



Mile End Institute

The Challenge Ahead for
Starmer's Labour: How to
understand the 1997 'Project'



Contents

Introduction

Professor Patrick Diamond, Director of the Mile End Institute

Contributors

The Lecture by Rt Hon. David Miliband

The Challenge Ahead for Starmer's Labour: How to understand the 1997 'Project'

Responses to the lecture from:

Dr Colm Murphy

Will Hutton

Sunder Katwala

Professor Eunice Goes

Harry Quilter-Pinner

Dr Lise Butler

About the Mile End Institute

1

5

7

14

16

18

19

20

21

22

Introduction

David Miliband's lecture at the Mile End Institute (MEI) in May 2022 was a key milestone in the ongoing debate about New Labour's legacy and the Labour Party's future in British politics. May this year marked the 25th anniversary of New Labour's landslide election victory. The opportunity to critically assess the nature and significance of the 1997 victory is all the more important as Labour appears to be edging closer to power once again under the leadership of Sir Keir Starmer. Yet vital questions remain about the shape of the party's electoral and governing project.

There had been speculation in the early 1990s that Britain was becoming a one-party state akin to Japan in which the Tories became the permanent party of power. Yet by 1997, the Conservatives suffered their lowest share of the popular vote since 1832. Labour's capturing of Tory England was reflected in the astonishing number of marginal seats gained in the English South, particularly the classic Essex and Kent marginals such as Basildon and Gravesham. Meanwhile, a 101 Labour women MPs were elected, a tentative step towards addressing deep-seated inequalities in political representation and the policy agenda of the UK.

The story of Labour's modernisation has been recounted often, most recently in an evocative documentary series produced for the BBC, *Blair & Brown: The New Labour Revolution*. Yet it is Philip Gould's book, *The Unfinished Revolution*, that still offers the most compelling and astute analysis of the modernisers' mind-set. There is little doubt that the traumatic experience of the 1992 defeat five years before had a seismic impact on the formation of the New Labour project.

The 1992 Defeat

Labour's loss that year shocked much of the UK political establishment while raising major questions about the accuracy of opinion polling.

What made the 1992 defeat especially disquieting for the party was that the UK had been mired in a deep recession with unemployment rising above three million, while the housing market was engulfed in a wave of repossession and negative equity. The bubble of the 'Lawson Boom' in the late 1980s had spectacularly burst and the Conservatives had been in power for thirteen years. The removal of Margaret Thatcher in 1990 left a deeply troubled party uncertain of how to deal with the divisive Thatcherite legacy. The Tories appeared tired and divided under John Major, in danger of being over-run by bitter disputes over Europe that were to rock the party for the next thirty years.

Moreover, Labour went into the election campaign with a narrow but persistent poll lead. The party was widely thought to be united and competent. Ivor Crewe believes that, by the early 1990s, 'the Labour Party was disciplined,

moderate and modern; the socialist left was marginalised; and a wide-ranging policy review had jettisoned its former policy liabilities, including unilateralism, nationalisation and central economic planning'. Labour would go on to fight the 1992 election, 'in as ideal conditions as an opposition could hope to find'. The party's proposals to make the UK economy more competitive as well as fair even received editorial endorsement from the *Financial Times*. Yet Labour lost the 1992 election 'conclusively'.

In their tendentious but thought-provoking work, *Defeat from the Jaws of Victory*, Richard Heffernan and Mike Marqusee lay the blame squarely at Neil Kinnock's door. They claimed that Labour's defeat was, 'the result of errors and failures of leadership, of political mistakes and organisational blunders that could have been avoided'. They argue that the modernisation process had denuded Labour of its core working-class support, while attacks on the trade unions and the Militant Tendency demoralised the party's grassroots. Heffernan and Marqusee's memorable verdict was that, 'without roots in the working-class or in the communities it claimed to represent, the party was infected with a culture of careerism that combined, in unhealthy measure, forelock-touching and back-stabbing'. The Guardian columnist, Seamus Milne, argued in similar vein that Labour was unlikely to win simply by being 'better managers of capitalism' than the Conservatives.

An alternative and rather more plausible interpretation of the 1992 defeat is that Labour had made insufficient progress in devising an intellectually convincing and plausible set of economic and social policies that the party could present to the electorate. In John Smith's now infamous 1992 Shadow Budget, Labour pledged to increase child benefit and the state pension, responsibly funded by raising National Insurance on relatively high earners (a proposal that even the Labour Left MP, Ken Livingstone, decried as likely to be seen as a 'cap on aspiration'). That putative tax rise gave ammunition to the overwhelmingly hostile tabloid media to attack Smith's proposals, although the argument that it was the Shadow Budget which lost Labour the election is not very convincing.

Labour's vulnerability stemmed from the fact that while Kinnock's party had already rejected a reversion to the Keynesian welfare state of the post-1945 era, it had not yet identified a governing formula that would permit necessary social reforms, revitalising Britain's welfare state and public services, while retaining the trust of voters in managing the economy and protecting their increasingly precarious personal prosperity.

At the same time, Labour was slow to come to terms with the structural decomposition of the class base of the electorate, despite Kinnock's self-evident determination to win. As Miller and his co-authors remarked in the early 1990s: 'The British



political system is now one where the alignment between social classes and partisan support is sufficiently weak to give major play to highly mutable short-term forces. As such, it places a premium on waging successful campaigns.¹

The modernisers in Labour feared that the party was still beholden to an ‘old-fashioned’ image of trade unionism and producer interests, while it continued to align itself with the declining sectors of society - inner-city council estates, the industrial North of England, the unemployed, benefit claimants, and heavy industries such as mining.

The difficulty Labour faced by the end of the 1980s, as the political scientist Eric Shaw perceptively noted, is that even if it had decided to pursue a rational median voter strategy following repeated defeats after 1979, the precise shape of the party’s approach was not easily discernible. Shifting to the centre is not a straightforward task for any party since the political centre-ground is constantly being modified and reshaped. The selection of an electoral strategy is mediated by the ‘frame of reference’ party strategists adopt to understand the changing political and social environment in which they are operating. It is argued that Labour in 1992 had cleaved too far by default towards an unimaginative ‘safety first’ approach, discarding what David Blunkett described in the journal *Tribune* as ‘the spark of radicalism’ and political imagination that was necessary to create momentum for an insurgent centre-left party.

Indeed, it is striking that Labour achieved a lower share of the vote in 1992 than at any general election between 1945 and 1979, highlighting the scale of the party’s predicament. By April 1992, the post-war victory appeared to be the high point from which Labour had descended inexorably in the intervening fifty years. No wonder the Attlee years were now viewed in the party with sepia-toned nostalgia. As the historian David Howell characterised it, Labour was encumbered by, ‘changes in social structure and loss of ideological direction which combined to produce stagnation and the threat of regression’.

The nature of the defeat meant that intellectual momentum in the Labour Party passed inevitably to the rising generation of modernisers. Press and journalistic commentary focused on the triumvirate of Tony Blair, Gordon Brown, and Peter Mandelson. Influential alongside that ‘trio’ were figures from



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the ‘soft’ left of the party, notably Robin Cook, David Blunkett, Mo Mowlam and former Kinnock aides such as Patricia Hewitt and Charles Clarke who argued for the radical overhaul of Labour’s agenda and presentational strategy.

The Road to 1997

In essence, Blair was continuing the

modernising approach instigated by Kinnock after 1983. Yet the new leader went much further in explicitly altering the ethos and culture of the party, symbolised by the re-drafting of Clause 4.

The commitment to nationalisation and wholesale public ownership was replaced by an enthusiastic embrace of market forces, emphasising the centrality of the private sector to a dynamic economy. New Labour

believed that global capitalism had triumphed. Qualified support for the market economy was now insufficient. The legacy of ‘Old Labour’, the trade unions, the ‘Winter of Discontent’, the failures of Wilson and Callaghan symbolised by the IMF bail-out, and inept Labour local authorities, were repudiated by the designation of Blair’s Labour Party as ‘New’, drawing a definitive line under the past.

That was the strategic context for Labour’s 1997 victory. As David Miliband highlights in his lecture, Labour won ultimately because it appeared to offer a political and policy agenda to which the party leadership was now wholeheartedly committed, following the process of ideological transformation initiated by the jettisoning of the old Clause 4 in 1994-95. Above all, Gordon Brown provided Labour with a resilient macro-economic strategy that did not appear to threaten the material interests of its core electoral coalition. In 1992, the problem was that Labour appeared too expedient, desperately willing to do or say whatever was necessary to win. By 1997, it was advancing a position based on principled conviction, whatever the subsequent inadequacies of its governing approach.

The political scientist, Dennis Kavanagh, concluded: ‘The 1997 election is likely to be a watershed in modern campaigning. It demonstrated the importance of technology for rapid

rebuttal of opposition arguments and in targeting voters. It reinforced the importance of discipline, remaining focused on a simple message ... and using focus groups to shape the style, language and demeanour of party leaders. The early days of the Labour government suggested that the party would translate many of these lessons from campaigning into government’.

The paradox of New Labour’s landslide victory was that the unprecedented scale of the results was subsequently matched by the party’s extreme caution, evident in the 1997 manifesto and the programme of economic and social change that was envisaged when Blair came to power.

The party in office introduced necessary constitutional reforms, yet appeared reluctant to undertake a more thorough-going democratisation of the British state. Meanwhile, Labour resisted committing itself to any fundamental reform of capitalism and the redistribution of wealth that would reshape the UK’s low skill, low wage, service-based economy, tackling the deep-seated spatial inequalities that had emerged in previous decades.

By the late 1990s, the Labour leadership broadly accepted the economic management consensus forged in the Thatcher era. The focus of macro-economic policy was to achieve low inflation and monetary stability, while growth and the trend rate of productivity would be improved through micro-economic intervention by government: policy reforms to enhance skills, human capital, technology, and physical infrastructure.

New Labour’s core narrative centred on the apparent triumph of ‘globalisation’ with its implication that national policies were now constrained by international economic forces. David Coates and Colin Hay wrote that, ‘both in opposition and now in government, Blair’s Labour Party has, to an unprecedented extent, emphasised the degree to which international (indeed, global) processes, pressures, and tendencies serve as external constraints circumscribing the limits of political possibility’.

Consequently, the newly-elected Labour government was inclined to over-estimate what could be achieved in the short-term, while underestimating the potential for more far-reaching long-term reform of state and society. Having

raised voter’s expectations, ‘New’ Labour experienced political turbulence within a year or so of the 1997 victory, as voters became frustrated and impatient that improvements in public services, particularly the National Health Service (NHS), did not appear to have materialised.

Meanwhile, the structural inequalities that prevailed in the social and economic fabric of Britain were left largely undisturbed over the next thirteen years. 1997 was a rare moment in Britain in which, as David Howell puts it, ‘anti-Tory forces decisively triumphed’. Yet, it is hard to evaluate Labour’s record without concluding that a major and historic opportunity was missed.

Blair’s original aim, signalled in his 1995 lecture on the fiftieth anniversary of the Attlee Government’s election, was to forge a political coalition as ambitious as the Progressive Alliance of the Lloyd George era. That coalition assembled prior to the First World War sought to achieve the radical modernisation of British political institutions and society. In the Edwardian era, as Howell has written, ‘Liberal strategists constructed an electoral alliance of those they characterised as the useful people against those stigmatised as parasites and idlers’.¹

As we know now, the window of opportunity available to New Labour in addressing fundamental disparities in the distribution of wealth, property, assets and inheritance closed all too quickly. Ministers were reluctant to face up to the reality that major reforms that reshape production and distribution in the economy inevitably produce hostility from losers, particularly the rich and powerful.

While Blair was able to assimilate conservative values and morality in the 1990s as the Right surrendered its dominance over issues of social order (a process then reinforced by the apparently dramatic rise in the national crime rate), New Labour’s reputation for illiberalism eventually ruptured its ties to the British Liberal tradition, a breach reinforced during the unilateral invasion of Iraq alongside the American President, George W. Bush, in 2003. The Government’s approach to immigration and asylum was judged to be particularly punitive, as were its law and order policies. As such, the marginalisation of liberalism within New Labour’s governing coalition meant the Progressive Alliance was fatally ruptured. Labour had little hope of achieving historic social reforms in its remaining term of office.

¹ David Howell, ‘The Best and the Worst of Times’: Rise of New Labour, Economic and Political Weekly, 32/28 (July 1997), pp. 1697-1704.

² Cited in Eric Shaw (2002), The Labour Party Since 1979: Crisis and Transformation, p. 3, London: Routledge.

Contributors

1997 remembered

The road to modernisation and the 1997 victory scarcely provides unambiguous lessons that can be read-off by the current Labour leadership as the party clarifies its political and electoral strategy in the face of economic turmoil and unprecedented Conservative unpopularity.

Even so, the 1992 experience should focus Labour minds, since it demonstrates that the unpopularity of an incompetent Conservative incumbent is not sufficient on its own to secure victory, particularly if voters do not trust Labour's instincts on taxation and public spending.

What is also apparent is that Labour is unlikely to be successful if it merely adopts a cautious 'safe-play' strategy ahead of the next election. The party needs to show it has the capacity to be audacious and imaginative in turbulent times. Keir Starmer must demonstrate that, rather than merely asserting Labour's dominance as the main centre-left party in UK politics, he is able to position himself at the centre of a national anti-Conservative coalition with the capacity to carry out far-reaching constitutional, economic, and social reforms in the mould of Lloyd George and Attlee. The Labour leadership is surely aware that forging a radical coalition of ideas between parties that can unite the left-centre majority in Britain has never been a more urgent task.

The Mile End Institute is a cross-party academic research organisation that engages with citizens on major questions of politics and policy-making in Britain. The state of the opposition and its capacity to mount an effective challenge to the ruling Conservative Party is one of the most urgent and insistent questions confronting British politics. This publication is part of the Institute's contribution to that debate, and we look forward to continuing the discussions through our ongoing research programme. Finally, particular thanks go to Thomas Chidwick for all of his support both in organising the Mile End Institute Conference on the New Labour years, and in the preparation of this pamphlet.

Professor Patrick Diamond, Director of the Mile End Institute

November 2022

David Miliband

The Right Honourable David Miliband is the President and CEO of the International Rescue Committee (IRC), the global humanitarian relief organisation which operates in more than 40 countries and 20 U.S. cities and is headquartered in New York. Prior to joining the IRC in 2013, Miliband was Head of the Prime Minister's Policy Unit from 1997 to 2001 and the Labour MP for South Shields from 2001 to 2013. In June 2007, he was appointed Foreign Secretary by Gordon Brown, making him the youngest person to occupy the post since David Owen was appointed in 1977.

Professor Patrick Diamond

Professor Patrick Diamond is an Associate Professor of Public Policy at Queen Mary University of London and the Director of the Mile End Institute. Formerly a Special Adviser at the Northern Ireland Office, the Cabinet Office, and 10 Downing Street between 2000 and 2005, he also served as Head of Policy Planning during Gordon Brown's premiership. His latest books, *The British Labour Party in Opposition and Power, 1979-2019*, and *Labour's Civil Wars* (which is co-authored with the late Giles Radice) were published by Routledge in 2021 and Haus in 2022 respectively.

Dr Lise Butler

Dr Lise Butler is historian of modern Britain, specialising in political history, left-wing politics, and the history of the social sciences. She completed her doctorate at University College, Oxford, in 2015, and held a Lectureship in History at Pembroke College, Oxford, and an Archives By-Fellowship at Churchill College, Cambridge. Her first book, *Michael Young, Social Science, and the British Left, 1945-70* (Oxford University Press, 2020) examines the relationship between the social sciences and left-wing politics in the decades after the second world war through the ideas and networks of the sociologist, policy maker and social innovator Michael Young.

Professor Eunice Goes

Professor Eunice Goes joined the School of Communications, Arts and Social Sciences at Richmond University in 2008. She holds a DPhil in Politics from the London School of Economics and Political Science (2002) and her areas of expertise are British party politics, British political thought

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Will Hutton

William Hutton is a British journalist who writes a regular column for *The Observer* and is the President of the Academy of Social Sciences. He is also the Co-Chair of the Purposeful Company and was the Principal of Hertford College, University of Oxford from 2011 to 2020. He was formerly Editor-in-Chief for *The Observer* and is the co-founder of the Big Innovation Centre (an initiative from the Work Foundation), having been Chief Executive of the Work Foundation from 2000 to 2008.

Sunder Katwala

Sunder Katwala is the director of British Future. He has previously worked as a journalist. He was general secretary of the Fabian Society thinktank from 2003 to 2011 and was previously a leader writer and internet editor at *The Observer*. He was formerly Research Director for the Foreign Policy Centre, and Commissioning Editor for politics and economics at the publisher Macmillan.

Dr Colm Murphy

Dr Colm Murphy is a Lecturer in British Politics at Queen Mary University of London and is Deputy Director of the Mile End Institute. His PhD, submitted in 2020, examined ideas of 'modernisation' in the Labour Party from 1973 to 1997 and is currently being developed into a monograph which will be published by Cambridge University Press. At the IHR, he is examining the crises of British Keynesianism from the 1970s to the 1990s, with a particular focus on responses to deindustrialization, European integration, and the emergence of globalization.

David Miliband

This article is based on a lecture, entitled ‘Between the Obsolete and the Utopian’, that the Rt. Hon. David Miliband gave to the Mile End Institute’s New Labour, New Britain which took place on 6 May 2022 at Coram Fields, London.

Harry Quilter-Pinner

Harry Quilter-Pinner is the Director of Research and Engagement at the Institute for Public Policy Research (IPPR), who heads up the Institute’s research, policy, and influencing work in Westminster. Prior to this, Harry was the IPPR’s Associate Director for Work and the Welfare State. He co-founded the Institute’s flagship Better Health and Care programme and was the lead author on the independent cross-party Lord Darzi Review which shaped the NHS Long-Term Plan and the most recent NHS funding settlement.

There is a lot bound up in marking 25 years since 1997. The biggest emotion is of course: NO! Are we really that old? After all, 25 years before 1997 was 1972, and that is ancient history.

But there are other feelings too. For me, there is a lot of pride – in having been a small part of a great team, which built an extraordinary collective muscle, that inspired millions of people to vote Labour in a memorable victory.

There is also real sadness, about the amazing people who we worked with and learned from but have lost since then, among them Robin Cook, Mo Mowlam, Donald Dewar, Tessa Jowell and Philip Gould.

And of course, there is immense political frustration. Because we were not just trying to win one election in 1997 but to lay the groundwork for a new dispensation in British politics, where instead of Labour governments being an occasional alternative to Conservative rule, we were in government more often than in opposition.

We believed that the way to build a progressive country was not to win once and then flame out; it was to make change, show what was possible, then build momentum, renew, and repeat the process.

Blair, Blair, Blair, lose, lose, lose, lose, is not the history we wanted to write. When Tony said he didn’t want to be the Labour leader who won three elections, but the first Labour leader to do so, he meant it.

1997, and 2001 and 2005, have gained significance because of what has happened since. In those three elections, Labour found a way to stop losing, but since then has rejected that approach and reverted to well-trodden ways of doing so. By 2019, Labour was as unelectable as it had been in 1935.

In the 1980s, the SDP claimed that the “mould” in British politics was the two-party system. But that was a category error. The real mould is that we have a two-party system where the Tories win for the vast majority of the time. Labour

is strong enough to survive as the alternative to the Tories, but most of the time too weak to win. Perfect for the Tories. Bad for the country. That is the mould we wanted to smash in 1997.

In this lecture I want to look at the ideas that contributed to Labour’s historic election victory. I do so because that is what Patrick Diamond has asked me to do, but also:

- because ideas mattered, probably more than is realized, both in symbolizing what New Labour offered and in shaping what New Labour meant;
- because I think there is a real danger in the way the intent, focus, purpose of the campaign has become lost, in fact distorted, over time;
- and because this distortion, by placing the blame on our time in government for our successive losses since then, has the real-world effect of denying Britain an effective opposition, never mind an effective government.

Obviously, a lot more than ideas went into winning. But ideas are the subject I have been asked to address. So, this is a lecture about the notion of “project” in politics, and the meaning of “The Project” in the 1990s. Here is my argument in a nutshell:

First, Labour’s long period in opposition after 1979 was the rule not the exception of our history. We only had nine years of real majority government in our first 100 years. Tony Blair’s insight was to grasp this. It was not, as the debate in the 1980s had it, that the forward march of Labour had been inexplicably “halted”. It was that history was not on our side. There was a structural problem in Labour’s definition and appeal.

Second, the failure of Labourism after 1979, just as after 1951, was a failure of ideas, a failure of project, and not just a failure of organization or leadership. Labour was stuck, and the country was stuck, because of its inability to be the leader of a broad, progressive, national coalition to take the country forward, as opposed to a sectional part of it, protesting (and arguing with itself) but not governing. Credibility

and radicalism were at odds with each other, rather than reinforcing.

Third, the project of “practical idealism”, instead of ideas that were either obsolete or utopian, is the key to understanding New Labour: where it succeeded at the level of ideas in fusing labour’s class interest with liberal reforms, collective action with individual aspiration, harnessing the center and the apolitical with the left of politics, it finally achieved electoral dividend for the Labour Party and made change in the country. And when it failed to do so, it lost. This was the real Third Way.

Fourth, when it comes to the future, I don’t believe in ancestor worship. Labour needs renewal not restoration. No sensible person says Labour needs the policies of 1997. But Labour does need to understand its own history. Labour’s losses since 2010 are part of a pattern from which 1997, and 2001 and 2005, were an exception. The reversion to type explains why Keir Starmer has such a hard job. But it also explains why his efforts are so important and why he must succeed. We need to learn from our victories, not blame them for defeats.

Ideas matter, especially at a time of flux

For this lecture I went back to Tony’s leadership election statement of June 1994. This was one of the first things I worked on. In it he wrote: “To win the trust of the British people, we must do more than just defeat the Conservatives on grounds of competence, integrity and fitness to govern. We must change the tide of ideas.”

This is important. News was the weather; ideas were the climate. And we wanted to change the climate.

There was, in this argument, not just a swing of the political pendulum in 1997; it was a swing driven by a coalescence of ideas that represented an unusual mixture in Labour history.

Far from being “neo-liberal”, as is now the comfortable epithet in too many quarters, the “project” set as its task the resolution of the Progressive Dilemma that David Marquand had sketched out in his famous book of that title. That dilemma, tragedy might be a better word, was how to break a century of defeats and combine the Labour coalition with Liberal support.



Labour needs renewal not restoration. No sensible person says Labour needs the policies of 1997. But Labour does need to understand its own history.”

The chosen route in 1997 was through ideas as well as electoral strategy: to bring together ideas that were distinctively social democratic, in essence the advance of social justice through collective action, with ideas that were small l liberal, essentially the extension of individual freedom in a market economy, and then forge them into a distinctive package.

The closest thing since – the real New New Labour – is the three-party German coalition agreement of last December, that makes the drive for environmental sustainability core to the extension of individual freedom and pursuit of social justice.

This project was a political, electoral effort, born of successive electoral defeats in which Labour’s policy as well as its personality alienated millions of voters. But it was a political effort that gained strength because it was rooted in seminar rooms debating ideas as well as focus groups discussing slogans. The aim was to end Conservative political domination, but it was also to break the philosophy of shrink the state, run down the NHS, deregulate the market, blame the poor for their poverty, blame European foreigners for that which was not the fault of the poor, that were hallmarks of the Tory years.

We did not seek to continue the Tory trajectory; instead, we pledged to change it, to make the UK a more equal society in its opportunities, in its incomes, in its distribution of power. In some of this, we succeeded, a lot; in other parts, a little; and in still others, we failed.

But it is a serious error to confuse motives with mistakes. We did make errors, both of omission and commission, some of which I will discuss, but if the successful political method – “the project” – is thereby obscured, which it has been, Labour is likely to lose, which it has.

Remember the context for the 1997 election, and above all remember 1992. After the fall of the Berlin Wall, the right didn’t know what to do with its victory. It could sell some quack economic theories to Russia, which it did, and which created some of the oligarchs we are trying to sanction today. But if history was “ended” by market economics, what should the right stand for in mature western democracies?

And on the left, Labour was confronting existential intellectual and political questions. Eric Hobsbawm had challenged

Labour’s assumptions about class. *Marxism Today* had called out the crisis of the state and the collapse of organized labour. Feminists had declared time on political, policy, organizational strategies that ignored women.

I edited a book in 1994 called *Reinventing the Left*, born of one of those seminar rooms. The breadth of contributors, from former Prime Minister of France Michel Rocard to Marxist scholar Perry Anderson, is not the only striking thing. So is the sound of sacred cows being slaughtered in the search for a center-left politics that shaped history rather than being marooned by it.

In 1992 this flux was context for a stunning Labour defeat, and a crushing rejection of a traditional version of social democracy.

Labour was not in fact very close in 1992: we lost by 2.5 million votes and our share of the vote (34%) was lower than our share in any general election between 1931 and 1979.

In fact, it looked to many like Labour could never win. The Nuffield Election study of that year was called “Labour’s Last Chance?”

1997 was very different. People now sometimes say we could never have lost. They point to the exhaustion, division, failings, and weakness of the Conservative government. Those descriptors are all accurate.

But I don’t subscribe to the view that Labour was destined to win, and certainly not by a majority of 179.

In fact, I confess that after John Smith’s two party conference speeches, I walked up and down the sea front in Brighton and Blackpool deeply worried that we were failing to understand that in 1992 the electorate had told us, in no uncertain terms, that they wanted a different offer from Labour.

John was brilliant in exposing Tory failings. He also set up the Commission on Social Justice, of which I was Secretary, to come up with new ideas on the welfare state, after the problems of the 1992 Shadow Budget, when our spending priorities on child benefit and pensions produced a shrug from the electorate, and our tax policies, under withering Tory assault, had them running for the hills.

But there was a lot of continuity. And that worried me. Because I felt we needed more change.

I joined Tony Blair’s team slightly late, in June 1994, because my dad had died just 9 days after John Smith. I didn’t know Tony well at the time. But I do remember him writing something striking in a typically generous condolence note at the time. He said that although he obviously disagreed with my dad’s Marxism, he had learnt a lot from his diagnosis of the limits of “Labourism”. The last chapter of my dad’s book *Parliamentary Socialism* is called “The Sickness of Labourism” and concerns the repeated defeats in the 1950s.

Both Tony and my dad understood Labourism – and the ism is important, signaling an ethos and an approach not an institution - to be a stultified form of Labour politics on parts of both right and left of the party. Nostalgic, incremental, defensive, small c conservative, it wasn’t bracing enough to win, open enough to rethink, broad-minded enough to appeal across classes, confident enough to be inclusive, strong enough to lead.

Class and ideology were uneasy bedfellows in labourism. The narrative was one of heroic failure not pioneering success.

Labourism epitomized the problem of the Progressive Dilemma, rather than solving it. It was suspicious of ideas, and while it talked about interests was unclear how to serve them. As society changed, the ethos of Labourism made the party more comfortable looking back rather than forward, off the pace rather than ahead of the curve. It was part of the mould.

Breaking the cycle

I saw four factors at play in breaking that mould in the 1990s, and establishing the hegemony that Labour established on the political scene by May 1997 and sustained for ten years. They represent the difference between 1992 and 1997.

They concern 4 P’s: people, party, policy and project. They exist in my mind as four concentric circles, at the center of which is the idea of “project”, which drove what our people said, how the party was organized, what our policies were.

The first circle, the outer circle and therefore the most visible, was our people. Tony was a quite remarkable political phenomenon: he did not just identify the limits of Labourism, he transcended them.

But Tony was not alone. Gordon was a disciplined, unflinching dynamo, with huge political experience. There were many others. It was a team effort.

Tempered by the 1980s, battle-hardened, I watched these politicians. They were optimistic and zealous, hard-headed without being cynical. They learned to respect each other as well as respect the electorate.

And there were party workers, advisors, networks of support in the most unlikely places, way beyond politics.

The second circle was the party. Its culture, structure, make-up, mentality. I’ve been in the Labour tribe for nearly forty years. It’s got enormous strengths. It is idealistic, determined, gritty, loyal. But its weakness lies in that word: tribe.

It is prone to Stockholm syndrome, thinking that everyone thinks like us. But they don’t. And in the 1990s, we didn’t just build a big tent, we opened the side flaps, so that all comers

could come and contribute. It's a separate lecture but the tragedy there is that as Phil Wilson memorably put it, we were elected on 1 May 1997 and stopped reforming the party on 2 May 1997.

The third element was policy. My job was to get us to 1997 with a manifesto that could help us win rather than pave the way to defeat.

Anyone who lived through the 1992 election should have learnt that policy can cost you an election. When the Tory attack came, it was too late to change our spending plans, and we were nailed on tax.

So my first task was bomb-disposal: get rid of policies that could blow up in an election campaign. Unfunded commitments, half-baked interventions, loose ends that spoke to interest group positioning not a programme for government.

But Tony thought policy was more important than people realized for winning an election, not just avoiding losing the election.

Policy could change perceptions, as with our crime policy;

- be a guarantee to the electorate, as with our education policy, or our health policy;
- be a discipline on politicians, as with our policy on tax and spend;
- be a rallying call to the country, as with our policy on childcare or pensions;
- challenge obscurantism and narrow-mindedness, as with our policies on gay rights or on Europe;
- de-risk a Labour vote, as with our commitments to a referendum on devolution to Scotland, Wales and London (and on the Euro)
- speak to our ambition, as with our policies on creative industries and arts and culture
- and policy could show that we had learned the lessons for which the electorate had sent us back to the classroom after successive defeats, for example in our insistence on "switch spends" to be emblems of the difference between us and the Tories, most famously in abolishing the Assisted Places Scheme to pay for reduction in class sizes.

I wrote the 1997 manifesto. I remember that we had 176 carefully phrased promises. The five on the pledge card, plus the means

to pay for or implement them, were the most famous. 169 were delivered in the first term.

But policy without a project is ad hoc, disconnected. It's a good warning to those who today say Labour needs "more policies" The project gave coherence to the policy, and policy gave meaning and credibility to the project, and so together they were able to punch through to the electorate. That is what I want to dwell on.

Project

It is easy to mock the idea of project. It's got a bit of Antonio Gramsci about it. But the iteration between definition of the project and policy to symbolize it was the anvil on which the ideas of 1997 were hammered out. The "project" was the glue between policy and vision.

The project was clearly electoral. To change Labour from a losing machine to a winning one. It was driven by politicians seeking to win votes not philosophers seeking to publish books. And the idea was simple: since people voted against old Labour, create new Labour.

But the electoral project was only powerful because it was fused with a national project. That national project requires analysis to unite behind; North Stars to follow; exemplars, domestic or international, to foreshadow the future.

Gramsci wrote about the requirement "to address ourselves 'violently' to the present as it is". That's what we tried to do. If you are actually serious about getting into government, and making real decisions, then you have to be unflinching.

New Labour's national project was built on hard diagnosis of the country's situation. Remember the British economy was growing, quite fast, by the 1997 election. But we had slumped in the world education league. The NHS was losing the confidence of the public and it languished in global health indices. Our political system was ossified. The collapse of community cohesion was evident in every town and city. And we were losing a beef war the government chose to fight with the EU.

The problem was not just that the wrong people were in charge. Looking back, in a speech in 2003, Tony identified the problem as Britain's progressive deficit. It's a good phrase. He said in that speech: "by 1997, Britain was a long way from being a modern social democratic country."



1997 was very different. People now sometimes say we could never have lost. They point to the exhaustion, division, failings, and weakness of the Conservative government. Those descriptors are all accurate."

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Our diagnosis was that Britain was weak because Britain was divided, and it was divided because neither the political system, economic model nor cultural mores were adequate to the challenges of building either a strong economy or a strong society in the 21st century. So the wiring themes of future/modernity and equality/inclusion arose from a clear critique.

We thought the governing philosophy of "cut the state, let loose the market" was insufficient for a modern economy and damaging for a modern society. But we believed that a simple pendulum swing back to the state, especially an unreformed state, would solve little.

On this, as in other areas, we thought the electorate were ahead of the party: they weren't prejudiced against government action, but they wanted to be convinced it would work. There is actually modern relevance to this, with the tax take at a level not seen since 1949.

So we aimed to shape markets through a modern state that empowered rather than squashed civil society and channelled the power of markets. This was how we would seek to extend personal freedom in a market economy and enhance social justice through collective action. We were trying to break out of the limits of Labourism, without losing the ballast it provided.

Out of this mindset came the National Minimum wage and tougher competition policy, the Minimum Pension Guarantee and Child Trust Funds alongside 3500 Sure Start Centres, signing the social charter of the EU and legislating for gay equality, literacy and numeracy hours and massive expansion of higher education alongside reforms to the teaching profession and student loans, independence for the Bank of England and tax credits, ASBOs and early intervention programmes and more police on the beat and the Human Rights Act and the ban on smoking in public places, the windfall tax on privatized utilities to get young people into work and Scottish devolution and a mayor for London. There was a more active role for the state, but big reform of the state and also more responsibility for civil society.

The electoral project and the national project gained strength because they became fused. Everything was driven by a need to marry a new position for Labour with a new direction for Britain. And our argument was that the project to change the country could only be delivered by a changed Labour Party.

I know "on message" has become a lesson about disciplined sound bites but in fact it was all about following through a diagnosis of what needed to change about Britain with a diagnosis of what needed to change about Labour.

You can think of this definition of the political project as asking and answering five questions:

- Threat/Opportunity: what is the problem/challenge facing the country?
- Villain: why does the problem exist?
- Hope: what's the way to fix it?
- Protagonist: why are you the people to fix it?
- Proof: how can we trust you?

In 1997 we said something like the following: the threat is a divided and declining Britain, the villain is an out-of-date philosophy and politics, the hope is national renewal through a new balance of state, market and community, the protagonist is a changed Labour Party, and the proof was in a set of commitments that defied conventional wisdom on our own side.

It was deliberately a big argument. And we applied it across each policy area.

This assessment stands in contrast to a widespread narrative today that we became popular by aping the Tories. It's an odd claim given that the Tories were unpopular. But this is what people mean when they talk about "forty years of neoliberalism".

I don't buy that. What we did was choose our ground: investment in public services over nationalisation of utilities, a national minimum wage over repeal of 1980s legislation on ballots before strikes.

I think it is worth pausing to debunk the counter-argument.

The best evidence for the claim that we were too sanguine about markets is that financial services were not more heavily regulated. We left them under-regulated, it's true, as 2008 showed. But I would argue this was because of complacency about the NICE (non-inflationary continuous expansion) economy, not adherence to "neoliberalism".

You can also make the argument that while we were relentless, and actually quite effective, at tackling poverty at the bottom of the income distribution, we were insufficiently focused on inequality at the top, including wealth inequality. That's a fair critique.

But the evidence for the claim that neoliberalism was unchallenged in 1997 and beyond is outweighed by the evidence *against*.

If it means anything neoliberalism means a belief in untrammeled market forces and a minimal state. This is what its adherents believe. But this was neither the mindset nor the policy map in the mid-1990s.

We promised to expand and modernise the role of the state, not reduce it. This was especially true in health, where the annual average growth rate in spending went from 4 per cent from 1979 to 1997 to 6 per cent in the Labour years. But it was also true in respect of education, childcare and other public services. Our aim was to make government work not cut it out. We ran the economy quite hot and put the proceeds into public services and redistributive benefits, like tax credits.

We sought to regulate markets in the public interest. The best evidence of our commitment to the social market economy was in the labour market, where we promised and delivered the minimum wage, more rights for workers, especially women workers, and actually for trade unions, who benefited from multiple pieces of legislation. We could have done more to address over-mighty corporate power, but the idea that we thought markets were self-regulating is just wrong.

We sought to redistribute income and opportunity because the market fails to do that. This was especially the case in respect of pensioner and child poverty. The poorest half of the child population was better off by £4390 per person per year by 2010, and the poorest half of the pensioner population better off by 1970 pounds per year.

We tried to tackle structural poverty, whether defined by geography, through fifty New Deal for Communities; or defined by class, through the Social Exclusion Strategy; or defined by personal misfortune, through the attack

on homelessness. In fact, there was an attack on territorial or spatial inequality far greater than anything done by the current government under the slogan of “leveling up”.

We rejected the view of society as a grouping of autonomous individuals, and combined liberalisation of laws on personal behavior with strengthened support for and enforcement of the communal interest. It was as important to our political identity that we passed laws against discrimination on grounds of sexuality or race or religion as it was that we passed laws on anti-social behavior and employed more police officers and police community support officers to enforce them

It is important to say that we stood for all these things at European and global level not just national level. The very serious mistakes over Iraq have obliterated a lot of this record, but they should not obscure the importance of our international agenda for our vision of a renewed Britain.

International engagement was not an add-on. It was part of our

“

The project was clearly electoral. To change Labour from a losing machine to a winning one. It was driven by politicians seeking to win votes not philosophers seeking to publish books.”

diagnosis of Britain's problem that closing ourselves off from the rest of the world was of a piece with social division at home. Narrow nationalism went with living in the past rather than respecting it. And driving the country forward at home could only be possible by re-engaging with the outside world (and could be helped by it).

Social rights, environmental protection and peace in Northern Ireland involved a central role for the EU. International stability and the battle against impunity were supported through our role in NATO. Leadership in the battle against international poverty went alongside a war on poverty at home. The campaign to win the Olympics was in part a product of the way the country was motoring at home, but also about building and reinforcing national reputation.

This was not neoliberalism. Nor was it trickle-down economics. Nor was it Tory lite. It was a modernised social democracy with a strong commitment to social liberalism that would have been recognizable to Attlee as well as Keynes, Roosevelt as well as Willy Brandt. And that was the point.

This is why so much of the debate about Left and Right inside the Labour Party is so confused. The real divide is radical Labour versus Labourism. Much of the so-called Labour left is actually quite conservative. And parts of the Labour right are radical on social questions, or, as in the case of John Smith, on Europe.

At its best, New Labour was radical Labour. The Third Way is often described, not least by Tony, as borrowing ideas from left, right and center. But it was also a

Third Way within the center-left: it saw liberalism as too narrow, social democracy as too sectional, and so sought to fuse them together. The problem in my judgment is not that we started down this road, but that we did not keep going.

More than History: Between the Obsolete and the Utopian

This is of historical interest, but I think it has modern relevance. My view is that a mistaken diagnosis of our successes and failings in government – essentially that we were not “left wing” enough – has marooned us in opposition.

It is interesting that a recent academic survey should have concluded that the claim that new Labour was neo liberal is unfounded. Professor Mark Wickham Jones has no axe to grind and shows that whether you believe neoliberalism is a belief that markets spontaneously maximize welfare, or that

markets are the source and arbiter of human freedoms, New Labour does not tally with that.

There are a number of reasons for the Corbyn years, but one is that the truth about our record was not defended, and the betrayal thesis took hold.

After 2010, and in some ways after 2007, we ended up spending too much time apologizing for rather than rectifying what we got wrong and too little time explaining, defending, promulgating, building on what we got right. You can be proud of your record while being humble about your mistakes; in fact both are stronger when paired with the other.

In my view, Keir Starmer has made an essential not just welcome attempt to begin to change the narrative. He wants to learn from our wins not just our losses. Because if our only victories of the last fifty years are denigrated as the abandonment of principle then the wrong lessons will be learned.

The work of constructing a political project takes hard analysis of global trends and local context; real listening to what voters are saying; profound engagement with questions about the meaning of progressive politics when inequalities are complex, ecological and national security threats profound, and issues of identity to the fore; and then policy imagination that maximizes change while minimizing risk.

All of this has got more difficult in the last 25 years. Around the democratic world traditional politics of left and right are struggling. In part that is what we were onto 25 years ago.

Opinion polls and focus groups can't do that work for you. It is an intellectual endeavor as well as a political one. As my friend Peter Hyman has written, successful politics takes place at the intersection of what the country needs and what a politician believes with what the electorate want.

There is an article by Robert Skidelsky, written fifty years ago, about an article that John Maynard Keynes wrote 90 years ago, that summarizes this point brilliantly. Keynes article was entitled “The Dilemma of Modern Socialism”. Skidelsky’s article is called “The Labour Party and Keynes”.

Skidelsky summarizes Keynes view as follows: “Caught between the obsolete and the utopian, the [Labour Cabinet of 1931] had been ‘totally unsympathetic with those who have had new notions of what is economically sound’”.

The obsolete and the utopian. It’s a brilliant description of Labour’s historic error. It sums up how Labour goes wrong, how its right and left can end up cautious when they need to be radical, conservative when they need to be progressive, retreating to the comfort of old ideas when it needs to be looking for new ones, losing when they could be winning.

In 1997 we rejected both the obsolete and the utopian. We

broke out of the limits of the tribe. But in the process, we delivered more of what the tribe believes than any Labour Party since 1945.

That is the only way to win and the only way to change the country. And the two are related. That is why I defend the idea of “project” in politics, and why I also defend “the project” of 1997. The challenge now is not to reheat it. It is to learn from it. Because, just as 25 years ago, it’s the future of the country not just the party that depends on it.

Dr Colm Murphy

In his fascinating address, David Miliband argues forcefully that ‘ideas mattered’ in defining New Labour and ensuring its success. Miliband partly aims to correct a ‘distorted’ view of New Labour as merely an electoralist wheeze latched onto neoliberal capitulation. For him, this prohibits positive lessons from the 1997-2010 governments and traps the party ‘between the obsolete and the utopian’. He also argues that a successful social democracy requires intellectual as well as organisational or electoral renewal.

Miliband’s speech thus presents New Labour as a political ‘project’, which flowed from a compelling intellectual ‘critique’, and which animated and directed its policies. The successful ‘project’ must be different today, he freely concedes. But in its rigour, radicalism, and scale, New Labour still offers an instructive model.

Yet, how exactly do ‘ideas’ actually matter in politics? Miliband’s argument has already attracted scepticism from learned quarters. Jon Wilson (KCL) has criticised his ‘fetishization of ideas’, arguing that New Labour was (like any political movement) incoherent and that organisational drive and emotional attachment were more important.²

It is true that Miliband overstates New Labour’s coherence. It is likely that, had one asked Robin Cook, Patricia Hewitt, and Ed Balls to describe the ‘project’ in 1997, their answers would have differed in meaningful ways. Indeed, as my forthcoming book argues, in the 1980s and 1990s ‘modernisation’ encompassed a diversity of intellectual diagnoses and medicines.¹ Insofar as ‘New Labour’ did obtain coherence, this consequently involved shutting down as well as encouraging intellectual debate. Meg Russell and Christopher Massey, for instance, have shown how Blair’s leadership undermined the intended pluralism of the National Policy Forum (f. 1993).² By 1997, pamphlets on ‘Euro-Keynesianism’ or the ‘stakeholding economy’ were gathering dust on the shelves of the IPPR’s office on Southampton Street. Miliband freely concedes this. With the gut-wrenching 1992 loss undoubtedly in mind, he argues that ‘policy can cost you an election’ and recalls his ‘bomb-disposal’ efforts.

Miliband is, nonetheless, correct to argue that ideas were



Rather than a “project” or “lodestar”, New Labour was more akin to a dynamic, unstable alchemical compound of incongruous ingredients.”

crucial to New Labour, both in ‘symbolising what New Labour offered’ and ‘shaping what New Labour meant’. Ironically, we can turn to scholarship on ‘neoliberalism’ to illustrate both these points. In recent years, historians have interrogated the relevance of neoliberalism to Britain after the 1970s, and by implication the importance of ideas. Much of this work has relativised neoliberalism and stressed other factors, from economic change to political calculation. But, in a recent intervention on neoliberalism, Ben Jackson (Oxford) has outlined a compelling four-part schema of how ideas can matter.³

First, Jackson argues that the spread of an intellectual argument within a political movement is, in itself, a sign of social and economic change. In his telling, Thatcherism’s growing popularity on the right reflected burgeoning individualism and the market turn. Analogously, New Labour’s emphasis on technology and modernity in the 1990s gestured towards genuine forces, such as the information revolution, which New Labour promised to exploit.

Second, intellectuals pioneer conceptual and technical innovations that politicians can then use as weapons. When monetarists recast theories of inflation in the 1970s, Thatcherite politicians gained both

argumentative points and intellectual confidence. Drawing on 1990s ideas like ‘new growth theory’, New Labour benefited from a similar effect. It opened up a new case for investment in public services and infrastructure.

Third, it is a cliché to point out social change can only be interpreted through language and rhetoric. But the insight remains important, as it offers politicians with opportunities to narrate change in ways that legitimise and persuade. Miliband’s speech is itself an excellent example. In mentioning David Marquand’s ‘Progressive Dilemma’ (a purposeful echo Blair’s 1995 anniversary lecture on 1945, I suspect), Miliband construes Labour’s failures since 2010 through a resonant social-democratic language, one which animates his argument for uniting trade union resilience and socialist outrage behind liberal reformism. His mobilisation of his dad’s New Left term ‘Labourism’ does similar work for a different audience.

1 Colm Murphy, *Futures of socialism: “Modernisation”, the Labour Party, and the British Left, 1973-1997* (forthcoming).

2 Meg Russell, *Building New Labour: The Politics of Party Organisation* (Basingstoke, 2005), chap. 6; Christopher Massey, *The modernisation of the Labour Party, 1979-97* (Manchester, 2020), chap. 6.

Finally, Jackson argues that ideas can and do influence policy in government. Here, we must be most cautious: political calculation, institutional pressures, unintended consequences, and external constraints are powerful counterweights. Elegant theories rarely survive the frontiers of government without suffering mutilation, starvation, or execution. Nonetheless, ideology acts as a ‘heuristic’, which meaningfully shapes how policymakers act and decide. New Labour’s policy actions, from tax credits to Sure Start, devolution to the Human Rights and Equalities Acts, education investment to the ‘New Deal for the Unemployed’, reveal the heuristic of 1990s social democracy as far from irrelevant.

Students and practitioners of politics should beware smooth, stylised histories of ‘ideas’. Rather than a ‘project’ or ‘lodestar’, New Labour was more akin to a dynamic, unstable alchemical compound of incongruous ingredients. It was, nonetheless, an intellectual phenomenon and endeavour as much as anything else. Borne of a post-Cold War ideological destabilisation, and drawing on ferment within British socialism, European social democracy, transatlantic progressivism, and Australasian labourism, ‘New Labour’ gave its innovators a rough-and-ready ideological map of the uneven terrain of 1990s politics, and with that the confidence to forge coalitions and adopt (and reject) policies. Without considering its intellectual contexts and content, New Labour is neither historically nor politically legible today.

Will Hutton

New Labour's achievements - winning three elections and constructively using power to make millions of lives better - have for too long been under-sung. David Miliband is right to cite the long list of worthwhile New Labour reforms, right to repudiate the left charge this activism was "neoliberal", and right to underscore the hard work that went into winning the narrative and harnessing the always fissiparous Labour party to winning. Besides Johnson's government, New Labour look very good indeed.

However, there is a very big "but". In 2008 Britain was very nearly overwhelmed by a financial crisis that was more acute here than in any other country. Royal Bank of Scotland, then our largest bank, was within hours of having to cease trading: it had run out of cash and its loan losses would wipe out its capital. Its illiquidity was morphing into insolvency; essentially it was de facto bankrupt. Had it collapsed the rest of the UK banking system, similarly but not so extravagantly at risk, would have fallen in a domino effect with incalculable economic and social consequences.

Yes, Gordon Brown then decisively reversed the dithering that had handicapped the government's interventions when the crisis first began with the unprecedented run on Northern Rock the previous September. The combination of aggressively recapitalising the banks, providing limitless credit lines and guaranteeing depositors cash saved the day - and became the template for action around the world.

However, the fall-out both economically and politically opened the way to General Election defeat in 2010 as the Tory opposition exploited the profound recession and ballooning budget deficit that followed the crisis, which then transmuted into twelve years of Conservative rule and the all-too-easy unravelling of so much of what New Labour had achieved. Almost as importantly Labour's left were gifted the chance to elect Jeremy Corbyn as leader as a return to "real socialism", a disaster from which Labour is only just recovering. Economically the crisis was an inflection point, portending protracted low investment and productivity and highlighting that the economic model Thatcher built did not work - a weakness now exacerbated by Brexit.

All have their roots in New Labour abandoning any pretence at owning a critique of capitalism or acting on it to launch a more sustainable economic model: it may not have been neo-liberal

in its willingness to use the state purposively towards social policy, but it shied away from even the softest of reformist interventions in the wider economy – in particular towards the City. This was Ed Balls, then City minister, in 2006:

"The Government's interest in the city and financial services is specific and clear: to safeguard the light touch and proportionate regulatory regime that has made London a magnet for international business... [The Labour government] will outlaw the imposition of any rules that might endanger the light touch, risk based regulatory regime that underpins London's success."

It embodied the approach. Yet it was those light touch rules that allowed British bank balance sheets to swell in size to be four or five times larger than British GDP backed by surprisingly little capital but engaging in virtual no support of enterprise and innovation in the real economy. It was finance in its own sealed bubble to become the most exposed financial sector in the world. Whether company law reform, creating regulatory limits to lending and trading

worthless new-fangled financial instruments, smarter capital requirements, establishing mission oriented public financial institutions or even adopting an industrial strategy New Labour shrank from anything that its critics could use against it as being "anti-business" or 'interventionist'. In essence it accepted the Thatcherite economic settlement while redressing the wounds in society. For a decade it worked, delivering non-inflationary growth and the tax revenues to support its very welcome social interventions - from Sure Start to Academy Schools.

It was, in my view, a fatal mistake. A modicum of tougher regulation, together with the argument to support it, would have mitigated the force of the crisis and better framed the political discourse that followed. Northern Rock, for example, should have been taken into public ownership immediately in 2007 - and every bank required to use more capital to support its balance sheet swollen with financial instruments masquerading as assets, so arresting the last wild month of boom. Some of the sting could have been drawn, so that the subsequent recession would have been less acute. There would have been a dividing line with pro-City Tories, but also Labour would have been less wide open to attack from its Corbynite wing. In short, the lack of a critique of capitalism cost New Labour everything - power, its reputation for economic management, the shredding of its achievements and control of the party. Even Brexit has its roots in the mistakes of those years.

I admire Sure Start, asset-based welfare, academy schools, the renewal of the NHS, the phenomenal progress on eliminating child poverty and much more. But while New Labour deserves much more recognition for its achievements, its defenders cannot easily brush the financial crisis to one side. Today's Labour party has much it can learn from New Labour - its discipline, its willingness to engage intellectually, its campaigning coherence and its drive to win. But as a centre-left party it should always remain umbilically linked to a critique of capitalism - otherwise in a different form the same grim story will repeat itself.

Sunder Katwala

The big 1990s arguments about the role of the state - taxation, public services and inequality - dominate David Miliband's 25th anniversary lecture. His nuanced defence of the record is more plausible for acknowledging its limits too. Another legacy of the New Labour era was the rise of the politics of identity, a story of significant yet often unanticipated consequences. Taken together, they leave politics and society facing different questions in the 2020s than twenty-five years ago.

On national identity narratives, the Millennium Dome was an iconic failure, though it left a tangible local impact in North Greenwich. New Labour's idea of "the future, not the past" was too binary - and empty. The successful Olympic bid saw Danny Boyle succeed where the Dome failed, showing tens of millions as story of modern Britain as a product of our long history, not a modernising rupture from it.

A more consciously multi-national United Kingdom may be New Labour's most profound identity legacy. New Labour's peace settlement in Northern Ireland, and devolution to Scotland secured broad public consent, which was successfully extended in Wales after its knife-edge referendum. The future of the United Kingdom is unfinished story, with Scottish Labour a surprising casualty. The failure of regional devolution in the north-east left New Labour with no account of what to say or do about England.

Race was peripheral in New Labour's creation with little ethnic diversity in the rooms where 'the project' was shaped. The electoral imperative for the successful breakthrough for women in parliament did not extend to race, intuitively associated with the inner-city core vote and the party left. Just 4 out of 187 (2 per cent) Labour's newly elected MPs were from visible minorities, an identical proportion to the pre-1997 PLP. It was little noticed at the time that New Labour had an all-white Cabinet for its first five years until Paul Boateng became the first Black British Cabinet minister. David Cameron appointed the first British Asian Cabinet ministers. No Asian women entered the Commons until as late as May 2010.

Events changed New Labour's approach to race. The historic public inquiry into Stephen Lawrence's murder enabled much of Middle England to see policing and injustice through the eyes of a black family for the first time. The Daily Mail's vocal support helped Jack Straw quell nerves in Number Ten that it might "look like an attack on the police". Ted Cantle's 2001 report into parallel lives saw a shift in language from multiculturalism to cohesion. 9/11 and 7/7 created a sharp focus on Muslim integration, often on "them and us" terms. Tony Blair became another Prime Minister to leave office regretting that an integration strategy never quite had sufficient focus as an actionable priority. Gordon

Brown repeated the pattern, making a big public argument about Britishness, before seeing that squeezed out once the financial crisis dominated from 2008.

More gradually, educational success - with especially rapid progress in London - has made Britain a country where ethnic minorities are a bit more likely to be graduates than the white British. One 2020s challenge is to ensure that these advances now break down ethnic penalties to recruitment and progression in work, protecting an agenda of fair chances for all from the politics of competing grievances.

New Labour lost public confidence on immigration. Its focus was on asylum, with much legislation passed, but Home Office reform was more elusive. What seemed a technical decision in 2004 to not match European transitional controls had profound political impacts, though a faster response to the unanticipated scale of Polish migration might have mitigated that. New Labour's inability to manage the pace of change provided some of the conditions for Brexit. Yet, surprisingly to some, post-Brexit Britain has now become much more relaxed about immigration.

So what next? Social democratic parties are anxious about identity, due to its disruptive impact on the electoral coalitions of the past. The temptation is to try to avoid the issues - and get back to talking about the economy and the NHS. That can leave politicians under prepared when the heat is on.

Miliband argues that New Labour was not "policy light" - especially in 1997, though in hindsight that gradualist first term now seems the boldest of the three. The forward offer of 2001 and 2005 perhaps fell further short of meeting Miliband's tests for a political project. Those project tests might now be usefully applied to seek a more confident, contentful argument about how social democrats can talk and act on identity too.

These complex identity legacies reinforce Miliband's insight that the next renewal of social democracy could not be restorationist. Social democratic governing projects will always require a cross-class coalition. A core 2020s challenge is to now make an authentic progressive bridging offer across Britain's identity divides too.

Professor Eunice Goes

In his keynote address to the conference *New Labour, New Britain: The 1997 Election - 25 Years On*, David Miliband rightly reminded us of the central role ideas play in the life of political parties. In an era of highly competitive politics and 24/7 news cycles the importance of ideas is often forgotten. In the scramble for votes, political parties are treated as different brands of soap on sale at heavily discounted supermarkets, but this focus neglects the fact that parties are ideational organisations. Obviously, political parties participate in elections, and most of them want to win them, but electoral victory is not their only goal. In truth, political parties want to win elections because they want to enact their projects which are shaped around values, current policy and political problems and historical trajectories.

Ideas also matter because they contribute to a sense of mission which in turn energises parties and creates an exciting buzz around them. This exciting buzz was tangible around the time of New Labour's 1997 landslide victory. Every week there were countless articles in the media dissecting every aspect of New Labour's agenda. The international press had an insatiable curiosity about Tony Blair, New Labour, and the Third Way. Public intellectuals like Anthony Giddens, David Marquand, Amitai Etzioni, Steven Lukes, Ruth Levitas, Hillary Wainwright, Ralf Dahrendorf, and many others, wanted to either be associated with the New Labour project or wanted to be seen as individuals who critically and seriously engaged with it. Rightly or wrongly, these ideational debates contributed to present the New Labour project as having the right answers to the problems of the time.

It is fair to say that despite the buzz, New Labour did not shift the debate on the big questions of the day. Globalisation was viewed as an untamable force, and the market was seen as the engine of economic growth, innovation, and dynamism. By contrast, the state was perceived as necessary but inefficient, conservative and in need of reform. In other words, if New Labour was not neoliberal (it was mostly what the political theorist Michael Freeden defined as an ideological hybrid, which combined elements of different ideologies, including of social democracy and neoliberalism) it did not challenge the neoliberal settlement that had dominated Britain and European politics since the 1980s.

But the late 1990s were not the time to question the status quo. This was a period of market exuberance, prosperity,

economic growth (generated largely at the expense of rising levels of public and private debt) and optimism and which eventually ended with the 2007 global financial crisis.

New Labour did not predict this big crisis of capitalism and exhausted by 13 years in office it had no idea of how to respond to it apart from the immediate emergency response that the bailouts to banks and quantitative easing provided and which averted the worst. Since then, Labour has tried and failed to diagnose the causes of the global financial crisis and to come up with solutions for it that are popular with the electorate. Even Keir Starmer, warmly endorsed by David Miliband as well as by the architects of New Labour, has failed in this task. Thus far he has focused on reassuring voters that he is neither Jeremy Corbyn nor Boris Johnson. But most voters have no idea of what he stands for. His strategy of ideological quietism, whereby he minimises the importance of ideology to emphasise his competence, has

resulted in a collection of modest policy proposals that do not amount to a 'project', let alone to a project that addresses the big crisis – environmental, economic, democratic – of today. In the meantime, there is no buzz or sense of mission around Starmer's Labour Party.

As Miliband suggests, to avoid the destiny of his immediate predecessors, who lost, lost, and lost, Starmer should find his 'north star', that is, the idea that will shape his project and electoral strategy. To do so, the Labour Party should, as Miliband advised in his address, learn from its history but should not engage in 'ancestor worship' because it 'needs renewal, not restoration'. Miliband's advice is particularly valuable because the 2020s are radically differently from the 1990s. Instead of expressing their faith in markets, economic actors now turn to the state in their search for answers for the climate emergency, investment in infrastructure and new technologies; instead of consumers modern democracies need vigilant citizens who care about the public good. Thus, and paraphrasing Miliband, to reject the 'obsolete and utopian' from Labour's past, Starmer must realise that these are times to be radical and not cautious, progressive, and not conservative, and to search for new ideas instead of retreating 'to the comfort of old ones'. Only then can Labour again win, win, win.

Harry Quilter-Pinner

It has become fashionable in British politics to argue that policies are unimportant in trying to win an election. At best, the argument goes, they are irrelevant. The electorate are too ill informed or political unaligned to have strong policy positions on most issues. At worst, they are like bombs that can go off mid-election and torpedo an otherwise promising campaign. Just ask Neil Kinnock or Theresa May.

Instead, policy sceptics argue that the key to an election winning agenda is a compelling narrative – combined with strong leadership – that speaks to, and activates, people's values and identities. At the extreme, this approach results in Boris Johnson and his notoriously thin 2019 Conservative manifesto. A glossy façade with a big narrative and a big personality, but very few real commitments.

However, as David Miliband, argued in his recent lecture to mark the 25th anniversary since New Labour took power, this way of thinking about politics is a mistake. Putting aside the fact that policy is the main vehicle through which real change - the ultimate goal of politics - is delivered in government, policy is a vital part of an election winning strategy.

This is because values without commitments are just empty words.

Put simply: policy gives expression to values. Policies constitute a promise to voters and a signal as to whose interests the party seeks to serve. This is especially important when parties are out of government. Buttressed by the levers of the state, political parties can substantiate their values by delivering real change for the people that voted for them. In opposition politicians have to work harder to land their message.

New Labour at its best understood this. Their 1997 pledge card demonstrates this potential. Their first pledge to the electorate was smaller school class sizes to be funded by cutting assisted school places. This is an example of the power of emblematic policy. It made real their commitment to a fairer society that unlocked the potential of everyone to thrive in a way “education, education, education” could only hint at.

Of course, there is also a risk of tipping too far in the other direction. In 2019 Labour under Jeremy Corbyn the party made an eye-watering number of policy promises. Indeed, they were still announcing new policy, in the form of an

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Policy is a vital part of an election winning strategy ... values without commitments are just empty words.”

the ‘establishment’ to make the lives of the majority better in a way that is both affordable and effective.

And, to this, I will add a final lesson of my own: there is no politics worth advocating for that doesn’t pick a side. Standing for everyone is ultimately standing for no-one.

As the saying goes “imitation is the sincerest form of flattery”. In theory, Labour should therefore take succour from the Conservatives adopting the windfall tax policy as their own.

But, in truth, they are now left, once again, without a clear dividing line (beyond governing competence). In looking to fill this gap they would do well to learn lessons contained in David Miliband’s speech.

It is only in the combination of values, narrative and policy – what he calls project – that parties find a winning formula. The best political projects are both bold and credible in tackling the challenges of future, not fighting the battles of the past.

unfunded £58bn pledge to compensate the WASPI women, even after they published their manifesto. For many voters this cemented the idea that Labour was neither credible nor responsible.

The current Labour leadership has undoubtedly taken the lessons of the 2019 defeat to heart. But, it too, at times, has made similar mistakes. As the commentator Stephen Bush has noted, in the first year of Keir Starmer’s leadership the party announced over 200 policies (albeit significantly less ambitious than those of his predecessor). Despite this, in focus

group after focus group voters have continued to say that they don’t know what Labour stands for. Quality over quantity is therefore the goal when it comes to election-winning policy.

In their response to the cost of living the Labour Party seem to have grasped this. By championing a windfall tax on the fossil fuel giants to relieve pressures on those struggling to ends meet, Labour signalled that they are willing to tackle the big problems facing voters, taking on the interests of

Dr Lise Butler

In 2010, the last year that Labour Party was in government, I arrived in the UK from Canada to study the history of the British left. Since then, a central pre-occupation in left wing policy circles has been to define the Labour Party against the legacy of New Labour. Under Ed Miliband’s leadership this occurred through the cautious re-introduction of the word ‘socialism’ into Miliband’s speeches and appeal to ‘One Nation’ Labour. Under Corbyn this reappraisal took the form of a more radical vision of economic renewal and anti-imperialist – some would say unpatriotic – foreign policy.

While very different, both visions sought to differentiate themselves from a New Labour that was portrayed as technocratic, divorced from the Labour tradition, and marred by a foreign policy disaster.

Since 2017 I have taught the history of the British left at City, University of London, and my students – a very significant proportion of whom are first generation university students from BAME and first or second generation immigrant families in London – consistently clamour to give their presentations, and write their essays, on Blair and the New Labour project. For these students, born after the Iraq War, and raised under vicious austerity and in the shadow of Brexit, New Labour now represents something much more neutral than it did for my generation.

Any attempt to revisit of the legacies of New Labour today must face the radically different economic and political landscapes of 1997 and 2022: in 1997 the UK was experiencing manageable inflation, low interest rates and falling unemployment. Today we face inflation of at least 7 per cent and rising, an impossible housing market, and unconscionable levels of working poverty. But 25 years after the 1997 election the party can begin to move away from a defensive posture about the legacies of New Labour. Labour should embrace and highlight the economic achievements of the 1997-2010 governments: reducing child poverty, introducing the minimum wage, and improving education and the NHS. And it should own its record on constitutional matters such as devolution, the reform of the House of Lords, and the re-empowerment of municipal government.

New Labour is often understood as a capitulation to Margaret Thatcher’s economic and social vision, or as the Labour Party’s embrace of ‘neoliberal’ ideas. But in his speech at the Mile End Institute, David Miliband portrayed

New Labour as a more complex and in some ways more radical project, which took inspiration from a diverse array of voices on the left as well as the right of the Party. Miliband’s remarks highlighted the ideological diversity that fed into the New Labour project – from Eric Hobsbawm’s The Forward March of Labour Halted to Ralph Miliband’s critique of parliamentary socialism. These thinkers, David Miliband said, contributed to shaping New Labour’s critique of ‘Labourism’ – the ideology which placed trade unions and industrial labour at the heart of the Labour Party’s politics and political mission – and shaped policy areas where New Labour clearly departed from the Tories, such as constitutional reform. It’s worth noting that the critique of ‘Labourism’ that Miliband associated with New Labour was shared by actors from both the Labour Party’s left – including members of the Bennite ‘new urban left’ in the 1980s, like Jeremy Corbyn. I hope the diverse ideological origins of New Labour can be recalled today, as Keir Starmer’s leadership team steers a still deeply factionalised party.

Going forward, Labour should embrace the ideological diversity that characterises (and has always characterised) the party.”

characterises (and has always characterised) the party. The policies of the post-war Attlee government reflected policy debates between left and liberal factions in the 1930s, and the New Labour platform drew on a wide range of ideas about deindustrialisation and constitutional reform from the Party’s left. While the Labour Party’s last 12 years in opposition have been riven by factionalism, the diversity of ideas generated during periods in the political wilderness can provide the political soil diversity for victory—if integrated effectively and confidently into a policy offer. Labour should be inspired not by a caricature of a neoliberal New Labour, but by its complex, contradictory, and sometimes even radical legacies.

About the Mile End Institute

The Mile End Institute brings together politicians, policymakers, academics, and the public to discuss and debate the major challenges facing the country in a fast-moving and ever-changing world.

The Institute calls upon expertise from the School of Politics and International Relations and the School of History, based in the Faculty of Humanities and Social Sciences at Queen Mary University of London and disseminates through [**public and digital events**](#) [**webinars, podcasts**](#) and the [**Mile End Institute Blog**](#).

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