Managing the Economy, Managing the People

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Jim Tomlinson's latest book distils ideas evident in his work for over three decades to present an account of how 'in seeking to manage the economy' British governments have 'sought simultaneously to manage popular understanding of economic issues' (p. 1). Tomlinson tracks the narratives British governments have attempted to craft to explain the state of the economy and the policies required to improve it from the post-war period up until the present day. Receiving special attention are efforts aimed at altering the behaviour of the public – either as a whole, or certain sections such as the working class – that were held to be necessary to allow the government's proposed economic policies to function successfully.

The book opens with the important insight that the term 'the economy' is a contested one, contrary to the arguments of some political scientists that there is a 'real' economy that electors may 'misunderstand'; rather than being a natural object, 'the economy' is socially constructed. It is also acknowledged that attempts to educate the population about economic ideas are 'never innocent of ideological and political purposes, implicit or overt' (pp. 2-3), a concern the book does a good job of showcasing, though, there are occasions where 'ideological goals' are mentioned without the form they took being explained (p. 121). Tomlinson displays a critical and discerning mindset throughout, both in relation to the theoretical terms that are used and the limitations of the sources that are surveyed. For example, the problematic nature of the concept of 'productivity' is cogently explained (pp. 185-86). Likewise, a nuanced view of popular economic knowledge is presented. Public 'ignorance' of economic phenomena has often been charted by detailing how popular economic understandings diverge from 'expert' views, which usually just produces the unsurprising insight that only a small percentage of the population understands economic terms in the same manner as economists. Indeed, the work of some of the historical actors Tomlinson surveys is critiqued in this regard, such as Hilde Behrend's studies on popular understandings of 'prices' and 'inflation' (p. 196). Tomlinson instead looks to approaches utilised in the field of the public understanding of science, viewing popular understandings on their own terms and recognising how they can influence behaviour. Importantly, the role of emotion in dictating popular acceptance of economic ideas is foregrounded, with Barbara Wootton's comment that the public is more drawn to ethics, which are "warm and real", than economics, which are "cold and abstract", given due prominence (p. 194).

Tomlinson keeps the parameters of the approach narrow, a necessity for a topic which could potentially include a vast array of material and topics, by stating that he has focused on ‘the “message” rather than the “medium”,’ while still attempting to emphasise the range of means governments have used to promote their economic policies and craft economic narratives, ‘from ministerial speeches and broadcasts, parliamentary statements and debates, and detailed government white papers, through to press advertising, mass ‘popular’ leaflet distribution, and factory-wall newspapers’ (p. 2). The primary sources which have been utilised are thus mainly restricted to official government papers held at the Public Record Office such as the those of the Board of Trade, the Treasury and various Ministries, as well a large selection of White Papers. Most serve as statements of government economic policies and the reasoning behind them, but there are also some interesting discussions of attempts by government departments to monitor popular economic understandings and the impact of propaganda campaigns, especially under Labour administrations.

At several points throughout the book, the interactions of various governments with media institutions and think tanks and their utilisation of specific media channels such as television and newspapers are discussed, but an appreciation of the wider media environment is generally lacking. Having worked on economic ideas presented by the media perhaps explains my sensitivity to such a gap, but there are undoubtedly important reasons why addressing the way economic ideas are presented in the media is a vital concern. Most importantly, politicians operated in – and were aware that they operated in – a partisan media environment. This dictated how they chose to craft their narratives, and how they attempted to disseminate them. It also meant that they were reacting to, and were influenced by, broader and enduring economic understandings, and the success of their economic narratives was dependent on how well they could capitalise on these popular beliefs.

One interesting insight in this regard detailed in the book is that under Harold Wilson the Labour Party cultivated links with a range of left-wing newspapers with the intention of amplifying the government’s drive to reduce inflation, especially regarding its policy of a Social Contract which aimed to keep wages from rising too quickly. The *Daily Mirror* was the main title Wilson’s government cultivated links to, and the newspaper’s former industrial editor Geoffrey Goodman became the first director of the Counter Inflation Policy Unit (CIPU) with the remit of explaining the Social Contract “in *Mirror* language” so as to appeal to the working class. To the same end, Wilson also personally insisted that the communist *Morning Star* be included among the list of newspapers carrying publicity for the policy, despite reservations from civil servants (p. 193). Indeed, a factory wall newspaper aimed at workers that was released in February 1966 called *Upswing* was designed to be ‘in the *Daily Mirror* style’, with the inclusion of an image of the second issue vividly showcasing this (pp. 177, 221). Details of the specific links between government officials and those working in the press are largely absent, however, and deserve examination. Who exactly was involved? What were the dynamics of the relationships of those involved?

A recurring motif throughout the book is that Labour administrations from the 1940s to the 1960s were far more willing to utilise official propaganda in their attempts to manage the economy and to manage the people. However, while it must be acknowledged that for the decades immediately after the Second World War Labour had the backing of two newspapers with mass circulations in the form of the *Daily Herald* and the *Daily Mirror*, for most of the latter half of the twentieth century and the early decades of the twenty first the Conservative Party enjoyed a marked advantage in terms of the total circulation and the range of different newspaper titles that supported them in general, and their economic policies in particular. This had been much the same for most of the interwar period. Did this influence Labour’s approach?

Drawing on the work of Richard Cockett, the role of journalists such as Peter Jay and Samuel Brittan at *The Times* and the *Financial Times* and free market think tanks such as the Institute of Economic Affairs in championing monetarist policies from the late 1970s is discussed in relation to how this helped provide support for the neo-liberal policies which found expression through Thatcherism. However, the role of specialist magazines such as *The Economist* in spreading these ideas, and the role played by the tabloid press in promoting popular attitudes such as enmity towards trade unions and higher levels of taxation, is absent.

The popular press has long been overlooked in historical research, despite their centrality to British life.^[1] [2] Tomlinson provides some nice analysis of the *Daily Mirror*'s role in the processes he examines, but important titles of a right-wing character that reached millions of readers, enjoyed a great level of influence and which politicians actively courted or crafted their public offerings to placate such as the *Daily Mail*, the *Daily Express*, and the *Sun* do not feature. This can on occasion lead to statements sounding divorced from the necessary context, such as a comment in a section analysing the lead up to Brexit that states that anti-immigration feeling was long-standing even before the rise in immigration that resulted from the addition of new central and eastern European nations in 2004. The analysis focuses on how this event fit into the wider trajectory of globalisation and the impact of government decisions. But the role played by the tabloid press in embedding such anti-immigration feeling over the course of the previous decades was also an important part of the picture – perhaps the most important. Likewise, when discussing Ted Heath and 'Selsdon Man' it is noted that 'anti-statism was always strong amongst Cons rank and file', with no explanation offered for why this might have been the case (p. 62). The output of the popular press again provides at least part of the answer. New Labour's use of 'spin' is mentioned, but how this related to the presentation of economic policies is only mentioned in passing (p. 114). Of course, the book acknowledges its more limited approach, but instances such as these would benefit from a more comprehensive recognition of the media context in which government policies were formulated and promoted.

The first section of the book is called 'Constructing the Narratives' and provides a succinct overview of the main features of British economic policies and the main narratives that shaped them from the end of the Second World War until the present day (the Introduction also provides a very nice overview of economic policies and narratives in the interwar period and during the war). It is a truly impressive synthesis of the secondary literature and manages to present a clear overview of nearly eighty years' worth of government economic policies. A large amount of material is presented, but the analysis never feels overstuffed or loses its coherence. Just for this section alone, the book will be a useful text for anyone wishing to understand the main features of British economic policy throughout the past century. Tomlinson proceeds chronologically through five chapters with each focusing on one or two well-chosen narratives which are held to have shaped government economic policy in each period.

The first examines the post-war austerity years, explaining the manner in which this differed from the post-2010 form of austerity, and continuing until the 1950s and Harold Macmillan's 'Never had it so Good' speech, with Tomlinson situating the latter in relation to Macmillan's intention to highlight the dangers of inflation. The extent of consensus between Labour and the Conservatives during this period is outlined deftly, with the areas of agreement and opposition revealed. Chapter two surveys the late 1950s to the late 1970s, focusing on the intensification of talk about Britain's supposed economic and industrial decline, and the emergence of the idea of a programme of 'modernisation' to combat this. The longer history of 'declinism' is acknowledged, but Tomlinson carefully sketches out how notions of decline differed at different historical junctures and role of historians as a major contributor to its enduring existence, as they project current diagnoses onto the past (p. 42). The chapter convincingly argues that declinism reached its zenith in the period between the 1950s and the 1970s, with much of the impetus at first coming from the Labour Party when it was in opposition as a means of attacking the Conservatives. However, as chapter three details, this was to backfire on Labour as those that wished to roll back the post-war reforms were later able to use the decline narrative as means of supporting their anti-statist market-based policies from the late 1970s onwards.

Chapter four shifts focus to the debates around globalisation that became one of the defining issues of the 1990s and demonstrates how a concern that Britain needed to change to meet this new situation was central to much of New Labour's economic programme. The final chapter in the section charts the period after the 2007-2008 financial crisis, and the implementation of the Conservative Party's austerity policies. Tomlinson outlines the ways in which George Osborne was forced to abandon many of his initial stated aims as the drastic cuts quickly throttled the UK's nascent recovery, his failure to reduce the deficit, and the manner in which Conservatives' public statements of the need to reduce the deficit to subvert disaster was effective political rhetoric but divorced from reality. As Tomlinson notes, their failure to reduce the deficit did 'not

lead to a sovereign debt crisis, which supports the view that fears of such a crisis were always exaggerated' (pp. 126-27).

While the chapter provides a good overview of the main developments and economic policy decisions of the period, it is not as in depth as the previous four chapters and there are a few of surprising omissions. Quantitative Easing is only mentioned once in passing, but the way in which the government was able to implement such as staggering transfer of debt to the public from the banking sector and the failure of the policy to provoke the financial liquidity that was promised deserves attention. The Reinhart–Rogoff controversy, whereby the influential paper 'Growth in a Time of Debt' by the two American economists Carmen Reinhart and Kenneth Rogoff which argued that high levels of national debt had historically led to sharply declining levels of national growth was found to contain fundamental methodological errors which undermined their conclusions, is not mentioned. However, the paper was widely cited to support cuts to government spending in the aftermath of the financial crisis, both in the US and by Osborne in the UK.^[2] [3] Most importantly, the metaphor that David Cameron and Osborne used to present their austerity programme to the public, of the national debt being akin to household debt and that the UK had to reduce the deficit much as an individual would have to pay off their credit card debt, is not discussed, despite it being central to the government's presentation its economic policies during the Coalition years and it seemingly having enjoyed resonance with some of the general public. ^[3] [4] The discussion of debates leading up to Brexit could also have been covered in more depth.

The second section is titled 'Persuading the People?' and examines four topics – unemployment, productivity, inflation and the balance of payments – to discern the ways in which governments ever since the post-war period have attempted to convince the public, or specific demographics, of the merits of their economic narratives and policies. These considerations are not as comprehensive as those in section one, but this is to be expected when a new agenda is presented. What is striking about Tomlinson's account is the manner in which Conservative governments have been far better at crafting economic narratives than Labour, even if often their actual handling of the economy has been lacklustre or counterproductive. Furthermore, Labour's framing of the narratives focused on national decline, productivity and the means of tackling inflation in the period from the 1950s to the 1970s are shown to have set foundations for later Conservative successes.

Most strikingly, although Labour leaders were aware of the dangers of focusing too much on the linkage between wage increases and inflation and of how this could lead to public resentment of trade unions, their attempts to combat inflation via the Social Contract 'inevitably meant that the central idea conveyed... was that the unions *were* the main agency at work in the inflationary process' (p. 201), and the evidence Tomlinson has unearthed shows that even many union members seemed to have come to accept this. Inflation became widely thought of as fundamentally bad, even though many experts at the time had a different view. This later helped Thatcherism's embrace of monetarist policies and its attacks on the trade unions, bolstered by the Conservative Party's successful framing of the causes of the Winter of Discontent.

The chapters in the second section also do a good job of overturning various forms of conventional wisdom, such as the contradictions of neo-liberal policies which push for cuts to spending, but which necessitate subsidies to cover the 'the politically unacceptable consequences of market prices for labour and housing' (p. 234), and the exaggerated character of many of the accounts of British economic decline in decades after the Second World War. Deindustrialisation is revealed to be a central concern of the book towards the end and would have benefitted from being made explicit earlier on, but Tomlinson convincingly argues that it was a longer-term process than is commonly understood, predating Thatcher's premiership, though it is noted that her policies in 1979-1982 did undoubtedly render large swathes of British industry uncompetitive and lead to an unprecedented fall in industrial output.

One final comment is necessary as regards the referencing system. In the footnotes, only surnames and one word from the title of the book or article in question are provided, with no year of publication given. This defeats one of the benefits of using footnotes, namely that the details of a relevant work are immediately to

hand without having to flick through to the back of the book. This is especially egregious as some authors have large numbers of works listed in the bibliography, making the task of finding the piece in question an overly laborious process.

Tomlinson's impressive synthesis of the secondary literature and official government documents regarding British economic policy throughout the latter half of the twentieth century and the outlines he provides of various administrations' attempts to set the economic agenda make this an indispensable accompaniment for those wishing to analyse both British economic policy and popular economic understandings. As Tomlinson acknowledges, this can only be part of a broader endeavour and more work needs to be done on the role of the media, think tanks, pressure groups and other non-governmental actors in helping shape economic narratives and on the relationships between the individuals they were composed of and politicians and civil servants. *Managing the Economy, Managing the People* provides a fantastic starting point.

[1] [5] A. Bingham, 'Reading newspapers: cultural histories of the popular press in modern Britain', *History Compass*, 10, 2 (2012), 140-150.

[2] [6] R. Pollin, 'Public debt, GDP growth, and austerity: why Reinhart and Rogoff are wrong', *LSE Politics and Policy Blog* <<http://blogs.lse.ac.uk/politicsandpolicy/public-debt-gdp-growth-and-austerity-why-reinhart-and-rogo-off-are-wrong/>> [7]> [accessed 16 October 2018].

[3] [8] M.L. Bishop, 'What if the national economy is like a household budget?', *SPERI Comment: The Political Economy Blog* <<http://speri.dept.shef.ac.uk/2016/09/20/what-if-the-national-economy-is-like-a-household-budget/>> [9]> [accessed 16 October 2018].

The author is happy to accept this review and does not wish to comment further.

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