Mile End Institute
The Labour Party in Opposition and Power 1979-2019: Forward March Halted?
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Introduction
forward march halted?

Since the Labour party’s birth at the dawn of the 20th century, the party was bewitched by the image of its inevitable march to power. In the aftermath of the Second World War, it spoke the language of the ‘forward march of Labour’. Following the party’s landslide victory in 1997, New Labour adopted the narrative and rhetoric of the ‘progressive century’. It was believed that over the next hundred years, Labour could dominate British politics as the natural party of government, ending historic divisions on the centre-left. As such, the Conservatives who achieved political hegemony in the 20th century would be routed.

In both cases, however, the claim of inevitable advance proved delusional. In government after 1945, Labour’s strategy allowed it to entrench the British welfare state while achieving a more equitable distribution of economic resources. Yet the party lacked the capacity to affect a fundamental alteration in the structure of power in the British state, reshaping the political landscape while transforming British liberal democracy into a fertile social democracy. My recent monograph, The British Labour Party in Opposition and Power 1979-2019, examines the party’s fraught and turbulent history over the last forty years. This pamphlet offers a short precis and overview of the main themes and arguments of the book.

The cycle of defeat and recovery begins in 1979 with Labour’s ejection from office following the economic and political crises of the 1970s. The party’s defeat was traumatic, if not unexpected. The Prime Minister, Jim Callaghan admitted: ‘There are times, perhaps once every thirty years, when there is a sea-change in politics. It then does not matter what you say or what you do. There is a shift in what the public wants and what it approves of. I suspect there is now such a sea-change and it is for Mrs. Thatcher’. The loss of office was as nothing compared with the harrowing events of the decade that followed. Labour suffered a further three consecutive defeats. In 1981, the party was almost obliterated by the breakaway Social Democratic Party (SDP), threatening to end Labour’s grip on the centre-left vote. Only the First-Past-the-Post electoral system saved Labour as the dominant force on the Left of British politics. Even so, the party remained bitterly divided. The leadership spent years embroiled in internal factional disputes, such was its determination to destroy the hard Left entryist Militant Tendency. Since the 1950s, Labour was weakened by recurrent intra-party conflict. Most notable were its divisions over Europe, fundamental ideological disagreements about the role of the state in the economy, and the primacy that should be accorded to nationalisation and public ownership in the party’s programme.

Even more shocking, however, was the manner in which Labour was apparently ‘losing the 1980s’. Thatcherism proved not to be an aberration. There was no easy resumption of the post-war Attlee settlement in the wake of the 1979 defeat. Thatcher’s project of ‘a free economy and a strong state’ continued to structure domestic politics. Meanwhile, Labour’s natural electoral constituency, the industrial workers of Northern England, South Wales and the central belt of Scotland, was eroding in the face of rapid deindustrialisation.

The defeat of the miners in 1985, among the most cohesive and well organised groups in the British working-class, symbolised the dissipation of Labour’s forward march. The events seemingly presaged the realignment of the UK electoral system in the face of major shifts in the class structure, accompanied by the rise of new constituencies of ‘affluent’ workers made apparently wealthier by council house sales and income tax cuts.

At the 1987 general election, Labour fought an energetic campaign having modernised its image, symbolised by the adoption of the red rose. Yet the party was overwhelmingly defeated. In 1992, Labour was widely expected by political commentators to prevail given the depths of unpopularity to which the Tories under John Major had sunk. Yet Labour was routed once again. Pundits blamed Neil Kinnock’s unpopularity with English ‘swing voters’, and John Smith’s ‘Shadow Budget’ which threatened to inflict a ‘tax bombshell’ on the middle-classes. A more plausible explanation, however, is that Labour was not yet perceived to be a credible party of government. It discarded self-evidently unpopular policies on nuclear disarmament and unilateral withdrawal from NATO and the European Economic Community (EEC). Yet Labour struggled in vain to portray the economy as safe in its hands. Moreover, a surprising number of voters in 1992 thought the Conservatives were more likely to improve the quality of public services including the NHS, promoting choice and efficiency. Labour did make gains in the Southern and Midlands ‘marginal’ seats. Yet Britain was a nation scarred by a prolonged recession having suffered widespread mortgage defaults, rising personal debt and soaring unemployment. Voters were simply not prepared to take a risk on Kinnock’s party. As a consequence, from 1970 until 1997, Labour won only two out of seven general elections.

In the wake of the 1992 defeat, the political scientist John Curtice and colleagues posed the question of whether the

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party could ever again win power in Britain: the decline of the working-class, Labour’s inability to overhaul its policies, alongside the influence of the tabloid media presaged recurrent defeats. Some feared Britain was becoming a one-party state, rather like Japan. Such adverse circumstances make the Labour party’s recovery under John Smith and Tony Blair all the more astonishing. By 1997, Labour secured the largest parliamentary majority in its history, a landslide eclipsing even Attlee’s triumph in 1945. Under the leadership of Blair and Gordon Brown, the party secured record-breaking majorities in 2001 and 2005. Never before had Labour won two, let alone three consecutive periods of office. The party was breaking the spell cast by the Conservatives over British politics since World War One. In office, New Labour’s reforms of the constitution and polity threatened to permanently disrupt the Tory hegemony, dispersing power outside Westminster while breaking the grip of the ‘elective dictatorship’. New centres of political authority emerged in Cardiff, Edinburgh, Belfast and the English cities, notably London and eventually, Manchester.

By 2010, the party was defeated, bringing to an end its unparalleled thirteen years in office. That loss in the wake of the 2008 financial crisis was less severe than many in Labour anticipated. Yet in the cycle of opposition and power, the party had come full circle. It spent the next decade embroiled in sectarian dispute, as the Conservatives once again surpassed Labour as the dominant force in British politics. Ed Miliband and Jeremy Corbyn battled to reshape the party as a viable political competitor. For different reasons, however, neither was perceived to be a plausible prime minister by voters, nor did they have a coherent governing project. The party was more divided than at any point in its history. Striking in the Corbyn era was the rift between the parliamentary party who despised the leader, and grassroots activists who eulogised him. Never before had the cleavage between principle and power in the Labour party appeared so stark.

Labour’s decade-long post-2010 implosion was not entirely unexpected. Parties frequently experience division and turmoil in the wake of defeat, as the Conservatives did after 1997 under William Hague, Iain Duncan-Smith and Michael Howard. Yet Labour finished the decade demonstrably further way from power than it began in the wake of Gordon Brown’s defeat. The party was unable to acknowledge, let alone confront, the scale and seriousness of the defeats inflicted in 2015, 2017 and 2019. Addressing why that is so requires an analytical framework that combines the comprehension of structural factors in British politics with the acknowledgement of contingency, leadership and the role of external forces. The rhetoric of Labour’s forward march implies causal determinism, an account of history where the economic and social structure drives political change. There are numerous analyses of Labour’s development that give primacy to structural forces: from class in the post-1945 era to identity politics and polarisation in the contemporary era. The leadership effect and the ongoing influence of contingent events are consequently underplayed. Even so in an age where celebrity politics encourages a relentless focus on individuals and personalities, the wider impact of structural alterations in society and the economy are in grave danger of being overlooked. Advancing our understanding of the Labour party necessitates addressing how structure and agency uniquely combine to shape political outcomes. The party’s defeat in 1983, for example, was clearly the culmination of long-term structural dynamics that eroded the Labour vote, provoking class dealignment. The restructuring of the British economy and deindustrialisation markedly weakened Labour’s electoral base. Yet what cannot be ignored in explaining the defeat was the manifest distrust of Michael Foot as a putative Prime Minister, perceived divisions in Labour’s top team, and the intervention of the Falklands war, rallying patriotic support behind Mrs Thatcher. Agency and structure both had a significant impact in shaping Labour’s changing fortunes in late 20th century Britain.

"By 1997, Labour secured the largest parliamentary majority in its history, a landslide eclipsing even Attlee’s triumph in 1945."
The central question for the contemporary era is why the party endured a wasted decade after 2010? Labour has been out of office for more than ten years. In ideological and political terms, moreover, the party appeared to have degenerated and was going backwards. In 2019, Labour suffered its worst defeat since 1935. The first reason for Labour’s sterility was that the party remained ambivalent about its governing achievements. It was reluctant to defend its performance after 1997, particularly in managing the economy. The New Labour years were airbrushed from history, just as Blair’s party expunged the 1960s and 1970s from Labour’s collective memory as the disastrous era of ‘Old’ Labour.⁶ The refusal to defend the Government’s track-record in economic management, contesting the assertion Labour overspent on public services and failed to adequately regulate the financial sector, further depleted confidence in the party.

The second explanation alludes to Labour’s contentious relationship with the electorate on whom it depends for victory. In the 20th century, politicians on the Left and Right of the party grew increasingly perplexed by British society. Labour right-wingers often perceived voters (particularly working-class voters) as erratic and fickle, incapable of making rational choices. The remedy was statist paternalism, exercised through ‘gas and water socialism’ at the municipal level. Labour councils had a tendency to, ‘treat tenants paternalistically as a dependent group whose homes, and even family life, could be subject to extensive and detailed controls.’ The Left, meanwhile, feared the electorate had been seduced by affluence. It was therefore immune to the ethical appeal of socialism. Altruism and material self-interest were seen as fundamentally opposing. The party was especially ineffectual at appealing to women, as its iconography gave continual prominence to male industrial workers as the agents of socialist transformation. As a consequence, Labour spent long periods out of office nationally. New Labour appeared to have healed the rift between the party and the electorate by 1997, increasing support among ‘median voters’ by redefining the centre-ground of British politics.⁸ Yet the obsession of Blair’s party with opinion surveys, focus groups and political marketing fed the suspicion the party was abandoning its core values. Under Ed Miliband, the party sought to focus on the so-called ‘squeezed middle’ whose living standards were ravaged by the great recession. Yet the squeezed middle soon became a euphemism for the ‘core vote’ strategy: Miliband’s advisers advocated focusing on 35 per cent of the electorate as the route to electoral victory. Their defeatist mentality indicated the party was a long way from grasping the world-view and changing aspirations of the British electorate.

The third explanation for Labour’s wasted decade relates to the tumultuous politics of the United Kingdom union, exacerbated by the Brexit referendum of 2016. In government after 1997, Labour pursued asymmetrical devolution with varying powers delegated to Scotland, Wales and Northern Ireland. Devolution appeared to function relatively smoothly when Labour was in power at Westminster. The party continued to dominate Scottish and Welsh politics. It could placate national elites with promises of public sector spending largesse. Yet difficulties grew as the Blair/Brown governments became unpopular domestically, while the incentives for politicians in Cardiff and Edinburgh to run in opposition to the London-based establishment increased markedly. Fiscal contraction meant that opposition could no longer be quelled by spending commitments. Labour was particularly vulnerable in Scotland. It had no compelling political project for the Scottish nation, while there was growing disillusionment in the working-class heartlands at Labour’s reputation for corruption and nepotism. The situation was tailormade for Alex Salmond’s insurgent Scottish National Party (SNP). In the aftermath of the 2014 referendum on Scottish independence, Labour politicians were labelled ‘tartan Tories’. In the 2015 election, all but one Labour seat was lost.

Meanwhile, the post-1997 Labour governments’ lacked a

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The Conservatives were able to secure the allegiance of significant numbers of working-class voters for the first time in a generation. Meanwhile, Labour went into the election in a weak position with a raft of spending promises and no coherent EU policy.
The first of these historical problems relates to the uneasy relationship between the Labour party and the progressive intelligentsia in Britain. Labour struggled in opposition and power to shape a narrative capable of dominating the discourse of British politics. It similarly battled to originate plausible and practical policies. Much of this weakness relates to the troubled alliance between the party and progressive intellectuals. In the 1920s and 1930s, the celebrated British economist John Maynard Keynes foresaw problems ahead, observing Labour’s tribalism and fondness for ideological platitudes over practical policy-making. He observed that, ‘the progressive Liberal has this great advantage. He can work out his policies without having to do lip-service to trade unionist tyrannies, to the beauties of the class war, or to doctrinaire State Socialism - in none of which he believes’.10 In the run up to World War Two and in the early 1960s, intellectuals flocked towards Labour, acting as an effective conveyor-belt of ideas. Yet in the wake of the party’s 1979 defeat, the intelligentsia’s alienation from the party became all too apparent. Many of the social democratic intellectuals of the post-war period shifted their allegiance to the SDP. The New Left was alienated from Labour since the late 1960s, disillusioned by the Wilson Government’s alleged mendacity. In the 1990s, New Labour did appear to have succeeded in temporarily healing the breach, drawing academics and public service professionals into its governing project. Yet by the outbreak of the Iraq war in 2003, progressive Britain was deeply estranged from the Labour Government.

The second problem concerned the striking cleavage between social liberalism and social conservatism in British politics. This divide is more often conceived as a unique feature of contemporary Britain following the advent of Blair’s New Labour in the late 1990s. Yet any cursory examination of the historical record demonstrates the divide stretches further back in modern British history. For instance, a number of commentators blamed Labour’s defeat in the 1970 general election on the party’s failure to balance the liberalising reforms of Roy Jenkins’ period as Home Secretary with economic measures that improved the material living standards of the working-class. Even in the late 1960s, the issue of immigration was destabilising the Labour vote, calling into question the progressive nature of British working-class politics. As Home Secretary, Jim Callaghan introduced draconian and restrictive legislation to curtail UK migration. After 1997, Labour’s support corroded among key electoral constituencies. The Blair Government was perceived as presiding over the untrammelled liberalisation of immigration policy, adversely affecting the living standards and cultural security of the working-classes.

The third long-term historical problem was Labour’s struggle to reconcile its conception of socialism with the moral norms and ethics of ‘the people’ of Britain. The party’s dilemma had long been whether to accept ‘the people’ as they were, or to seek to change them, altering their political consciousness. The Left after 1945 aspired to ‘make socialists’. The distinguishing feature of post-capitalist society was the elimination of material greed and self-interest. As such, socialists found the materialism of a large section of the aspirant English working and middle-class particularly disturbing. These voters were becoming increasingly resistant to higher taxes that might threaten their personal consumption and material self-interest, despite the continuing reliance on the beneficence of the welfare state. Even in the immediate aftermath of World War Two, many socialists were pessimistic about their capacity to transform the values of the populace. Nationalisation and state control, an ethic of ‘socialism from above’, meant transformation would be achieved by imposing collectivist policies on society. The difficulty was that many voters in Labour’s working-class heartland recoiled at the bureaucratic rigidity, statist prescriptions and social controls implied by collectivism. The strategy of socialism from above reflected inherent pessimism about human nature and the propensity of voters, particularly in England, to endorse socialist measures. As the post-war era unfolded, Labour increasingly found itself on the

the wrong side of the socio-cultural divide, reflecting growing professionalisation of its political base. The party’s increasingly liberal disposition on law and order, for example, clashed with the moral sentiments of many working-class and middle-class voters who favoured punitive approaches to acts of criminality. It is striking that a plurality of voters continued to support the death penalty in Britain throughout the 20th century. The British Social Attitudes Survey in 2015, for example, found that 48 per cent of voters still favoured the restoration of capital punishment.

The fourth problem related to an enduring issue: Labour’s perceived mismanagement of the British economy. The party was politically vulnerable for much of the last 75 years due to the struggle of Labour politicians to portray the economy as safe in their hands. Although the Attlee governments’ had a strong record of legislative accomplishment, they faced a barrage of serious economic crises. Ministers were compelled to devalue sterling in 1949 following recurrent balance of payments difficulties. In 1966-67, having refused to concede for many months, Wilson’s Administration eventually devalued the pound following speculative attacks on the foreign exchanges. Labour was portrayed as the party of devaluation, symbolising Britain’s post-war economic decline. The party’s problems were compounded by its ‘contentious alliance’ with the trade unions. Initially, Wilson saw the close ties between the party and unions as advantageous, enabling Labour to insist it was the only party capable of securing industrial peace. Yet by the mid-1970s, British corporatism was in danger of imploding. As cost-push inflation soared, Labour governments appeared no better placed to moderate public or private sector wage claims. The Callaghan Administration was immediately blamed by voters for the 1978-79 Winter of Discontent and the spectre of rising industrial militancy. Electoral annihilation followed quickly.

More fundamentally, Labour was hindered by the continual suspicion that it was ideologically opposed to market competition and the private sector. As such, the party was judged incapable of managing them prudently. By the late 1970s, according to the political scientist Ivor Crewe, skilled working-class voters turned decisively against Labour’s programme of nationalisation, indicative planning, corporatism and state intervention. Yet these voters remained ambiguous in their support for Thatcherism. There was little evidence that Britain was being transformed into a Thatcherite nation. Even so, for the next two decades Labour was undermined by the belief that it was a party wedded to high spending and high taxes. The accusation surfaced again in the aftermath of the 2008 financial crash, inflicting irreparable damage on Labour in the 2010 election and weakening the party for the next decade.

The fifth long-term problem related to Labour’s conception of Britain’s role in world. The dilemma for the party was balancing Europe, America and the Anglosphere, particularly the Commonwealth to which many Labour leaders were committed, notably Hugh Gaitskell and Harold Wilson. After 1945, many socialist intellectuals insisted Britain should carve out a distinctive role as an independent third force standing between capitalist America and socialist Russia. The difficulty was that Britain continued to rely on the collective security umbrella afforded by the United States and NATO. Meanwhile, by the mid-1960s the British economy was judged to be declining in relative terms. Membership of the European Common Market was embraced, especially on the party’s Right. In reality, Blair’s post-1997 strategy of maintaining a bridge between the United States and Europe was consistent with the approach of post-war prime ministers and Labour leaders, with the exception of Michael Foot (and latterly Jeremy Corbyn). Even so, US-led wars in Iraq and Afghanistan alienated the UK from the major Western European powers, particularly France and Germany. Blair scarcely succeeded in reconciling the British people to a wholeheartedly European future, as the outcome of the 2016
The lessons for Labour under Keir Starmer

Brexit referendum clearly demonstrated. Does this historical analysis of Labour’s evolving strategic position indicate any obvious lessons for the party led since April 2020 by Sir Keir Starmer? To employ a well-worn cliché in political strategy, Labour has an electoral mountain to climb to win the next election. The party will need to secure a larger swing than it achieved in either 1945 under Attlee, or 1997 under Blair, in order to win an overall parliamentary majority. And the Labour party has never been weaker in Scotland, in the past a key element of Labour’s electoral base. Yet the party’s vulnerability reflects a deeper malaise: the absence of compelling and politically persuasive ideas.

In recognising the gravity of the situation, Starmer and his team should not underestimate the appetite that exists on the British centre-left for new thinking. There are welcome signs that the intellectual permafrost which enveloped Labour after 2010 is thawing. After four successive defeats, it is accepted that rehashing the debates of the last twenty years is unlikely to prove helpful or constructive. On the party's Left among former supporters of Jeremy Corbyn, it is acknowledged the party’s programme in 2019 had serious weaknesses. The emphasis of Labour’s policy on nationalisation and public ownership had significant limitations. Meanwhile, the party’s ‘modernising’ wing was compelled to confront the egregious absence of intellectual innovation within its own ranks since losing office in 2010. Reproducing the 1997 or 2001 Labour manifesto would fail to address the problems Britain faced in the 2020s and beyond. The leadership must recognise there is fertile terrain for a major rethink of policy and strategy, underpinned by coherent analysis of economic and social change in Britain. In advancing that approach, the following lessons can be drawn from Labour’s experience over the last forty years.

The first lesson is clearly the need to use opposition wisely. Don’t simply oppose the government in day to day parliamentary debate, however vital that is to sustaining the party’s morale. Think about how Labour actually wants to govern Britain. Opposing the current government’s policies on its own makes the party tactical, short-termist and insufficiently strategic. Labour must draw on the collective wisdom and insight of front-line practitioners, former Ministers and officials. It must think hard about how to reorganise the machinery of government, ensuring the British state can achieve Labour’s objectives alongside sub-national local governments, the devolved administrations, civil society and in partnership with citizens themselves. In particular, local authorities and the voluntary sector have valuable experience of putting ideas into practice, working with communities. Their insights should be used.

The second lesson is that the Labour leadership requires a political project for the whole country. Regaining the allegiance of so-called ‘Red Wall’ voters, espousing values of ‘family, faith and flag’ may be necessary for victory next time, but Left patriotism hardly amounts to a coherent governing mission. The next election will almost certainly be fought on the key terrain of the economy and the condition of public services. Labour will need clear and persuasive answers that speak to the challenges of the time. Policy reviews in the 1980s focused on discarding measures perceived to be an electoral liability by the leadership: punitive tax rates, wholesale renationalisation, withdrawal from NATO, unilateral disarmament. Yet the 1987 and 1992 defeats demonstrated that dumping obsolete policies on its own is not enough. Labour needs a positive prospectus and unifying theme in its programme, not merely a laundry list of policies. It is
Labour needs a positive prospectus and unifying theme in its programme, not merely a laundry list of policies.
It would be easy for the Labour party to tell a fundamentally pessimistic story about Britain’s future in the light of recent events. The British economy and society are more vulnerable to structural shocks than at any point since the Second World War. The economy is at risk of relative decline in the aftermath of Brexit. Public services are crumbling following a decade of austerity and the hollowing-out of the state. The government’s troubled handling of the Covid-19 pandemic earned Britain the title ‘the sick man of Europe’. Meanwhile, the system of public administration appears overloaded and the public interest has been undermined by contracting-out and the culture of cronyism in a patronage state. The UK constitution lacks vital checks and balances. Not surprisingly, Britain’s role in the world has never appeared more muddled or perplexing.

Yet history demonstrates Labour wins when it has a confident message of optimism and hope that combines the necessity of institutional modernisation with the appeal of social justice. The Covid-19 pandemic has imposed many strains on governments around the globe. But it is social democratic states that are often leading the world out of the crisis, developing vaccines and clinical treatments, using innovation across the economy and society to reduce the harm inflicted by the pandemic. It is centre-left governments that are so often blazing a trail towards the future.

A decade after the 2010 defeat, the Labour party in Britain remains crippled. No compelling successor project to the Blair/Brown era and New Labour has so far emerged. Yet the shock of Covid-19 and its impact, accelerating a succession of pre-existing structural trends and forces, demands a coherent social democratic response. The fundamental purpose of centre-left politics remains to use the power of active government as an instrument of economic and social transformation. R.H. Tawney once decreed the party exists to ensure that every citizen has access to, ‘the means of civilisation’. The ultimate object remains not to accrue power to the state, but to emancipate citizens in leading lives they have reason to value.

“History demonstrates Labour wins when it has a confident message of optimism and hope that combines the necessity of institutional modernisation with the appeal of social justice.”

Forward March Halted?

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This book offers a novel account of the Labour party’s years in opposition and power since 1979, in particular examining how New Labour fought to reinvent post-war social democracy, reshaping its core political ideas. This text will be of key interest to scholars and students of British Politics, political parties, British political party history, Labour Party history and contemporary history.

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