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New Labour

Rebuilding the coalition

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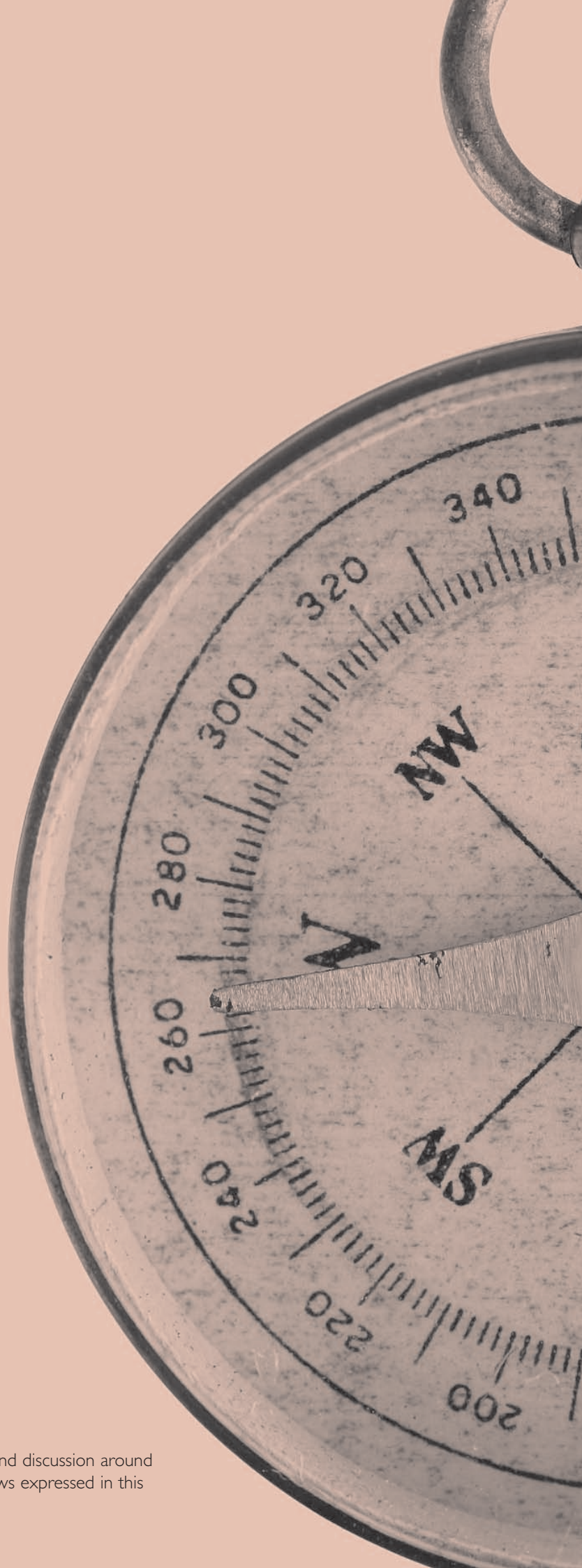
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“Labour’s core value – that only by working together can we all do better as individuals and families – still provides the best answer”

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New Labour

Rebuilding the coalition

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Introduction

Everything written about New Labour in the summer of 2006 will be overshadowed by the coming change of leader. But this change, hugely important though it is, cannot answer all the questions about Labour's future chances of success. The choice of leader is only one element in the urgent need for Labour to renew its vision for our country, to develop our ability to communicate that vision, and to show we have the means to put it into practice.

This brief paper has been written by Labour MPs who want to help develop that political strategy. We hold in common the belief that Labour needs to rebuild the broad electoral coalition that led to our success in 1997 and the more recent general elections. Our ability to unite a broad cross-section of British society, rather than to appeal to narrow sectional interests, is not only important to electoral success; it is the precondition for achieving progressive political change. To do this we must identify clearly the challenges that face Britain today, and the Labour Party's most effective response. It may be that a serious debate on Labour's future direction will now develop. We want to reject the idea that the only choice for Labour is between its current course and a return to the Labour politics of the 1980s or, even worse, the 1970s. This false choice is an unhelpful caricature, which too often stifles debate about the direction the party should now take. Labour's hope for successful renewal relies on a cool-headed analysis of our strengths and weaknesses as a government. As the next election approaches, Labour will be operating in a changed political and organisational climate and in a context which has been affected by both our successes and failures in office.

Britain faces powerful economic and social forces at home and abroad. Unchallenged each will make our society less fair; more unequal and more divided; their power will feed our sense of insecurity. In a vicious circle, the more divided we become the less able we will be to manage those forces and regain a sense of security. Labour's core value – that only by working together can we all do better as individuals and families – still provides the best answer.

New Labour's success

New Labour's original momentum and success grew from our ability to describe and explain Britain in a way that made sense to the voting public. As a result, Labour's values were seen as widely and deeply held across society. The policies we proposed were understood as a commitment to change our country in tune with those values. The emphasis we promised on collective provision was popular in a society reacting against the private greed and run-down public services of the Tories. People wanted the new opportunities we offered to those in poverty and deprivation, but they wanted to be sure that responsibilities would be enforced alongside rights. They were assured that we had clearly accepted the central role the private sector and markets would play in economic success and were comfortable with using part of the benefits for social justice. Equally important they were reassured that we also recognised the limits of markets and the importance of public provision and social interventions. In promising to be tough on crime and on the causes of crime we reflected both the public desire for protection and the understanding that social problems had deep roots.

In international policy, too, we held out the prospect of ending the growing isolation and lack of influence of Britain in Europe. We committed ourselves to the reform of global institutions and to introducing a more ethical dimension to foreign policy. New Labour's original vision was much more than sets of individual policies for individual people. It was a reasonably coherent description of British that made sense to people in many different walks of life. It brought them together to vote us in. For some time, it infused Labour's actions in government and delivered the changes we are proud of. Labour can claim to have pursued many of those original aims with significant success. The economy has consistently performed well. Record numbers of people are in work. The levels of investment in public services are higher than most people imagined possible and real improvements have resulted. The incomes of most of the poorest households have risen sharply.

Overall levels of crime have steadily fallen. In international affairs, where the invasion of Iraq and the government's approach to terrorism and the Middle East has dismayed many supporters, Labour has pressed for fair reform of the world trade system and there is no questioning the party's effective leadership and practice in expanding the aid budget and the focus on African development.



Arguably the real measure of our success is that on almost every issue that divided the parties in 1997 – taxation, public spending, the minimum wage, Europe, social values, constitutional change and overseas development – the Cameron Tories have been forced to admit (in public at least) that we were right. This is a legacy that New Labour can fairly claim.

Drifting apart from the voters

As Labour MPs we share pride in those achievements. But what Labour MPs think of Labour's record is less important than the judgement that the public is making. And here there is no doubt that Labour's relationship is seriously strained. The number of people voting for us in general elections has fallen sharply. Recent by-elections and local elections have shown that all parts of our electoral base are under pressure. Recent opinion polls also confirm the sharp fall in party support. And although efforts are being made to highlight our policy differences with the Tories, we have to confront the possibility that key groups of voters are simply deciding not to vote for us again even if they have not yet entirely decided how or whether to vote.

There are many signs of this changing political landscape. We can see it in the widespread rejection of the government's view of the crises in the Middle East, and of the complex links between western foreign policy and the rise of British born terrorism. We can hear it when voters tell us that their measures of what makes a good public service are not necessarily the same as the targets the government has set and achieved. We show it when issues like Eastern European migration become a talking point in every community but for months government apparently has nothing to say. After nine years it has become hard to see the country with fresh eyes. We inevitably want to justify what we've done, rather than accept what has actually happened. Pride at reduced waiting lists can blind us to worries about social care, mental health or other parts of the NHS that have not been given such a high priority.

At the same time power has become so centralised that it is difficult for government at any level to operate as flexibly and effectively as possible. It can lead to poor policy design and slow our response to changing problems. At its worst, in response to the Lebanon, it has allowed a policy that few supported to be imposed on party and country. We've been too nervous about confronting powerful vested business interests when the common good requires it. We've lacked confidence in our own distinctive values in public sector reform or tackling social problems so that, when things prove difficult, we've retreated too readily to a more conservative consensus. We've reached for the crude and simplistic solution to complex international problems. And we have neglected New Labour's key achievement – an electoral coalition that persuaded people from very different backgrounds that they could do better in a society that looked after them all.

Bit by bit these processes have eroded the sense that Labour understands Britain. Today we are more likely to be told that we are out of touch. People stop believing what we say because they no longer believe we understand their problems. The overarching problem is that Labour in government needs a description of Britain and the wider world that rings true with voters. Without it the voters will be less confident that we share their values. In the ten years since New Labour's politics were forged the world has changed considerably, in part because of the things we ourselves have done. The changes bring new problems to be overcome, new issues to debate with the public and new solutions to be identified. It is inevitable that the issues of greatest public concern will change over time. New challenges emerge; others turn out to be more intractable than we thought.

How our country is changing - Globalisation

Some of the most profound changes we have seen in Britain have their roots in powerful international forces arising from globalisation. Globalisation is transforming our economy; it is reshaping retailing by cutting the price of manufactured and agricultural goods and bringing profound change to the nature of employment in many parts of Britain. Conflict, instability and globalisation have forced up the costs of oil and other energy sources, which has raised serious concerns about our own energy security. Mass migration is affecting every developed country and, in Britain as elsewhere, is bringing both benefits and social stress. Climate change has emerged as the greatest threat to the world's ecology and economy and public concern is growing. The world is being transformed by new communications technology. At the same time, there is growing concentration of ownership and control of all media in a limited number of private sector organisations. Neither international terrorism, nor the emergence of religion as a powerful factor in national and international politics, was widely foreseen just a few years ago.

What all these developing forces have in common is that, left to themselves, they will tend to make our society more unequal and more divided. The economic costs and benefits are unfairly shared. The costs of tackling (or of failing to tackle) climate change will fall more heavily on some than on others. Terrorism and violence can turn all communities in on themselves. Yet the more divided we become, the more we feel our society is unfair, and the less we are able to work together to manage and shape these forces. Tackling climate change will require an unprecedented common effort if we are to avoid catastrophe. A divided society, on which the costs of change fall ever more unfairly, will simply be unable to meet the challenge.

We cannot wish these challenges away. Globalisation is a fact, and one that brings benefits as well as costs. But we do have choices about how we respond. We do not have to accept everything that confronts us as inevitable. We can make sure that the rules of

public services or communications are defined by the public good. Our need for a strong economy does not prevent us working together to tame the excesses of powerful companies or make us accept casual, low paid employment as an inevitable consequence of globalisation or a strong economy. Globalisation and the emerging character of China and other economies present unprecedented challenges to traditional industries such as manufacturing. We cannot insulate our industries from those challenges but we do believe we can be more creative in modernising the UK's manufacturing base and in identifying those areas – such as performance engineering and environmental technologies – where UK skills and knowledge can enable our industries to compete on the global stage.

International security

Labour's foreign policy has been the most controversial feature of Labour in government. The authors of this document include those who voted against the Iraq war and those who voted for it. However, we share a common concern with the direction of recent foreign policy and believe it reflects a profound misunderstanding of causes of and solutions to some of the dominant global threats. As such it has weakened our ability to generate a strong national consensus on Britain's role in the world.

The unprecedented threat from global terrorism has roots in a complex mixture of individual conflicts, the suppression of human rights, ideology and theology, poverty, and the historical relations between the west and many different countries. Recent policy has reflected a simplistic analysis of the causes of conflict and terrorism and has demonstrated an arbitrary and inconsistent approach to major issues including, most recently, the failure to condemn the disproportionate use of force in the Lebanon. In turn this has been reflected in the difficulty of tackling extremism at home. No-one should doubt our commitment to the promotion of democracy and human rights, along with the principles of consistency, transparency and respect for the facts that must accompany them. We have understood and supported the need, on occasion, for armed intervention in Kosovo, Sierra Leone and Afghanistan. But today Britain's international role is being characterised by critics as undermining international institutions and the rule of law. Support for human rights and democracy is compromised if it is linked to the right of the USA and the UK to determine which election results should be recognised, which abuses of human rights should be condemned and which breaches of international law should be punished.

There are no short cuts in the promotion of human rights and democracy. Individual conflicts require understanding and painstaking, evenhanded solutions. Action that reforms as well as strengthens international institutions will be more effective in the long run than unilateralism. And we need to consider carefully how Britain and other nations can best encourage a positive role by the USA in the exercise of its sole super-power role.

Climate change and energy supply

Climate change is unique among the problems we face, and its full effects may not be apparent until it is too late. It is difficult for people to accept that current CO₂ levels already determine dangerous climate change for decades to come. We must do far more to explain the links between fossil fuel dependency and the range of alternative solutions. The public has to be convinced both that the transition to a low carbon economy can be achieved without significant pain and that the costs and lifestyle changes are being borne fairly across society. The choices government makes about taxation, transport, energy and housing policy will have a critical impact on our ability to prevent catastrophe. The climate change threat and the security of our energy supply are inextricably linked. Labour has a good record of international leadership on climate change policy but needs to do more to develop the practical policies to increase energy conservation, develop sustainable energy technologies and increase energy self-sufficiency. The most economically effective response to climate change is to reduce energy consumption through increased energy efficiency. In decoupling economic growth from carbon consumption we can gain global markets for sustainable energy technologies. Public subsidy for new nuclear build cannot be justified.

Work alone is not enough

Ten years ago, in a country scarred by mass unemployment, the simple aim of getting people back to work seemed ambitious enough. Although many people have been brought back into work, the hard core of the unemployed and economically inactive has proved harder to help. In the poorer paid parts of the labour market family incomes have risen sharply through tax credits, but we have not yet enabled enough people to raise their ambitions and or enjoy a different quality of employment. There is no doubt that lives have been improved, but we have not helped those lives to be transformed to the extent that we want to achieve.

In other parts of the economy, rising living standards have been accompanied by growing insecurity in work and the decline of the best standards of pension provision. Balancing work, family, travel and housing costs can be hard. There are more people in work than ever before, but this no longer seems enough. In a globalised economy we will have to work hard to maintain high employment levels, but labour market, housing, transport, pensions and child care policies will need to ensure that work does bring the chance of a decent home, family prosperity and a secure retirement.



Fairness and equality

British people as a whole are better off than ten years ago, but the way the rewards fall often seems unfair. Within the generations of a single family we can find pensioners who struggle, home-owners with new housing wealth and young people who cannot afford any decent home. Welfare reform has had a positive impact on the lowest income families by enabling many people to get back into work, and by raising the incomes of the poorest pensioners. All families have gained from the investment in health and education. But there are parts of life that are central to family security – like pensions, social care and job loss – where we have not yet managed to convince all middle income families that the support they gain is a fair reflection of the investment they make.

Ten years ago the dominant housing needs were to provide security against the sky-high mortgages and repossessions of the Tories, and to tackle the huge backlog of repairs and modernisation in social housing. Today, the issues are very different. In many parts of the country high prices are making access to the housing market very difficult, and many buyers rely on family help. Long queues for social housing are developing once again in some regions. Although Labour can claim to be acting on both, these new housing challenges need to become a more central part of the story we tell about modern Britain.

Despite some progress, our society remains profoundly unequal. Many people, not just the poorest, need support to enjoy equal life chances and their aspiration of security for themselves and their family. Of course, the levels and types of support that different people require will vary, with the poorest needing the greatest help. The practical response that is given to the family waiting for social housing will be different from the measures that help first time buyers. The pension problems of the poorest are different from those of the middle earner. But our commitment cannot be limited to those who fall below a means-tested threshold. It must be to all those whose life chances are unfairly denied by the powerful forces that shape our society, and to provide that support in a way that fairly rewards both need and effort.

In the 1990s New Labour needed to show that it had accepted the crucial role of the private sector and of markets. We need to maintain that commitment. Even so, we were able to win support for our criticism of ‘fat cats’ and of undeserved rewards. Today, those Labour criticisms are muted, even though the public are as prepared to be critical of private companies that fail them as they are of poor performance in the public sector. Freedom from discrimination and unfair treatment is a key aspiration for Britain in 21st century. Although Labour has made great strides in the last ten years it still has to embrace this agenda with enthusiasm. Much of the basic legislation is in place, but it is increasingly out of date and ineffective. Thus there is still a gap between the aspiration of equality and the reality. This is most clearly shown by the stubborn persistence of the gender pay gap, matched by a race pay gap and the almost total exclusion of people with disabilities from the labour market. Modern Britain cannot hope to flourish without tackling this affront to social justice and economic efficiency.

Mass migration

Compared with many European countries Britain can take some pride in our management of post-war immigration, with the great majority of immigrants coming from former Commonwealth countries. But the pace and nature of migration has changed over the past few years. Large numbers of refugees and asylum seekers, illegal migrants, legal migrants coming for work, settlement and family reunion, and migrants from the accession states have together had a noticeable impact on urban and rural areas. The change has been sufficiently marked and rapid to generate insecurity and concern among many people whose response is not primarily racist or hostile to newcomers. They are uncertain about where the country is going. The change has underlined the fact that Britain’s transition to a multiracial, multicultural society with a clear sense of national identity and shared values is far from complete.

The twin pressures of rapid cultural and ethnic change and the uncertainties of the wider world have undermined our shared society of Britishness and Britain’s place in the world. The old stories of what it meant to be British aren’t adequate for the modern world. Confusion about what we stand for is shared by the longest established and newest parts of the communities. Labour must lead the process of forging a new British identity for the 21st century, one that defines what we hold in common alongside our diverse national, ethnic and religious identities. We must manage the pace of change; and deal rapidly with the potential conflicts that undermine shared values and common interests.

The consequences of social change

The crime challenge has changed too. The dominant concerns of the 1990s – car crime and burglary – have been cut sharply as we implemented our slogan of ‘tough on crime, tough on the causes of crime’, but tackling low-level anti-social behaviour and more serious violent crime has proved far harder. The underlying problems of social exclusion, marginalised communities and dysfunctional families have proved more intractable than we first believed. No one would accuse Labour of not acknowledging the problems or of not making some attempts to tackle them, but at this key moment our original confidence in our ability to confront the causes of crime has wavered. Reform of the criminal justice system is needed but we are in danger of placing an implausible faith in the policing, the courts and the penal system to solve our current crime problems. At the same time, modern governments are confronted by an increasingly important set of issues about personal and individual behaviour that seem to lie outside traditional politics. The failure of

the Child Support Agency was preceded by the widespread failure of many men to behave responsibly towards the children they had fathered without attracting social opprobrium. Obesity is a problem that appears to be personal yet requires a public response. In areas like these there is no common consensus on which government intervention in personal lives might be justified.

Labour in government

When New Labour's politics were formed it was easy to criticise the tired incompetence of the Tory government. But after nine years, we need an honest appraisal of the strengths and weaknesses of our own style of government and management. New Labour was first elected with the slogan 'what matters is what works'. We might have added 'what doesn't work also matters'. In government, we seem to have gradually moved away from a pragmatic evidence-based approach to public sector management that built on our experience of success and failure.

We have invested heavily in health and education and there have been noticeable improvements in most of the areas we have targeted for change. But with significant new investment unlikely, Labour needs a better story about how it believes public services should be run. Too often we have confused our own targets with real measures of what the public wants, claiming credit in one area only to overlook public dissatisfaction in another. More recently, we have confused the public's desire for services tailored to their personal needs with a desire for market choice and competition in services. New providers and contestability can bring improvements in services, but it is doubtful whether the current strategy of basing every service on choice and competition will prove any more successful than central direction. Labour in power has not yet found how to drive up standards while keeping the active support and commitment of public service staff. Confusion over 'choice' is the clearest example of the way Labour has lost its way on public service reform. It was an important and defining moment when New Labour defended the rights of parents to choose their child's school. It marked a break with the idea that parents should put up with failing schools for some ill-defined common good. But over time the 'right to choose' has become confused with the idea that parental choice can be relied on to drive up standards. We are in danger of imposing a dogma as unjustified as the one we challenged ten years ago and in the face of evidence that choice policies have increased social and ethnic segregation.

Choice and diversity should be part of any model of public service reform, but they are only part of the solution. Contestability – the ability to introduce alternative providers when existing services fail – has been effective in challenging complacency but there is no basis for the idea that internal markets will produce the best public services. The protection of the public interest, sound management, inspection and accountability, and proper attention to the most disadvantaged need to be built in from the start, not added to a flawed market system.

Many of these problems have been exacerbated by the decision-making structures within the government which are now so centralised that they cannot operate effectively. Cabinet government has never really functioned since 1997 and much of the government machine, political and professional, is effectively excluded from key decisions. Difficult and complicated social problems can rarely be solved by relying on legislation and central direction. Effective change depends on the working relationship between central and local government, and between government and voluntary organisations and the private sector. New Labour in power has often set out to develop such partnerships only to retreat to a more centralised approach when things get difficult; decentralisation has often been offset by onerous penalty and inappropriate inspection regimes.

We all have a role in creating a Britain that is fairer, less divided and better able to manage the powerful forces we face. The way Britain is governed must make it likely that people can work together for the common good. Power must be spread both within Westminster and between central and local government and local communities. The repeated problems in delivery of large centralised services – tax credits, NHS IT, the Child Support Agency and others have caused real damage to Labour's reputation. Too often, political priorities and timescales are set without proper regard for the practicalities of implementation or a sufficiently careful analysis of the underlying problem. It may be that some subtle, complex problems need less ambitious and more decentralised solutions and the decentralisation of responsibility for funding services and regulating service delivery.

The political challenge

Our current problems are neither inevitable nor irreversible. Indeed, we are confident that Labour's values still hold the best answers to the challenges facing Britain. But it will take more than a few individual policy changes to regain the trust and leadership that New Labour enjoyed. We recognise that the challenge is greater than it was ten years ago. We have been in power for a long time; many younger voters will remember little if anything of life before Labour. We have not yet managed to foster a culture of deeper political engagement. The public remain concerned about 'political' issues, but it is becoming increasingly difficult for any political party to suggest that 'politics' is the answer to current problems.

It becomes difficult even to begin a conversation about 'politics' with many voters. Our society has become more individualised and, to some extent, more self-interested. What were once understood as 'collective' or public issues are now more likely to be seen through



individual eyes. People judge policies to an increasing extent on their impact on themselves and their families and are inclined to give less weight to whether any measure is in the 'broader public good'. Over the past ten years, the lives and experience of the coalition that voted in New Labour has become even more diverse. This is creating an enormously fragmented group of personal expectations for any political party to try to satisfy. And from it come some clear choices for Labour's strategy. One response might be to try to fragment our own message; identify policies for individual interests and target them through the niche marketing techniques which are becoming commonplace in the retail market. A second approach would be to concentrate our attention on the relatively small group of 'centre ground' voters who hold the key in marginal constituencies; target them successfully and sufficient of the remaining voters will remain loyal to see us through. But both these approaches rely on minimising the expectations of voters about broader progressive social change. They reduce politics to a narrow calculation of personal interest. These narrow approaches cannot produce the strong coalition on which the next phase of progressive politics can be built. They might deliver another few years in power; but it would be power without any purpose or mandate for change.

The only effective approach for Labour is to restate our belief that a common, collective response to Britain's challenges is the politics that can deliver. By pursuing 'the public good' we can offer the best chance of opportunity and security for individuals and their families. By doing so we would be restating Labour's belief in the progressive possibilities of politics to work both for individuals and for the common good. By doing so we would provide the only effective way of combating climate change. If we want a Labour government to make progressive changes over the next ten years, as we have over the past, we need to bring a large part of the electorate together again around a convincing description of the problems our country currently faces and the shape of the answers to them. We have tried to outline some of the issues that we will need to address.

The examples we have given are not exhaustive, and they are included to underline the importance of being able to relate individual policy discussions to a clear strategic framework. We set out below how Labour might describe our role and ambitions in 2007 and for the years ahead. We believe that this story would ring true to voters as a description of Britain and its problems, and provide a reason why Labour offers the best answers.

Labour's new story

In 2007 Labour needs to respond to a changing world, changing problems and the changing nature of politics. We need to rebuild the broad coalition that was put together in the 1990s. Labour's values provide the key but once again we must adapt them to the modern world. — In the face of globalisation and powerful international forces that left to themselves will produce insecurity, uncertainty and a more divided, less equal and more unfair society, Labour will bring Britain together to challenge and shape those forces in the interests of all of us.

- In Britain, we will work for a fairer society, ensuring that hard work and responsibility are fairly rewarded. We believe that the poorest and most deprived will need most help, but everyone should be entitled to the support they need to achieve opportunity and security.
- We will challenge those who undermine a fairer society, whether they are the rich and powerful abusing their strengths or individuals taking advantage of the rest of us. We must show again that we are on the side of the British people against failure in the public or private sectors.
- We will work for a new vision of Britain for the 21st century, which unites the people of this country while celebrating our diverse national, ethnic and faith identities. Britain needs to be confident once again about who we are and where we stand in the world.
- We will recognise that central government cannot solve every complex and difficult social problem. A stronger, fairer and more equal society can only be built if power and responsibility are shared more equally by devolving power from Whitehall to elected authorities and local communities.
- We will use Britain's new strength and common purpose to give global leadership to climate change policy and put in place the practical policies necessary to manage carefully the transition to a low carbon economy.
- We will restore Britain's role as an advocate of international collective action to advance human rights, democracy and security within a framework of international law.

Conclusion

These messages are an attempt to reflect broad concerns among those who have voted Labour in the recent past and those whose support we need to win in the future. They imply there will be changes in policy in some key areas, although there is much room to debate what those changes should be. But at this point in the debate about Labour's future it is most important to show that we understand how the world is changing and the key areas where Labour's message needs to change. At a time when we are in danger of talking only to ourselves we need to show that we are motivated by the problems that people face in their own lives.

We need to describe those problems clearly and to provide an explanation that makes sense. We need to show that we can tackle those problems because we share, with voters, a set of values and beliefs of how Britain could and should be. We need to regain our belief that individual aspiration and opportunity can best be met in a society that also promotes environmental sustainability, fairness and the common good.

The authors are all Labour Members of Parliament.



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