

PARTY GAMES

Downing Street 's response to last week's election results come as a surprise to all but the most bullish of New Labour acolytes. An important sea change is taking place in society, with tides that will pull us all into uncertain waters. Two separate elements need to be addressed, the success of UKIP in the European elections and the loss of heartland Labour seats in council elections on the same day. Of the two, it is the loss of heartland seats that should cause most worry.

At one level, the Prime Minister is right to categorise the UKIP results as a protest vote. His contention is that if the electorate had wanted a change of government they would have voted for the Tories. UKIP took votes from Tory supporters at twice the rate it took votes from either Labour or the Lib Dems. It is clear that UKIP tapped not only into a general mood of hostility to the current European project but

into a real sense of insecurity of our time.

It would be easy to dismiss this as a one-off event, over-influenced by the vanity of Robert Kilroy Silk. Of course Kilroy has enough vanity for a whole party, but the protest vote of UKIP will not go away and may only mask more uncomfortable trends. UKIP may have a respectable veneer but it is unambiguously a party of the Right. Many of those who shifted their votes to it (including Labour voters) will feel they have found a comfort zone that shares the political sentiments of the BNP but with the opprobrium.

The summer will provide lots of opportunities for the politics of the far right. Already, in the opening stages of Euro 2004 Boston , Lincs, provided the unexpected venue for football rioting. And soccer hooligans were blamed. In truth, this will have had little to do with football.

Lincolnshire has been the locus of a growing tension between local people and migrant labour. The BNP have loved it and exploited it. Gangmasters, who have paid migrant workers pittance wages and squeezed 20 or more workers at a time into 2 bedroom properties in the area, have loved it and exploited it too. They leave with the cash. The area gets left with the tension. The BNP blames migrants for pressure on housing standards and the environment but will not ask who would do the work if migrants were thrown out. Migrant workers then become the twin victims of exploitation and abuse.

It plays well to an anti-foreigner line. More uncomfortable realities never trouble the BNP. This weeks TUC report on the implications of raising the retirement age to 70 will not have figured in any of the fighting talk before the Boston mayhem. The prospects of 1 in 4 people (and 3 in 10 men) dying before they reach a pension age of 70 should cause at least a pause for thought. If Britain does not increase the size of its working age population we will face stark choices; pensioners will sink deeper into poverty, taxes will have to rise significantly or the retirement age will be raised.

The state pension has always been an act of solidarity between one generation and another. Our tax and

NI contribution today go to pay the pensions of those who are retired today. The tax contributions of today's pensioners largely paid for the pensions of their parents. There is something noble and principled about such intergenerational solidarity. We ought to talk about it in Boston , Bradford, Burnley and anywhere else that the BNP would pedal its divisions.

What the Left have to remember, though, is that the BNP never occupy a credible platform of their own. They fill the space Labour leaves behind when it abandons its traditional values and policies. Britain hasn't had a national housing strategy for decades. Look at the run down condition of housing in parts of Burnley and you wonder why people aren't rioting rather than why they are.

Stock transfers, ALMOS, Private Finance Initiatives and the transfer of public services into private hands foster a belief that Labour would rather pass the problems on to someone else than tackle them ourselves. The proliferation of Trusts and arms length agencies, as appointed fiefdoms controlling public services, also breaks the line of democratic accountability between political parties and the public. In its own way, this too is the politics of vanity.

The New Labour project was always far keener on patronage than democracy. I know that the best way of having friends in high places is to put them there, but the Project always knew that breaking the lines of direct democratic accountability served (for them) a higher purpose. Services that are publicly owned but not publicly managed soon lose their rationale for being publicly owned at all.

Even before taking office in 1997, the script for the Project had been written on the other side of the Atlantic . The uninterrupted accumulation of corporate wealth depended on two things; the freedom of production capital to migrate to areas of greatest labour exploitation (in the South) and the acquisition of public service contracts in the North. To do this governments, both rich and poor, had to sign up to the free trade agenda, but industrial nations, in particular, had to hand over their public services. That is what GATS is all about.

I do not know if Labour ministers are even aware of their complicity with this process. There is a brazenness to ministerial claims that council tenants can have any choice they like about how their homes might be modernised...apart from remaining council tenants.

In the proposed reform of the Probation Service, movement to a more regionalised structure looks bizarre, when the real need is for closer integration into the local crime prevention partnerships. A regional structure makes no sense at all...unless you want to attract a private bidder.

Ministers deny that they are intent on privatisation, but they openly express an interest in 'contestability'. Ah, the beauty of words. I warned probation officers, at their recent lobby of parliament, to prepare themselves for the bid from Biffa Waste Disposal services. At least they might get a uniform out of the transaction.

Many Labour MPs wondered why, when we put huge additions of spending into education and health, did we always knock the teachers, LEAs. Health workers and NHS administrators at the same time? It was a tactical game – playing to the Daily Mail – we were told. The real game though was to undermine public confidence in public services. It prepared the ground for private bidders. Thatcher played the same game, but the Project played it better.

As a distraction, the press often ran with stories about the tension and divisions between numbers 10 and 11 Downing St. But these are interdependent vanities. Zealots in number 10 want to hand over an everlasting dowry of public services to their corporate suitors. Next door in the Chancellor's office, they want to do so in order to take public spending and public investment 'off balance sheet'.

This is Enron accounting. It allows the Chancellor to claim improved investment programmes that do not appear to cost anything. It isn't a smoke and mirrors trick, but the old habit of self-delusion; where people placed bills behind the clock and pretended they just weren't there.

Already the bills, or at least the criticisms, are beginning to roll in. Even the Audit Commission have told us that privatising the Tube was a poor deal. Yet how we demonised Ken Livingstone for telling us that public bonds were a better way of protecting the public interest.

Tony Blair has told the Party that we just have to stand firm - to hold our nerve. His belief is that the Party has never been more ideologically united than it is now; that the task is to step up the agenda of public service reform rather than re-think it.