# Gurus and thinkers aplenty

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To better engage with the legacy of New Labour, we need to first understand it on its own terms.

Colm Murphy, *Futures of Socialism: 'Modernisation', the Labour Party and the British Left, 1973-97*, Cambridge University Press 2023

Writing in *The Times* recently, the journalist and Conservative think-tanker Sebastian Payne drew an unflattering comparison between the intellectual excitement that surrounded Tony Blair's Labour Party in the mid-1990s and, as Payne sees it, the absence of ideas in Keir Starmer's remodelled party:

> At a similar electoral stage in the 1990s, Tony Blair had an ample movement. Will Hutton published his seminal text *The State We're In*, making the Blairite case for public realm reform. The Institute for Public Policy Research was making waves with its Commission on Social Justice, led by David Miliband. Columnists and commentators were making the daily case for Blair. There were gurus and thinkers aplenty: the Rev Peter Thomson, for one, gave Blair a communitarian grounding for his agenda. It was all captured by the Third Way philosophy that underpinned New Labour's time in power. There is little or none of that today.[1]

Some will disagree with Payne's recollections of New Labour's ideological elan, but Colm Murphy would likely offer qualified agreement. His book is a deeply researched history of ideological change on the British left in the late twentieth century. Murphy offers a fascinating guide to the debates about how to modernise socialism that raged across seminar rooms, conference floors, party documents, think tank pamphlets and periodical pages from the 1970s onwards. His findings make a powerful case against the commonplace portrayal of Labour in the late twentieth century as offering nothing more adventurous than a mildly humanised neoliberalism.

While a triumphant success as a work of scholarship, the arrival of this book as we begin the long run-in to the next general election also endows it with political resonance. British political discourse is, for better or worse, now replete with analogies to Labour taking power in 1997. *Futures of Socialism* enables us to test Sebastian Payne's premise that New Labour surfed a wave of leftist intellectual activity, and to compare the debates of the 1990s with the ideological condition of the left today.

Murphy concludes that, out of the multiple visions of modernisation that blossomed across the left in this period, one account ultimately dominated Labour's period in government after 1997. In this sense, he does not offer a pure history of political argument on the left: he also pays attention to the institutional settings in which these debates took place and considers why some visions proved to be more influential than others. In other words, this is a book about the interaction between political ideas and the exercise of political power. Murphy places some famous sites of political discussion on the left, such as *Marxism Today* and the *New Statesman*, in the context of a wider late twentieth-century growth of new spaces for debate that were external to the formal institutions of the Labour Party. He examines the burgeoning left print culture of the period, which included Labour's own semi-detached periodical *New Socialist* (and of course *Renewal*); the role of cross-party organisations such as the Scottish Constitutional Convention and Charter 88; and the cultivation of quasi-independent but Labour-adjacent think tanks such as the Institute of Public Policy Research (IPPR) and Demos, which provided safe spaces (because they were politically deniable) for the development of controversial new ideas. There are no prizes for guessing which group of characters won out in Labour's internal debates in the 1990s, but even here Murphy's point is that to describe the specific New Labour vision of modernisation as unvarnished 'neoliberalism' would be a mistake.

One of the refreshing features of this book is that it locates Labour's ideological debates in the 1990s in a longer intellectual context. Where for some authors that essentially means a quick trip back to the well-thumbed pages of Crosland's *Future of Socialism* (1956) and Tawney's *Equality* (1931), Murphy does something more interesting: he demonstrates that a 'modernised' left emerged from the specific experiences of the Wilson and Callaghan Labour governments and from the radical left critique of those governments sponsored by politicians such as Tony Benn. His argument is more subtle than the well-known idea that later Labour figures were highly critical of both Wilsonism and Bennism. Rather, Murphy shows us that some of the characteristic ideological moves made by self-styled modernisers were a complicated blend of agreement and disagreement with their predecessors, a finding that will be disconcerting to staunch New Labourites and their critics alike.

## Why start in 1973?

Murphy starts in iconoclastic form by tracing the origins of left discourse about globalisation to the Alternative Economic Strategy (AES) developed by the Labour left in the 1970s and early 1980s (this explains the unusual starting year of 1973 in the book's date range – when Labour's annual conference famously first adopted a programme heavily influenced by the AES). As Murphy points out, a key premise of the AES, based on bitter reflection on the 1960s Labour government, was that the rise of multinational corporations and international finance had hollowed out the power of individual states to secure full employment, narrow inequality and boost economic growth. The remedies that the left prescribed for this malaise were obviously very different from what became New Labour's economic strategy. Roughly speaking, the left sought to increase the state's power to control the British economy through measures such as increased public ownership (especially of financial institutions), planning agreements with private enterprise and import controls. But the underlying economic analysis – that the post-1945 model of economic management was no longer viable amid a globalising capitalism – was essentially very similar to the rhetoric rolled out by Blair and Gordon Brown much later. Murphy demonstrates that one wing of the Labour left, led by Stuart Holland (the key theorist of the AES), did eventually lose confidence in a strategy based on socialism in one country. Instead, Holland and his colleagues invested considerable intellectual energy during the 1980s in arguing for a more interventionist economic strategy at a European level. This too flowed into the formation of a modernised Labour vision that firmly distanced itself from the Euroscepticism that was common currency on the British left in the 1970s. Murphy is clear that the Labour leadership's entanglement with the discourse of globalisation after c.1994 drew on influences besides the AES (he mentions the writings of figures such as Anthony Giddens and David Held as one alternative source). But he argues that an important reason that internal critics found it hard to push back against the Blair/Brown account of globalisation was that they had already signed up to the idea that a traditional social-democratic economic strategy had been ruled out by the rise of giant corporations and fleet-footed global capital flows. A wide cross-section of the party had been primed by the preceding twenty years of internal debate to accept that 'globalisation' required Labour to retool its economic policy.

Murphy makes a similar observation with respect to ideas about the decentralisation of economic and political power. During the 1970s and 1980s a very large number of political actors on the left and centre of British politics became convinced that the model of centralised state-driven socialism associated with Labour's heyday in power in the 1940s was out of step with modern Britain. Political formations as various as the New Left, leading trade unionists, disillusioned Labour revisionists, left-led Labour councils, Scottish and Welsh nationalists, the Liberal

Party and the emergent SDP all agreed that there needed to be greater economic and political empowerment below the level of the UK state. Initially this was often framed in socialist terms as the extension of economic democracy through worker participation in industrial decision-making and trade unionists taking seats on company boards. But these ideas quickly widened (or perhaps moderated) to include passing power on to consumer and community groups, local councils (with Ken Livingstone's Greater London Council as a model) and co-operatives. At a theoretical level, these decentralising tendencies were forged into what Murphy dubs the 'neo-corporatism' advocated by David Marquand and Paul Hirst. Marquand and Hirst envisaged a British economy that looked a lot more like the West German social-market model, by combining federal constitutionalism with a more collaborative and long-term industrial culture.

All of this was premised on the assumption that Labour's traditional political vision was too top-down and statist and thus out of step with a less deferential, more individualist society. This was said to be the vulnerability in Labour's earlier model of socialism that Thatcherism had exploited, by offering a right-wing vision of individual economic empowerment that widened private property ownership and increased disposable incomes through direct tax cuts (a point that had been presciently made by Stuart Hall even before the Thatcher government was elected in his famous 1979 *Marxism Today* essay 'The Great Moving Right Show'). But it was ultimately constitutional rather than economic decentralisation that achieved more traction within the Labour leadership in the 1990s. John Smith's victory over Bryan Gould in the 1993 Labour leadership election was one important moment here. Murphy shows that Gould had been a key advocate of a form of economic modernisation that drew on ideas about diffusing economic power, whereas Smith was more engaged by modernising Britain's democracy.

A second key moment was Blair's dalliance with the ideas of Will Hutton in 1996. Hutton's *The State We're In* (1995) was a brilliant popularisation of the neo-corporatism espoused by Marquand and Hirst, which caught the political zeitgeist as the Conservatives imploded, ultimately selling a remarkable 250,000 copies. But the small circle that controlled Labour's economic policy was reluctant to sign up to Hutton's wide-ranging economic vision, which Brown and Ed Balls regarded as a dangerous hostage to electoral fortune (and an attempt by Blair to loosen their control over economic strategy). Murphy shows that, instead, a discourse of constitutional reform, somewhat influenced by the work of Charter 88, emerged to fill the space where debates about economic democracy and corporate governance might otherwise have gone.

Murphy's point is not to downplay the significance of constitutional reform. On the contrary, he (rightly) thinks that we should view this period of debate on the

constitution within Labour, and the watered-down version of reform that was enacted after 1997, as a historic episode of political reform. Thanks to the massed ranks of the leftist intelligentsia mobilised through Charter 88; the Scottish Constitutional Convention; and a generic left-wing rhetoric that disparaged the Thatcher government for pushing through radical reforms 'undemocratically', Labour's account of modernisation encompassed constitutional changes such as devolution, incorporation of the ECHR into domestic law, freedom of information and (limited) House of Lords reform. This was despite the lack of enthusiasm for these measures among Blair and other key figures in the PLP. As Murphy notes, this demonstrates both the success of Charter 88 and others in forcing the Labour leadership to adopt a set of measures that they were fundamentally ambivalent about, but also shows why, in the end, there was little appetite in Labour high command to go any further in deepening and rationalising these individual reforms into one overall coherent package of constitutional change.

## Investors in people

In that case, we might ask, how should we characterise Labour's economic strategy by 1997? Surely that was neoliberal? Again, Murphy complicates the picture. He points out that Labour had long thought of its economic policy as aimed at modernising the British economy through state intervention on the supply side. This was, after all, the central political pitch of Harold Wilson in the 1960s and again of Neil Kinnock in the 1980s: that a Labour government was better suited than the Conservatives to drive investment into British science and industry and to use the state to adapt Britain's economy to new technologies and methods of production. The real innovation in Labour's economic worldview, Murphy shows, was that during the 1990s supply side modernisation was conceptualised as less about revitalising the manufacturing sector and more about increasing investment in education, training and infrastructure.[2] This was the rise of ideas about a 'knowledge-based economy' or 'human capital', influenced by American New Keynesian economists such as Robert Reich (in his earlier, New Democrat guise) and Lawrence Summers (who had taught Ed Balls at Harvard). These ideas – which legitimised public investment in education and training as a means of boosting economic growth – intersected with the growing awareness among Labour policy-makers that the British economy was now increasingly dominated by service-sector employment and thus had become 'deindustrialised'.

The increase in service-sector employment was a topic that feminists were also very interested in, since it was often women who took up these new jobs in sectors

such as healthcare, retail, and hospitality. While one challenge to the worldview of the Labour Party in this period was that the male manual working class was declining as a proportion of the workforce, another was that a rising proportion were women. Murphy demonstrates that feminism played an important, if ambiguous, role in shaping Labour's policy agenda during the 1990s. Influential figures within Labour circles – Murphy singles out Patricia Hewitt, Harriet Harman and Anna Coote (and more broadly the work of the IPPR) – framed efforts to tackle gender inequality as an essential aspect of modernising Labour's policies. Some of the earliest political interventions of Coote, Hewitt and Harman were criticisms of the AES as old-fashioned because it focused too heavily on reviving male-dominated manufacturing industry and neglected service-sector employment and crucial gender issues such as childcare. Later they argued within Labour's inner counsels that winning over female voters from the Conservatives required Labour to take women's experiences more seriously and to offer policy responses that addressed the distribution of paid and unpaid labour between men and women. At their most radical, these arguments sought to shift left policy-making away from the classic male-breadwinner model of family life that had structured social and economic policy in the mid-twentieth century. The implication was not only that Labour should prioritise greater public investment in childcare and early years education, but also that a modern social democracy would introduce more flexible working practices, enable part-time workers access to greater employment rights and security, entrench stronger rights to maternity and paternity leave, and more generally ensure the welfare state would promote gender equality. In practice, only some of this was done in government. Murphy suggests that one reason for this was that the rhetoric of modernisation itself encouraged a kind of political passivity, because it over-indexed on structural social change at the expense of political agency. In the case of gender equality, that meant stressing that society was inevitably trending in an egalitarian direction, thus tacitly downplaying the need for radical political action.

Murphy draws a fascinating contrast between Labour's championing of gender equality as an important strand of political 'modernity' and the party's more ambivalent approach to race and multiculturalism. Leading figures within Labour saw appealing to ethnic minority voters as a less urgent political imperative, in part because the received wisdom within the party was that most of them were already committed to Labour and lived in Labour-held seats. Indeed, some strategists thought that highlighting Labour as a multi-racial electoral coalition would simply amount to a failed 'Rainbow Alliance' electoral strategy, influenced by the GLC, that sought to substitute race, gender and sexuality for conventional class-based appeals. For party insiders, attention to racial inequality was a less electorally compelling matter than the parallel case laid out about the need to

attract female voters. Figures such as Hewitt, Harman and Deborah Mattison presented women as a key group of swing voters to be won over from the Conservatives (Mattison, of course, is now Director of Strategy for Keir Starmer). But Murphy also argues that racial inequality posed uncomfortable questions about the left's conception of 'modernity'. He demonstrates that leading left-wing cultural theorists such as Stuart Hall and Paul Gilroy, influenced by post-modernism, became increasingly disenchanted with the self-congratulatory pretensions to universalism encoded within left-wing modernisation theory, a universalism that they believed disguised a more disturbing legacy of exclusion and racial injustice. From this perspective, a modernisation frame was in fact inimical to attempts to reduce racial inequality and promote multiculturalism. Once in office, Murphy concludes, Labour's relative lack of attention in opposition to debates about multiculturalism left the New Labour government to address racial inequality through ad hoc, reactive measures that were less coherently conceptualised than Labour's equivalent efforts to narrow gender inequality.

## Forward to Starmerism?

Some critics of New Labour will be instinctively resistant to Murphy's argument. But it is important to calibrate what he is saying. He is aware that factional struggles, electoral interests and one specific rendering of modernisation combined to narrow Labour's agenda in office from the wide-ranging and creative rethinking of socialism he delineates during the 1980s and 1990s. But his argument is that it is reductive and inaccurate to describe this specific agenda as 'neoliberalism' when it clearly drew on new social-democratic ideas about public spending for social investment, decentralisation and individual rights, and gender equality. It is still perfectly possible to accept Murphy's conclusions and reprimand New Labour for not delivering enough on these fronts. His point is that such a critique should be based on a more accurate account of the origins and trajectory of Labour's ideas about modernisation. Indeed, we might even question the extent to which the key failures of New Labour in office related to the ideological change Murphy focuses on, and consider the relative importance of factors that emerged from the dilemmas posed by governing – notably one very large foreign policy mistake, and Blair's tactical decision to position himself rhetorically against Labour's natural supporters.

So *Futures of Socialism* does support Sebastian Payne's claim that a vibrant ideological ambience surrounded Labour's return to office in 1997. But in my view Murphy also shows us that we should not rush to Payne's conclusion that Labour's current policy debates simply lack intellectual heft. It is difficult amid

daily electoral trench warfare to appreciate the larger ideological picture. I suspect many of the characters in Murphy's book outside of Labour's inner circle would have bemoaned Labour's lack of ideas if quizzed about it in, say, 1987, 1997, or for that matter 2001 or 2005. Indeed, our understanding of New Labour is still hobbled by the fact that a lot of the key books and articles about that government were written while it was still running the country, before its achievements could be digested and placed alongside its failures, which inevitably take up more bandwidth during a party's time in office. The great achievement of Murphy's book is to have laid the foundation stone of the historiography of New Labour.

*Futures of Socialism* also prompts a more challenging political observation for today's Labour Party. Murphy underlines the extent to which Labour after 1979 was trying to learn the lessons of the Labour governments of the 1960s and 1970s as much as respond to Thatcherism. It was straightforward for Labour politicians to distance themselves from the strategy of those Labour governments because the stock of Wilson, Callaghan et al had already fallen quite low among the political elite, the media, and party members alike (historians such as Ross McKibbin, Ben Pimlott and Kenneth Morgan only started to revive the reputation of the Wilson-Callaghan era among academics during the 1990s).[3] The task for the current generation of Labour politicians is harder precisely because of the polarised way in which New Labour is remembered. For one group within the party, it was essentially the greatest peacetime government in history (or perhaps should be ranked equal with the 1945 government), led by one (or perhaps two) of the best politicians Labour ever produced. For another group, it was a moral disgrace that sold out Labour's basic principles, led by a shifty opportunist with only the shallowest connection to Labour's traditions. *Futures of Socialism* makes a powerful intervention in this discussion because it shows that Labour needs a more rational debate about what the party got right after 1997 and what it got wrong, not to mention a more detailed appreciation of how the social and economic context has changed since 2010. It is arguable that a discussion along those lines took place among Democrats in the US, for example, after 2016. Shocked by the victory of Trump, the Biden administration came into office determined to build on the Obama years but also to take some more strongly left-leaning stances on economic and social policy.[4] Labour should follow suit. There is no better starting point for politicians, commentators and academics who want to contribute to the debate on Labour's past and future than Colm Murphy's book.

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## Notes

1 Sebastian Payne, 'Starmer is credible, but where's the big idea?', *Times*, 24 March 2023.
2 For more on this, see Murphy's contribution to this issue.
3 Ross McKibbin, 'Homage to Wilson and Callaghan', *London Review of Books*, 24 October 1991; Ben Pimlott, *Harold Wilson*, London, HarperCollins 1992; Kenneth O. Morgan, *James Callaghan: A Life*, Oxford, Oxford University Press 1997.
4 See also the exchange between James Meadway, Carys Roberts and Todd Tucker in this issue.