

# The Rise and Fall of New Labour? A Social Democracy for 21st Century Britain?

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## REVIEW ESSAY / NOTE CRITIQUE

# The Rise and Fall of New Labour? A Social Democracy for 21st Century Britain?

**Ian Bullock**

Stephen Meredith, *Labours Old and New. The Parliamentary Right of the British Labour Party 1970–79 and the Roots of New Labour* (Manchester: Manchester University Press 2008)

Gary Daniels and John Mcllroy, eds. *Trade Unions in a Neoliberal World. British Trade Unions under New Labour* (London and New York: Routledge 2009)

THESE BOOKS DEAL WITH at least part of the story of New Labour from its distant origins in the 1970s, if we accept Meredith's conclusions about them, to the present. Meredith focuses on the right wing of the Parliamentary Labour Party (PLP) in the 1970s while the Daniels/ Mcllroy book addresses the response of trade unions to neoliberalism, particularly since the advent of Blair's "New Labour" government in 1997. This obviously leaves much out. Chronologically the biggest gap is the 1980s, which saw the rise in the early years of the decade of the breakaway Social Democratic Party, seemingly on course for a while to challenge Labour as the main opposition party but which ended by amalgamating with the Liberals to form the Liberal Democrats. We do not hear much from Meredith about right wing Labour *beyond* the PLP in the 1970s, and the parliamentary and extra-parliamentary Left of recent years, when it appears in Daniels and Mcllroy, is seen from the trade union standpoint. Nevertheless, both books can help to construct a coherent narrative and analysis of the whole New Labour enterprise. *Trade Unions in a Neoliberal World* is not short of things to say about this, but it is also a valuable compendium of information and analysis of contemporary trade unionism in Britain, so it makes sense to consider this first. The details given of so many aspects of the fortunes of trade unionism since 1997 are both valuable in themselves

and crucial in providing the evidence on which the characterization of New Labour as a form of neoliberalism is predicated.

The origins of the book, we are told in its preface, lie in the Contemporary Trade Unionism course at Keele University where four of the eight contributors teach. It attempts “a detailed analysis of the relationship of trade unions to the New Labour administrations of Tony Blair and Gordon Brown and an assessment of their fortunes since 1997” (xviii). The book draws on interviews and conversations with about 50 trade union officers, organizers, and activists and comprises two parts, the first, “Trade Unions under New Labour” with five chapters by one or both of the editors, and a second, mainly by the other contributors, on “Issues” – employment legislation, partnership and the “Third Way,” organizing, skills and training, strikes, and the response of the unions to “Social Europe.”

The overall picture that emerges is one of considerable change, largely but not exclusively in the direction of decline. The number of unions in Britain fell from 463 in 1979, to 245 in 1997, and 177 in 2006, of which 63 are affiliated with the Trade Union Congress (TUC). Overall membership fell from just under thirteen million in 1980 to a little below eight million in 1997, a startling decline, though as the editors point out, unions still represent a significant number of people. Much of the decline in the number of organizations is accounted for by mergers, and now 84 per cent of union membership is concentrated in unions of over 100,000 that operate predominantly in the public sector. Seven out of ten members work there. The “density” of union membership in the workforce rose in the post-WW II period from 45.1 per cent in 1952 to 55.4 per cent in 1979. From the advent of the Thatcher government in that year, it declined to 29.9 per cent in 1997. Since then membership decline has been stemmed but not reversed. On the positive side of change, density of union membership has increased among both women and ethnic minorities.

One concern is that unionists are becoming increasingly seen as a new “labour aristocracy.” Over half are in occupations defined as “managerial” or “professional” and only 20 per cent of the least skilled are unionized. Since the book’s publication this danger has grown with much right-wing press propaganda presenting public sector workers as a privileged group with high levels of job security and secure pensions at a time when both are rapidly disappearing from the private sector. The intention is clearly to try to mobilize a “politics of envy” not against the errant financial manipulators who triggered the recession but against the “feather-bedded” workers in public services. This remains a real threat that unions and the Left will have to work hard to counter effectively.

Coming to power in 1979, the Thatcher government set out to weaken British trade unionism, and achieved an impressive degree of success. The defeat of the miners in 1984 was crucial and certainly the most dramatic episode in this process. But the relentless hedging round of trade unionists by legal restrictions was something that began earlier and continued well into the

following decade. Eight major labour law statutes were passed between 1980 and 1993 intended to undermine the position of unions, including the abolition of union recognition procedures, the “closed shop,” and secondary (or sympathetic) action, along with the introduction of compulsory, complex, and expensive secret ballots both for national executive elections and strike action, and the protection of non-strikers from union disciplinary action. In addition, opt-outs were obtained from European Union (EU) measures addressing the “social dimension.” Little of this has been reversed or even significantly modified since the advent of Labour to power in 1997.

Labour inherited a low level of strike action from the Conservatives. By 1997 the annual number of strikes had fallen to about 200 – a tenth of the level in 1979. In the chapter on “Industrial conflict under New Labour,” Dave Lyddon, who gives the “first systematic account of strikes since 1997,” characterizes “New Labour’s” attitude with a quotation from Michael Frayn. The government concedes the right to withdraw labour; “It just draws the line at strikes” (316). But the fact that this dates from 1967 suggests that in this respect New Labour is not so “new.” Strikes are always an embarrassment for Labour governments. Anyone who remembers Harold Wilson’s reaction to the Seamen’s Strike of 1966, which Frayn may well have had in mind, will be difficult to persuade that the general approach of Blair and Brown is significantly different, though clearly the legal and ideological parameters in which the respective Labour governments operate is another story. Lyddon confirms the “tertiarisation” of strikes which throughout this decade were mainly confined to transport, communications, and public services rather than manufacturing and other parts of the “secondary” sector of the economy. Interestingly, Royal Mail has been most prone to strikes not called by the unions – so-called unofficial strikes. This is noteworthy since the Brown government’s attempt to part-privatize this postal service has met with strong resistance from many Labour MPs and at the time of writing seems to have been kicked into the long grass in the interests of pre-election unity. It is also significant that union leaderships, constrained by complex and in some cases expensive legal requirements and restrictions, have tended to concentrate on discontinuous action and to attempt to carefully time strike action in order to achieve the maximum impact and pressure on the employer.

For Lyddon, Labour’s equivalent to the miners’ strike in the Thatcher years was the firefighters’ dispute in the winter of 2002-3, (321), while in the chapter on employment legislation, Paul Smith and Gary Morton see the Gate Gourmet dispute of 2005 as a “defining moment” (210). When low-paid, largely British Asian workers found themselves in dispute with a catering company hived-off from British Airways (BA), the response of fellow Transport and General Workers’ Union (TGWU) members at Heathrow Airport was to strike in solidarity. But the union was forced to dissociate itself from the dispute and the episode brought into high relief the way that the restrictions of employment law, introduced by the Conservatives but maintained by Labour, loaded the

dice against the workers – especially the most vulnerable workers – in any conflict. Even so, neither Gate Gourmet nor the firefighters' strike came near to having the massive impact of the National Union of Miners defeat in 1984.

Any hope that the advent of a Labour government would see a restoration of union fortunes, and significant change in the legal position to the advantage of employees and their organizations, were soon dashed following the 1997 election. Nevertheless, the TUC sought “creative re-engagement with the state” (99) and the rebuilding of union membership and organization. Though the New Labour approach was not what unionists wanted, it was not *identical* with that of the previous Thatcher and Major administrations. While Thatcher wanted to marginalize trade unions as completely as possible, New Labour sought to mould them in its own image. Unions were again legitimized but their validity depended on their utility to business. “Partnership” became the watchword, but while for the TUC unions were essential for partnership, this was not the case for either employers or government. For the latter, partnership did not *require* unions at all.

John Monks, former secretary of the TUC identified one of the main problems with partnership as the “short-termism” of business in Britain in the Aneurin Bevan Memorial Lecture of 2006. How could the job security and trust necessary to “partnership” be established when firms were “up for sale every day and night of the year?” (247). And Martin Upchurch in his chapter on “Partnership: New Labour’s Third Way?” notes that while unions are constantly being lectured to about the necessity of abandoning “adversarialism” it is all too often alive and well – on the management side. It is not surprising that the emphasis in attempting to revitalize British unions has increasingly shifted from partnership to organizing.

In the chapter on organizing, Gary Daniels concludes that, though there have been some notable successes, in terms of increasing overall union membership, a decade of organizing has been an “abject failure” (274). Nonetheless, as he emphasizes, no one can say how much worse would have been the decline without efforts like the TUC’s Organising Academy, which between 1998 and 2007 produced 226 trainees. USDAW, the first union to establish its own organising academy in 2003, claimed in 2007 to have recruited 25,000 new members.

Problems involved with organizing include the cost; notions that the subscriptions of newly recruited members will cover the cost of organizing all too often prove illusory. There is also an understandable tendency to concentrate on improving recruitment where unions already have at least a foothold rather than tackling “green field” industries. This does little to decrease the danger of a developing gulf between unionized and non-unionized workers. Union campaigns can trigger counter-mobilization by some employers, as when T-Mobile took on “union-busting consultants” (208). But with all the difficulties involved, there is no alternative to organizing. Daniels rejects as “utopian” the notion that rejects top-down organizing such as TUC “managed activism”

in favour of bottom-up, democratic, “real organizing” (273). He is surely right to do so. Of course the objective must be “rooting self-sustaining collectivism in the workplace” but activists need all the help they can get from paid organizers and officials.

All in all, *Trade Unions in a Neoliberal World*, with such a wealth of analysis and a mass of detail on so many aspects of British trade unionism in the early 21st century should surely be on the bookshelf of every trade union official or lay activist in the UK. But, as indicated earlier, its interest – particularly to a wider readership – goes well beyond this. A common theme running through the entire book is, in the editors’ words, the “intense relevance of the state and political change” to the fortunes and the future of trade unionism. The “neoliberal world” and the possibilities of changing it are crucial.

In the excellent chapter on employment legislation, Paul Smith and Gary Morton remind us that “Time and time again the legal provisions preventing trade unions exercising discipline over members have been condemned by authoritative international bodies” only to be ignored, not only by the Conservatives before 1997 but by Labour since then. McIlroy and Richard Croucher in the chapter on “Skills and Training” identify the barriers to change as ideological and political. Little change favourable to unions can be realized within the constraints of neoliberalism. Graham Taylor in the chapter on the European dimension notes that the TUC continues to see the EU as the principal means to remove the obstacles to effective trade unionism retained by New Labour, while Croucher and McIlroy argue the need for the TUC – and by implication unions in general – to engage critically with neoliberal theory. The unions, says Daniels, “need to develop greater political pressure and clout.” Recently, in a letter to *The Guardian* Jon Rogers, a member of the national executive committee of UNISON, Britain’s largest union, concluded that “The only institutions with the social weight and political ballast either to reclaim the Labour party or to found a new party of the left are the trade unions.”<sup>1</sup> This might be seen as advocacy of a return to the beginnings of the Labour Party or alternatively of repeating these with a new political agency.

The Labour Party began as the fruit of Keir Hardie’s “Labour Alliance” at the beginning of the 20th century between the Independent Labour Party (ILP) and a number of trade unions. A hundred or so years later only about one-third of union members belong to unions affiliated to the Party. The Blair years saw a reduction of the union vote at Party conference and an all-round reduction of the role of unions and especially of influence with the leadership. Yet in spite of its success in attracting large donations from wealthy sympathizers, Labour remains dependent on the affiliated unions for about 65 per cent of its finance. With the combined effects of the recession and the widespread conviction that its chances of winning the 2010 election are close to

1. *The Guardian*, 25 June 2009.

zero, which is likely to deter private donors, this dependency is almost certain to increase rather than diminish.

The editors describe New Labour's success in subordinating the unions as "an outstanding political triumph." There has, nevertheless, been growing union opposition to New Labour. Yet this has been more rhetorical than practical. Union block votes were still cast in the early Blair years to support his attempts, contrary many believed to the whole spirit of devolution, to impose preferred candidates for leadership of the Welsh Labour Party and for the Party's candidate for London mayor. Similarly, unions failed to support attempts to force a party conference debate on the Iraq debacle. But how did we arrive at such a position? It is to help understand the origins and nature of "New Labour" in general that both of the books that are the subject of this review essay are so useful.

Stephen Meredith's *Labours Old and New. The Parliamentary Right of the British Labour Party 1970-79 and the Roots of New Labour* is one of Manchester University Press's "Critical Labour Movement Studies," a wide-ranging series that includes, for example, Lucy Robinson's excellent *Gay Men and the Left in Post-war Britain: How the Personal Got Political*. In his introduction Meredith presents his study as a "prequel" to another book in the series, published in 2005, Dianne Hayter's *Fightback! Labour's Traditional Right in the 1970s and 1980s* (Manchester University Press 2005). Meredith's sources include 18 interviews, mostly carried out in 2001, with a range of relevant politicians and commentators including Bill Rodgers, Denis Healey, and Shirley Williams.

Meredith rejects, quite rightly, the notion of "a monolithic and homogenous Labour right" (2) and sees New Labour as the legatee of its "disparate and discordant" response to the economic and political problems of the 1970s when what he calls "Keynesian revisionist social democracy" began to seem inadequate. (2) Giles Radice's 2002 *Friends and Rivals: Crosland, Jenkins and Healey* over-emphasizes the role of personal rivalry, he believes, That was undoubtedly present in the 1976 leadership contest where all three were candidates, only to lose out to Callaghan from a more "traditional" and pragmatic area of the Right. But there was, Meredith argues convincingly, more of political substance involved.

His approach uses case studies of policies on Europe, trade unions and industrial relations, public expenditure, and factional right-wing organization to focus on the interaction with political and institutional contexts of the different right-wing currents in the PLP. No one in the Labour Party liked – or likes – being defined as being on the "Right" but the Gaitskellite wing in the late 1950s and 1960s seemed – insofar as they were not "unintellectual" pragmatists – to accept the "redistributive egalitarianism" of Anthony Crosland's *The Future of Socialism* (1956). But like the Labour Left, the post-war Right was far from homogeneous. To begin with, divisions were concealed within the broad framework of "Keynesian and Croslandite social democracy" (173). But Crosland's variety of social democracy seemed to be predicated on the



assumption of continuous growth, and the economic problems of the 1970s shook its foundations, resulting in the emergence of a “liberal” current that emphasized “liberty” rather than “equality.” By the 1970s a crucial division was appearing on the Labour Right between “liberals” and “social democrats” like Crosland – or as he preferred “democratic socialists” (161) – whose core value was greater economic and social equality and who sought common ground with the Left.

The issue of “Europe,” though never a straightforward Left-Right issue, was important in dividing the “Gaitskellite revisionist strand.” Jenkins and his associates regarded it as an “article of faith” while Callaghan, Healey, Crosland, and others took a much more “agnostic” and pragmatic view that gave far greater consideration to trying to maintain the unity of the Party. Following Labour’s defeat in 1970 it was Roy Jenkins who took the lead in the pro-Europe camp. The following year he and 68 other Labour MPs voted with the Conservatives in support of the Common Market, and in 1972 he resigned as Labour’s deputy leader when it was decided, ironically largely as a means of sedating Labour’s internal divisions on the “Europe” issue, that a future Labour government should hold a referendum on continued Common Market membership.

Labour returned to office in 1974. During the subsequent referendum campaign Jenkins and others found themselves working with pro-Common Market Conservatives and Liberals. Meredith speculates that this may have suggested to some that they had more in common with the latter than with their anti-Common Market fellow Labour Party members. In the light of subsequent events in the 1980s this seems very probable. It is of course also ironic that, as noted earlier, it is the trade unions, the TUC, and large parts of Labour’s Left who now look to the EU with its “social dimension” and largely “Rhineland” rather than neoliberal Anglo-American capitalism if not exactly for salvation at least as a potential means for significant improvement. The prominence of the Jenkinsite tendency in support of European integration and the crucial part support of “Europe” played in their formation and definition in the 1970s on the one hand, and on the other the minimalist approach of New Labour under both Blair and Brown to EU initiatives tends to obscure the extent to which the “roots of New Labour” are really to be found in this particular area of the Labour Right. But we should note that his lack of enthusiasm for the “social dimension” has not prevented Blair from allowing himself to be touted as a future President of the EU or the Brown government from supporting him in this ambition; one which may well have been realized by the time this article appears.

A clearer sense of New Labour’s “Jenkinsite” provenance emerges when Meredith considers positions on trade unions and industrial relations legislation together with underlying views on the economy. In 1969 Jenkins had found himself supporting the Left wing Barbara Castle’s proposals in the White Paper *In Place of Strife* which sought to establish a new legal framework for



industrial relations while more “traditional” Right-wingers such as Callaghan remained sceptical if not hostile. Faced with tremendous opposition from the unions and within the PLP and wider Labour Party, this was dropped, but the Conservatives under Edward Heath brought in the Industrial Relations Act, which ratcheted up union opposition still further. Wilson’s return in 1974 saw its repeal and a period of attempts at a “social contract” with the unions that alarmed and alienated the Jenkinsites while failing to avoid the “winter of discontent,” which played such a role in bringing down the government of James Callaghan, Wilson’s Labour successor.

On the “trade union question” the “Jenkinsite” liberal strand of Labour Right revisionism is more easily identified as broadly anticipating the New Labour stance. Trade unions were viewed as a major problem contributing to British economic decline. This, Meredith notes, would later provide “a crucial sub-text” to the split of the early 1980s that resulted in the creation of the Social Democratic Party (SDP). For Jenkins, trade union power was “increasingly incompatible with issues of personal freedom.” Meanwhile divergences between different currents of the Labour Right also became clearer on the theoretical and practical issues concerning the role of public expenditure with Jenkinsites questioning the commitment to Croslandite egalitarianism and stressing pluralism and individual freedom of choice. Meredith traces this division back to the very early 1970s, contrasting Crosland’s 1971 *A Social Democratic Vision*, with its emphasis on equality, with Jenkins’ 1972 *What Matters Now*, which stressed individual freedom of choice.

Meanwhile, 1976 saw the International Monetary Fund (IMF) crisis. How far this marked a turn by the Labour government towards an emerging consensus supporting “neo-liberal monetarism” is still, Meredith notes, contentious. But it certainly tended to undermine Croslandite social democracy and by “the late 1970s liberal revisionists such as Marquand and Mackintosh were questioning whether a further revision of social democracy would be possible in the Labour Party and considering ‘a realignment of the Left’” (150). A great strength of the book is that while it fully acknowledges the uncertainties, ambiguities, and general lack of neat division in the 1970s parliamentary Labour Right, including the Manifesto Group which sought to organize MPs to oppose the Left in general and the Tribune Group in the House of Commons in particular, it does clearly differentiate the main trends within it which help to make sense of what happened in the following decade. Meredith confines his attention to the *parliamentary* Right and only once mentions the Social Democratic Alliance which operated mainly at local level from 1975 onwards and would later provide much of the membership of the SDP.

Alarmed at the leftward trend in the Party after Labour’s defeat in 1979 Jenkins – returning from a spell as a President of the European Commission and – three other prominent Labour figures who quickly became dubbed the “Gang of Four,” finally broke away and formed the SDP in 1981. Only part of the parliamentary Labour Right followed. Notably Roy Hattersley, perhaps the

most consistent Croslandite of the late 1970s, was immune to the attractions of the breakaway SDP and served as Labour's deputy leader from 1983 until 1992. At the time of the IMF Cabinet debates he had been, Meredith concludes, "more 'Croslandite' than Crosland himself" (148).

By the end of 1983, the SDP had formed the "Alliance" with the Liberals, and they fought the 1983 and 1987 elections in this guise before the SDP and the Liberal Party formally merged to form the present Liberal Democrats. In spite of the decisive "split," divisions remained less than clear cut; with some members of the SDP closer to what had previously been thought of as social democrats than Jenkins and the "liberal revisionists" who dominated the new party as the alliance and merger with the Liberals tends to confirm. The Alliance polled 25 per cent of the vote in 1983, not too far behind Labour's 28 per cent, but it did less well four years later and in the meantime Labour's fortunes, with Neil Kinnock as leader, were beginning to revive, though not sufficiently to get them back into power in either 1987 or 1992. Those in the SDP opposed to merging with the Liberals continued to stress a more distinctively social democrat outlook and were led from 1988 to 1990 by David Owen, another member of the "Gang of Four." The party remained, and indeed remains, in existence, though it is fair to say that few in Britain are aware of the fact. Interestingly its current programme as it appears on the web includes clearly social democrat as distinct from neoliberal elements including its aim to eliminate poverty and promote greater equality. This underlines the lack of a clear cut division along ideological lines in the original SDP project.

And, As Meredith points out, there is, in one sense at least, nothing "new" about New Labour. As early as the 1920s Ramsay MacDonald talked about building up a progressive coalition which went beyond the confines of the Labour Party while in the 1960s Wilson insisted that the Party had been renewed in "The White Heat of the Technological Revolution." Meredith rightly rejects over-simplistic accounts that counterpose more or less homogenous versions of "Old Labour" against Blair's New Labour. For him, the roots of New Labour lie in the revisionism of the 1970s parliamentary Right. Many will agree with his analysis – at least to that point. It is on the results of this process of political evolution and the nature of New Labour where he enters more controversial territory and, importantly from the standpoint of this review essay reaches a very different conclusion from the editors and contributors of the McIlroy/Daniels book.

For Meredith the arrival of New Labour in the 1990s represents the achievement of at least a temporary dominance of one of Labour's many "ways of life." The "liberal revisionists" of the 1970s were not deserting social democracy but continuing the revisionary work begun by, especially, Anthony Crosland. Critics of New Labour have underplayed "the pragmatic aspects of Crosland's revisionism" (165) when citing him in their support. Meredith sees New Labour as not all that different from other European social democratic parties that have "undergone a transformation in terms of a new kind

of “liberal socialism,” and he goes on to quote H. Kirchelt’s *Transformation of European Social Democracy* (1994) which already detected a merger between “the classical values of social democracy with the triumphant neoliberalism of the 1970s and 1980s” (168).

Mcllroy and Daniels will have none of this. They seem so keen to hammer home the point that the Blair/Brown governments need to be seen as pursuing a variant of neoliberalism rather than a modernized version of social democracy or a “Third Way” that they almost protest too much. But there can be no dispute that during the seemingly interminable years of Conservative rule under Thatcher and Major there was a world-wide shift towards neoliberalism. In Labour’s case Mcllroy sees the beginning of its adaption to neoliberalism under Kinnock’s leadership when the 1992 manifesto disclaimed any wholesale repeal of Thatcher’s trade union legislation. The editors concede that there are many varieties of neoliberalism, including “Tiananmen Square neoliberalism” (30).

Many of its supporters believed that the social democratic “soul” of Labour would come to the fore after the 1997 election, but they could not have been more wrong. The proponents of New Labour were people “with a mission”: a neoliberal mission (63). Regarding the supposed “Third Way,” Mcllroy quotes Peter Riddell’s *The Unfulfilled Prime Minister: Tony Blair’s Quest for a Legacy* (London 2008). The brief flirtation with the “stakeholder” ideas of Will Hutton in *The State We’re In* (London, Cape 1995) “lasted little longer than a holiday romance” (49).

What Mcllroy calls the “imbrication between New Labour and business” (46) is one aspect of its espousal of neoliberalism. He sees the transfer of the control of interest rates to the Monetary Policy Committee of the Bank of England immediately after Labour’s election in 1997 as notable for the “depoliticization of decision-making and its assertion that political decisions were fundamentally matters of technical expertise” (65). What is presented as public sector reform is, in New Labour hands, the “commercialization and commodification” of public services (66). Privatizations of the public sector, once seen as one of the distinctive features of Thatcherism, have continued under Blair and Brown. Contrary to some interpretations, neoliberalism does not entail “the withering away of the state” but rather its “reconfiguration to better serve capitalism in its new phase” (5). New Labour’s “soft neoliberalism” is different from the neoliberalism of the Thatcherites, as its distinct approach to trade unions demonstrates, though both see unions as “impediments to the market.” The Blair/Brown governments have been different in many ways from those of their Conservative predecessors but the “similarities and interconnections outweigh the differences.” The notion of the “Third Way” is totally rejected; the New Labour state is “closer to Thatcher’s state than it is to Macmillan’s state,” (90) a reference, of course, to the Conservative prime minister of the early 1960s. New Labour invokes globalization to justify its subservience to big business. Trends towards globalization “facilitated although they did not

cause" (28) neoliberal dominance. "New Labour neoliberalism is different," concludes McIlroy, "it is no less neoliberal."

So who is right? How should we see the New Labour phenomenon? Should we see it like Meredith as the latest phase in a revisionism that stretches back to at least the 1970s, a modernized social democracy or "liberal socialism"? Or should we rather sign up to the uncompromising interpretation of the Daniels/McIlroy camp? It probably depends on what our purposes and perspectives are. Defenders of the Labour government – not currently to be found in very large numbers – would point to a number of policies such as the introduction of a minimum wage, albeit one set at a very low level, large increases in expenditure on education and the National Health Service, the 2009 White Paper policy statement on energy which received considerable support from environmental organizations, and so on, as factors that give the lie, or at very least modify, the interpretation of New Labour as simply a variety of neoliberalism. But this is hardly enough to alter the case that the general dominating thrust of both Blair and Brown governments has been in that direction. Certainly anyone active in the unions would be well-advised to have no illusions in this respect. As the McIlroy and Daniels' introduction puts it, "Union activists need to know what they are up against." (15)

But things seem more nuanced and less tidy when thinking about the range of influences on New Labour ideology, the positions of individuals, and the possibilities of change. Soon after the advent of the Blair government Stephen Driver and Luke Martell argued that neither the continuity with revisionist social democratic interpretation of New Labour nor the one that saw it as an accommodation to the New Right were entirely adequate and preferred to designate it as "post-Thatcherite."<sup>2</sup> The introduction to the second edition of the book (2006) insisted that "New Labour is a far messier affair than is often suggested,"<sup>3</sup> much as Stephen Meredith found the Labour Right of the 1970s. Simon Prideaux in *Not So New Labour: A Sociological Critique of New Labour's Policy and Practice* (Bristol, UK 2005) attempted, he said in his introduction, "to describe the way in which North American sociological thinking has directly or indirectly made an impact on the interpretations which Tony Blair and his party attach to past, present and future social relations."<sup>4</sup> This underlines the point about "messiness," which may well contain some of the seeds of change.

If we are to see Labour move away from neoliberalism in a social democratic direction any time in the foreseeable future it is not realistic to assume

2. Stephen Driver and Luke Martell, *New Labour: Politics After Thatcherism* (Cambridge 1998).

3. Stephen Driver and Luke Martell, *New Labour: Politics After Thatcherism* (Cambridge 2006), 5.

4. Simon Prideaux, *Not So New Labour. A Sociological Critique of New Labour's Policy and Practice* (Bristol 2005), 1.

a *complete* change of personnel among Labour Party members, activists, local government representatives, and MPs, or even ministers, actual or potential. There are and will remain “New Labourites” with unmistakably neoliberal convictions, though rather few, one suspects outside the ranks of the Brown government itself. If we were to assume that *all* Labour Party “loyalists” are convinced and dedicated proponents of neoliberalism, any chance of “saving” Labour looks doomed.

But to assume this involves ignoring the constantly demonstrated human capacity to believe two or more contradictory things at the same time with similar degrees of conviction. Labour has lost many members in recent years – the majority of whom were the wrong people to lose from the standpoint of anyone favouring a Leftward shift in the Party – but even so those who remain are at least as far from being ideologically homogenous as Meredith’s parliamentarians on Labour’s Right in the 1970s. Many who have supported Labour for “tribal” reasons in spite of the hegemony of its neoliberalism would welcome a return to a form of social democracy relevant to contemporary society.

It was not only a taste for neoliberal socio-economic policy that characterized the Blair years. As John Kampfner has said in *Blair’s Wars* (London 2003) “Five wars in six years was a remarkable record.”<sup>5</sup> It seems likely that more than anything else Blair and New Labour will be remembered for the Iraq war. McIlroy refers to Blair’s leading Britain into the war as “the pursuit of neoliberalism by other means.” There was massive opposition in 2003 and 15 February saw what Kampfner has no hesitation in designating “the biggest demonstration in British history” with up to two million on the London streets. It seems likely that at that time more of us would have condemned Blair’s subservience to US neoconservatism, and his clumsy manipulation of “intelligence” about weapons of mass destruction rather than have seen it in McIlroy’s terms. But it is fair to argue that, however confusing the terminology, the “neocons” embraced another particular variety of neoliberalism.

The concept of neoliberalism can be a very useful analytical tool. But we need always to bear it in mind that political terminology has a marked tendency to shift in meanings and implications both in ways that are gradual and subtle and sometimes in a more sudden and dramatic manner. There are fashions in terminology and this carries the danger of whatever is currently “in” becoming used in such a wide and unfocused way that its meaning is diluted almost to the point where it loses all utility. While it makes sense to see New Labour as a variety of neoliberalism, this should not be taken to imply that no other ideological currents contributed to its development. This helps to make some sense of the divisions between “Blairites” and “Brownites” that have marked the early years of the 21st century.

During the Blair years there were some, including some well-informed

5. John Kampfner, *Blair’s Wars* (London 2003), ix.

political commentators, who consoled themselves with the belief that if and when Gordon Brown took over there would be a decisive shift away from at least the cruder forms of neoliberalism and moves in a broadly social democratic direction. This was in spite of the fact that Brown was just as much an architect of New Labour as Blair. Such optimists were to be disappointed. The crash, “credit crunch,” and recession should have finally discredited neoliberalism in general together with the New Labour version, leaving a revitalized social democracy as the only game in town. Brown and his Chancellor of the Exchequer, Alistair Darling, acted with atypical decisiveness in preventing total collapse into deep depression by a bail-out involving bank nationalizations but were then considerably less than forceful about making any firm move to ensure that the flow of credit was restored, astronomical salaries in the financial sector restrained, the “bonus culture” brought under control, or tax avoidance and evasion tackled. McIlroy and Richard Croucher exploring the “limits of neoliberalism” in their chapter on “Skills and Training” comment that “In twenty-first century Anglo-American capitalism the poor get neoliberalism; the rich still get Keynesianism” (283) and follow this up with a note comparing this judgement with “the US socialist saying ‘Ice is what the poor get in winter and the rich in summer’” (309). Quite so.

If there have been many varieties of neoliberalism, the same is also true of social democracy. The term went through even more disparate connotations than most other items of political terminology in the 20th century, including giving its name to the “liberal” breakaway from Labour in the 1980s as we have seen. Recently (July 2009) after a Labour minister had been quoted as saying that Labour should drop “egalitarianism,” Roy Hattersley, still the stalwart of Croslandite social democracy, took him to task in a *Times* article headlined “If equality is dead, what is the point of Labour?” One response, of course, is to say “Oh, if only it was as simple as that!” But, that said, surely Hattersley’s view is shared by most Labour supporters? Crosland was by no means the first social democrat to advance the argument that what mattered was the egalitarian end rather than the particular means.

For example, in 1919 the much maligned Karl Kautsky, in his critique of Bolshevism, *The Dictatorship of the Proletariat* (Ann Arbor edition 1964), which led to him being labelled a “renegade” by Lenin, was clear that “Socialism as such is not our goal, which is the abolition of every kind of exploitation and oppression, be it directed against a class, a party, a sex, or a race.”<sup>6</sup> And the record of social democracy in much of Europe during the 20th century shows that some measure of success was achieved. Donald Sassoon in *One Hundred Years of Socialism: The West European Left in the Twentieth Century* (London 1997) noted the crucial contribution that socialists played in establishing welfare provision, universal suffrage, racial and sexual equality including the legalization of homosexuality and the decriminalization of abortion. But he

6. Karl Kautsky, *The Dictatorship of the Proletariat*, (Ann Arbor edition 1964), 4–5.



went on, “Notwithstanding these successes, socialists neither abolished capitalism nor directed it through economic planning.”<sup>7</sup>

Plainly it is, in Kautsky’s terms, class inequalities that a revived social democracy needs seriously to address as much as other kinds of exploitation and oppression. In Britain’s own social democratic tradition the ideas of R. H. Tawney on equality are ripe for re-examination. New Labour has lauded and done something to promote “equality of opportunity” since 1997, meanwhile presiding over a society that has become noticeably more unequal. This can no longer be ignored if Labour, or a social democratic alternative to Labour, is going to feature in the political landscape of the future. And we can conclude from McIlroy and Daniels’ chapters on the “anatomy of British trade unionism” that however slowly this can be achieved, it is vital for the union movement to make clear at least its serious intent to organize throughout the private sector and particularly among the lowest paid and most vulnerable workers who need both the practical support that solidarity can give and also access to a means of democratic expression and influence, an aspect of trade unionism that is often overlooked.

It was Tom Paine 200 years or more ago who concluded that the right to vote guarantees all other rights and surely the key kind of equality to work towards is political equality, or democracy. Both democracy and broader equality need to be seen not as one-off absolutes, but as constant goals socialists, or social democrats, continually endeavour to move towards. In this context it is worth returning to the origins of social democracy in Britain. At the beginning of the 20th century it was most clearly associated with the decidedly left-wing Social-Democratic Federation (SDF), which left the Labour Party after one year because of its failure to adopt a socialist programme. But the pursuit of democracy was just as important to it. SDFers would have said it was absolutely integral to their conception of socialism. Writing in *The Social-Democrat* in August 1897, H. M. Hyndman, conventionally regarded as the leader of the SDF, addressed the question, “Social-Democrat or Socialist?” The problem with the latter term was, he said, that it “did not necessarily carry with it the notion of a democrat.” Most socialists *were* democrats “But nobody can truly say that State or Bureaucratic Socialism is not a danger of the immediate future in more than one country,” a judgement which turned out to be all too true for much of the following century. Hyndman credited the Chartist Bronterre O’Brien as the inventor of the term “social-democracy.” He had “used the term Social-Democrat to express the views of those who wished to bring about a complete social reconstruction under democratic forms.” (This is not the place to discuss the possible significance of the hyphen in social-democrat and its variants. But it will be convenient to retain it in order to distinguish the SDF’s social-democracy from later varieties.)

7. Donald Sassoon, *One Hundred Years of Socialism. The West European Left in the Twentieth Century* (London 1997), 768.



The SDF program included pretty well every radical proposal of the time intended to bring about “real democracy” – proportional representation, shorter parliamentary terms, devolution, the initiative, and referendum. And defending the democratic rights of *all* was vital. In 1902 the SDF weekly *Justice* rejected any idea of following the then common practice of Liberals and Conservatives in seeking to get political opponents excluded from the voting register by objecting to their qualifications. Universal suffrage was a matter of principle and “to endeavour to get anyone struck off ...is inconsistent with the principles of Socialism.”<sup>8</sup>

The problem has been that, if never entirely lost sight of, such a vigorous commitment to ever greater democracy later became marginalized both by the Labour Party as it became increasingly incorporated into the political establishment and, understandably, concentrated on major economic and social issues, and by large sections of the wider Left beguiled by the notions of “soviet democracy” and the dictatorship of the proletariat. The British Socialist Party (BSP), the successor to the SDF, became the core of the Communist Party in 1920 with only some of the “Old Guard” around Hyndman dissenting as they had done previously over the position on the War. By then the Independent Labour Party (ILP) was becoming a residuary legatee of the radical democratic currents of the Left, including guild socialism with its emphasis on workplace democracy. After it disaffiliated from the Labour Party in the early 1930s and was finally squeezed out between a Labour Party that was working its way into the established system and a (supposedly) revolutionary Left, demands for more instalments of democracy had to struggle to be heard at all. True, there had always been a tendency to regard a concern for such matters as unimportant and diversionary from the real purposes of Labour. Keir Hardie had scorned the Social-Democrats for pursuing the “merely political” and Labour’s first official leader and first prime minister Ramsay MacDonald was a constitutional conservative. But there had been in those early years a vociferous Left pushing for democratic advance.

What may be regarded as a limiting case of the survival attitudes of the Hardie/MacDonald sort into the present century is to be found in the diaries of Chris Mullen, entitled *A View from the Foothills*. It is certainly the most entertaining, and in some ways the most interesting, account of New Labour over the first half of the last decade. A Labour MP since 1987, Mullen led the campaign for the release of those wrongly convicted of the IRA Birmingham pub bombings and has written several books, notably the novel *A Very British Coup*, which was later dramatized for TV. In parliament Mullen made his mark as a select committee chair, and then – with considerable trepidation and recurring feelings of having made the wrong decisions – was a junior minister in three government departments. His final appointment as a minister in

8. *Justice*, 18 October 1902. Quoted in Logie Barrow and Ian Bullock, *Democratic Ideas and the British Labour Movement, 1880-1914* (Cambridge 1996), 298.

the Foreign Office appears to have been a mistake; Blair had not realized that Mullen had voted against the Iraq War.

One of the things that strikes one reading these diaries is the predominance in the Blair years of courtier-like politics redolent of the baroque court of Louis XIV with its patronage and clientage. Mullen is admirable in so many ways, but one thing comes as something of shock. In the preface he defines his political stance as “a socialist with a small ‘s’, a liberal with a small ‘l’, a green with a small ‘g’ and a Democrat with a capital ‘D’.”<sup>9</sup> One assumes this last part refers not to the US party but is intended to make the point that *above all* Mullen believes in democracy. Quite true, surely. Yet in a January 2003 entry on the issue of reform of the House of Lords he comes down in favour of a second chamber entirely appointed, mainly by an independent appointments commission but with some places “reserved for the prime minister of the day to ensure that he (sic) had enough qualified ministers.”<sup>10</sup> That anyone, let alone anyone as radical in other respects as Mullen, could still find an appointed second chamber – however limited its powers and term of office – acceptable in the 21st century, is one small sign of how remote many in the Labour Party, even on its Left, have become from what early Social-Democrats understood as an essential feature of socialism. As *Guardian* columnist Jackie Ashley put it, an elected second chamber is “a basic democratic change that we might have expected to read about in history books and which should have happened before the second world war.”<sup>11</sup>

And ironically it has been the neoliberal regime of Tony Blair that has at least made some progress in constitutional change. In 1994 when Blair won the Labour Party leadership election, it is a safe bet that the main reason so many voted for him was that he seemed to have the popular appeal necessary to give Labour the best chance of bringing to an end a period of Conservative rule that had lasted for the best part of two decades. At that stage the embryonic New Labour approach was presented as entailing a commitment to “evidence based” policies rather than those based on out-dated Labour dogmas. It was certainly not proposed as an abandonment of the latter in favour of a modified version of Thatcherite dogma; so this too may well have been a factor in attracting some members’ support. But another factor, which for certain influenced the voting of *some* in the Labour Party, was that Blair seemed the only candidate likely to produce the sort of radical constitutional reform that many believed was desirable, necessary, and long overdue.

Such hopes were not entirely disappointed. As the constitutional expert Vernon Bogdanov, Professor of Government at Oxford University and author of *The New British Constitution* (Oxford 2009) has said, “Reforms such as the Human Rights Act, devolution and freedom of information were more radical

9. Chris Mullen, *A View from the Foothills*, (London 2009), xii.

10. Mullen, *A View from the Foothills*, 344.

11. 22 June 2009.

than anything that Britain has seen since 1914.” The creation of the Scottish Parliament and the Welsh Assembly and the restoration of a form of city-wide authority for London have also been accompanied by some changes in the composition of the previously largely hereditary House of Lords though its replacement by an acceptable form of second chamber remains unachieved as, crucially, does electoral reform for the House of Commons. The recent scandal over MPs’ expenses has made a very wide spectrum of opinion support further constitutional reform including changes in parliamentary structures and procedures to make the accountability of the executive something more than the polite fiction lacking all credibility it is at present. But crucially, if the changes are to be more than a redistribution of power among elites, the Commons electoral system must be changed.

Part of the case against what is known as the First-Past-The-Post (FPTP) system (simple plurality) is that now the electorate is no longer divided into two blocks with, as in 1951, about 96 per cent voting Labour or Conservative. Today governments can be formed on the basis support from quite small minorities of voters, and even smaller proportions of the total electorate. At the 2005 election Labour polled just 36 per cent of votes cast. As McIlroy notes FPTP and the very extensive powers prime ministers are able to exercise act as “insulation” for those in power. FPTP is also criticized for making Labour take its core supporters for granted, since “where else can they go?,” while concentrating exclusively on winning over the “floating voters” in marginal constituencies – a relative handful of the electorate. The fact that any change in the direction of proportional representation (PR) is likely to lead to coalition governments with the danger of minority parties holding the balance of power able to dictate the direction of policy is the main argument of opponents of change as well as hostility towards any system that would dispense with or weaken the link between the MP and her or his constituency.

Soon after his first electoral victory in 1997, Blair set up, with support from the Liberal Democrats, a Commission on the Voting System chaired by none other than Roy Jenkins, who, as we have seen, played such an important role in Meredith’s account of the origins of New Labour. The Jenkins Commission recommended the system known as AV plus, which is essentially a compromise between FPTP and PR in which most MPs would continue to be elected in existing constituencies by the Alternative Vote while a number of additional members would be elected from top-up lists. In essence AV has the effect of a speeded-up Second Ballot system ensuring that the successful candidate gains majority support in the end if not in first preferences. Labour’s election manifestoes of 2001 and 2005 both undertook to continue reviewing all electoral systems in the UK and both concluded that “A referendum remains the right way to agree any change for Westminster.” At the time of writing (August 2009) at least one Labour minister has proposed holding such a referendum on AV plus on the same day as the next general election, which is generally expected to be in May 2010. But there seems little prospect of this being taken

on board by the government in spite of the fact that many observers consider it a potential lifeline that might still give Labour an edge over the Conservatives who are firmly committed to FPTP.

Gordon Brown's strategy for the 2010 election seems to be to trust that the economy will continue to improve, hoping to get the credit he undoubtedly deserves for saving the UK from a total financial meltdown that could have led to what Paul Krugman calls Great Depression II in the autumn of 2008, and attacking Cameron and the Conservatives for planning more stringent cuts in public expenditure than a re-elected Labour government would bring in and thus winning at least the grudging support of those for whom deep cutbacks would spell disaster. Above all this will be those working in a public sector who are already under right-wing attack for not sharing the pain of unemployment, pay freezes, and the disappearance of pension schemes that are all too prevalent in the private sector.

Given the appalling performance of Labour in the 2009 European elections, by-elections, and continuing low opinion poll ratings, this seems unlikely to work, though it is clearly not impossible. There is general disdain among large sections of the public for the whole political class that has been growing for decades; the scandal about MPs' excessive and unjustified expenses is really just the proverbial straw that broke the camel's back. The problem for the government is that this is happening on its watch and also that, perhaps absurdly but really rather touchingly, many expected better things of Labour MPs than their rivals and are therefore more angry when disillusioned.

So is this the end to New Labour? Or even as some believe the end of Labour *tout court*? Playing the prophet, especially in a context where one's prophecy will only come to light long after it is made, is always a hopeless game. It is even more so with the present situation in Britain so unusually volatile. In June, Brown survived what was widely seen as a bungled attempt to oust him by some of the "Blairites" in the government and is generally expected to lead Labour into the next election – and to defeat. But no one can completely rule out a successful move against him, probably from a much wider constituency of the Party, at Labour's conference in the autumn. Come what may there seems to be growing support to reclaiming Labour for social democracy from a number of quarters. Compass, which describes itself as "the independent democratic left pressure group, whose goal is to debate and develop the ideas for a more equal and democratic world, then campaign and organize to help ensure they become reality," is one notable example. It claims more than 4000 members and 25,000 supporters. Not massive – but a start. And there are other initiatives attempting to move Labour in broadly the same direction.

Much has changed in Britain and the world since the days of the SDF. The survival of the planet itself was not an issue at the beginning of the 20th century as it is now. But some things can still be learned from the social democrats of a hundred years ago. If social democracy – or democratic socialism, or social-democracy – has a future, and surely in one form or another it has,

then it will need once again to get beyond addressing issues of equality solely from the perspective of promoting equality of opportunity and begin to confront the realities of a class-bound society seeking equality of outcome. And one does not have to subscribe totally to the notion of the “iron law of oligarchy” to believe that there is always going to be a pull in all societies and social institutions towards the concentration of power in the hands of – to reverse a favourite Blairism of the early New Labour years – “the few rather than the many.” A reinvigorated social democracy of the 21st century must incorporate as an integral part of its being a continuing pressure for ever greater democracy. Markets have their place but they privilege the “haves.” They must be subordinate to democracy rather than an inadequate substitute for it, and that means breaking with the neoliberalism which has come to dominate so much of the world during the last decades.

Neoliberalism has taken a severe knock as a result of the 2008 crash but the return to “business as usual” seems to be winning out currently over pressures for radical change. The jury must remain out for the moment on whether this is the end of New Labour, though this seems likely. In any event 2010 looks to be a watershed year for Labour. Whatever the electoral outcome that year – and we should remember that few expected a Labour victory in 2005 – it seems safe to predict a struggle to reinstate social democratic values in the Party and develop new policies that reflect these. Whether, or to what extent, this will succeed is far less predictable. Some have long believed that the Labour Party is irredeemable and that only a fresh start can make the needed break with neoliberalism. What one can say with confidence is that in their different ways the two books discussed in this essay throw a great deal of light on both New Labour’s origins and its period in power.

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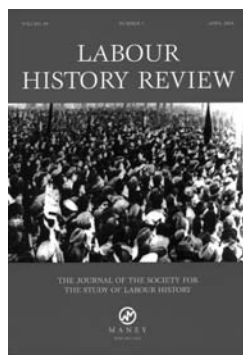
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