The Challenge Ahead for Starmer’s Labour: How to understand the 1997 ‘Project’
Labour project. before had a seismic impact on the formation of the New
that the traumatic experience of the 1992 defeat five years
analysis of the modernisers' mind-set. There is little doubt
The Unfinished
Revolution. Yet it is Philip Gould's book,
produced for the BBC, Blair & Brown: The New Labour
often, most recently in an evocative documentary series
The story of Labour's modernisation has been recounted
representation and the policy agenda of the UK.
The story of Labour's modernisation has been recounted
reflecting the astonishing number of marginal seats gained
in the English South, particularly the classic Essex and Kent
reflected in the astonishing number of marginal seats gained
in the early 1990s, 'the Labour Party was disciplined,
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 Tony England was
in the English South, particularly the classic Essex and Kent
marginals such as Basildon and Gravesend. 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 Modernising 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 repossessions 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,
marginalised, and 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's
Left MP Ken Livingstone, decried as likely to be seen as a 'cap
on aspiration'). That punitive 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
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, discounting what David Blunkett described in the journal 'Tribune' as the 'new radical modernisation' 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 problem was that Labour appeared too expedient, 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 1980s, the Labour leadership broadly accepted the economic management consensus forged in the Thatcher era. The focus of New Labour's 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.
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.

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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.

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William Hutton is a British journalist who writes a regular column for TheObserver 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 TheObserver 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.

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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.

Contributors
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.

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.

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, 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.

I believe that the Fourth Way was ideologically right, just as the Third Way was ideologically right. 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 their problems, blame women for their poverty, blame women for their problems. The breadth of contributors, from former Labour Prime Minister of France Michel Rocard to Marxist scholar Perry Anderson, is 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 Tony 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 condolences 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 stifled 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 Ps: 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.

Temppered 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
I wrote the 1997 manifesto. I remember that we had 176 carefully crafted policies. The project gave coherence to the policy, and policy gave meaning to the project, and so together they were able to punch through to the electorate. That is what I want to dwell on.

Project

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

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 ailing themes of future modernity and equality/inclusion arose from a clear critique. We thought the governing philosophy of "cut the state, let the market do it" 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?
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 redistritbutive 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 geographical inequality far greater than anything done by the current government under the slogan of “levelling 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.
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 whose latch onto neoliberal capitalism. 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 ‘fetishisation 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 Labourism, ‘New Labour’ gave its innovators a rough-and-ready ideological map of the uneven terrain of 1990s politics, 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.

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 contents and context, New Labour is neither historically nor politically legible today.

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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 regulate 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 fail-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 unsavouring of so much of what New Labour had achieved. Almost as importantly, Labour’s left were gifted the chance to repudiate the left charge this activism was “neoliberal” and to highlight that the light touch and proportionate regulatory regime that had 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 shank 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 of its 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 Corbyntite wing. In short, the lack of a critique of capitalism - otherwise in a different form the same grim story will repeat itself.

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.
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 2000s 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.

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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. Buttedress 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 demonstrated this potential. Their first pledge to the electorate was smaller school class sizes to be funded by cutting assisted education, education, education”. It could only hint at.

Of course, there is also a risk of taking 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 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 seems 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 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 the Labour Party seem to living the Labour Party seem 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, Labour now represents something much more neutral than it did for my generation.

Any attempt to revisit 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 cleverly 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 Bennie ‘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. The policies of the post-war Attlee government reflected policy debates between left and liberal factions in the 1950s, 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

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