult territories, even when this involved standing up to public opinion and challenging contemporary political correctness.

One of the areas in which Mill was a resolute ‘nonconformist’ was in his attitude to racial prejudice. In a famous revisionist account, Mehta has criticised Mill for his ‘Orientalist’ attitudes to India.<sup>3</sup> An Orientalist he may have been, but without any consistent sense of imperial superiority; in fact he was often critical and dismissive of the claims and pretensions of the European powers, arguing, for example, that ‘the characteristic of Germany is knowledge without thought; of France, thought without knowledge; of England, neither knowledge nor thought’ (cit. pp.220–21). In his days he was in fact criticised for his racial egalitarianism, an attitude which was perceived as out of step not only with public opinion, but also with what the majority regarded as ‘a fact’ – namely, the notion of a cultural (or even biological) superiority of the ‘white man’ over the rest of the human species.

Mastering a bibliography which is not only vast but also multidisciplinary – ranging from the history of political

and economic thought to social and political history and gender studies – Reeves has produced a lucid and perceptive synthesis, which pays equal attention to Mill’s life and the development of his ideas. The book has a predominantly chronological structure, but each chapter has also a strong thematic focus, which enables the author to study the various dimensions and developments of Mill’s thought and career in their historical and biographical context. The result is a great historical biography, which the general reader will find riveting and the professional academic indispensable.

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- 1 M. St J. Packe, *The Life of John Stuart Mill* (Seker & Warburg, 1954); but see also the recent short biography by W. Stafford, *John Stuart Mill* (Macmillan, 1998).
- 2 John Robson et al (eds.), *The Collected Works of John Stuart Mill* (33 volumes, University of Toronto Press and Routledge & Kegan Paul, 1965–91).
- 3 U. Singh Mehta, *Liberalism and Empire* (University of Chicago Press, 1999). See also Lynn Zastoupil, *John Stuart Mill and India* (Stanford University Press, 1994).

## Social Liberalism

Duncan Brack, Richard S. Grayson and David Howarth (eds.):  
*Reinventing the State: Social Liberalism for the 21<sup>st</sup> Century*  
(Politico’s, 2007)

Reviewed by Neil Stockley

**R**EINVENTING THE *State* appeared on the eve of the Liberal Democrats’ 2007 autumn conference. This was a difficult time for the party.

Its then leader, Sir Menzies Campbell, was achieving little traction with the public and the Liberal Democrats were languishing in the opinion polls.

Within weeks, the party was looking for a new leader, its third in as many years.

With the party in an uncertain situation, its social liberals sought to assert themselves anew. *The Guardian* claimed that the Liberal Democrats' 'left wing' had published *Reinventing the State* as the start of an attempt to 'take on the dominant pro-market *Orange Book* faction' and 'wrest control of the party'.<sup>1</sup> That was a case of over-spin. *The Orange Book* received a cool reception from most of the party when it was published in 2004, and its most contentious recommendation, to reshape the NHS using a social insurance model, was widely criticised.

Social liberalism has always been the dominant strand in the Liberal Democrats' philosophy. The party's continued support for an activist state and its policies on taxation and redistribution of income, public services, and the environment are all testament to that.<sup>2</sup> The policy review paper *Trust in People*,

adopted by the party in autumn 2006, reiterated the Liberal Democrats' commitment to 'a fairer ... much less unequal society', with 'decisions taken near to those they affect' and 'public services that ... involve those that use them ... and make full use of the talents and imagination of their staff'. The party also renewed its commitment to protecting the environment as 'an urgent priority'. All the candidates for the leadership in 2006 and 2007 promised that social justice, reforming the state and safeguarding the environment would be their priorities.

Still, Dr Richard Grayson, one of the editors of *Reinventing the State* and a former Liberal Democrat Director of Policy, was quoted as saying that the publication sought 'to influence the manifesto, so it will put issues such as social justice and the environment at its heart and will be an avowedly centre-left manifesto'. He added: 'I think we are pushing at an open door'.<sup>3</sup>

If social liberalism is predominant in the Liberal Democrats, and Dr Grayson was correct, it follows that the analysis and prescriptions presented in *Reinventing the State* are of central importance for the future of the party. So what do the 'social liberals' have to say?

The core idea of the twenty-two contributions is, in the words of the editors, 'reinvent[ing] the British state so that it delivers social justice and environmental sustainability through a decentralised and participatory democracy'.

'Social liberals', as represented here, perceive that, for some twenty years, British political debate has focused on promoting the values and virtues of the market. In contrast to the 'economic liberals', they argue that such a reliance on markets has led – or, if unchecked, could lead – to outcomes that liberals cannot

accept. Duncan Brack makes a powerful argument that the current level of social inequality in Britain undermines individuals' personal freedom – their ability to participate fully in society – along with the well-being of the community. Ed Randall argues that unfettered market action will lead to greater environmental degradation. Tim Farron MP contends that rural communities have been deprived of opportunities in housing and employment and local farmers left exposed to the power of monopolies.

The authors contend that a mixture of state and collective responses must be taken if such market failures are to be addressed. The pivotal issue is the forms that such responses should take. The contributors differ from the 'economic liberals' in arguing that the best way to promote economic equality is to radically reform the state, rather than to reduce it in size or rely on market-based policy solutions. They are sceptical about the market and its tendency to erode personal freedoms (in their broadest sense) and community cohesion. Paul Holmes MP, for instance, argues strenuously that markets are an imperfect tool for delivering social policy objectives. 'Social liberals' are, however, just as suspicious of the centralised state and its propensity to be coercive, bureaucratic and out of touch with peoples' needs and concerns. This is where they part company with the 'social democrats'.

The 'social liberals' main solution to social and economic inequality is 'localism'. This is forcefully articulated by Chris Huhne MP, who defines it as 'the decentralisation not just of management decisions but of political responsibility to a human scale where voters can once again identify – and complain to, or praise, or boot out – decision makers in their community'. In a compelling piece,



Huhne builds a democratic, liberal case for localism, arguing that it will help to revive confidence and participation in politics. He shows that increased spending on public services under Labour has not led to a commensurate increase in quality of service.

Huhne discusses two ways forward. One is the introduction of markets or quasi-markets in the public services. The other is to introduce more local, democratic decision-making. He says, correctly, that the two are not necessarily mutually exclusive, but there are important differences. Huhne argues that markets or quasi-markets may lead to reduced services (the reduction of choice) for those left behind when people choose another option. They may also lead to reduced flexibility or, worse, undermine the potential for innovating and adapting public services to local needs and circumstances. Huhne contends that the problem with Britain's public services is the lack of local accountability and control; centralisation has stifled creativity and initiative. He also uses international data to rebut the argument that allowing local flowers to bloom in the public services will lead to greater social inequality, and shows that there is no necessary connection between the two. John Howson and Richard Grayson then describe how these principles can be applied, in education and the NHS respectively.

The Liberal Democrats have clearly embraced 'localism' as a guiding principle. Their leader, Nick Clegg, has written that Labour's 'activist' model of 'central state' has failed to enhance social mobility or to tackle wealth inequalities. He wants to see in its place 'the liberal model of delivering social justice', based on 'localising our public services and in community control [which] is grounded in our belief that it is by giving

individuals real control over their lives that we can create opportunities for all'.<sup>4</sup> In March 2008, the party adopted a new health policy that embraced elements of the 'localist' approaches. It also took up, in a very cautious way, some 'market-based' policy proposals.<sup>5</sup>

The social liberals seem to have prevailed. But many 'economic liberals' are also content with this turn of events. That should not be too much of a surprise. In an incisive essay, David Howarth MP describes the core values of 'social liberalism' as a commitment to the redistribution of wealth and power, alongside a belief that democratic decision-making must be deepened. He casts considerable doubt on the validity of the comic-book clash between 'social liberals' and 'economic liberals', as sometimes presented by sections of the media. Howarth argues that in the British context, 'economic liberals' really have the same end goals as 'social liberals'. Any disagreement will really be over means rather than ends: specifically, how different sorts of social liberal perceive the role and limitations of market mechanisms to achieve their goals. More pertinently, Howarth argues, the difference is really about 'how far government policy should promote economic equality beyond the point strictly required by the goal of safeguarding personal freedom': between 'maximalist' and 'minimalist' social liberalism.

The 'social liberals' (or, as David Howarth might say, 'maximalist' social liberals) still seem to have their work cut out. Chris Huhne's version of 'localism' can be traced back to the public services policy commission that he chaired in 2001–02. Its report was adopted by the party but very few of its specific proposals, especially those relating to user choice, were finally reflected in the 2005 general election

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manifesto. One of the reasons was, apparently, that party strategists sought to position the Liberal Democrats as being more concerned with delivering quality and capacity in public services distinctively in the political debate. Another was their perception that the Huhne framework lacked specific attractive promises, suitable for use in an election campaign. It is also possible that some leading 'social liberals' feared that allowing local flowers to bloom could serve to exacerbate social and economic inequalities.

Recent policy developments notwithstanding, the Liberal Democrats have some way to go before they can claim to be a truly 'localist' party of the type contemplated by many of the contributors to *Reinventing the State*. Moreover, the party has yet to demonstrate a functional link between its existing policy proposals for increased local accountability and its declared goals of promoting economic equality and enhancing social mobility. This highlights a major challenge for 'maximalist social liberals'; they can (and, usually, they do) triumph in the party's intellectual debates, but may not always be so successful in political or tactical arguments.

Other developments since the publication of *Reinventing the State* further illustrate this point, and how important the differences between the types of 'social liberal' can be. By most of the definitions set out in this book, Nick Clegg surely qualifies as a 'social liberal'. The most significant policy shift under his leadership to date has been the promise to 'look for ways to cut Britain's overall tax burden, so ordinary families have more of their money to spend for themselves'.<sup>6</sup> The editors and other contributors to *Reinventing the State* want to slim down and constrain central government, giving as many of its powers as

possible to elected local institutions. Some may perceive that the new taxation pledge could reduce the community's collective ability to redistribute wealth and enhance individual opportunities. Moreover, political analysts have suggested that the new taxation pledge was made in part for electoral purposes: fending off Conservative challenges in some seats and attracting low- and middle-income voters in others. If that is correct, 'maximalist social liberals' will need to come to terms with the political realities and dilemmas facing the Liberal Democrats or, better still, provide their own specific suggestions as to how they might be addressed.

As noted above, the contributors discuss other areas of market failure, besides economic inequality. Remedies for protecting the environment or, more precisely, addressing climate change and decarbonising the economy, are set out clearly by Chris Huhne MP, who was the party's shadow environment secretary at the time of writing. This framework uses market-based instruments that provide incentives to lower carbon emissions from energy and transport, green taxes to promote environmentally friendly behaviour and regulation where price signals cannot produce the desired outcomes. It is consistent with the 'liberal environmentalism' described by Ed Randall. The policy measures are designed to ensure that the poorest members of society are not adversely affected.

A similar clarity of liberal thought and policy practice is not always so evident elsewhere in the book, however. Several contributors discuss other important areas in which markets are deficient (for instance, their impact on local communities) but rather less is said about these might be addressed or how the positive outcomes of markets best secured.

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This is not to say that, environmental matters aside, the 'social liberals' are ignorant about economic policy. One of the most impressive essays is David Hall-Matthews' thoughtful analysis of economic globalisation. He does not try to argue that national governments should try to stand in the path of free trade; rather, they should not use globalisation as an excuse for evading their responsibilities to their citizens. Hall-Matthews finds that most concerns about globalisation amount to concerns about the fate of national governments and that these are to some extent understandable, especially to liberals, who instinctively resist any concentration of power. Hall-Matthews concludes that, contrary to some myths, nation-states (suitably reformed) can – and should – take action to ameliorate the most negative impacts on their own citizens. Surely no liberal could object to that. One suggestion is that such action should take the form of reinvigorating local communities. This is somewhat vague, however, and how this would be done and who would bear the costs is not made clear in the collection.

If there is an important omission from this book, it concerns what sort of economic policy 'maximalist' social liberals propose and how much it may differ from the party's existing economic thinking which, since the early 1990s, has taken on a more 'market-driven' approach. The question is important for the obvious reason that a strong, sustainable economy is essential to support and underpin policies of redistribution and innovation in social policy. Moreover, the questions around economic policy have become even more relevant; since the essays were written, the US's 'credit crunch' has occurred and started to have impacts on Britain. There is more questioning now of the prevailing orthodoxy in

economic policy than there has been for some twenty years. In some areas, such as the banking sector, the Liberal Democrats have proposed more effective regulation. 'Social liberals' may need to consider whether they are content with those suggestions.

*Reinventing the State* is an important, vital set of essays. The collection conveys in some interesting and compelling ways what it means to be a Liberal Democrat and, more particularly, how social liberals in Britain approach contemporary political questions. In many ways, the essence – the 'heart and soul' – of the party can be found in these pages. The collection's readers, editors and authors may reflect, however, that the party also needs a 'head' and that it occasionally comes to different conclusions to those reached in *Reinventing the State*. In practice, the 'social liberalism' so well elucidated in this book is synthesised with other versions of liberalism and, perhaps as importantly, political considerations will win out in the end. As a result, the party may sometimes tack in directions that are different to those provided in this collection.

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- 1 'Lib Dem left attempts to wrest control of the party', *The Guardian*, 6 September 2007.
- 2 See 'Social Liberalism' in Duncan Brack and Ed Randall (eds.), *Dictionary of Liberal Thought* (Politico's, 2007).
- 3 'Lib Dem left attempts to wrest control of the party', *The Guardian*, 6 September 2007.
- 4 Nick Clegg, 'A home for progressives', *The Guardian*, 1 July 2008.
- 5 Liberal Democrats, Policy Paper 84, *Empowerment, Fairness and Quality in Health Care* (2008).
- 6 Liberal Democrats, *Make It Happen* (2008).