

# ROUNDTABLE

## After Miliband

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*Taking the full measure of the 2015 British general election result, and its implications for the politics of the left, will be a lengthy and difficult process. Renewal presents here some initial reflections on the campaign, the result, Ed Miliband's leadership, and Labour's future direction. The articles are based on talks delivered at a conference organised by the Political Studies Association Labour Movements Group at University College, Oxford on 5 June 2015.*

### Not a social democratic moment

Ivor Crewe, Master of University College, Oxford

As the good political scientist that I hope I am, I should stress that we still don't really know very much about exactly what happened on 7 May, and in the campaign leading up to it, and we won't know more until the analysis of the British Election Study is complete. We have more difficulty than usual in working out what happened on this occasion because the pattern of constituency results is much more difficult to decipher.

There were five parties competing in most constituencies, six in Scotland. And the results displayed more contradictory swings, in other words a larger number of swings that contradicted the national swing, than in any modern election.

That of course won't stop commentators from offering a fairly instant narrative, based on impressions, insight, hearsay, insider accounts and so on. Every election generates myths. There's the myth that Labour lost in 1970 because of late bad balance of payment figures. There is the myth that Kinnock lost to Major in 1992 because of his triumphalism at the Sheffield rally. But there's no evidence of this

whatsoever. There's also the myth that the Conservatives won a landslide in 1983 because of the Falklands. The Falklands, in fact, had quite a small impact on the result; it was the economic recovery that really mattered.

Some myths are forming right now about this election. One is that Labour lost because it was anti-business. The second is that Labour lost because it had moved too far to the left. And the third is that Labour lost because of the fear of a Labour/SNP coalition. We don't have evidence yet any for those three propositions, and quite a lot of evidence, certainly, against the first two.

Ross McKibbin, in the *London Review of Books*, described Labour's defeat as 'disappointing, but not catastrophic' (McKibbin, 2015). And one can make that case: there was, after all, a small swing from Conservatives to Labour; Labour's share of the vote did increase in England by 3.5 per cent. It did particularly well in London, incidentally. In other words, Labour's vote rose furthest, by over 5 per cent, in the most affluent and economically dynamic part of the United Kingdom. There are possibly some lessons to be learned from that. And it's very easy to exaggerate the scale of the Conservative victory, simply because it was so unexpected. It's worth remembering they got only 37 per cent of the vote. Thatcher and Major were getting between 42 per cent and 44 per cent of the vote. And although the Conservatives have a majority, it's a slim and vulnerable majority of 16, which is less than John Major had in 1992, and that was the majority that he effectively lost in the course of the Parliament.

However, on the spectrum that ranges from disappointing at one end to catastrophic at the other, I still think the election was closer to the catastrophic end. It produced Labour's third lowest share of the vote since 1922; the only other two elections in which Labour has done as badly or even worse were in 2010 and the 1983 Thatcher landslide. In other words, the two elections of 2010 and 2015 are Labour's worst consistent performance for a very long time indeed. This is despite picking up, almost at the beginning of the parliament, one third of the Liberal Democrat vote from 2010. Within a month, the Liberal Democrats had lost about half of their support because they had gone into the coalition with the Conservatives, and most of that went to Labour. Labour, from the start, increased its potential share of the vote by about 8 per cent or 9 per cent. This is the vote it was getting from the Liberal Democrats, and most of which it retained until the election, as far as we can tell.

Despite that, it lost votes to other parties – SNP, UKIP, Greens – to end up with

only 1.5 per cent more than it had got in the previous election. So there is a very big, and very steep, mountain to climb. If Labour is to win in 2020, it needs 99 gains for an overall majority, which have almost all got to come from the Conservatives in England, unless we believe – and I don't – that Labour has got a good prospect of reversing the SNP hegemony that was established in Scotland at the election.

Labour needs a 9.5 per cent swing to get there. It needs a 12.5 per cent lead to get there. That's not unprecedented – Blair managed that in 1997 – but it's still difficult. And of course, it doesn't take account of constituency boundary changes, which the Conservatives have now got a sufficient majority in the House of Commons to push through. Labour will also have to overcome the quite adverse socio-democratic trends between now and then. There are two that particularly strike me. One is that we continue to be an ageing society. That is not good news for the Labour Party. The older people become, the more likely they are to vote Conservative. And they are also more likely to turn out at election time. The other adverse demographic factor is the probably continued decline in unionised public sector employment, not least because of the government's intention to shrink the size of the state.

Why did Labour do so badly? I like to explain election outcomes as the product of short-term contingent factors and long-term structural forces. By short-term factors, I mean those that are limited to one election, or the preceding two years, that are within a party's control, and are therefore reversible, such as record in government, choice of leader, the dominant policy issues, campaign strategy and operation, and so on. These are distinct from long-term factors, which are generational, in other words, persist over a series of elections, and are rooted in enduring social and political structures, and in a party's historical reputation, its 'brand'.

There are very few iron laws of elections, but the one that comes closest is that, at least in the UK, what counts with most voters is the perceived overall competence of the party to run the economy, and of its leader to be Prime Minister. I know of no exception to the rule that the party that is deemed to be most able to manage the economy wins the election. I cannot find an exception, and polls have been asking this question for 50 years. The only exceptions to the party with the most popular leader winning an election – Wilson/Heath in 1970, Callaghan/Thatcher in 1979 – were occasions on which, although Labour had

the preferred leader, not least because that leader was anyway occupying the office of Prime Minister, they were running a very long way behind on competence. Incidentally, in New Labour's three wins in 1997, 2001 and 2005, they were well ahead on both those questions.

Labour failed to counter the very skilful Conservative narrative immediately after the election, which argued that Labour was responsible for the recession, having spent too much money, therefore austerity measures were necessary, and those austerity measures were the fault of the Labour Party, and not of the government that was now coming in to clear up the mess. The Conservatives' spin on that was successful: at no point in the course of the parliament was Labour regarded as more competent than the Conservatives to run the economy.

Labour never succeeded in demonstrating that it was the recession that produced the deficit, nor in making the case for public investment in infrastructure and other foundations for long-term growth. Why it was left to Martin Wolf in the *Financial Times* and Paul Krugman in the *New York Times* to make this case, why it didn't somehow get translated into a consistent and robust political argument by the Labour Party, I don't know. But I think Ed Balls obviously found it very difficult to do that. What we got instead was a kind of 'austerity-lite': a gentler, kinder austerity policy, and of course that simply appeared to concede the Conservatives' central thesis against the Labour Party.

On Ed Miliband, his poll ratings at their worst were almost as low as Michael Foot's were in the 1980s. They were certainly worse than Kinnock's. It's worth adding that these preceded the relentless personal attacks in the Murdoch press against Miliband. These attacks on Miliband's persona were therefore running with the grain of public opinion, even if they were particularly vicious. Would a different leader have fared better? There is no way of knowing. For what it's worth, I'm not convinced that another leader would have done very differently, certainly not David Miliband. I think it would have been very difficult for any leader to overcome the electoral liability of the brand and its record, or to have stopped the nationalist tsunami in Scotland.

Did Labour position itself wrongly on the central issues? The right-wing media described Labour as 'anti-business', and after the election the old guard of New Labour rushed in to say 'I told you so. Labour should never have lurched to the left.' But the specific, supposedly left-wing, policies that were part of the inequality agenda that Labour put forward were not unpopular. The mansion

tax, the abolition of non-dom tax exemptions, freezing electricity prices, tighter bank regulation, and rent controls were all popular, according to the polls. Labour's mistake was not so much the position it adopted on these issues, but the priority that it gave them. They only mattered to its base, who would have voted Labour anyway. To campaign on inequality rather than growth, is to put most stress on the grievances of the bottom 20 per cent, and on the perceived greed of the top 1 per cent. It doesn't connect to the other 79 per cent, who want to know how they are going to prosper under a Labour rather than a Conservative government.

The 35 per cent strategy of mobilising Labour's traditional base – the working class, public sector professionals, ethnic minorities – with a superior ground operation to that of the other parties was also a mistake. There is some evidence that Labour's ground operation was superior; again, according to the polls, more people claim to have been contacted, in one form or another, by the Labour Party than by other parties. But if the message is wrong, it doesn't help. The other difficulty with the 35 per cent strategy is that some of the core, of course, was crumbling anyway, some of it to the Greens, some of it, in Scotland, to the SNP, and some to UKIP.

Did Labour haemorrhage its traditional working class vote to UKIP, especially in the North? We won't know the precise patterns of shifts from Labour to UKIP in different types of constituencies for some time. But there's little evidence so far that UKIP damaged Labour more than the Conservatives. And I don't think that UKIP constitutes a greater threat to Labour than the Conservatives at the next election, if UKIP continues in its present form. First, the UKIP vote is not a predominantly working class vote. It's a small business vote, a 'poujadist' vote. And there wasn't a greater propensity on the part of the C2DEs to vote UKIP, compared with other social classes. Even if there was a squeeze on UKIP support in the last few days of the election, UKIP still took a larger proportion of votes from those who voted Conservative in 2010 than from those who voted Labour in 2010. There are very few Labour seats in which UKIP came a close second. What UKIP was doing in the North and in the Midlands, where it was getting quite a high vote, was largely supplanting the Conservatives as the anti-Labour Party in relatively safe Labour seats.

Everything I've just mentioned as possible causes of Labour's defeat are reversible. At the next election, it will have a different leader; it will attract less blame, if

any, for the current economic conditions; it can choose to switch from an inequality agenda to a growth and public services agenda; it can exploit the inevitable failures of, and fatigue with, a Conservative government. But what may not be reversible are Labour's mistakes in Scotland, which led to the SNP landslide. The Labour leadership's lack of interest in Scotland; the failure to read the warning signs in the Scottish Parliament elections in 2007 and 2011; the defunct, complacent state of local Labour Parties in Scotland; ineffective opposition to the SNP's record in Scottish government; and the very late intervention of the Labour leadership in the referendum campaign: all of these things were serious mistakes, and helped the SNP to profit from the momentum of the 'Yes' campaign. So what we now have, quite possibly, is a hegemonic party in Scotland, not unlike the Irish nationalists, who won almost all the seats in Ireland in 1885, after the franchise extension in 1884, and who were almost the sole representatives of Ireland until World War I. I find it difficult to see how Labour can recover, certainly in the space of a parliament, from its current position in Scotland.

This makes it more difficult for Labour to win in Westminster, in three ways. The first is that it has got to manage without about 40 to 50 Labour seats in Scotland. It has got to outflank the SNP on the left and it's very difficult to see how they can do that without alienating potential supporters from the rest of the United Kingdom. Labour is also going to remain vulnerable to the charge that they can only form a government by depending on SNP support. That theme, which dominated the last few days of the election, will be repeated at the next election.

Finally, there are long-term structural problems for the Labour Party, arising from globalisation and ethnic heterogeneity. Labour has always been a coalition of Hampstead and Hull; in other words, it has been the progressive middle classes who have dominated the leadership of the Labour Party now for two generations, and the membership of the Labour Party in the country, and that has been combined with a working class electoral base. The liberal agenda – internationalist, pacifist in some cases, libertarian, social Christian – has always been at odds with the nationalism, the authoritarianism, and the social conservatism of quite large segments of the white working class. Immigration, ethnic heterogeneity, and the growth of self-identifying, residentially segregated ethnic minorities, particularly Muslim minorities, have all made that coalition harder to sustain. Those tensions have been exacerbated by a combination of globalisation and recession. The recession may lift, but globalisation won't go away.

The Labour Party imagined, like much of the left, that the global recession of 2008 would be social democracy's historic opportunity. We now know, from election results across most of the Western world affected by the recession, that, with one or two exceptions, the left has generally done badly. The 2008 global recession was a historic moment for nationalism, not for social democracy.

# An intense collision with the electorate

Jon Cruddas, Labour MP for Dagenham and Rainham

Someone very close to Ed Miliband once characterised him as ‘strategically bold and tactically cautious’. It’s worth trying to work out what that actually means in terms of understanding the cross-currents of the last few years, because I’ve got an awful lot of sympathy with Ed’s position, in that he prioritised the search for unity. The search for unity is central because Ed came in with the simple understanding that Labour has only won convincingly three times in its history: 1945, 1964/66, 1997, and each followed 14, 13 and 18 years of opposition respectively. So you can paint a fairly straightforward picture of what’s happened over the last hundred-odd years, namely that Labour seldom wins. When it does, apart from the 13 years post-1997, it’s only for short periods, and then it consumes itself in internal fighting, tension and ideological fisticuffs. Labour ignores the electorate and, funnily enough, the electorate ignores it and it stays out for ages. Ed’s desire was to make a quick comeback, so unity became the organising principle for everything else.

The last Labour government was disfigured by internal gang warfare, drive-by shootings, and all that sort of stuff. We then had a leadership election which pitted not just brother versus brother, but different parts of the electoral college against each other. So to get through this and get back in one term, which is against the whole tenor of Labour history, Ed’s priority was to make sure that unity was central, and it was. At the same time, and especially from I would say 2010 through to mid-2012, there was the excavation of some interesting organising and ideological concerns. There was an emphasis on new forms of community organising and mobilisation, away from the traditional, centralising vote-harvesting operation which characterised the Blair and Brown years. There was a lot of innovation in thinking which Ed took the lead on. It seems to me the problem really started mid-2012. George Osborne’s often called a ‘political genius’, which is usually said to covers things like the Northern Powerhouse and his governing of the economy. But his real genius was to manufacture an omni-shambles budget which actually dis-incentivised a lot of the strategic thinking in and around Labour because Labour got a poll lead it hadn’t really won.



The argument went around that you could bank this poll lead, partly because Lib Dem voters were moving away from the Coalition disproportionately towards Labour, and over time UKIP disproportionately broke away from our opponents, so we were on the right side of both of these movements. If you can lock in this poll lead, then less is more. You can get over the line, you can chart a route through to victory, and everything else, all of the heavy lifting, started to be placed in the too difficult box. Labour could apparently win and remain united.

Now, that is a silver bullet that you just cannot ignore as a leader. To say: 'Well, we don't have to do any of this, thank goodness. We could actually win. People keep telling me we can't get under 35 per cent if we carry on with this strategy, so let's embark on it because we're going against our history here to win on these terms without pitching ourselves into internal factional battles. We can get in in one term'.

That was basically the thinking, and there was an awful lot of empirical polling evidence that was put before Ed to suggest that Labour couldn't go below 35 per cent. In shorthand this became known as a '35 per cent strategy'. Others talked about shrinking the offer in terms of policy. It was also described as a 'small target strategy', where less is more. It was borrowed from Labor in Australia, where they assumed that there was an election they couldn't lose so they embarked on collapsing their offer. Labour became a more elusive target by shrinking what you were proposing before the electorate, with the assumption that the calculus said that you could win on these terms.

That basically seems to me to characterise an awful lot of what happened subsequently, and I think there was some merit to that strategy. It all hinged on whether the numbers were right. As we know, instead there was a collision with the electorate and we woke up looking at a country we could barely recognise.

Now, you can talk about 'shy Labour' voters but they're people who didn't vote and it is this we should analyse, rather than reinterpreting the motives of all those people who didn't vote. It seems to me it's just as good to describe them as non-voters, really, and think through what's happened, because arguably we now face the greatest crisis in Labour's history.

How you diagnose that, understand it, and then rebuild is a huge task. We've got five years. The last time round, we embarked on a leadership election immediately, which ran through the summer, allowed our opponents to define the terms

of debate that were locked in for the next five years. We're repeating exactly that now. But we should develop a discussion about who and what Labour stands for, and who Labour represents, rather than just going into a conversation about who the leader is.

It seems to me that given Labour has had its most intense collision with the electorate since 1918 – worse than 1931, worse than 1983, worse than 2010 – it is incumbent on us to think through what the character of the party is once again. Just talking about which leader you're going to throw in front of the train is not really a solution. We need a reformation in terms of what the party actually is, one that links into how plural it is; its culture in terms of linking in with broader social movements and other political parties; forms of electoral reform, and so on. We also need to think about the consequences of globalisation, and of Labour having seen it as a benign force, neglecting some of its collateral damage, that people feel lost, or left behind. That was a danger; a sense of us being progressives, who have a tin ear for those who are less 'progressive' in that sense, and have a greater desire for more familiar rootedness, which is caricatured as nostalgia. I think that's a concern in terms of the day-to-day tempo of the country, of people's concerns about the turbulence in their daily lives, economically and socially.

I have great sympathy for what Ed Miliband was trying to do. I understand totally that search for unity. Arguably, it was at the expense of definition, but I don't think that was his fault. Instead, we might look to those who were counselling him that this was an election that he couldn't really lose, if he played it in a sort of instrumentalised, minimalist way in terms of the policy nuggets that were placed in front of the electorate. Each were, in and of themselves, good policies, but the danger was that they became characterised as a quite soulless, instrumentalised politics of cash transfers at a time when people didn't think there was much money around, as we hadn't done that heavy lifting in terms of re-establishing our economic bona fides – we put that into the too difficult pot after mid-2012.

The drift from the One Nation agenda to the cost of living frame reflected a move away from a bigger, bolder story of national renewal into one of a transactional cost of living policy offer: the retail offer, and that basically shrunk what Labour was trying to do on the assumption that collapsing it was the way to win. It became risk averse, it became quite calculating, and it lost a sense of emotional energy.

While Labour was offering transactional, specific cost of living suggestions, the other parties contested the very notion of nationhood. In Scotland this was an optimistic vision; in England, UKIP plugged into a sense of loss, dispossession and abandonment in England. Or indeed even Cameron, in terms of economic and social change and what the government has done over the last five years. These approaches are always going to trump small-scale policy offers, it seems to me, because you're operating in deeper waters, more visceral politics in terms of connections to people's lives. The danger for Labour was that we were parked elsewhere.

So what should Labour do? Well, if you go back to New Labour, its three component parts were organisational renewal, ideological renewal, and political renewal. Organisational renewal around Clause 4, change to the General Secretary, reforms to candidate selection, and so on. New Labour had an ideological intensity, with 'the third way', and it also had a political intensity in terms of grid management, Cabinet reform, policy renewal. The three constituent elements were bold, dramatic and intense. From 2010-15, we went part of the way in terms of organisational renewal around forms of community organising. Ideologically, we went part of the way around the notion of One Nation, but then we parked it in favour of these instrumentalised distributive concerns. Politically, we didn't do enough in terms of ensuring that Ed had support throughout the parliamentary party that systematically developed and carried discussion of One Nation and its constituent policy illustrations. It's a story of partial reform, but we have to be very generous about what Ed was trying to do because of that consistent search for unity. Everyone thought it could work. We're all in denial about this, but we all looked at those numbers and we all colluded in it.

In the future we clearly have to look at questions of nationhood. We have a Scottish Labour Party in our rules. We have a Welsh Labour Party in our rules, but we have nothing where an English Labour Party could be. A lot of the policy agenda that was developed, before George Osborne sneaked round the back and grabbed some of it, was around economic devolution. And that implies a more federal model of party organisation, linked into those questions of nationhood. That's presumably where we will go with some of our future organisational renewal. Where, to me, the jury is out, is on the more fundamental issues about what the party is really now for. Who does it represent? What is its view of justice? Is it simply a distributional, utilitarian model of money transfers? Is it a rights-based model of justice? Or is it a deeper question of virtue and the common good?

We've got to decide what we stand for. Upon that, you then rebuild a policy platform and you renew yourself organisationally. So ideologically, organisationally, and politically, you have to reform and you have to do it pretty quickly because this hasn't necessarily bottomed out yet.

# Fundamental questions

Marc Stears, Professor of Political Theory at Oxford University  
and formerly chief speech-writer for Ed Miliband

If you read the commentary on the election, the questions that are being asked about Labour centre on themes such as: did Labour go too far to the left? Should it come back to the right? Did Labour abandon too much Blair? Did it do too much Brown? Did Labour say too much about spending and borrowing? Or did it not say enough about spending and borrowing? Was Labour insufficiently socially conservative? Is the future modern and cosmopolitan?

Those are the kind of frames that you get both from reading about the leadership debate as it's unfolding, and also from reading some of the better commentary on what happened over the last five years. But I want to argue that, vital though these questions are, there are more fundamental questions to consider too. Questions for Labour's future about what it thinks about the social, economic and political model that currently structures our country.

Core to Ed Miliband's time as Labour leader was one question: does Britain work for working people? The formulation may not be particularly elegant but it does ask us to look at whether the fundamental structures of our economy, the conventions of our society, and the rules that shape our politics actually operate in a way which benefits the vast majority of the people of our country. And then whether a Labour government should be aiming to accept the prevailing order pretty much as it currently exists, trying to operate largely within it, or whether it should be aiming for a more fundamental shift.

The 2015 manifesto provided the answer as far as the Miliband era was concerned. The goal was to do something about the rampant inequality that blocks economic opportunity, subverts our society, and poisons our politics. The method was not simply to continue with the tax and spend transfers that have often characterised Labour in the past, but to achieve some substantial structural change to the economy which could actually have a significant impact on the distribution of wealth and opportunity for the foreseeable future.

So could Labour turn the tide on the inegalitarian distribution of wealth and

opportunity which has grown since the late 1970s? That was the key question that Ed Miliband asked. And he also traced its impact in society and politics. His 2014 Hugo Young Lecture argued that the promotion of greater equality isn't just an economic agenda, it's also a political agenda. It is about the distribution of political power in the United Kingdom. It was about tackling this sense of disenfranchisement that large parts of the population feel. It was about responding to the disempowerment people who receive public services often feel; the disempowerment people who work in public services often feel. And it asked too whether there could be a significant political transformation which would enable people to feel that power was being more equitably distributed as a result of a Labour government.

Ed Miliband believed that these questions could be asked at this moment in politics in a way that they hadn't been for generations. And that was because of the financial crisis. Not, as some have suggested, because he believed that the crisis had shifted public opinion somehow to the left. But rather because it had raised fundamental questions again in a way that hadn't happened for some time. To draw an analogy with the past, this was thought to be a 1975 and not a 1979 moment: the start of a discussion about some significant change to the fabric of our political, social and economic system rather than its conclusion.

Many commentators now believe that this was fundamentally wrong-headed. They contend that you couldn't actually win a general election by calling into question some fairly fundamental features of our social, political and economic order. And it isn't just commentators who are sceptical. Members of the Labour Party, former allies, as well as people who had less time for the Miliband project, often now say that the ambition was too large, too idealistic, to offer as a successful kind of manifesto for government, or a manifesto for an election campaign.

Those doubts occurred at the time too, of course. They were especially vivid in the challenges after Miliband's 2011 conference speech, the speech where he coined the distinction between predators and producers. What Miliband had intended to do with that speech is say there are some fairly fundamental ways in which we structure our economy which are short termist, which don't necessarily have the interests of either workers or consumers at their heart, which have gone too far. It was meant to be saying, 'there are some important things which are not going right here. Perhaps we can rebalance the way our economy works with some institutional and structural changes'. The idea was to say it's not just the bottom

20 per cent of the population that suffer any more. It's 60 per cent or 70 per cent of the population who now feel insecure in their work, feel their public services are in decline, who feel as if they can't get their aged parents into a decent quality care home. Who feel that there's essentially a fly-by-night culture in large parts of the British economy and that has to be put right.

The energy price freeze announced two years after the 2011 conference speech was the policy response to that feeling that everybody, not just the poor, were at risk of being ripped off by energy companies who could run things their own way. It wasn't just meant to be a short-term price freeze. It was meant to be a restructuring of the way the energy market worked to break it up and increase small scale competition, open the doors to community energy providers of the sort that they have in Germany, and therefore to change the way that people interact with that part of the economic machine.

If that was the ambition, was it the right one? Is it ever plausible, sensible, and desirable to run an election campaign on the offer of large-scale structural change to the economy, to our politics and to our society, on the understanding that the public have now grown tired of the order which has been established since the mid-1970s onwards?

Now, obviously most people think on the back of the election result that the answer is clear. So when people say Ed was anti-business or anti-aspiration, what they really mean is that he was calling into question things which really shouldn't be called into question or which the public don't want to be called into question. But is it as simple as that?

In my view there is still something salvageable from the idea that Labour can offer an electorally successful manifesto grounded on a significant reform agenda and that the fundamental critique of inequality that Ed Miliband posed was, and remains, the right one. But were Labour to advance such an agenda again, it would have to confront four very important challenges.

First, it must confront an organisational challenge. Put most crudely, our electoral organisation could not deliver what it claimed it could deliver. Our polling data was wrong. Our relationship with the public was far more fragile than we imagined. Labour was apparently having six million conversations by the end of the election, but we either had people telling us one thing and doing another or something else was seriously awry. The fundamental question of how can the

party better understand and relate to the electorate needs to be addressed before anything else.

The second challenge concerns language. Ed Miliband and his team never settled on a single way to describe the historic break that we were aiming at. An understandable unwillingness to criticise the party's own past meant that it was very difficult for Ed to break out of it and describe the different future he saw for the country. Trying to describe a new direction at the same time as seeming unwilling to distance itself from the past is an extraordinarily difficult act.

The third challenge is statecraft. The 2015 manifesto intended to offer an account of how you could secure better public services in a time of no money. The answer to that relates to providing public services in radically new and different ways. But that part of the agenda was, I think it's fair to say, relatively under-developed and so Labour didn't have a full account of how you can be both fiscally prudent and generous with people's public services. Labour's success in the core cities suggests that localism is part of the answer to that and we didn't go far enough in developing a distinctive account of how devolution could work.

The fourth challenge is about business. Under Miliband, Labour aimed both to challenge markets that didn't work, at the same time as to praise the businesses and markets which do. The much-maligned 2011 conference speech actually struck a balance between both criticising predators and praising producers. It wasn't just an agenda about saying predatory capitalism is bad. It was meant to also say productive capitalism is the source of our future. But again more could clearly have been done here. The answer to the question of what does a productive, generous-spirited British capitalism look like, remained unclear to too many people by 7 May 2015.

So these are my four challenges. If we can meet them, I believe, then we can actually keep the optimism, the ambition for large-scale transformation, that was the core part of Ed Miliband's long-term agenda. But none of them should be under-estimated.



# Ed Miliband and the end of neo-liberalism

Gregg McClymont, formerly Labour MP for Cumbernauld,  
Kilsyth and Kirkintilloch East, 2010-15

An absence of economic credibility; unpopular leadership; fear of the SNP; these explanations have so far dominated discussion of Labour's defeat. Less commented upon but equally important is the longer run decline, political and intellectual, of social democracy across Europe. Social democratic parties continue to retreat. The financial crisis has not, as Ed Miliband expected, weakened the political right. In many countries, including the UK, it appears to have strengthened their grip. The defeat of Denmark's social democratic government, on the heels of Labour's defeat, merely confirms, if any further evidence was needed, that the 2008 financial crisis has not arrested centre-left decline.

As such, Ed Miliband was proven wrong. His preternatural confidence that Labour would win the election (maintained until the very moment of the exit poll) was the product of a wider assessment – or big bet – on the return of Western social democracy from its 40 years of slumber. Miliband assumed that the 2008 financial crash and its aftermath represented a social democratic opportunity – the neo-liberal era was over, or at least it was acutely vulnerable to counter attack in the midst of a mass failure of the private sector. Succour was taken from the respective victories of Obama, Hollande and de Blasio. Politics and economics were moving leftwards in a backlash against financial capitalism and the (related) growth of inequality.

This was the premise of his political strategy. Electoral politics was a battle of ideas and the intellectual advantage lay with social democrats for the first time since the 1970s. The rules of the game as it had been played since Thatcherism were being torn up. As such, economic 'competence' and strong 'leadership', at least as understood by the Coalition and by lobby journalists, were subordinate. (Thus for example Ed's reluctance until it was too late to tell the British people a story about his own personality and character, allowing his opponents to define him on the most unfavourable terms). What mattered was developing a new political economy which would refashion capitalism in a direction compatible with equality and fairness.

It never materialised. There was no big ticket growth strategy. No explanation of how a more sustainable, more equal UK would make its way and pay its way in the world. The manifesto was telling – a series of micro-retail policy offers which, whatever their individual merits, did not hang together as a cross-sectoral growth story. It's in this context that Labour's reputation as 'anti-business' is best understood. For most swing voters paying attention to politics infrequently, what they picked up from snatches heard on TV or radio news bulletins was Ed Miliband's criticism of the bad behaviour of various economic actors (banks, chief executives, government) unleavened by a positive account of Labour's vision of a different economy and society.

The gap between critique and solution is often wide in politics, as in life – but it was rarely wider than in Ed Miliband's hands. The existing way of doing things was fundamentally wrong, the subject of repeated criticism, and must change; but the nature of that overwhelming change remained fuzzy at best – to many Labour MPs as much as the voters.

The question is why. I can think of three possible explanations. The first is that Ed's premise was plain wrong. Neo-liberalism was neither at an end nor was it fatally weakened. Its assumptions actually structure everyday life in a fashion which is properly described as 'hegemonic', suffusing economy, politics, and society as a form of common sense. (Take for example the professions. Before neo-liberalism a profession was defined by the autonomy which its members enjoyed. Professionals possessed through training and culture the abilities necessary to conduct his or her business in a manner consonant with the needs of individual clients and society as a whole. The state's role was confined to policing illegality. Now it would be considered extraordinary if the everyday bureaucracy which counts, measures, and administers professions like teaching, medicine, academia, and the law, was withdrawn). Furthermore, even where neo-liberalism is contested, the costs (at least in the short-term) of ending its stranglehold are significant – a product of financial capitalism's deep integration into the UK economic system. On this account, Ed was on a loser from the beginning. The intellectual, political, and social shift leftwards he identified in the 2008 financial crisis was wishful thinking. It had after all taken an event of the magnitude of the Second World War to shift the political climate leftward in a comparable fashion.

The second possible answer is that Ed bit off more than he could chew. The premise wasn't necessarily wrong, just over-ambitious. An encompassing critique

of British political economy demands an equally encompassing alternative. But the Labour Party in opposition lacks access to the expertise necessary to develop a substantial alternative political economy. The problem is partly temporal – such a project demands an internal commitment to long-term policy development at odds with the 24-hour rhythms of contemporary politics – but is mostly resources. Labour does not possess the necessary technical knowledge (for example of financial markets) in-house and has neither the money to buy it in, nor sufficient allies in the City who will provide that expertise on a pro bono basis. These overwhelming obstacles remind me of Ross McKibbin's (1975) famous argument regarding the 1929-31 Government: prevailing structures of power, resources and knowledge inhibited Labour from pursuing unorthodox responses, contra the City, to a major financial crisis.

The third answer is that Ed's premise was right as far as it went, but that political economy is not enough. Cultural and identity politics are important too. Miliband flirted with Blue Labour and took cognisance in particular of the immigration issue, but in the end retreated from a substantial engagement with the issues of culture and identity shaping voters' behaviour. One might call this the 'Ed should have listened more to Jon (Cruddas)' argument, while acknowledging that cultural and identity politics are a minefield for a social democratic party that to form a winning coalition needs support across the nations (England, Scotland and Wales), across classes, and across ethnic groupings. In the past, the heavy lifting in this context was done not by Labour itself but by material conditions: from shared experiences at work (large-scale manufacturing) and at home (council housing) emerged the common working class culture on which the Labour Party's strength as a movement was built. These conditions no longer exist. The absence of a culture shared by Labour and the voters it needs to win elections is an enormous handicap for the party.

# The spirit of '97

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I want to think a little bit about some of the conversations that have been going on over the past five years in the Labour Party. Before we embark once again on the process of electing a new leader and attempting to reconnect with voters, I think it's worth considering why the ideas put forward last time didn't quite take hold in the way that people thought they might.

The current debate over the leadership sounds very similar to 2010. We have the same arguments about the need to capture 'aspiration'; about whether Labour was too left, or not left enough; whether it needs to distance itself from the past and apologise for mistakes, or to defend its record and attempt to correct misperceptions. We also hear about the need to tell stories, construct narratives, and so on, which was also present immediately after 2010.

Of course, much of this boils down to the party's relationship with New Labour. I don't need to rehearse the binary and unhelpful nature of all this. But I do think that the temporal aspects of it are interesting. Because New Labour positioned itself as a party of change, in many ways going back is seen as the modernising thing to do. But of course the types of 'change' that New Labour became associated with are part of the problem.

This is why we saw various attempts to argue for some form of left conservation over the past five years; whether that was Blue Labour or the 'radical conservatism' associated with One Nation Labour, the idea was that Labour has always been the party of defending ways of life in the face of the constant imperative to change. And this is the antithesis of New Labour, for whom change was good in itself.

But one of the most interesting aspects of this was that many of the same people who were making these arguments were also talking about the need to go back to the original inspirations of New Labour – the early radicalism, idealism and optimism – the influence of guild socialism, the New Left and the co-operative movement, even (by some accounts) anarcho-syndicalism. This wasn't about resisting change, then, but about seizing it and taking it in a different direction.

In the very first speech Ed Miliband made as party leader, he said: ‘You remember. We began as restless and radical. Remember the spirit of 1997, but by the end of our time in office we had lost our way’ (Miliband, 2010). This idea later underpinned the project of One Nation Labour, even though as Mark Wickham-Jones (2013) has pointed out, the One Nation label had already been used in 1995. It was something that was taken from New Labour itself, even if it looked like it was doing something different.

This was a useful strategy. It allowed Miliband to claim to be true to the spirit of New Labour while distancing himself from its outcomes; to acknowledge its great successes, particularly electorally, while giving him space to make a strong critique of its excesses. In many ways this was exactly the way in which Blair used earlier periods of the party’s history – when he talked for instance about wanting to ‘not to return to the 1940s but instead to take the values that motivated that government and apply them afresh to our time’ (Blair, 1995, 3).

To that extent, perhaps it could be seen as a fairly hollow rhetorical device. But I do think there was more to it than this. Again, as Mark Wickham-Jones (2013) has pointed out, there seemed to be a genuine sense among some people that New Labour was a project with real radical potential, which had somehow become derailed. Although it had set out determined to create a new form of bottom-up politics, rooted in communities and prepared to think quite radically about decentralisation, in the end it had ended up as centralising, managerialist and statist. We should remember that, in 2010, quite a lot of the arguments coming both from the Conservatives and from the Lib Dems were about big-statism. They weren’t just about the economy. There was a real sense that this was what had gone wrong.

So this was an attempt to restart the New Labour project, by some of the people who had been there at the beginning, in a way that avoided falling into those traps. And I think this was potentially quite a productive approach to take, but it didn’t really seem to materialise. And I’m sure lots of people have ideas about why this was; internal politics were clearly important. But I want to set out three problems that occur to me.

First, it didn’t sound like the New Labour anybody knew or recognised. Of course, that was the point. But there was no sustained attempt to redress these perceptions, to redefine the New Labour project – what it was, or what it could have been. There were chapters in pamphlets and e-books, but no attempt to commu-

nicate this to the wider public or even really to party members. Of course, it would have stirred up all sorts of debates and disagreements and I can see why there was no desire to do that in public. But it meant that this argument could never really get off the ground. Nobody's perceptions of what New Labour was, or of what it set out to do, have been changed over the course of the past five years. And because of that, the possibility of making a proper critique, rather than just being for or against it, was lost.

Second, and related to this, any attempts that might have been made to do this were hampered by the way New Labour told its own story. Miliband explained in his 2010 speech that the party had done best when it had challenged conventional wisdom, when it had argued that public ownership was not the only solution, that Labour needed to be tough on crime and welcoming to business, that homophobia and sexism could be challenged and that public services did not have to be second class. However, as Jon Lawrence has argued (2013), New Labour didn't even try to tackle the conventional wisdom on social justice, on redistribution, and on market solutions. Its achievements in these areas were mostly done by stealth. And everything from life chances to arts funding was justified in terms of economic imperatives. There was no attempt to restructure public notions of 'common sense' in the way that had been done in 1945 and also by the Thatcher governments from 1979.

New Labour's electoral strength was based on its ability to seem in tune with the prevailing economic logic, but I think this has proved to be a problem for its successors. Miliband acknowledged this, when he suggested that it 'became the prisoner of its own certainties', that it 'too often bought old, established ways of thinking' and ended up looking 'more and more like a new establishment' (Miliband, 2010). His attempts to identify predatory capitalists, and to take on vested interests like Murdoch in particular, were a step towards doing this, but it didn't quite add up to a full or convincing vision.

Third, there was no real analysis of why New Labour had taken the course it did in the first place. Why, for all its good intentions, its leaders ended up hoarding the power they had promised to decentralise; abusing the system they had set out to reform; and alienating those they aimed to empower. This isn't just a problem for New Labour; it has been a problem throughout the party's history.

The idea that localists and pluralists perennially lose out to centralisers was a key part of the analysis put forward by the various pamphlets published in the wake of

the 2010 election. And although at the time this was seen as being an argument between different factions, who were all producing their own pamphlets – the Blue Labour e-book, the *Purple Book*, and *Labour's Future* from Soundings – in fact there was quite a lot of similarity between them in terms of their analysis. All three argued that Labour needed to ‘evolve a more ethical and emotional language for its politics, reviving its traditions to become once again the party of association and mutualism, rather than of a centralising and controlling state’ (Rutherford and Lockey, 2010, 6). And all three also suggested that New Labour had failed to do this because it had not been able to break away from a long-term trend in which ‘the cooperative, decentralist, localist and municipalist traditions within British socialism were trampled under the boots of central planning, state control and nationalised corporations’ (Richards in Philpot, 2011, 52). Rather than being criticised for breaking with Labour’s past (as had so often been the case before), the problem now seemed to be that New Labour had not been new enough, that it had been too bound by its previous history.

To an extent this recurrent reversion to statism is not only unsurprising but perhaps unavoidable. If social democracy is about anything, it is about producing material change, and the temptation is always to want to measure that change, to control it. This is why it proves so hard to let go; why even New Labour’s most localist projects were always underpinned by audits, targets, and ring-fenced budgets. It is how the party made its advancements in health and education. But it is also how it came to be characterised as managerial and controlling.

However, I also think there is a bigger problem, which is that because Labour’s struggle has historically been to be the representative of the people, their voice in parliament, it has really had difficulty, and it still has difficulty, seeing itself as part of the political establishment. This was apparent in the surprise felt by many in the party when independent mayors were elected in areas that had been one-party Labour strongholds for decades. We’re seeing it in Scotland at the moment. And I think we probably also saw it in the backlash against the idea of a stitch-up coalition within England. While it may not be a comfortable thought, we must realise that, to most people, Labour represents ‘the political class’ far more than it does ‘ordinary working people’. It is part of the establishment, of the vested interests, which voters need (and want!) to be empowered against.

Any attempt to come to terms with what happened in the general election also needs to take a longer view – to look at what the New Labour project was, why it

failed to live up to some of its most radical promises, and how that relates to the party's previous history. But it also has to avoid getting bogged down in historical arguments. The public do not care about Labour's traditions or its historical role. Many know nothing about them. What they need to know is that the party understands the problems they are facing today; that it has a coherent analysis of why they are happening; and a radical vision of how to address them. And that means being able to challenge conventional wisdom, whether that's on the economy, on nationalism, or on basic questions about what politics is, and what it can do.

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