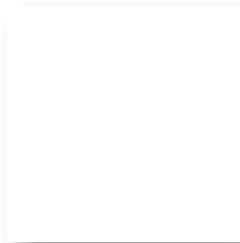
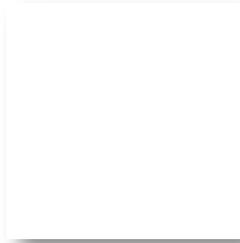


# **Lost labours:** where now for the liberal Left?

John Kampfner



**CENTRE:FORUM**

## ABOUT THE AUTHOR

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## ⋮ Introduction

I remember the moment. I was having lunch with a Conservative cabinet minister. It was November 1995. I had been immersed in life in the Lobby for less than a year, having spent a decade as a foreign correspondent, covering the fall of the Berlin Wall and the collapse of Soviet Communism. I was now at the Financial Times charting a series of events that, in the often insular world of British politics, was regarded as equally portentous – the rise and rise of the New Labour project.

My interlocutor was being indiscreet, as was the way with the fractious outgoing administration. He then beckoned me closer across the table and spoke in hushed tones. “I ought not to say this but there’s something about that Tony Blair that doesn’t quite add up. Whenever I hear him speak I wonder whether that’s all there is to him.” I asked the minister why he needed to whisper: “Because even in my party, everyone is in awe of Blair.”

At the time of this conversation I was working on a radio documentary on the philosophy of New Labour. I phoned Alastair Campbell to bid for time with the boss. He was reluctant, seeing no merit in a deeper exploration of political thought. He eventually acceded. After an hour of conversation with Blair, I put away the recording equipment satisfied that I had unearthed some fascinating insights. Once we were out of earshot, my producer told me that had been one of the most vacuous interviews she had been party to. She instructed me to accompany her to White City “to see if there’s anything we can do to salvage the programme”. I put it down to my poor performance on the day. Maybe I hadn’t brought out the best

in Blair. We decided to interview various thinkers to insert some ballast, to opine about communitarianism and the Third Way.

This is how I introduced the programme: “In these days when public confidence in Members of Parliament has sunk to new depths, it’s either a brave or foolhardy politician who talks of a moral vision of society. But listen ...” I then cut to Blair, who quoted Clement Attlee’s vision of a “brotherhood of man”.<sup>1</sup>

Ever since I have wondered what might have happened if I had allowed the original material to speak for itself. What if I had concluded – then, not subsequently – that the New Labour prospectus was little more than an empty shell, that the gulf between the high-flown rhetoric and the courage to change society was vast?

After 13 years in power, the Labour government is stuttering towards electoral defeat. The causes of its malaise are various: a cyclical shift that inevitably follows all periods of political dominance; the exhaustion of the main players; a continued fury with Tony Blair over Iraq, and despair at Gordon Brown’s strange mix of brutishness and weakness.

In the first part of this pamphlet, I will probe each of these reasons. Yet I maintain that these are important but insufficient considerations for Labour’s decline, the roots for which are much deeper.

The New Labour project was born of the traumas of the 1980s and 90s. It was based on the notion that centre-left governments can change society only at the margins and only by stealth. New Labour accepted, unquestioningly, the economic settlement wrought by Margaret Thatcher. Blair, and even more so Brown, restricted their aims to offering limited palliative care for the most disadvantaged: redistributive bolt-ons. Unable or unwilling to deal with the causes of inequality and social discord, they confined themselves to tackling its effects. “A party that should have intervened for social justice and greater equality instead allowed the markets to let rip,” I wrote recently.<sup>2</sup> But I went further, suggesting a causal link between its economic timidity and authoritarian zeal:

“Having raised the white flag to the bankers, ministers instead sought to exert their power elsewhere, at the level of the citizen, seeking ever more ingenious ways of watching us, listening to us and telling us how to lead our lives. I am no Freudian psychoanalyst, but I can find no better example of displacement theory in modern politics.”

In the second part of this document, I look at the alternatives. I look in particular at the Liberal Democrats and at how their current approach towards liberal values accords with that other goal of progressives – a more equitable society. I assess the appeal made late last year by Nick Clegg to Labour’s lost army to join him in common cause. Presaging a “reverse switch”, a reversal of the events of 1905, Clegg pledged to replace Labour as “the dominant force of progressive politics”.<sup>3</sup>

So does the general election of 2010 mark this very moment? Does it mark a liberal or a Liberal Democrat moment?

The liberalism to which I have long been drawn is not the libertarianism of the centre right, with its message of keeping the state off people’s backs. I cite as my model the liberalism of Hobhouse and Green, who saw egalitarianism as a virtue and a mission, not just of itself, but also, crucially, as a means of delivering greater individual freedom. I seek to define the best purpose of the state as intervening on a macro-economic level, through fiscal and other measures, to build the foundations for delivering greater social justice, rather than meddling in people’s lives on a more day-to-day level as an alternative outlet for politicians’ lack of courage.

I have long described myself as staunchly of the centre-left, a left-liberal whose modern reference point was the politics of the late Robin Cook. His ideological bearings were sensible redistribution, an ethical foreign policy, a more transparent politics, radical constitutional change, investment in public services and environmental protection. Some of his hopes have been fulfilled. Most of them have not. But an audit goes beyond ticking policy boxes. It addresses the extent to which a party has left a positive mark on an era. In 1997 Labour had one of the great opportunities of modern times, anywhere in

the world, to transform society. It has, as I note elsewhere in this pamphlet, made some changes for the better. But it will be remembered more for the toxicity of its politics, the result of a heady mix of aggression and fear. Whenever it has faced pressure, it has bowed to the powerful, and tacked to the Right.

I can see no short or medium term future for a Labour party devoid of purpose beyond a ferocious determination to sustain itself in office. Once in opposition, whoever is the leader, if Labour fails to understand the fundamental hole at its heart, then it is potentially ruined as a viable political force. I say that with sadness.

Yet the demise of a tribe also presents opportunities to create something better. I look forward to a new era of more pluralist politics, one that embraces constitutional and political reform and defines itself by values rather than self-perpetuation in power.

The impending arrival of David Cameron in Downing Street is, for anyone on the centre-left, an unhappy moment. Yet it is unlikely to herald a new, long term Conservative hegemony. The Tories seem racked with indecision, unclear of their message to the electorate or their purpose for office, aside from cutting the deficit, and even here they have become confused. Even if they win the general election, as seems probable, they are unlikely to put down deep roots. With Britain mired in recession and facing deep and sustained retrenchment, 2010 bears none of the hallmarks of the enthusiastic reception for Blair of 1997.

Instead politics will be more fluid; power may be more fragile. Into this new environment some intriguing and exciting new alliances may be formed, within and between parties, and including the many groups in civil society who have long given up on the rarefied world of Westminster. This new environment presents new opportunities for the Liberal Democrats and for all those on the centre-left with courage to re-make politics.

## 1. Economic policy

Gordon Brown was among friends. “I would like to pay tribute to the contribution you and your company make to the prosperity of Britain,” he declared. “During its 150 year history, Lehman Brothers has always been an innovator, financing new ideas and inventions before many others even began to realise their potential. And it is part of the greatness not just of Lehman Brothers but of the City of London, that as the world economy has opened up, you have succeeded not by sheltering your share of a small protected national market but always by striving for a greater and greater share of the growing global market.”<sup>4</sup>

The speech Brown gave as he opened Lehman’s glistening European HQ in London’s Canary Wharf, followed a pattern. At every available turn the Chancellor would praise the UK’s financial services industry for leading the way across the globe. “I want us to do even more to encourage the risk takers,” he told business leaders in his annual Mansion House speech two months later.<sup>5</sup>

At each budget Brown would fire out statistics that purported to show how well Britain was doing. We were the envy of the world, thanks to our culture of ‘light-touch’ regulation. His disdain for the continental European model matched his praise for US business and financial leaders. Brown and Blair would disdainfully dismiss their detractors on the Left who wondered whether they had got their priorities wrong. Britain was getting richer, people were spending more, so what were they complaining about?

Brown’s mentor was Alan Greenspan, Chairman of the US Federal Reserve. In his memoirs Greenspan notes his relief when he met New Labour’s two young stars in 1994 who

spoke warmly of their belief in free markets and globalisation. Their Fabian socialism, Greenspan noted, was expressed only “in its most diluted form”.<sup>6</sup> More than a decade later, Greenspan said Brown had “achieved an exemplary record as steward of the economy of the UK and is without peer among the world’s economic policymakers.”<sup>7</sup>

From the beginning, New Labour’s senior practitioners looked to the United States for advice, from economic matters, to foreign affairs, to electoral strategy. This was often their only international reference point, as they sought to reconcile the Reagan/Thatcher economic settlement with centre-left politics. Back in 1999 the columnist Simon Jenkins used the term “Blatcherism”, suggesting that the Liberal Democrats’ best hope lay in outflanking it.<sup>8</sup> The Economist shared the analysis, but from a more supportive standpoint: “Thatcherism’s main defect was that it was badly sold”, it wrote in a leader to mark Blair’s first year in office. “Britain needed it, and knew it needed it, but never much liked it. Britain likes New Labour, and so far there is little not to like.”<sup>9</sup> Seven years later the magazine revisited the theme, saying that Blair had lost none of his skill in repackaging and decontaminating the Conservative legacy.

In order to make the Thatcher inheritance more palatable to party activists, to cleanse it in a Social Democratic conscience, New Labour had to accentuate the negative aspects of the politics of both the right and left of the 1980s. “New Labour’s interpretations of the old left were simplistic”, argued Stephen Driver and Luke Martell in a prescient study back in 2000.<sup>10</sup> Labour’s strategists deliberately overstated the neo-liberal influences on Thatcherism, which – for all its anti-statist ardour – had failed to reduce public spending to below 40 per cent of GDP. “The advantage to Labour modernisers of this negative or relational approach is to highlight – and exaggerate – the novelty of New Labour,” the authors contended. “Many of the public policy instruments and reforms, like public-private partnerships or ‘reinventing government’, now seen as being at the heart of New Labour’s Third Way, were in fact significant features of previous Conservative administrations from which the Third Way is meant to be clearly distinguished.”

The 'New' was always misleading, designed to paper over a polity designed to change little. Similarly, the Third Way was described by its architects such as Anthony Giddens as reconciling opposites, bringing together concepts such as state and market, equality and diversity, rights and responsibility, which had previously been heralded by different political camps. Yet for all the attempts to construct a coherent philosophy around it, the Third Way did not mark the step change proclaimed by its advocates. Rather it amounted to a continuation of the past, with a greater accent on alleviating the plight of selected groups of the most needy. After a series of global conferences extolling its virtues, it expired as an instruction manual, living out a ghostly half life in countries such as South Korea and Mexico, long after its credibility was shot in the UK.

The most trumpeted of all Labour's achievements was the economy – successive years of steady growth and, as Brown would have it, the abolition of 'boom and bust'. He claimed to have found a magic formula for sustained and more equitable wealth creation. By 2008 boom had turned spectacularly to bust. The two drivers of growth had been exposed as brittle – a consumer binge based on excessive borrowing, and a financial services sector drunk on hubris.

Brown and Blair did whatever it took to please the wealthy in general and the banking community in particular. They were operating in a global environment where free flows of capital were hard to control. Yet they consistently exaggerated the powerlessness of national governments to stem these tides. Echoing the Thatcher-era mantras, they regarded as dangerous any form of subvention or intervention to help ailing industries. In so doing, they allowed a number of otherwise healthy companies to go to the wall, in contrast to governments in, say, France or Germany. As Clegg points out: "In their relentless courtship of the City, New Labour forgot the need for a balanced economy". In consequence, Britain was "immensely and uniquely" vulnerable to the global recession.<sup>11</sup>

By leaving the top rate of income tax untouched, and lowering Capital Gains Tax, in some areas Labour went further than the Conservatives. "The really striking social phenomenon under

New Labour has been the triumph of the super-rich," writes Robert Peston.<sup>12</sup> Why were they so mesmerised? Why were the rules for the financial services sector, which accounted for only 8 per cent of GDP, so much more lax than for other sectors of the economy? The UK worked hard to present itself as the destination of choice for billionaires of any nationality.

For the most part, the crimes were more of omission rather than commission. Back in 2002 I wrote the first of several articles complaining about what seemed then to be an obscure and little-commented piece of policy, the law on non-domiciled residents. This scam, dating back to colonial times, exempted people who spend fewer than 90 days a year in the UK from paying tax here on any earnings overseas or from investments in offshore havens. Up to 100,000 people at any one time have benefitted from largesse that other European countries deny them. I reminded readers that in opposition back in 1994 Brown condemned the practice and pledged to change it. On several occasions the Treasury committed itself to act, only to be bombarded by pleas and threats from the industry.<sup>13</sup>

Preposterously it was left to the Conservatives to take the lead. At their 2007 party conference, George Osborne, the shadow Chancellor, announced a £25,000 annual levy on the 'non-doms'. This was a drop in the ocean and designed to fund cuts in inheritance tax, so it was hardly a great redistributive moment for the Tories. Yet it was a symbol. Only once Osborne had given him cover did Brown act – and even then his plans for a surcharge were watered down after renewed lobbying from the industry.

Brown and Blair had allowed the UK to become an offshore paradise thanks to their much-proclaimed 'light touch regulation', an indulgent fiscal regime and a decade-long asset boom. British tax avoidance schemes became legendary.

A leading financier seemed an unlikely whistle blower. "Any common sense person would say that a highly paid private equity executive paying less tax than a cleaning lady or other low-paid workers ... can't be right," declared Nicholas Ferguson, chairman of SVG capital. "I have not heard anyone

give a clear explanation of why it is justified.”<sup>14</sup> His comments caused a furor. Most of the public had, until that point, not been aware that in 2003 the Treasury had agreed special terms with the private equity industry, which meant that the ‘carry’ on a deal – the partners’ profits on an investment – could be taxed as profits at just 10 per cent rather than as income at 40 per cent. That rate could be reduced further by offsetting investment losses against income.<sup>15</sup>

Two explanations are offered for New Labour’s indulgence of the wealthy. The first is fear. The fear of capital flight – the exodus to Switzerland of plane loads of financiers – was consistently exaggerated. Was this mere defeatism? Those around Blair and Brown would claim there was no point “punishing” the wealthy as they would simply take their money elsewhere, depriving the exchequer of whatever money it might otherwise have eked out of them. Or was this a more positive embrace of the culture these financiers espoused? As ever with New Labour, policy and moral cowardice became indistinguishable. Because ministers believed they could not act, they devised a narrative to justify their inaction.

Fast forward to October 2008, two months after the collapse of Lehman’s almost brought the entire system crashing down. Greenspan’s testimony to Congress is worth recalling. “What I’m saying to you is, yes, I found a flaw. I don’t know how significant or permanent it is, but I’ve been very distressed by that fact.”<sup>16</sup>

Brown shared Greenspan’s mistaken faith in under-regulated markets. He was equally culpable in causing the crisis. He was, however, rightly praised for his immediate response to it, with his rapid-fire bail-out of stricken banks. Yet once catastrophe had been averted, in the ensuing weeks he and Alistair Darling could and should have seized the moment and begun the tackle the underlying causes of the crash. Why had risk been praised and recklessness rewarded? They failed to understand that the bonus culture had not just brought the economy to its knees but had sown divisions in society. With several banks now in government majority ownership, and with others at their mercy, they could have introduced

emergency measures to separate the 'casino' activities of banks from the more respectable high street work. They could have forced a little contrition out of the bankers – and shown some themselves. They did neither.

There is a more sympathetic explanation to explain the supine behaviour of New Labour to the super-rich. According to this theory, they knew what they were doing all along; they were not mesmerised. They were seeking instead to co-opt respectable figures in business and the City into their broader mission to produce greater equity for the poor. The name of Derek Wanless is cited. A former chief executive of Nat West, he was seen by critics as one of the quintessential 'fat cats' of the 1990s. Yet in 2002, his report on the NHS paved the way for Labour's radical injection of funding. He provided cover for Blair and Brown to embark on their radical investment journey for the health service.

Brown's budget of 2002 marked a turning point, the start of a huge expansion in public services. The initial means for funding it was a 1p increase in National Insurance. For the first time, Labour was raising taxes proudly and without stealth. Brown followed this up with a review that pledged substantial spending increases well into the next parliament. Ministers were surprised by the lack of hostility. The public had praised them for their candour. Nonetheless, they would soon return to their cocoon, trying to raise cash without people noticing.

Why was Labour so hamstrung? It was not for a lack of debate among economists and political scientists. One of the most persuasive cases for more a radical approach was made by Adair Turner. His book, 'Just Capital', published in 2001, set out a rationale for "redistributive market liberalism". His predecessor as Director General of the CBI, Howard Davies, urged the government to argue more publicly that higher spending and higher taxes were not inimical to growth. "[Turner] explores the dangerous vacuities of stakeholder capitalism and the paradox of the Third Way – 'an unwillingness to say bluntly that one purpose of taxes is to support redistribution, matched by fuzzy talk of communities, stakeholders and social responsibility'," Davies wrote.<sup>17</sup>

The 'r' word, redistribution, was taboo. When in June 2003 Peter Hain broached the subject of the wealthy paying just a little more tax, Brown's people tried to destroy him. Brown was never quite as gauche as Peter Mandelson, with his boast about being "intensely relaxed about people getting filthy rich". He did not endorse the remarks of John Hutton, the then Business Secretary, who declared in the midst of the banking crisis: "Rather than questioning whether huge salaries are morally justified, we should celebrate the fact that people can be enormously successful in this country." Yet Brown would never speak of the societal perils of excessive wealth; he framed his apparent concern for inequality exclusively in terms of the poor. Moreover, by defining poverty in relation to median (the middle point), rather than mean (average), incomes, Brown gave a free pass to the super rich.

By the time of Blair's departure in 2007, the terms of the debate were beginning to shift, albeit tentatively. Three of the five candidates for the deputy leadership – Jon Cruddas, Harriet Harman and Peter Hain – highlighted the societal problems of the wealth divide. Hain said Labour "has not yet begun to reverse" the inequalities of the Thatcher years. "It is time Labour is clear that the war we wish to wage is not just a war on poverty, but also a war on inequality."<sup>18</sup>

It took another two years, in the budget of April 2009, for Labour to say the unsayable, announcing an increase in the top rate of income tax to 50p for incomes over £150,000. Even then ministers did not talk in terms of the virtue of the measure itself. Rather they saw it as a device that they hoped would box in David Cameron – which it did. The Conservative leader said lowering the top rate could not be one of his top priorities.

Much good academic work has been done on analysing poverty and inequality during the New Labour years. Blair and Brown deserve praise for a number of measures – the minimum wage, Sure Start, tax credits, and particularly their focus on poor families with young children. The lowest fifth of the population has seen its income rise modestly and steadily. And the gap between the so-called working poor and the reasonably well off has shrunk slightly. The real problem lies elsewhere.

In January 2010, a government-commissioned report produced a devastating audit. "Britain is an unequal country, more so than many other industrialised countries and more so than it was a generation ago," declared the National Equality Panel.<sup>19</sup> The large inequality growth of the 80s had not been reversed, it said, in spite of all the various schemes. The study said the members of the richest 10 per cent of households will have accrued wealth of £2.2 million by the time they reach retirement; for the bottom 10 per cent that figure is less than £8,000. Social mobility had decreased. The rate of increase in inequality between the top and the bottom might have slowed a little, but the actual difference had increased. Brown called the results "sobering" and insisted they reinforced the need for concerted action.

The tragedy is that more than a dozen years of pandering to the City, and well-meant but fearful genuflections towards the poor, have left most voters feeling sore. The sought-after 'aspirational' voter has become as resentful of stealthy increases to their tax burden as they have become angry at the hubris of an untouchable super-rich. This scepticism was borne out in the British Social Attitudes Survey of 2010, which suggested that the public was tiring of the language of redistribution. In 1994, 51 per cent of respondents said the government should give money from the rich to the poor. That figure had now fallen to 38 per cent.

This happened on Labour's watch, because the case was never made with courage. Labour could and should have appealed beyond the lowest common denominator of debt-fuelled consumerism. As Neal Lawson, chair of Compass, points out: "Important Labour policy successes are unlikely to survive Tory rule because they were never advocated on grounds of social morality, but presented as requirements of economic efficiency. The minimum wage will not be updated. Sure Start will be quietly bled dry. They were created by stealth and they will die by stealth."<sup>20</sup>

To mark Tony Blair's departure, I commissioned a series of thinkers to offer their verdicts. The philosopher John Gray's summary is one of the most compelling I have read. "Blair not

only endorsed the Thatcherite settlement, in which market forces were accepted as beyond political control, he injected market mechanisms into areas Thatcher never envisioned ... Blair was more of a prisoner of ideology than Thatcher. Unlike Thatcher, however, he is a neoliberal by default rather than from conviction. A politician of considerable intuitive gifts but intellectually mediocre, he allowed himself to be shaped by the conventional wisdom of the Eighties."<sup>21</sup>

If only Gordon Brown, a man of intellectual stature, had possessed the courage to be different.

## 2. Social policy

It might seem a strange observation to make, but New Labour's tactics bore many of the hallmarks of a Leninist revolutionary cell. A clique within a party quickly took over that party and engineered its structures so that it would enjoy long term hegemony within the party and beyond. Its most important task was to neutralise the potency of Fleet Street. For Tony Blair and Gordon Brown two images remained vivid – the lampooning of Neil Kinnock as he fell backwards on Brighton beach in 1983 and the media assault of that same Labour leader in the 1992 campaign, with the Sun's famous election day headline "Will the last person to leave Britain please turn out the lights"

Blair's 10,000-mile journey to address a meeting of News International executives on an island off Australia's Queensland coast marked an extraordinary act of dedication. It set the tone for New Labour's sustained attempts to ingratiate itself with the most hostile elements of the media. Nothing would be excluded in this endeavour. Stories were helpfully planted, interviews granted, supportive reporters and editors flattered, competitors overlooked and critics undermined. It was fitting that Blair devoted his final speech as prime minister to denouncing a media that was out of control, "like a feral beast, just tearing people and reputations to bits".<sup>22</sup> His analysis had much to commend it. Yet Blair chose to ignore the other side of the equation, the manipulation of the media by a government machine obsessed with each headline in a 24-hour news cycle. This is not to complain. Journalists played their parts in these sordid practices, doing the bidding of politicians, either out of genuine fealty or professional advancement.

In commercial terms, Blair also did whatever it took. In 1998 he intervened on behalf of Rupert Murdoch to help him buy an Italian TV company, part of the empire owned by Silvio Berlusconi. In 2001 the government announced it would vote down an amendment on predatory pricing from the Competition Bill that would have gone against Murdoch's interests. Criticism here does not lie with any of the media moguls. Why on earth would they not seek to increase their influence?

In 1997 an opportunity existed to regulate more clearly, to curb cross media ownership. It was deliberately forsaken. From that point, ministers' laments about media bullying, such as followed the Sun's decision in September 2009 to switch its support to the Conservatives, carried no moral validity.

Fear and resignation was translated into a guiding philosophy. As Labour pollster Philip Gould said in 1998: "my instincts are populist". He added: "The ultimate foundation of the Labour Party is not dogma or even values, it is the hopes and aspirations of ordinary people". Whatever the people might think or want at any given instance, as defined by newspaper editors and proprietors, became the end in itself. As the philosopher Ralph Dahrendorf said: "When you define yourself in others' terms, you allow them to determine your agenda".<sup>23</sup>

Blair and Brown believed that Britain was both a Conservative and conservative country. They were pessimistic, fatalistic perhaps, about their ability to change society. Back in 1997, a cabinet minister likened the mood to feeling like a squatter who had just broken into someone's home and did not know when he might be evicted. No matter how low was the stock of the Conservatives, Labour always felt haunted, and saw a perpetual need to triangulate the two positions. This default setting, this belief that intrinsic centre-left values were somehow a minority interest, was not just debilitating; it was not borne out by the numbers. At every election where Thatcher was leader, a minimum of 56 per cent of the public voted for parties committed to higher taxation and spending – Labour, the Liberal Democrats and smaller groupings. The electoral system and other factors transpired to divide these parties into a fragmented opposition.

Which came first: the fear, the aggression or the ideological caution? They were indistinguishable. One might reasonably argue that the reason so many in New Labour acted in a thuggish manner is because their passion was based not in the desire to engineer change, but in one all-consuming purpose: re-election. Since 1997, their every working day was based around the task of prolonging their term of office. It filled in the ideological hollow.

Only on rare occasions did Labour take risks to get ahead of public opinion. I looked at the 2002 budget in chapter one. A tentative attempt was made to be more forthright on issues of taxation and investment, only for the government to withdraw into warmer rhetorical waters.

I can identify only two further areas in social policy where Labour sought to mould the prevailing view rather than follow it. At first glance neither would be regarded as 'core' to the mission. The first was fox hunting. What was remarkable was the vehemence of Labour MPs, seeing this somewhat rarefied issue as the vehicle for pursuing a form of class war by other means. Having been denied any space for manoeuvre on the big economic and social questions of the day, they were reduced to protecting the fox against the toffs in red coats. Blair watched on with incredulity, but concluded he might as well yield to his troops on one talismanic issue.

The other, more telling one, was civil partnerships. The Conservative approach to homosexuality was defined by Section 28 of the Local Government Act of 1988. This prevented the "promotion" of homosexuality in schools. It was repealed only in 2003. The following year MPs passed a bill enshrining civil partnerships, in a free vote. This was by no means a bread and butter issue. In that context one might have denigrated it as seeking to please metropolitan liberals. Even now opinion polls show the country is split, with a small, but by no means overwhelming, majority in favour of 'gay marriage', but a significant minority even believing gay sex should be illegal. So why did the government take the political risk?

Blair was genuinely committed to the notion of a country more “at ease with itself”. This was one of many examples of the government seeing private freedoms as being more important than public ones. Britons had never been freer to lead their lives in the way they chose, protected from discrimination. Labour had a good record in fighting bigotry, be it on the grounds of race, religion, age, disability or sexual orientation. It also made strides on family issues, increasing parental leave and introducing a statutory right to flexible working hours.

Yet in the public realm, from anti-social behaviour to public protest, Britons were given ever narrower boundaries in which to operate. Blair summed it up like this: “I believe in live and let live, except where your behaviour harms the freedoms of others.”<sup>24</sup> But who and what determines harm?

In criminal justice, both rhetoric and actions were dispiriting, all too often appealing to the lowest common denominator. Jack Straw quickly set the tone. After his plans to limit trial by jury were attacked by the judiciary, he launched an attack on his opponents, labelling them “woolly minded Hampstead liberals”.<sup>25</sup> His successor, David Blunkett, was the most extreme of all, promising to stop “bogus” asylum seekers from “flooding” into Britain. He locked up suspected terrorists indefinitely, without trial, and fought off cabinet opposition to ID cards, batting away the concerns of civil liberties campaigners as “airy fairy” whingeing. Everything he did was informed by what he described as the “everyday experiences of the life of ordinary people in Sheffield”. Charles Clarke was brought in to render a slight shift away from Blunkett’s boorishness, but he too could not resist the urge to ingratiate himself. “I am not soft. I am neither woolly or liberal or a woolly liberal,” he declared.<sup>26</sup>

In criminal justice policy, as in so many areas of policy, Blair turned electoral necessity into burning rhetoric. He assumed from early on that he would achieve little if he did not acquiesce to the tastes of the majority view as represented to him by pollsters and selected newspaper magnates and editors. Prime ministerial speeches about law and order followed a familiar pattern. Here was a man standing up for the “ordinary guy”,

making it clear (correctly) that the less privileged in society were the most vulnerable to crime. Launching another of his crime ‘action plans’ at a community centre in north west London in 2004, Blair announced an extension of fixed penalty notices for anti-social behaviour and satellite monitoring of repeat criminals. He personally inserted a line into the speech declaring the end of the “1960s liberal consensus” on law and order.<sup>27</sup> The next morning the Sun proclaimed: “We could not agree with him more.” Job done.

That same week, in a typically perspicacious newspaper column, Robin Cook wrote: “It is revealing that Britain now has a prime minister who uses ‘liberal’ as a term of abuse, in the way that a North American politician would use it – as a smear.” He attributed the approach to the now familiar Labour tactic of triangulation. “Blair’s dominant political style is concessionary. He spots where the next attack on the left is going to come from and pre-empt it by making it himself. This is also the crux of the dilemma of the Tory party. They cannot find any vacant territory to colonise with a right-wing agenda because Tony Blair always beats them to it.” Cook drew a broader conclusion, one that could have applied just as easily to the discussion of economic policy in chapter two: “As a short run electoral tactic, the Blair style has been a success. You cannot argue with two landslide victories and a tenure in office without precedent in Labour’s history. But as a means of shifting the political values of society, it is hopeless.”<sup>28</sup>

The attacks of 11<sup>th</sup> September 2001 allowed Blair to elide his instincts with increased public fears over security. The attacks in London on 7<sup>th</sup> July 2005 continued that process, with his determined call that “the rules of the game have changed”. Blair’s journey towards an authoritarian mindset had begun before either date. Throw in technological advances, such as biometric data collection, and the mix became potent.

By the time Blair left office in 2007, he had bequeathed a surveillance state unrivalled anywhere in the democratic world. The 13 years of New Labour saw an erosion of civil liberties without precedent in modern British history. The list includes:

plans for an identity card that would store 50 pieces of personal information on each individual; a surveillance system allowing local councils to snoop on people for fly-tipping; a quarter of the world's closed circuit television cameras; and plans to extend of pre-trial custody to lengths that would be unacceptable in all other civilised countries. Parliament passed forty-five criminal justice laws – more than the total for the whole of the previous century – creating more than 3,000 new criminal offences. Worst of all was the rise in the prison population, which reached a record level of almost 85,000.

So what happened to Blair's more nuanced approach, his promise to be "tough on crime, tough on the causes of crime"? That was an attempt to marry the need to look and act tough – to reassure the electorate – with a more sophisticated analysis of the socio-economic roots, from material poverty to poverty of aspiration, to related issues such as public health and the built environment. Much good work was done on the themes from professionals in the sector. I was struck, in several separate conversations, by the extent to which chief constables of the UK's various police forces engaged with the causes. The mantra of "rights and responsibilities" formed part of this. Yet as time went on, Labour took a more linear punitive approach. On the odd occasion when ministers, early on in the life of the government, did mix socio-economic explanations with crime statistics they would receive a pummelling in certain parts of the media. They opted for easier targets, easier remedies – and an easier life. The discourse became crude.

More imaginative approaches were abandoned. The sacking in October 2009 of the government's chief drugs adviser, Professor David Nutt, after the head of the supposedly independent Advisory Committee on the Misuse of Drugs had accused ministers of "devaluing and distorting" the scientific evidence on certain classes of illicit drugs, showed ministers had reverted to type. Reclassification was out of bounds; indeed any approach that smacked of "softness" was to be banished. "If scientists are not allowed to engage in the debate then you devalue their contribution to policymaking," Nutt complained to the Home Secretary, Alan Johnson.<sup>29</sup>

His removal was greeted with enthusiasm by the tabloids. Nutt was by no means alone. A number of highly respected professionals left government service, frustrated as much by the government's tone as its actions.

I first met Martin Narey in 2004 when I was profiling him for a BBC television series.<sup>30</sup> The head of the Prisons Service (later the expanded National Offender Management Service) was a man of dedication and passion. He had already threatened to resign in 2001 over the shocking state of many jails. "We lock up twice as many black men in England and Wales as there are in university," Narey told me. "Ten years ago, there were 129 people sent to jail for shoplifting. Today, we have 1,400. If you are a shoplifter, your chances of being sent to custody by a magistrates' court is seven times greater today than it was then." As for juveniles, he said: "I read the other day that Finland has three children in prison, that's three; we have 2,900."

Narey quit in 2005 to become chief executive of the children's charity Barnados. He had become increasingly disillusioned over the government's approach to teenagers and asylum-seekers. At the same he had been fulsome in his praise for the government's objective to halve child poverty by 2010 and to eradicate it by 2020. So angry was he at the politicians' game of catch-up on cutting inheritance tax that he penned an impassioned piece for me after the party conference season of 2007. "We have told Labour repeatedly that to meet the target would need an investment, between now and 2010, of £3.8 billion – and then the same sum again every year: a huge figure, unless one considers two things. First, that such a sum, amounting to less than two-thirds of 1 per cent of public expenditure, is much more affordable than it sounds. We shall spend £9 billion on the London Olympics before 2012. Last year the nation spent £10 billion on champagne and this year the City has found £14 billion to spend on bonuses," he wrote.<sup>31</sup>

For Narey disadvantage and crime went hand in hand. The former did not excuse the latter. But crime and recidivism would not be effectively tackled without a fundamental change

of tack. In January 2007 the Chairman of the Youth Justice Board, Rod Morgan, resigned in similar fashion, complaining that thousands of young people guilty of minor offences who might have been dealt with informally or out of court were being pushed into an over-stretched criminal justice system. "I regard a 26 per cent increase in the number of children and young people that are being drawn into the system in the past three years as swamping," he said.<sup>32</sup>

As Chancellor, Brown had been little involved in these issues. His arrival at Number 10 gave rise to cautious, and quickly misplaced, optimism. In Jacqui Smith and later, Alan Johnson, Brown chose home secretaries firmly in the mould of David Blunkett and John Reid. Early on Brown was advised pick a fight on law and order with the 'liberal set' to establish his credentials. The battleground was wearily familiar – a reprise of Blair's attempt to increase the length of pre-trial custody for terrorist suspects. Even though Blair suffered his first Commons defeat when he tried to raise the length to 90 days from 14, his strategists concluded that it was all worth it. The tabloids had appreciated his stance. This time the target was 42 days – a number his officials had randomly alighted on. In spite of lobbying for the change, police chiefs could not point to a single instance where they had needed the extra time. But that was not the point. They based their justification on the precautionary principle, on the basis that they might, one day, need it, thereby re-interpreting criminal justice law on the basis of an undefined possible future threat. As with Blair, Brown was forced to give up his attempts. These were rare moments in the New Labour era when authoritarianism was checked in its stride.

It was not just policies that mattered, but language too. This applied not just to issues of criminal justice but also to welfare, and the claimed link between the two. In February 2008, in one of her first speeches as housing minister, Caroline Flint implied the potential criminality and fecklessness of unemployed council tenants who, she argued, should be evicted if not actively seeking work.<sup>33</sup> Her remarks were praised by thinkers on the Right. As Jon Cruddas pointed out, a certain rump of

the party had adopted a “shrill and sour” language on issues such as immigration, asylum seekers and “even council house dwellers”.<sup>34</sup>

This was not just an issue of media handling. Brown, like Blair, was also drawn by a political dynamic. Blair’s early cabinets were crammed with the alumni of civil liberties groups. Harriet Harman and Patricia Hewitt hailed from the National Council for Civil Liberties (NCCL), the precursor to Liberty. Others, like Mo Mowlam, Chris Smith and Robin Cook, associated themselves with such causes. The untimely deaths of Mowlam and Cook deprived Labour of two of its most powerful liberal voices. Smith withdrew from the political fray. Harman and Hewitt unlearned the lessons of the past.<sup>35</sup>

Authoritarianism united both arch-Blairites and many members of the Left. Both groups regarded the small and decreasing proportion of civil libertarians in the party as effete.

And yet it need not be like this. Some of the more enlightened politicians privately express shame at the discourse, insisting that they would be eager to speak out for a more sophisticated approach to crime – if only they were allowed. At a recent House of Lords seminar, MPs and peers agreed with the assertion that the criminal justice system was “dysfunctional”. They were presented with startling statistics – 17,000 children a year are affected by women’s imprisonment, with as many as 50 per cent of children of women prisoners ending up in jail themselves. Yet politicians hid behind the fallacy of “perfect security” and the damage caused by an “arms race in which political parties were locked”. The MPs and peers agreed that: “In the face of hostile public opinion, it was difficult for politicians to put their head on the block by advocating the kind of reforms that were necessary.”<sup>36</sup>

Those reforms seem more elusive now than ever. The Conservatives talk about reducing the number of juveniles “getting away with a caution” and about more crackdowns on drugs. They proudly proclaim their intention to increase the prison population yet further. Not to be outdone, Straw announced that the early release scheme for prisoners was

being scrapped – a month before the election – thanks to a building programme which had increased the number of places in jail by more than 5,000.

In December 2009 I had a rare glimpse of a better polity. I had been invited to watch a theatrical performance by prisoners in Wormwood Scrubs. It was an uplifting experience to watch category B violent offenders acting in a Christmas Carol in the Scrubs' ornate church. I was told afterwards that the Ministry of Justice had responded furiously when they heard that a journalist had been part of the audience. When it comes to the treatment of prisoners, everything possible is done to prevent media headlines of cushy regimes – not that there was anything cushy about this.

Unbeknown to me at the time, the columnist Libby Purves had written about a decision taken by Straw to cancel a comedy workshop at Whitemoor prison in Cambridgeshire. She quoted the Justice Secretary as saying: "There is a crucial test: can the recreational, social and educational classes paid for out of taxpayers' money or otherwise be justified to the community?" Loosely translated, she suggested, this means that: "If any knuckle-dragging, vindictive, opportunist media stirrer decides to stoke up ill-informed outrage, even if little or no tax money is involved, then it behoves a senior minister to roll over without a minute's reflection."<sup>37</sup>

Tragically, that is as apposite a description of New Labour's criminal justice policy and its concomitant political cowardice as I can find.

### 3. Foreign policy

It is not the job of this pamphlet to rehearse the rights and wrongs of the Iraq war, nor to delve into the copious detail of the legal advice, the claims about weapons of mass destruction and the other contentious issues thrown up by that war. Goodness knows, I have done enough of that in the past. In June 2003, three months after the Iraq invasion, I concluded the following about Tony Blair: "His was a combination of self-confidence and fear, of Atlanticism, evangelism, Gladstonian idealism, pursued when necessary by murky means. His was a combination of naivety and hubris."<sup>38</sup> I have modified my analysis only slightly in the past seven years as the information has trickled out from the testimonies, memoirs and historical accounts by politicians, officials, authors, journalists and others.

What I intend is briefly to put Iraq in the broader context of New Labour and its default position of a mix of fear and brutishness. Three familiar processes were in play during the fraught road to war: the second-guessing of the media and the Conservative positions; the submission to the agency with power (in this case the US government); and the subordination of less trusted political actors and institutions (the cabinet and parliament) to the inner core of the party leadership. In each of these Blair and his allies began from a characteristically pessimistic position.

The Tory position on the eve of war is frequently overlooked, as the party benefited wrongly from the travails of Blair and his ministers. Iain Duncan Smith, then leader, was exuberant in his support for George Bush and the neo-conservative policy of American primacy and pre-emption. One of Blair's early

concerns was to prevent any accusations in the press that he was not “soft” in the face of terror. The curiosity in this anxiety was that he had already shown his military credentials in Kosovo, Sierra Leone, Afghanistan, and first of all with Operation Desert Fox against Saddam Hussein in 1998. What is more, few in the UK believed Saddam had been linked in any way to the events of 9/11. It is also worth noting, if only in parenthesis, the hypocrisy of much of a media that was goading Blair to war, only to attack him when the occupation, from the summer of 2003, started to go wrong.

As criticism grew of almost every aspect of the Iraq adventure, so Blair’s media operation saw aggression as its only means of response. The role of the government in the events that led to the death of Dr David Kelly provided a new low point in the dark arts. Instead of seeking to learn lessons from the hounding of the scientist, Blair and his lieutenants responded with characteristic pugilism. They found in Lord Hutton a judge whose establishment-pliant credentials were impeccable. His report in January 2004, apportioning virtually all the blame to the BBC, was so one-sided that privately a number of ministers were embarrassed. A BBC under a new and almost entirely risk-averse management was, naturally, a victory of sorts for the government.

The greatest damage Hutton did was to reinforce an already strong sense of public alienation towards the political class. Six months later, the Butler enquiry, to which I was called to testify, was more rigorous. Its conclusions, albeit couched in mandarin-speak, were a devastating indictment of the conduct of government in the business of war. Butler found that the intelligence had not been as conclusive as claimed; the case for war had been exaggerated; the public had been misled. Butler’s decision, at his ensuing news conference, not to apportion blame let Blair off the hook. A whitewash had been followed by a lost opportunity.

The single most important tenet of Blair’s foreign policy was proximity to the US government, whatever its hue. He was merely following a long established trend. Yet he took concern for the ‘special relationship’ – a construct kept alive purely for

the benefit of Britain's self-esteem – to new heights. Unlike Harold Wilson (over Vietnam) or Margaret Thatcher (over the US invasion of Grenada), Blair regarded it as an article of faith never to cross swords with the Americans. Bizarrely for a man often accused of hubris, Blair was driven by a minimalist view, that Britain was nothing if not America's best friend. Thus he coddled, he cajoled. Would Bush be so kind as to try to push the Israelis towards a peace deal? Would he cut Britain some slack on seeking a UN imprimatur for war with Iraq? Blair's was the role of the supplicant. Initially he forced himself to enjoy Bush's company; he then realised he did so instinctively – two men who prized certitude over complexity.

On almost every count Britain's reputation suffered both from the war and its mono-tonal policy towards the United States. In the Middle East, influence declined sharply. In the EU, it took several years for relations to improve with those countries famously denounced by Donald Rumsfeld as "Old Europe". Blair had already blotted his copy book with his senior EU partners, France and Germany, by promising to join the single currency, only to shy away under pressure from a pincer movement of newspaper proprietors and Gordon Brown. Blair's propensity to blame the French – twisting the facts about their interpretation of the intelligence on Saddam's WMD and of the crucial UN resolution 1441 – bedevilled relations. In the years after Iraq, Britain failed to have any significant bearing on UN proceedings. Several of its draft resolutions, such as an admirable one in July 2008 to cut arms sales to Robert Mugabe, were vetoed. According to one senior Foreign Office diplomat, the UK concluded the best way to "get anything done at the UN is to go in behind someone else's resolution".<sup>39</sup>

The most depressing of the many adverse consequences of Iraq was the fact that this war – Blair's fifth military operation in six years in office – would make it considerably harder for the international community to intervene militarily, if necessary, for humanitarian or other virtuous reasons. I had witnessed for myself the horrors of inaction in Rwanda in 1994 and, like many, supported Blair's determination to alleviate

the suffering of the Kosovans and to send in special forces to rid Sierra Leone of a brutal group of thugs. Although more controversial, Blair's decision to back Bush in Afghanistan was deemed by many to be merited, both for its attempt to root out al-Qaeda camps and, as a corollary, to tackle the Taliban. Yet the dodging and the weaving and the shallow thinking of the Iraq invasion would undermine the notion of liberal interventionism for a long time. Iraq ensured that from Sudan to Zimbabwe, post-2003, dictators could act with greater impunity.

Blair projected his Iraq intervention in crusading terms. Yet in so many areas Britain either acted or colluded in a fashion that was not just immoral but in contravention with international law. The government connived in the transport of terrorist suspects by the US government to secret prisons around the world, giving landing rights at British airports for these so-called "rendition" flights, while proclaiming it had no knowledge of them. British soldiers, so valiant in so many ways, found themselves caught up in an 'anything goes' ethos when it came, in a few specific cases, to the treatment of Iraqis. The most hideous episode was the complicity in torture of Binyam Mohamed at the hands of American interrogators. The evidence of maltreatment had already been aired in an US court and yet the UK did everything it could to try to prevent the information entering the public domain. The judgement, which spoke of "cruel, inhuman and degrading behaviour", was damning. Yet ministers accused judges and commentators of being "soft" on terrorism and undermining the authority of the security services. This non-sequitur was a classic New Labour response.

Gordon Brown was desperate to achieve 'closure' on the issue. Initially he refused to launch a broader inquiry, arguing that an investigation would undermine British forces still serving in Iraq (in my conversations with soldiers and officers, they were keen to establish the truth). Brown finally could hold out no longer. Whatever one's views about the Chilcot team's approach to its witnesses, the hearings have brought interesting new information to light. The enquiry has produced

no great revelations – most had already been uncovered – but it has shed light on the workings of government. It showed the extent to which the cabinet was circumvented and ministers and officials with contrary views were sidelined. Anyone who watched the verbal manoeuvrings of Jack Straw and Lord Goldsmith, and the pugnacity of Alastair Campbell, would have had their worst suspicions confirmed. As for Blair, he spent six hours giving a staunch validation of his actions and refusing to express regret of any sort. He has hidden behind a contention that, whatever the differences of view, this had been a judgement call and he had acted in good faith.

As the former Director of Prosecutions Sir Ken Macdonald notes, this is a shallow attempt at exoneration. “Blair’s fundamental flaw was his sycophancy towards power. Perhaps this seems odd in a man who drank so much of that mind-altering brew at home. But Washington turned his head and he couldn’t resist the stage or the glamour that it gave him. In this sense he was weak and, as we can see, he remains so. Since those sorry days we have frequently heard him repeating the self-regarding mantra that ‘hand on heart, I only did what I thought was right’. But this is a narcissist’s defence and self-belief is no answer to misjudgement: it is certainly no answer to death.”<sup>40</sup>

Iraq has had a devastating effect on the conduct of, and public confidence in, politics. Blair, Campbell and others are not wrong when they complain that the argument is suffused with anger and talk of conspiracies. They have only themselves to blame for that. They have shown no contrition, presumably on the advice of lawyers, possibly because they feel that have none to show.

Many of Labour’s more politicised voters – the people who care about the propriety of politics in matters of war and peace (people whom Blair and his people have long held in disdain) – have now deserted the party for good. The general election of 2005, in which more than 1 million erstwhile Labour supporters opted for the Liberal Democrats and other parties in protest, was not a one-off. The hoped-for reconciliation has not happened.

When in May 1997 Robin Cook invoked an “ethical dimension to foreign policy”, calling for the strengthening of international institutions, a greater emphasis on human rights, more transparency for arms exports and an observance of international law, he was privately disparaged as naïve by Blair and his team. If only they had listened.

## 4. Liberalism versus equality

If the only purpose of government is to stay in government, then it is inevitable that certain priorities, usually less salutary ones, prevail. If a party decides it has no choice but to accept the broad parameters of its Conservative economic inheritance, then it will seek to exercise what power it has at a lower level. Hence the displacement theory; the propensity to tackle the symptoms of inequality, anti-social behaviour and social dislocation, rather than their causes.

In this chapter I ask what the future holds for the twin tenets of centre-left politics – equality and liberty. The relationship between freedom, fairness and justice has been closely researched by historians, philosophers and political scientists from John Rawls to TH Green to LT Hobhouse. In the immediate post-war years the paradigms of social democracy and liberal democracy were often seen as intertwined. As political commentator Donald Macintyre writes: “It had been two Liberals, Keynes and Beveridge, who had been the intellectual architects of much that was best and most enduring – and, indeed, most cherished within the Labour Party – in the post-war transformation wrought by the Attlee government. That fact alone goes, or should have gone, a long way to demolishing Labour’s tribalist belief that it enjoys, on the left, a monopoly of wisdom.”<sup>41</sup>

The academic Richard Grayson makes a similar point by assessing the influence of Tony Crosland’s 1956 classic *The Future of Socialism*. The book, he suggests, “is imbued with the language of individual freedom. Although there is much collectivism in the book, Crosland’s main aim was to increase the life chances of individuals. He even went so far as to say

that this was his main purpose ... Social justice was not the end point of his vision of a better Britain. Rather, social justice was a precursor, albeit a fundamental one, to promoting freedom."<sup>42</sup> His first definition of the "ethical basis for being a socialist" was that "further change will appreciably increase personal freedom". Crosland, as Grayson recalls, talked of freedoms such as divorce, gay rights, women's rights, and free expression. This thinking had a direct bearing on the tenure of Roy Jenkins as Home Secretary, widely regarded as by far the most radical holder of that office for many a decade.

Liberty and equality are not alternatives, as Amartya Sen pointed out nearly two decades ago. They do not have to work in competition. In enlightened systems they compliment each other. "Liberty is among the possible fields of application of equality, and equality is among the possible patterns of distribution of liberty."<sup>43</sup> The two great philosophers of social liberalism, Green and Hobhouse, saw twin threats to freedom – economic inequality on the one side and over-mighty state power on the other. They used as their starting point the poverty of Victorian and early 20<sup>th</sup> century England, seeking to reconcile liberty with an active state seeking distributive justice – ethical socialism for their time.

This brings us to the present-day debate. For the past few years thinkers on the Left have been seeking the same kind of reconciliation between liberalism and an interventionist, just economic policy, just as Green and Hobhouse did. It is quite remarkable how little 'liberal' thinking took place within the Labour party during the first 10 years of Blair-Brown rule. Now two quite different groups have, pleasingly if belatedly, embarked on this thinking. One is the radical left around the Compass group of Neal Lawson, seeking to harness into a political philosophy the radical instincts of former deputy leadership candidate Jon Cruddas. The other is a small team of Blairites who have found themselves out in the cold, around former cabinet minister James Purnell and former Downing Street speech writer Phil Collins. Purnell's decision to resign as an MP is a sad reflection of the state of the Parliamentary Labour Party.

Both groups are asking themselves whether, after all the assaults on civil liberties, amid the centralisation and the brutalism, the Labour party can yet be 'liberalised'. Both have been putting out feelers to the Liberal Democrats, engaging in debate at conferences and in think-tank discussions and papers – Compass predominantly with the Social Liberal Forum, Demos with CentreForum (publishers of this pamphlet). The Fabians have also aired interesting strands of opinion, particularly on their blog, NextLeft. Sunder Katwala, the Fabians' General Secretary, writes: "The foundational philosophical question for most across the liberal-left is how to reconcile equality and liberty – or to put it another way, how to achieve the fairest distribution of substantive freedom."<sup>44</sup>

Collins is more blunt in his analysis: "For New Labour to survive, it must become more liberal. The key dividing line in politics is no longer between left and right but increasingly between liberal and authoritarian. The Labour government too often finds itself on the wrong side of this divide. One of the lessons Labour ought to have learned from 11 years in charge of the state is to be humble about the limits of that power."<sup>45</sup>

The liberal republicanism that Collins and Richard Reeves of Demos espouse is regarded by their critics as little more than libertarianism repackaged. "Their liberalism slips its social moorings and shades into moral coercion: individuals must make themselves as independent as possible from the state, must free themselves from all conditions of dependency, and must follow that 'most human attribute', the ability to choose," write Cruddas and Jonathan Rutherford.<sup>46</sup> "Nothing holds this social order together except the moral imperative to gain maximum personal autonomy," they add. Cruddas develops this theme elsewhere, expressing a concern that liberalism is interpreted mainly through the narrow prism of economic 'choice', particularly in public service provision, to which arch-Blarites remain wedded. "It is wrong to think of socialism as a tradition that stands in opposition to liberalism. Yet we need to be very clear about which aspects of the liberal tradition Labour can usefully embrace as its own." He juxtaposes what

he calls the “fleshed out” liberalism that envisages an active state and community to deliver more egalitarian outcomes, with an undesirable “hollowed out” variant that is “rational, acquisitive and ruthlessly self-interested”.<sup>47</sup>

The term libertarianism has become heavily loaded, almost a term of political abuse. I am sensitive to it myself. When the columnist Henry Porter posted a blog on his Guardian site, referring positively to the thesis in my book ‘Freedom For Sale’ – that around the world peoples have sacrificed public freedoms to the altar of consumer materialism – the post was headlined: “Libertarianism on the rise?”<sup>48</sup> I felt the need to respond. I argued that the insertion of the term libertarian (by sub-editors) was a problem for me. This is much more than an issue of semantics. Left-liberals believe that liberty is something to be worked for, a set of positive rights. For the Right it is an innate condition, an absence of impediments. “I do not support the small state as an ideology. I do not believe it should ‘get off our backs’. I argue passionately for an interventionist state, but for a different kind of intervention,” I wrote. “Conservatives have artfully hijacked the civil liberties agenda. Left-liberals have allowed themselves to be outmanoeuvred. More fool them.”<sup>49</sup>

Clegg represents more the liberal than the social democratic strain in the Liberal Democrat party. That liberal strain has undergone various shifts in recent years. The most controversial of these was publication of the Orange Book in September 2004.<sup>50</sup> There is much original thinking to commend in the book. A party that is willing to take risks and ask difficult questions is a confident party, and the main authors of that report were keen for it to be seen as reconnecting the Liberal Democrats with the essential tenets of liberalism, but in a modern setting. “The practical proposals of the Liberal Democrats have become disconnected from the philosophy and principles out of which Liberalism has developed,” argued David Laws MP. Many of the proposals, however, gave the impression, perhaps inadvertently, that economic freedom was the guiding principle superseding the other freedoms for which Liberal Democrats have worked so hard. As the

academic Ed Randall argued: “The Orange bookers have been much less willing to disturb what John Kenneth Galbraith called ‘the culture of contentment’.”<sup>51</sup>

In many ways this is now a false distinction. The issue that has divided liberals, and indeed the Liberal Democrats, is not the ends but the means of delivering them. Thanks to the financial crisis, thanks to the greed of the banks and the cowardice of the politicians, that culture of contentment is long gone. The challenge facing Clegg and his party is now very different. In these straitened times, with the UK among the most heavily indebted countries in the world, how can the Liberal Democrats pursue the twin politics of liberalism and distributive justice that have been so ill served by Labour over the past decade?

## 5. Where now?

As voters prepare to go to the polls, a brief look at the numbers is instructive. By current reckoning, Labour appear stuck at around 30 per cent of the vote, signifying that it is down to its core support. The Conservatives are unlikely to exceed 40 per cent. This would be a strikingly poor performance in circumstances that could not be more propitious for them – a tired government at the wrong end of a cycle, an unpopular prime minister and an economy mired in gloom. A 60 per cent turnout (the average over the last two elections), would produce the following statistic: a maximum of 4 in 10 eligible voters will cast their ballot for either of the two main parties. Imagine a lower turnout still (some polls are predicting closer to 50 per cent) and the crisis of democracy and governance will be devastating, just at a time when difficult economic decisions will have to be made.

There are many disgruntled people – who are not on the extreme of politics – who are desperate for something different, who are desperate for politicians not only to show greater probity, but to show greater courage and honesty in pursuing policy objectives rather than incessantly appealing to the lowest common denominator. As Polly Toynbee pointed out in an analysis of the Liberal Democrats' pitch for the lost Labour vote: "the empty political ground is not in the crowded centre, but out in the near deserted radical wastelands."<sup>52</sup>

Skilful electoral tactics have temporarily overcome a long-time Labour decline. Even in his moment of triumph in 1997, Tony Blair gained fewer votes than did John Major in 1992. Since Labour's first 'landslide', it has been one-way traffic downwards. By 2005, Labour had lost 4 million supporters, and even Michael Howard gained more votes in England than

Blair did. It is only thanks to the electoral system and the Tories' inability to break beyond their hardline vote that Labour has survived in power for as long as it has. The notion of a great groundswell of support for New Labour was a myth. As Simon Hughes MP points out: "The current government was elected with the smallest number of votes since the extension of the franchise in 1918."<sup>53</sup>

In 1951 only 3 per cent of the electorate voted for parties other than Labour or the Tories. In 2005, 32 per cent did. The Lib Dems are now a force to be reckoned with in local government, controlling many of the UK's major cities, from Liverpool to Sheffield, from Cardiff to Edinburgh. They are only a few percentage points off Labour in the national polls – and that is before the bounce that they usually receive thanks to the requirement that broadcasters give them due coverage during the campaign itself. This trend should be enhanced even more this time around thanks to the advent of the three televised leaders' debates.

The electoral system might, on the surface, benefit the two main parties, but the disjunction between the result on the night and the actual endorsement of the people has never been higher. While the constituencies are weighted heavily in Labour's favour, the Tories are the party most opposed to electoral reform.

Gordon Brown's latter-day conversion to the most limited of changes – a possible referendum on the Alternative Vote – was a straightforward act of opportunism by a party that had refused to countenance change while it profited from the status quo. At every step of the way, Labour has been dragged kicking and screaming to countenance limited reform. Yet any change is welcome, whatever the motive – if only as a precursor to more fundamental reforms down the line. These should include not just voting procedures, but root and branch reform of the workings of the Commons and a clean-up of the UK's sordid system of party funding.

The Liberal Democrats have, as ever, difficult electoral calculations to make. What should they do if, as some predict,

no party emerges with an overall majority? The love bombing began months ago by both Cameron and Brown, both towards the Lib Dem leadership and its voters. David Steel once said that when asked to choose between the two larger parties, he felt like Cinderella being asked to decide between the two ugly sisters. Clegg has, on the eve of the campaign, indicated the most effective and credible course of action. He has all but ruled out a formal coalition with either Conservatives or Labour, but said he could do business with either as long as progress was made on four key issues – investing extra funds in education through a pupil premium for disadvantaged children; tax reform, taking 4 million low paid workers out of tax altogether, paid for by introducing ‘green’ taxes, a ‘mansion tax’ on high value properties and by closing tax loopholes (on pensions and capital gains) exploited by the rich; rebalancing of the economy to put less emphasis on centralised banking and more on environmentally sustainable technologies and industries; and political reform, including changes to the voting system, party funding, and a democratically elected House of Lords, that go further than Labour’s half-hearted concessions.

This shopping list reflects the art of the possible rather than an ideal world. The Lib Dems need to show that their commitment to investing in public services, even in a bleak economic climate, remains undimmed. Many including myself regretted the Lib Dems’ decision to remove their pledge to impose a 50p top rate of tax on incomes of more than £100,000. Yet Clegg is correct in insisting that the current position of raising tax-free allowances to £10,000 is more redistributive than anything the other parties are offering.

Clegg is right to be highly sceptical about formal links with the other parties, given the recent record, particularly the behaviour by New Labour towards Paddy Ashdown. The Joint Cabinet Committee (JCC) established by Tony Blair to give institutional form to Lib-Lab cooperation, was intended to “ensure the ascendancy of progressive politics”. Yet virtually nothing was implemented from the bipartisan blueprint set out in advance of the 1997 election by Robin Cook and

Robert Maclennan. The report of Roy Jenkins' commission on electoral reform met a response from the Labour cabinet that ranged from the lukewarm (Blair) to the downright dismissive (Straw). The JCC lingered on until September 2001, rarely meeting and confining its deliberations to non-threatening issues such as reform of the UN and the development of the EU's Common Foreign and Security Policy (CFSP), but within a year or so the grand vision to elide the interests of the two parties was dead.

Since then, Liberal Democrat leaders have been understandably wary. In 2000, a year after taking over from Ashdown, Charles Kennedy said his party's position was "not left of Labour. It is not right of Labour. It is ahead of Labour".<sup>54</sup> Kennedy is widely seen as having fought the 2005 election on a 'left of Labour' ticket. In some respects this was true. The Lib Dems also had some easy-to-digest headline policies such as abolition of tuition fees and the 50p tax rate. But more important, it hoovered up large numbers of votes from Labour as a result of the Iraq war. Kennedy's decision to speak at the 1 million strong Iraq war protest rally in February 2003 was brave. He was the only mainstream politician to do so. It is worth remembering that at the time this carried significant risks. Hostility to the impending war was strong and impassioned, but public opinion was divided.

Yet Lib Dem calculations were always more complex than this 'left of Labour' tag suggests. Shortly after the Tories' calamitous performance in the 2001 election and its choice of Iain Duncan Smith as leader, Kennedy also offered a "natural home" to disillusioned Conservative supporters. In denouncing the tribalism, the narrow (and often closely aligned) policies of the other two parties, the Lib Dems are right to seek to appeal to voters from both those parties. That is not to seek to occupy a vacuous and overcrowded centre ground, but to aim to create a different kind of politics.

In his book, 'So now who do we vote for?', the writer John Harris asked many of the questions I seek to do this time around.<sup>55</sup> Harris answered his own question by suggesting a vote for the Liberal Democrats or other radical parties, or

anti-war and radical Labour MPs where possible. The issues at stake in the 2005 election were different to now in many ways. But the underlying questions were similar. Where do people go who count themselves as of the Left but who look for a pluralist politics that embraces redistributive and social justice and adherence to civil liberties and other liberal values?

Sections of the Labour movement are engaging with these questions, seriously and openly and beyond the margins of their own party. The majority, however, continues to demonstrate tribal instincts and the politics of the lowest common denominator. The language of 'betrayal' was strong in 2005. "Far from being a safe place for Labour supporters to cast a protest vote, the Liberal Democrats in power do not reflect their cuddly national image. Their electoral campaigns in the inner cities have evolved into a systematic assault on Labour's values in order to Hoover up Tory votes," wrote Ken Livingstone.<sup>56</sup> Peter Hain issued this warning in 2004 to Labour's army of discontented: "These people who think they get a free hit will find themselves with a rude shock and a Tory MP. If this behaviour is reflected at the general election, then it isn't teaching us a lesson or giving a message. What it's doing is bringing Michael Howard in by the back door."<sup>57</sup>

Expect much more of this refrain in 2010, with the stakes far higher. Last time around almost nobody gave Howard a chance. Now David Cameron is on the verge of power, even if in the weeks leading up to the election his party has shown a striking lack of sure-footedness. His political pitch is an unifying pitch of the shallow and the alarming. For many Labour supporters, the single most important reason for their party to stay in power is simply to keep the Tories out. For Left-liberals who regard the policies of the Conservatives in almost all areas as anathema, the prospect of their impending return to Downing Street is similarly grim.

Yet people can only for so long be exhorted to hold their nose, to vote for a party they feel has let them down, simply because the alternative is worse. It is deeply damaging to politics as a whole, and to the centre-left cause, for Labour diehards to resort to the double negative. The line "things might be bad

now, but they'll get a whole lot worse if the other lot get in" is the last refuge of the politically bankrupt.

With the latest polls suggesting a narrowing of the Conservative lead, it is worth considering what might happen if Labour did manage to cling on to power, against all the odds. Could the party renew itself in government, in a fourth term? The evidence suggests not. After all when Gordon Brown took over from Tony Blair in 2007, ending more than a decade of angry frustration, many who had abandoned Labour in 2005 toyed with the idea of a rapprochement. Many Left-liberals like me thought in the following terms: the new prime minister might not have the same presentational skills as his predecessor (indeed the absence of slickness was regarded as a virtue); Brown might have an anger management problem and related inter-personal issues. But – and it was a big but – he had political courage and would use the time available to do what Labour governments should do, pursuing social and economic equity more candidly. Brown sought to reinforce the impression that he was a politician of 'courage' by publishing a book with that title. In his descriptions of his political heroes through the ages – from Nelson Mandela to Robert Kennedy to Edith Cavell – he spoke of individuals who had gone against the grain, who had not tacked to the prevailing wind.

In some ways the Brown era did mark an improvement. With his long time aide Ed Miliband at the helm, he did try to pursue a bolder approach to international climate change negotiations; he did, eventually, raise the top rate of tax (although only under fiscal duress); he took a less dogmatic approach to private provision in the public services; he was less cavalier with his cabinet and parliament, but that was largely because of a shift in the balance of forces. That is about it. Brown could have used his brief time in office to have defined himself more clearly.

Instead, he adopted the old methods of hiding behind an inner coterie, ever fearful of a centre-right dominated media, and ever triangulating, seeking to second guess and outmanoeuvre the Conservatives rather than simply getting on with the job of engineering change.

The defining weakness of Blair, and even more so Brown, was not an excess of hubris (although Blair possessed enough of that) but a deficit of courage. Both men and their strategists defined success by the number of years they remained in office. But if you plan for the next election as soon as you have won the last, you will achieve precious little, because you will forever be trimming in the interests of the floating voter. If you seek to occupy the Conservatives' space, you simply become like them. The most important lesson of this past thirteen years is that the hegemony of a single centre-left party does not produce progressive politics. It is time to produce new structures and new pressures on that politics to deliver change.

In my radio documentary back in 1995, Tony Wright, one of a small number of independently-minded Labour MPs, pondered the following: "If this project does not work in this country now, I think the prospects for the centre-left in general in this historical period are very bleak."<sup>58</sup> His prediction, which at the time he regarded as fanciful, has largely come true.

As Clegg pointed out, this loss of faith extends beyond the Labour movement. "Liberal Democrats share the sense of betrayal that all progressives have about the worst excesses of the Labour government over the last 12 years, from the illegal invasion of Iraq and subordination of Britain's foreign policy to the Bush administration through to the tough talk on crime that has put a generation of young men behind bars and jettisoned our long treasured and hard won civil liberties," he wrote. "These were not minor peccadilloes that can be swept under the carpet and ignored. They were fundamental betrayals of the progressive cause that has eaten away at the very meaning and soul of the Labour party and its purpose in British politics."<sup>59</sup>

I share Clegg's analysis. I also understand the difficult dilemma faced by those dismayed by the emptiness and authoritarianism of the New Labour years, and yet still clinging to the vague hope of reform from within. That simply will not happen under the present leadership, with the tribalists at the helm. A Labour Party led by Jon Cruddas or perhaps Ed Miliband might just

reconnect with Left-liberals and with the broader electorate, but even then it should not underestimate the task ahead. It should have no illusions about how deeply confidence has been corroded.

In 2005 my refusal to vote Labour was more specifically related to Iraq. In 2010, it is based in a more fundamental appraisal of Labour's record over the past decade and a positive assessment of the Liberal Democrats' platform. Their approach to criminal justice, human rights, foreign policy and social policy is close to mine. Led by Vince Cable, their analysis of the failures of the deregulated market has been consistently, and painfully, accurate.

It is worth remembering that there is a bigger task facing Left-liberals. The next general election should be used as a means of promoting of a more pluralist kind of politics. It is impossible to plan for a hung parliament and for the various arrangements that would accompany that. Yet it is very probable that Britain is entering a period of instability, even if one party does secure a small majority. Whichever party is invited to form a government will do so knowing that it has a wafer-thin endorsement and a weak mandate in the midst of economic hardship and a parliamentary culture that is widely disparaged. There has, paradoxically, never been a better time to propagate a different form of politics.

This is the opportunity facing the Liberal Democrats. They could become the natural home for the Left-liberals that Labour has lost. The more the other two parties rely on caution, the more the Lib Dems must eschew it. Rarely have the circumstances been more propitious for a political party to demonstrate that, in its policies and in its behaviour, it is very different from the others on offer – and not afraid to say so.

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