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## *New New Deals: Reforming Welfare Again?*

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**John Clarke**

*We'll put people back to work rebuilding our crumbling roads and bridges, modernizing schools that are failing our children and building wind farms and solar panels, fuel-efficient cars and the alternative energy technologies that can free us from our dependence on foreign oil and keep our economy competitive in the years ahead.*

President-elect Obama, November 23, 2008

IN BOTH THE UNITED STATES AND THE UNITED KINGDOM, the idea of the New Deal has proved a potent political symbol during this crisis. In what follows, I explore some of the ways in which the imagery of the New Deal has been deployed and consider some of the historical questions that are generated by this imagery. What does the image of the New Deal evoke, and to what does it lay claim? Three aspects of current political discourse seem to me to be of particular interest: the return of publicness; the problematization of capitalism; and the revival of the New Deal as a progressive imaginary. They are, of course, interlinked, not least in their attempt to define this as an epochal moment while struggling to “save the system” from itself. These discourses thus both attempt to manage a series of contradictions (economic, political, cultural)

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and generate new ones of their own.<sup>1</sup> Nevertheless, I suggest that the discourse of new New Deals remains locked within the framings of Anglophone liberalism and neoliberalism: emerging from the perverse conjunction of varieties of welfarism and antiwelfarism.

The financial crisis that began in 2008–9 has created a new and problematic visibility for what was once the flagship of the “Anglo-Saxon model”—the programs of reform that displaced and dismantled twentieth-century welfare states.<sup>2</sup> As the magic of markets fades, as opportunities for waged work diminish, and as interest in forms of public spending and investment rise, what is the future for welfare? The economic crisis has provided the context for urgent reassessments of what had become the mundane orthodoxies of neoliberalism. Some of these are perversely paradoxical inversions: the discovery that public spending has a major role to play; that it is, after all, possible and even desirable to solve problems by “throwing money at them”; or that giving people access to public funds may not turn them into moral idiots or condemn them to dependency on the state. The massive investment of public funds has been conducted largely through the supposedly discredited machinery of nation-states. Such initiatives have attempted to restore “business as usual,” even as they worry about the character of the business. Even so, this is a crisis that has generated new discourses and revived older ones across a surprisingly wide political spectrum.

In the final part of this article, I build on these discussions to examine the problems that face any effort to construct a progressive politics of welfare. I suggest that both liberal welfarism and the antiwelfarism of Anglophone neoliberalism have been dominated by a constellation of antisocial principles: work-centrism, familialism, and nationalism. These issues also combine to point to the problem of the state. There is an urgent need to escape from ossified conceptions of the state, analytically (to pay attention to the changing formations of states) and politically (to escape from the binary choice of being “for” or “against” the state).

### **MAKING NEW NEW DEALS?**

The New Deal has emerged as a striking political referent: governments in the United States and the United Kingdom have dubbed various policy proposals as new “New Deals.” At stake here is something other than processes of policy transfer between the United States and the United Kingdom. The programs being described as new “New Deals” differ significantly, and in the United Kingdom New Labour governments have been running various New Deals (for the unemployed) since 1998. But in 2009 the Prime Minister, Gordon Brown, revived the New Deal imagery on a global scale: “I believe there is no challenge so great or so difficult that it cannot be overcome by America, Britain and the world working together. That is why President Obama and I will discuss this week a global new deal, whose impact can stretch from the villages of Africa to reforming the financial institutions of London and New York—and giving security to the hard-working families in every country.”<sup>3</sup>

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<sup>1</sup> John Clarke, “After Neo-liberalism? Markets, States and the Reinvention of Public Welfare,” *Cultural Studies* vol. 24, no. 3 (2010): 375–394.

<sup>2</sup> The epigraph for this article is taken from President-elect Obama’s discussion of his Economic Recovery Plan, quoted in “Obama Outlines Plan to Create 2.5M Jobs,” *CNN.com*, November 23, 2008, [http://money.cnn.com/2008/11/22/news/economy/Obama\\_economy/index.htm](http://money.cnn.com/2008/11/22/news/economy/Obama_economy/index.htm).

<sup>3</sup> Gordon Brown, “The Special Relationship Is Going Global,” *Sunday Times*, March 1, 2009, [http://www.timesonline.co.uk/tol/comment/columnists/guest\\_contributors/article5821821.ece](http://www.timesonline.co.uk/tol/comment/columnists/guest_contributors/article5821821.ece).

This particular new New Deal has so far not materialized, and the statement is probably most notable for the rhetorical globalization of New Labour's favorite image of the People as a population of "hard-working families." But what is it about the New Deal that gives it this symbolic currency? What enables it to travel on this U.K./U.S. circuit? At the core of this capacity to travel is a rather powerful valorization of public investment and intervention that can be deployed as a discursive counterweight to the antiwelfarism and antistatistism that have been dominant themes in neoliberal politics. It points—both implicitly and explicitly—to the limitations, failures and absences of neoliberal political projects. It enables a potent—and popular—distinction to be drawn between free-market fundamentalists and "reforming" governments committed to rediscovering the value of public intervention to pursue national (and potentially) global "public goods." But being against this primitive neoliberalism does not exactly define a clear political position. On the contrary, being against crude antiwelfarism and antistatistism marks a capacious political space, one that runs from the hybrid neoliberalism (the "New neoliberalism" or "roll out" neoliberalism<sup>4</sup>) of governments like New Labour in the United Kingdom to radical demands for progressive public works that transform the economy and population. For example, Saskia Sassen called for a new New Deal in which

The most important item would be to focus on the kind of work the economy needs desperately but seems unable to perform, work that involves wide sectors of the population and of the economy. A rebuilding of the country's infrastructure . . . is a prime example. There are vast numbers of essential tasks waiting to be done: repairing flood defenses and unsafe bridges, environmental clean-ups, developing alternative-energy sources, introducing suburban train systems, rebuilding devastated inner-cities, creating urban parks and green belts, helping low- and modest-income households to acquire foreclosed properties; and allowing recently foreclosed on households to recover . . . their homes. There is so much more.

These tasks alone would require the creation of huge numbers of jobs and enterprises of all sizes . . . , in almost all economic sectors. This in turn would feed directly into GDP growth and have a healthy effect eventually on the value of the dollar. At present, actual economic growth is more urgent than lowering the interest-rate so that households can borrow more; households need income and employment, firms need buyers of their goods and services. In this dispensation, banks would do the lending through conventional loans rather than financial firms selling high-risk structured financial instruments.<sup>5</sup>

Sassen expresses a desire for a revitalized publicness—public investment that delivers public goods and benefits in a direct way (rather than giving money to banks). This has been a widespread response on the Left, but the summoning of the New Deal as part of this progressive public imaginary is not without its problems.<sup>6</sup> This is partly a consequence of the variety of politics that can be encompassed in the imagery of the New Deal but is also a consequence of the limitations and contradictions of the New Deal itself. In the following section, I return to some features of the Roosevelt New Deal and ask how they might have shaped the politics and policies of welfare since the 1930s.

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<sup>4</sup> Jamie Peck, Jamie and Adam Tickell, "Neoliberalizing Space," in *Spaces of Neoliberalism: Urban Restructuring in North America and Western Europe*, ed. N. Brenner and N. Theodore. Malden (MA: Blackwell Press, 2002).

<sup>5</sup> Saskia Sassen, "The New New Deal," *Open Democracy*, October 2, 2008, <http://www.opendemocracy.net/article/the-new-new-deal>.

<sup>6</sup> See also William Jones, "Obama's New Deal," *The Nation*, December 1, 2008, <http://www.thenation.com/doc/20081201/jones>; and Paul Krugman, "Franklin Delano Obama?" *New York Times*, November 10, 2008, [http://www.nytimes.com/2008/11/10/opinion/10krugman.html?\\_r=1](http://www.nytimes.com/2008/11/10/opinion/10krugman.html?_r=1).

The New Deal of the 1930s provides this symbolic reference point for current politics for a number of reasons: it evokes the dangerous combination of an economic depression and mass unemployment; the use of public investment to create work on a large scale, including public infrastructure projects; the political resistance to a business class that insisted on the superiority of markets over states (except when states supported business, of course); and the political popularity associated with public investment directed to “Main Street” and “ordinary people.” The New Deal is thus taken to symbolize a series of fundamental political choices including public versus private, state versus market, and ordinary people versus the elite. Each of the terms of these conflicts is understood to be aligned with the others (public-state-popular versus private-market-elite). This enables the image of the New Deal to circulate as a key discursive figure: it carries these popular/populist echoes and denotes a progressive alternative to economic liberalism (or neoliberalism).

Nevertheless, the popular and populist imaginary of the New Deal conceals a number of more critical debates and disputes. To be sure, some of these emerge from critics of state intervention who argue that the New Deal did more economic damage than good.<sup>7</sup> But there are also questions raised about the ways in which the interventions of the New Deal were structured by—and reproduced—the fundamental social divisions of the United States, particularly those of gendered and racialized systems of inequality.<sup>8</sup> The significance of these social relations in the New Deal is not just a matter of principles of inclusion and exclusion. Rather, they were inscribed into the policy and organizational logics through which the U.S. welfare state (or semi-welfare state) was developed.<sup>9</sup> As I have argued elsewhere:

The distinction between social security and means-tested assistance that proved so central to the later politics of “welfare reform” was articulated as a structuring principle in the New Deal response to capitalist crisis in the 1930s. The New Deal’s work and welfare programmes reproduced patterns of social division—and normative expectations about differentiated social roles, particularly distinctions between men and women in relation to employment, public works and social insurance schemes ... But they also reinscribed forms of racialized divisions. In particular, African Americans were effectively excluded from social insurance programmes because neither agricultural nor domestic work were included as qualifying forms of employment. . . . Racialized divisions—and racializing norms—thus structured the emergent “welfare state” in the USA in both policy and practice.<sup>10</sup>

Such principles formed crucial lines of mobilization for very different sorts of welfare politics—from the expansive demands of the civil rights/Great Society era to the “welfare backlash” of the neoconservatives in the 1980s and 1990s that culminated in the commitment of President Clinton to “end welfare as we know it” in 1996. These dynamics might raise some doubts about the symbolic value of the New Deal, and they point to political problems about “welfare” in the U.S.

<sup>7</sup> See, for example, Anita Shlaes, *The Forgotten Man: A New History of the Great Depression* (New York: HarperCollins, 2007).

<sup>8</sup> See, for example, Dana-Ain Davis, *Battered Black Women and Welfare Reform* (Albany: State University of New York Press, 2006); Gwendolyn Mink, “The Lady and the Tramp: Gender, Race and the Origins of the American Welfare State,” in *Women, the State and Welfare*, ed. L. Gordon (Madison: University of Wisconsin Press, 1990); and Jill Quadagno, *The Color of Welfare: How Racism Undermined the War on Poverty* (New York: Oxford University Press, 1994).

<sup>9</sup> The “semi-welfare state” is Michael Katz’s term: see *In the Shadow of the Poorhouse: A Social History of Welfare in the United States* (New York: Basic Books, 1986).

<sup>10</sup> John Clarke, *Changing Welfare, Changing States: New Directions in Social Policy* (London: Sage, 2004), 44–45.

context. In particular, they underpin the separation of “welfare” from Social Security as the object of neoconservative and neoliberal “antiwelfarism” in the United States. Welfare denoted those programs that were structurally *and socially* separated from Social Security: in particular, Aid to Families with Dependent Children and its embodiment in the (black) “Welfare Queen”.<sup>11</sup> “Welfare” in this political and cultural context did not mean (as it did in Europe) a universalist welfare state, but the means-tested programs for the poorest families. Neoliberal antiwelfarism in a European context has had to struggle against much more integrated systems and programs for social welfare, even in the United Kingdom.

Finally, it is worth remembering that the New Deal was not—in these European terms, at least—a welfare program, and certainly not the foundation of a “welfare state.” Rather, it was, as Edwin Amenta has persuasively argued, a “work and relief state.”<sup>12</sup> It was a public intervention that embodied several significant classical liberal principles for the organization of poor relief: from the demand that able-bodied men should perform work in exchange for poor relief to a range of moral- or fit-persons tests for other sorts of applicants (particularly women). Altogether, this is a rather contradictory and compromised inheritance. This, in turn, implies something else about the capacity of the New Deal to circulate as a political and policy image in the present. On the one hand, its popular and progressive imagery—based on a model of publicness and the capacity of the state to deliver public benefits—clearly provides a powerful political reference point in the context of neoliberal antistatist and antiwelfarist politics. On the other hand, the profoundly compromised and contradictory character of the New Deal (and its relation to systemic forms of inequality) might also find points of resonance and attachment in current political and policy thinking. In particular, the past and present discourses of the New Deal share a profoundly work-centric view of welfare, a strong familialism, a commitment to strong conditionality, and—despite the quotation from Gordon Brown above—a national framing of problems and policies.

### **NEW NEW DEALS: REDISCOVERING PUBLIC WELFARE?**

Janet Newman and I have recently argued that the last decade has seen a paradoxical decline and proliferation of ideas and images of publicness.<sup>13</sup> On the one hand, eviscerated by neoliberal and neoconservative assaults on big government and sclerotic or suffocating states, publicness appeared to be in retreat, as innovation and reform valorized the private realm and private sector. On the other hand, different innovations sought to revitalize and reconstruct publicness—from greater public participation in governance to new forms of local devolution, democratization, and self-government.<sup>14</sup> This paradox preceded the current crisis but has been given greater force by it. So governments like the United Kingdom invest huge levels of public funding in troubled financial institutions while engaging in studious denials that such investment constitutes public

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<sup>11</sup> Gwendolyn Mink, *Welfare's End* (Ithaca, NY: Cornell University Press, 1998); see also Davis, *Battered Black Women and Welfare Reform*.

<sup>12</sup> Edwin Amenta, *Bold Relief: Institutional Politics and the Origins of Modern American Social Policy* (Princeton, NJ: Princeton University Press, 1998).

<sup>13</sup> Janet Newman and John Clarke, *Publics, Politics and Power: Remaking the Public in Public Services* (London: Sage, 2009).

<sup>14</sup> For an analysis of such tendencies in the USA, see Dorothy Holland, Donald M. Nonini, Catherine Lutz, Lesley Bartlett, Marla Frederick-McGlathery, Thaddeus C. Gulbrandsen, and Enrique G. Murillo Jr., *Local Democracy under Siege: Activism, Public Interests and Private Politics* (New York: New York University Press, 2007).

*ownership* or, worse still, “nationalization.” For example, Lord Mandelson, U.K. Secretary of State for Trade, argued that bank nationalization was neither “necessary nor desirable” during a televised interview on the *Andrew Marr Show*.<sup>15</sup> The forms of public intervention—especially in the United States and United Kingdom—aimed at supporting banks have massively increased public debt. In the United Kingdom, this has already led to warnings about the need to reduce levels of public spending during the next decade (apparently not on banks, but on other public services). But the *public* character of these interventions remains contested: what role can government (and governments internationally) take in the regulation or reshaping of the financial sector? To what extent should economic calculation be subject to public purposes and public scrutiny? What can the public expect from government intervention (other than being the public of public debt)?

This argument is common not only among supporters of public intervention. The expansion of public investment and intervention remains a scandal to the “ultras” of market fundamentalism. For example, a widely circulated critique of Obama’s stimulus package argued: “One of the few undisputed triumphs of American government of the past 20 years—the sweeping welfare reform programme that sent millions of dole claimants back to work—has been plunged into jeopardy by billions of dollars in state handouts included in the president’s controversial economic stimulus package”.<sup>16</sup> Here we can see that publicness—active intervention by the state using public funds—is still made to carry the stigma of being anticapitalist and antimarket (even as it seeks to restore “business as usual”). Despite these persistent enthusiasts and champions, it is clear that not just the financial sector or finance capital but capitalism itself as a global system have been publicly and politically problematized by this latest crisis.

There are many variants of this problematization—from the continuing contestation of the antiglobalization and anticapitalist “movement of movements” to the exploration of the corrosive coincidence of excess consumption, expanded debt, and environmental crisis (e.g., Gilbert 2008; Lawson 2009).<sup>17</sup> It also ranges from the challenges from the global South (Latin American critiques of the Anglo-Saxon model; or the proclaimed supremacy of Islamic banking models) to the crisis of confidence in the Euro-Atlantic core. Here I will concentrate on the core because of its strange double articulation of the crisis as, on the one hand, a problem of regulation (requiring technical solutions of more, better, more effective, or more transparent systems and practices of regulation) and, on the other hand, a problem of morality. In the early part of 2009, both President Obama and a series of European political leaders denounced “amoral capitalism.” President Nicolas Sarkozy argued: “Purely financial capitalism has perverted the logic of capitalism. . . . Financial capitalism is a system of irresponsibility and . . . is amoral. It is a system where the logic of the market excuses everything.”<sup>18</sup> This theme was echoed by David Cameron (then leader of the British Conservative Party in opposition), who argued: “This is what too many people see when they look at capitalism today. Markets without morality. Globalisation without

<sup>15</sup> Reported in “Bank Nationalisation ‘Not Needed,’” BBC News, March 8, 2009, <http://news.bbc.co.uk/2/hi/business/7931142.stm>.

<sup>16</sup> Tony Allen-Mills, “Obama Warned over ‘Welfare Spendathon,’” *Sunday Times*, February 15, 2009, [http://www.timesonline.co.uk/tol/news/world/us\\_and\\_americas/article5733499.ece](http://www.timesonline.co.uk/tol/news/world/us_and_americas/article5733499.ece).

<sup>17</sup> See, for example, Jeremy Gilbert, *Anti-Capitalism and Culture: Radical Theory and Popular Politics* (Oxford: Berg Books, 2008); and Neal Lawson, *All Consuming* (London: Penguin Books, 2009).

<sup>18</sup> President Nicolas Sarkozy, in a speech to an economic symposium “New World, New Capitalism,” reported in “French, German Leaders Call for ‘Moralization’ of Capitalism,” *Deutsche Welle*, January 8, 2009, <http://www.dw-world.de/dw/article/0,,3930542,00.html>.

competition. And wealth without fairness. It all adds up to capitalism without a conscience and we've got to put it right."<sup>19</sup> Even if these statements are primarily interesting as rhetorical devices, they do indicate that the problem of how to reconcile states and markets, capitalism and welfare, or public and private interests is once again at issue. The question of how to tame, civilize, humanize—or moralize—capitalism has been a recurrent obsession for most Euro-Atlantic political parties for the last two centuries. There remain those who see bare capitalism as intrinsically moral, of course. But the symbolism of the New Deal reenters the discursive field here: as in the 1930s, it promises a new reconciliation of capitalism and welfare.

It is important to stress that the United Kingdom and United States have different trajectories in relation to this New Deal revivalism. The New Deal has been a central image for New Labour governments since 1998. Early welfare reforms (directed at the young unemployed) were framed by the New Deal idea, and it has subsequently been extended to a range of other groups, including lone parents, long-term unemployed, disabled people, musicians, and partners of those who are claiming benefits. Unlike the U.S. transformation of Aid to Families with Dependent Children (AFDC) to Temporary Aid to Needy Families (TANF), New Labour's so-called New Deal has addressed a range of benefits (covering some aspects of "social security" as well as "public assistance"). Like the United States, however, this U.K. version was focused on moving people from welfare to work. But the imagery of the New Deal was critical for Labour governments seeking to distinguish themselves from Conservative rule. The imagery of the New Deal was used to mark that distance; echoing the "newness" claimed for New Labour, it embodied the party's rebalancing act: the construction of a Third Way between Right and Left, state and market, and the rights and responsibilities of citizens.

One might speculate further about the reasons for New Labour's appropriation of the New Deal imagery. It certainly flowed along the lines of policy borrowing and translation from the United States to the United Kingdom that had been established in the era of the Thatcher and Reagan governments and intensified under New Labour.<sup>20</sup> The United States (rather than Scandinavia's social democracy, for example) became the model of globalizing modernity. But resorting to someone else's past enabled New Labour to pursue its domestic distinction between "old thinking" and the "newness" needed to govern in "new times".<sup>21</sup> This discursive strategy necessitated a critical distance between New Labour's policy framings and the "old" welfare state of the postwar period. The New Deal provided a resonant discursive echo for New Labour's approach to welfare reform, even if the policy owed more in practice to U.S. conceptions of workfare than to the substance of the Roosevelt New Deal. Indeed, the fit between the imagery of the New Deal and that of New Labour has proved so effective that the phrase has been used to brand a whole variety of other policy initiatives, such as a New Deal for Communities and a New Deal for Transport.

In the process of establishing New Labour's many New Deals, particular groups have been positioned and addressed differently (especially in respect to compulsion). The generic New

<sup>19</sup> David Cameron in a speech to the World Economic Forum on January 28, 2009, reported in *Mail Online*, January 31, 2009, <http://www.dailymail.co.uk/news/article-1132303/Cameron-tells-bankers-adopt-moral-capitalism-admits-market-right.html#ixzz0LnXLIQT0>.

<sup>20</sup> See Desmond King, *In the Name of Liberalism: Illiberal Social Policy in the USA and Britain* (Oxford: Oxford University Press, 1999).

<sup>21</sup> John Clarke and Janet Newman, "Governing in the Modern World?" in *Blairism and the War of Persuasion: New Labour's Passive Revolution*, ed. Deborah Steinberg and Richard Johnson (London: Lawrence and Wishart, 2004), 53–65.



Deal is simply described as a “programme that gives people on benefits the help and support they need to look for work, including training and preparing for work.”<sup>22</sup> Lone parents are addressed in an “enabling” mode:

New Deal for Lone Parents is a voluntary programme specifically designed to help lone parents into work. It offers a package of support to help you move towards a more secure future for you and your children.

If you choose to take advantage of what's available by joining New Deal for Lone Parents, a personal adviser will take you through the steps to find and apply for jobs. Your adviser will also offer practical advice and help about finding childcare and training. Your adviser will also be able to tell you about how benefits will be affected when you start work and help you apply for any in work benefits or tax credits.<sup>23</sup>

For those groups who are claiming Jobseeker’s Allowance (formerly unemployment benefit), the tone is somewhat different:

New Deal offers you a real chance of finding a job. To get the most from it you must work with your personal adviser at all stages.

You need to:

- make a real effort to find work
- follow your action plan
- join in at all times, and
- go to all your interviews.

If you don’t do all these things, you may not be able to get your benefits. Your personal adviser will help you understand what you must do to make sure you carry on getting your benefits.<sup>24</sup>

Most of these new New Deals preceded the current crisis, which has given a further lease of life to the image. As we have seen, the Labour government used the idea to refer to a global New Deal as well as to a New Deal for investment and employment:

[Prime Minister] Brown is studying a scheme pioneered by Nissan to avoid redundancies in manufacturing, which would see ailing firms given government funding to move staff on to part-time working and use the remaining time for training.

His promise to use public money not only to create short-term jobs, but also to build a low-carbon economy for the future, will be seen as a modern reworking of Roosevelt’s New Deal—a massive programme of public works, such as dams and roads, to help America recover from the Great Depression. Brown even claimed his green plans would be bigger than Barack Obama’s planned multi-billion-dollar “Green New Deal,” relative to the size of Britain’s economy.<sup>25</sup>

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<sup>22</sup> Jobcentre Plus was part of the Department for Work and Pensions:

[http://www.jobcentreplus.gov.uk/JCP/Customers/outofworkhelplookingforwork/Getting\\_job\\_ready/Programmes\\_to\\_get\\_you\\_ready/New\\_Deal/New\\_Deal\\_for\\_Lone\\_Parents/index.html](http://www.jobcentreplus.gov.uk/JCP/Customers/outofworkhelplookingforwork/Getting_job_ready/Programmes_to_get_you_ready/New_Deal/New_Deal_for_Lone_Parents/index.html). (accessed December 3, 2009).

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

<sup>25</sup> Gaby Hinsliff, “Brown Unveils Plan to Create 100,000 Jobs,” *Observer*, January 4, 2009, <http://www.guardian.co.uk/politics/2009/jan/04/gordon-brown-employment-new-deal> Brown unveils plan to create 100,000 jobs.

The phrase also accompanied the most recent (2009) proposals for “welfare reform,” which were also described as a “fair deal” by the then minister for work and pensions (“fairness” having previously been identified by Gordon Brown as a key British and New Labour value). In this particular “fair deal” the unemployed were invited to exchange “increased support for higher expectations.” Such expectations refer to how hard claimants should be trying to find work, without which they would find benefits withdrawn by a state increasingly intolerant of the unemployed. Although the incoming Conservative–Liberal Democrat coalition government of 2010 has not adopted the New Deal terminology, it certainly has a strong familialist and work-centered view of further welfare reform (as part, indeed, of a program for the “new politics”). Welfare now needs to be reformed both in its own terms (to get people “back to work”) and to help resolve the fiscal crisis of the (British) state. One of the great political accomplishments of the last twelve months has been the transformation of a financial crisis (of the financial sector) into a fiscal crisis (of public indebtedness). As a result, all public services are due to be reformed and re-trenched.<sup>26</sup>

For me, the different trajectories of U.S. and U.K. politics in relation to the revival of the New Deal imagery point to important questions about how to think conjuncturally about such issues. The United States and the United Kingdom are organically connected in many ways—economically, culturally, politically, and in terms of policy transfer and translation. These connections have been deepened—in part through acts of political will—during the last three decades. Yet there are still distinctive spatial and temporal conditions that shape divergent formations. The New Deal was not revived as a political or policy symbol in the United States until the Obama presidency. Indeed, it is difficult to imagine the phrase being spoken with anything but scorn during the years of neoconservative Republican rule. For Obama, as for New Labour, the imagery of the New Deal serves as a marker of political distance and innovation. For the alliance constructed around Obama, ideas of both a new New Deal and a Green New Deal signaled the possibility of a rebalancing, a new settlement that realigned public and private, state and market.

Yet, as with New Labour, this new settlement owes much to transatlantic liberalism and neo-liberalism rather than to European social democracy, for example. Obama celebrated being the co-sponsor of welfare reform in Illinois during his presidential campaign (including all those perverse combinations of neoconservative and neoliberal forms of conditionality). He remains committed to an “enabling” or “empowering” model of state action to support individual initiative rather than to the orientation of nineteenth-century “social liberal” models of citizenship that aimed to create the material conditions for social and political participation. In Obama’s case, the imagining of a new New Deal is complicated by the multiple political resources on which he draws (and to which he gives voice): from civil rights to community activism; from cosmopolitan liberalism to faith-based activism. In his 2008 speech to the NAACP, Obama argued:

It matters little if you have the right to sit at the front of the bus if you can’t afford the bus fare; it matters little if you have the right to sit at the lunch counter if you can’t afford the lunch. So long as Americans are denied the decent wages, and good benefits, and fair treatment they deserve, the dream for which so many gave so much will remain out of reach; that

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<sup>26</sup> John Clarke and Janet Newman, “Summoning Spectres: Crises and Their Construction,” *Journal of Education Policy*, forthcoming.

to live up to our founding promise of equality for all, we have to make sure that opportunity is open to all Americans.<sup>27</sup>

In 2009, addressing the same audience, the inflection was somewhat different:

If you live in a poor neighbourhood, you will face challenges that somebody in a wealthy suburb does not have to face. But that's not a reason to get bad grades; that's not a reason to cut class; that's not a reason to give up on your education and drop out of school. No-one has written your destiny for you. Your destiny is in your hands—you cannot forget that. That's what we have to teach all of our children. No excuses. No excuses.<sup>28</sup>

Questions of equality, opportunity and personal responsibility continue to be tangled in Anglophone liberalism and neoliberalism, especially around individualized conceptions of independence. Obama is by no means alone in his slides around these troubled terms. They operate unstably in those difficult spaces where capitalism and welfare meet. The New Deal has indeed been revived both as a symbolic figure and as a marker of the uncomfortable business of managing capitalism and reconciling conflicting governmental and political desires. These various new New Deals represent unfinished business: attempted compromises that are still contested (e.g., concessions concerning some aspects of compulsion in welfare reforms were still being made by U.K. ministers in July 2009). New Deals—in the original and revived forms—are profoundly contradictory assemblages, in both political and policy terms.

### THE PROBLEMATIC POLITICS OF WELFARE

In this final section, I want to use these reflections on the New Deal and new New Deals as the basis for worrying about welfare as a focus of progressive politics. Both the New Deal and the new New Deals point us to the variety of political compromises between capitalism and welfare. In the United Kingdom and United States these can be marked as liberal and neoliberal forms of compromise (following Esping-Andersen's distinction between different types of welfare regime) that privilege market relations and inequalities over rights-based processes of de-commodification and inequality reduction in welfare policy.<sup>29</sup> Of course, even in the social democratic welfare states particular compromises are made with varieties of capitalism and with other forms of social division. Nevertheless, the Anglophone liberal to neoliberal approach to welfare reveals in the sharpest form the problems that might confront attempts to take welfare as the ground for a popular progressive politics. While welfare might hold out the possibility of delivering progressive political objectives and desires (reducing inequality, enhancing well-being, building solidarities, and more), it has no necessary belonging to progressive politics. The meaning and substance of "welfare" have proved highly variable historically and between societies. The Anglo-American experiences should remind us that liberal and neoliberal welfare regimes produce welfare that is oppressive, divisive, inequality producing and reproducing, and organized around a series of obsessions. Here I want to focus on three key features of the liberal/neoliberal approach to welfare as problems to be overcome:

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<sup>27</sup> "Barack Obama on Welfare & Poverty,"

[http://www.ontheissues.org/2008/Barack\\_Obama\\_Welfare\\_+\\_Poverty.htm](http://www.ontheissues.org/2008/Barack_Obama_Welfare_+_Poverty.htm).

<sup>28</sup> Quoted in Gary Younge, "Obama Should Realize That Segregation May Be Over, but Exclusion Lives On," *Guardian*, July 20, 2009: 25.

<sup>29</sup> Gosta Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Cambridge: Polity Press, 1990).

- the dominant work-centric view of welfare (exacerbated by neoliberal approaches but not unique to them);
- the familialism of Anglophone welfare policies;
- the nationalism of welfare states, systems, and policies.

First, then, the more conditional and punitive approach of workfare policies has made (waged) work a more visible feature of state action in the United States and the United Kingdom, and most other Euro-Atlantic states are trying to develop new approaches to “labour market activation”.<sup>30</sup> But welfare has rarely been separated from the obligation to work. Indeed, the expectation of useful employment and the expectation that it will be the normal route to individual and familial survival underpin all the established compromises between welfare and capitalism, from Scandinavian social democracy to neoliberal workfare. Social democrats and socialists have typically approved this “productivist” view of welfare citizenship, demanding a “contribution to society” (usually calculated in the most work-centric terms). This reflects both a strong proletarian/laborist political orientation (and its associated romanticization of work) and the influence of Protestant thinking on the “earning” of rights and entitlements. But the combined and contradictory tendencies toward overconsumption, overwork, and unemployment suggest that this situation may not be economically or socially healthy.<sup>31</sup> Politically, a progressive politics of welfare would have to confront this obsession with waged work as the measure of social value—for example, by a “citizen’s income” that might include the right not to work.<sup>32</sup>

Second, although the historically dominant male breadwinner model of articulating work and welfare has been displaced by the rise of women’s employment (however partial and unequal this trend has been), welfare has remained dominated by a familialism that assumes that individual well-being will normally be best served by heterosexual nuclear family formation. Although governments vary in the degree to which they explicitly promote such family formations (both rhetorically and through policy instruments), the family remains the crucial hinge between the public and private realms. In the United Kingdom, for example, New Labour imagines the population as a series of “hard-working families”—a happy combination. Their Conservative successors in government see promoting marriage as one means of mending a “broken society.” Wrapped up in welfare’s familialism are a variety of disciplinary mechanisms that order (or attempt to order) a series of social relations (of sexuality, gender, generation, at least). But this familialism also tends toward a sort of universalism that conceals other differences—of class, race, ethnicity, and nationality, for example. A progressive politics of welfare needs to confront the problem that difference is not just a matter of cultural diversity but profoundly bound up in the production and distribution of inequality. Neither a universalizing familialism nor a passive “respect for difference” provides a foundation for a progressive politics of welfare.

Third, welfare has historically been tightly framed by the national. Welfare states have been nation-states, and welfare has been integral to the practices of imagining, creating, and governing

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<sup>30</sup> See, *inter alia*, Jamie Peck, *Workfare States* (New York: Guilford, 2001); and Rik Van Berkel and Ben Valkenburg (eds), *Making It Personal: Individualising Activation Services in the EU* (Bristol: Policy Press, 2007).

<sup>31</sup> David Boyle and Andrew Simms, *The New Economics: A Bigger Picture* (London: Earthscan and New Economics Foundation, 2009).

<sup>32</sup> See, e.g., [www.citizensincome.org](http://www.citizensincome.org).

national populations.<sup>33</sup> The relationship between nationalism and social policy is a complex and contradictory one, in which resurgent nationalism can drive the enlargement or enhancement of welfare.<sup>34</sup> But for a progressive politics of welfare this national framing has two more troubling consequences. On the one side, it limits the field of welfare to the national space, disabling questions of transnational solidarities, transfer, and justice. Demands for global social justice have made this aspect of the national framing of welfare increasingly visible (even though we have yet to take account of the troubled relationship between colonialism and the development of metropolitan welfarism). Reducing inequality, increasing well-being, and promoting transnational solidarities are vital components of any progressive rethinking of welfare.<sup>35</sup> On the other side, the national framing of welfare involves the classification and ordering of the population into citizens and others (e.g., Balibar 2004; Sainsbury 2006).<sup>36</sup> Such others include migrants—that is, residents who are not seen as national or are imagined as “really” belonging elsewhere. There are also hierarchies, marginalizations, and subordinations among citizens. The reassertion of the national question in most Euro-Atlantic societies makes welfare the focus of contested and conflicted claims to membership, belonging, and entitlement. The fantasy of the clear and perfect alignment of place, people, and polity remains both potent and dangerous. The national framing of welfare thus has significant effects within and across national borders—and remains an urgent challenge to a progressive politics of welfare.

All three of these issues pose difficult dilemmas for the elaboration of a progressive politics of welfare, not least the potential problems of negotiating domestic national politics in which the right not to work, antifamilialism, and transnational solidarities may not be perceived as attractive stances. These are difficult issues in many ways, but they also collectively point to a further trouble. Above all, they remind us about the ambivalent place of the state—both as a set of apparatuses for managing capitalism, regulating populations, and producing nations and as an imaginary formation, summoned by friends and foes in political discourse. One of the pressing dilemmas—analytical and political—is how to think about states without succumbing to their reified and homogenized representation as the powerful entity standing over society. What Mitchell has called “the state effect” and what Ferguson and Gupta have referred to as the imagined “spatialization of the state” are themselves the product of political-discursive work: the ways in which we are invited to imagine the overarching and possibly overwhelming state.<sup>37</sup> It is

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<sup>33</sup> See Clarke, *Changing Welfare* and John Clarke and Janet Fink, “Unsettled Attachments: National Identity, Citizenship and Welfare,” in *Culture and Welfare State: Values and Social Policy in Comparative Perspective*, ed. Wim van Oorschot, Michael Opielka, and Birgit Pfau-Effinger (Cheltenham: Edward Elgar, 2008), 225–44.

<sup>34</sup> Daniel Béland and André Lecours, *Nationalism and Social Policy: The Politics of Territorial Solidarity* (Oxford: Oxford University Press, 2008); and Gerry Mooney and Gill Scott, “Poverty and Social Justice in the Devolved Scotland: Neoliberalism Meets Social Democracy?” *Social Policy and Society* 8, no. 3 (2009): 379–89.

<sup>35</sup> See, for example, Nancy Fraser, “Reframing Justice in a Globalizing World,” *New Left Review* 36 (November–December 2005): 69–88; and *Scales of Justice: Reimagining Political Space in a Globalizing World* (Cambridge: Polity Press). See also Bruce Robbins, “Cosmopolitanism, America and the Welfare State,” in “Theories of American Culture, Theories of American Studies,” ed. W. Fluck and T. Claviez, *Yearbook of Research in English and American Literature REAL* 19 (2003): 201–24.

<sup>36</sup> Etienne Balibar, *We, the People of Europe? Reflections of Transnational Citizenship*, Trans. James Swenson (Princeton, NJ: Princeton University Press, 2004); and Diane Sainsbury, “Immigrants’ Rights in Comparative Perspective: Welfare Regimes, Forms in Immigration and Immigration Policy Regimes,” *Journal of European Social Policy* 16, no. 3 (2006): 229–44.

<sup>37</sup> Timothy Mitchell, “Society, Economy, and the State Effect,” in *State/Culture: State-Formation after the Cultural Turn*, ed. G. Steinmetz (Ithaca, NY: Cornell University Press, 1999); and James Ferguson and Akhil Gupta,

this image that tends to be counterposed to the market in that endlessly recurring series of binary distinctions (state-market; public-private; political-economic; collective-individual; citizen-consumer).<sup>38</sup> One effect is to make it difficult to think about the changing forms of the state. Instead, we have been subjected to debates about the decline, disappearance, withdrawal, and retreat of the state—or not. But how are we to deal with states that have both withdrawn and expanded? With states that do not just blur their boundaries but make them increasingly porous to movements of resources, people, and practices? With states that intentionally mix modes of power and authority rather than maintaining the “separation of powers”? With states that fund, direct, and work through “nongovernmental organizations”?<sup>39</sup>

Dealing with contemporary shape-shifting formations of states rather than relying on the comfort of the ossified concept of the state is a critical concern. In this conjuncture, this might mean revisiting the supposed antistatism of neoliberalism—and the presumption that this would translate into a shrinking state. Instead, we need to consider how the apparatuses for governing were reformed and retooled. Rather than understanding privatization simply as the transfer of public services to the private sector, we might need to consider the innovative organizational forms that states have developed. These might range from public-private partnerships to social enterprise; from GONGOs (governmentally organized nongovernmental organizations) to compulsory volunteering; from the organizational form known as trusts to the managerialized and professionalized voluntary organization seen as appropriate to contracting for services; from the transnational corporate service-providing giant to the enrollment of faith organizations in governing the social.

These are issues that are deeply significant in the context of the revival of the New Deal as part of a progressive (or at least anti-neoliberal) imaginary. The New Deal (then and now) should remind us just how complex, condensed, and contradictory states are. They cannot be grasped as the alternative to the market. Nor can they, as Pierre Bourdieu once suggested, be tidily divided into the left and right hands.<sup>40</sup> States, I think, have more than two hands—resembling the Hindu goddess Kali (in either her four- or her ten-armed form) or perhaps being what my colleague Engin Isin has called the “tentacular state.” States combine many apparatuses, logics, projects, and interests and have many forms of outreach. But a progressive politics has to address the Left’s ambivalence about the state—moving beyond the view of it as either the People’s Bulwark against Capital or the Executive Committee of the ruling class in permanent session. It implies understanding the possibilities and limits of the state—and understanding the problems of mobilizing it in all its complexity. Rather than being for or against the state, we may need to think about its transformation: we need to enroll it in better causes, teach it better manners, equip it with better instruments, and prevent it from falling into bad company or drifting into bad ways. But who said a progressive politics of welfare should be easy? A

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“Spatializing States: Towards an Ethnography of Neo-liberal Governmentality,” *American Ethnologist* 29, no. 4 (2002): 981–1002.

<sup>38</sup> See John Clarke, Janet Newman, Nick Smith, Elizabeth Vidler, and Louise Westmarland, *Creating Citizen-Consumers: Changing Publics and Changing Public Services* (London: Sage, 2007).

<sup>39</sup> See Aradhana Sharma’s fascinating reflections on such mixed organizational forms: “Crossbreeding Institutions, Breeding Struggle: Women’s Empowerment, Neoliberal Governmentality, and State (Re)Formation in India” *Cultural Anthropology* 21, no. 1 (2006): 61–95; and *Logics of Empowerment* (Minneapolis: University of Minnesota Press, 2008).

<sup>40</sup> Pierre Bourdieu, *Acts of Resistance: Against the New Myths of Our Time*, Trans. R. Nice (Cambridge: Polity Press, 1999), 2.