

BRITAIN AFTER BLAIR

The Legacy and the Future

A Conference Sponsored by the British Politics Group
Wednesday, August 29, 2007
The Gleacher Center, University of Chicago Business School, Chicago, IL

Please do not quote without permission: this is a draft!

The party is over:

the 'Modernization' of the British Labour Party

Florence Faucher-King,
Associate Professor of European Studies, Vanderbilt University and associate researcher, Sciences Po.
florence.faucher-king@vanderbilt.edu

The transformation of Labour into 'New' Labour has been the object of many debates stressing the continuities between the two organizations and underlying the extent to which the language of modernization was tightly integrated into a comprehensive electoral strategy. Relatively few works consider the cultural and organizational changes brought about during the Blair years. This paper draws from a long term research on party organizations in Britain and will focus on the impact of the individualization of party relationships are part of broader changes within British politics such as the rise of the audit culture and the growing role of the private firm as an organizational model. These changes affect not only the link with trade unions and policy-making but also attitudes to campaigning, financing and structuring the party.

The Westminster system of government has long been characterized by a 2-party system. In recent decades, this equilibrium has been challenged by the collapse of class voting, electoral volatility and, more recently, by the emergence of new political systems on the Celtic fringe. The role of political parties has also been weakened by new modes of

governance and by the recent attempts by government to bypass Parliament to address the electorate directly through the media. However, there is no prospect for British politicians outside of party politics. Would-be Prime Ministers need their organization to win the majority of seats in the House of Commons in order to be invited for tea by the Queen.

When Tony Blair took office as leader in 1994, the party had lost 4 consecutive general elections. The last defeat was on a knife edge and came as a surprise against an unpopular Conservative party led by a dull politician and facing a number of deep divisions over economic and European policies. A victory in 1992 had been so anticipated by opinion polls that the result caused deep trauma in the party and a salutary change of atmosphere. To win in 1997, the modernizers set out to transform the organization and to radically change its image in the eyes of voters. The outcome may seem fantastic on many accounts. After years in Opposition, the party that was seen as almost unelectable¹ has won three consecutive general elections, including two landslides. One cannot explain such a turn around by the personality and the talent of Tony Blair. It is necessary to take into account how Labour has become an effective electoral machine.

However, what is the state of the party a couple of months after Tony Blair's long awaited departure? As he was pushed out of Number 10 by an internal rebellion of party members, can we say that party members were ungrateful? How has the party been transformed and what is left of "new" Labour in 2007? Is Gordon Brown inheriting and organization that will prove an effective at campaigning? This paper tries to address these questions whilst exploring the impact of organizational changes brought about during the Blair years. In the first part, I analyze some of the key changes introduced by Blair's

¹ Heath Anthony, Roger Jowell, John Curtice, 2001, *The Rise of New Labour*, Oxford University Press. Jowell Roger, John Curtice, Anthony Heath, 1994, *Labour's Last Chance?: The 1992 Election and Beyond*, Dartmouth

predecessors in order to demonstrate how “new” Labour could only be invented thanks to years of reflection and change. I then consider whether there was as such a defined project of party modernization. Part 3 details several aspects of the modernization process and analyzes some of the institutional reforms and cultural changes that have taken place during the Blair years.

The party in 1994: a long path to recovery

British parties have traditionally relied on strong party and class identification. Founded in 1900 to represent the working class, the Labour party has maintained close links with trade unions. The unions provided a substantial portion of its funding, activists and organizational stability. The culture of the party was also strongly influenced by the union tradition. They derived from it both a sense of respect for leaders that are prepared to sacrifice themselves and a deep suspicion that they may betray the cause². To avoid this, they conceived a poly-cephalic structure with competing centers of decision and policy-making. By the early 1990s, the trade unions were weakened by years of confrontation with the Conservatives governments. Their membership was down and they were seen as undemocratic and archaic. The Conservatives had successfully argued that it would be unconstitutional for the British government to be accountable to anyone else than British voters. Thus, Labour could be discounted as an alternative government as the union link brought into question the party leadership’s authority and legitimacy. Finally, they were convinced that the 1992 election had been lost because the party was too closely associated with trade unions. It was seen as defending the interest of the excluded and the working class at the expense of the “hard working (middle class) families”. Gould argued that it was

² Drucker H.M. , 1979, *Doctrine and Ethos in the Labour Party*, London: George Allen and Urwin

important to appeal to the aspiring middle classes, transformed by the Thatcher years but alienated by the corruption and the economic mismanagement of the Conservatives³. The trade unions were thus wary of the cost of their unpopularity on the party's electoral performance. They were aspiring to more positive relationships with government and public authorities and they were starting to acknowledge that their influence was an obstacle to the election of a party likely to be the most supportive of their positions. They were prepared to make concessions and lose some of their most obvious influence on party policy. In 1993, John Smith convinced the unions to give up the block vote and reduce their weight in the votes of the annual conference from 90% to 70%. At the same time, they committed to a further reduction 70% when direct membership would reach 300,000. Conference adopted the principle of One-member-one-vote and the formulas for the "electoral college" were modified.

The party was seen as an unsuitable alternative for government because of its economic incompetence (a reputation earned during the economic crisis of the 1970s) and reinforced by the drift to the left illustrated by the 1983 electoral manifesto (dubbed the "longest suicide note in history"). It included policies such as unilateral nuclear disarmament and nationalizations of industries and services. It was seen as soft on crime and lenient on union demands. It could be caricatured as the party of high taxes and inefficient bureaucracy. Kinnock had not only initiated a policy review that moved the party away from the extreme left but also worked towards the concentration of power in contrast with the polycentric tradition. The expulsion of Militant in 1985 served to prove that Labour had indeed a Trotskyite problem rather than solely demonstrate the strength of

³ Gould Philip, 1998, *The Unfinished Revolution. How the Modernisers Saved the Labour Party*, London: Abacus.

the leadership and the new political direction. He championed the introduction of new internal electoral procedures (one member one vote, first rejected by conference in 1984 then introduced progressively) that were seen as a means to limit the influence of the Left. Although most of these propositions were abandoned in the following years thanks to a policy review launched by Neil Kinnock, the party had failed to demonstrate it had changed.

The policy-making system, centered on the annual conference⁴, was seen by the late 1980s as ineffectual and problematic. The annual forum was, according to the party constitution, its sovereign decision-making body. Through its policy-making powers, it was (in theory more than in practice as shown by McKenzie, 1959) providing “instructions” to the parliamentary leadership. It relied on affiliated organizations submitting every year one policy resolution to be discussed and voted upon. As a consequence, the preliminary agenda usually contained several hundreds proposals that had to be “composited” on the eve of the conference in order to produce a set of documents (called composites because they were cut-and-paste compositions) for debate. The composites were then publicly debated and, if they received the majority of the conference vote, they became official party policy. There were overall few means of ensuring that the texts adopted were not contradictory or redundant from one year to the next. Although, conference was not the only policy-maker, its symbolic position meant that party policy was to an extent uncontrollable by party elites. Kinnock had devised means of influencing the compositing process (Faucher-King, 2005). In other words it failed its purpose of guaranteeing members’ input in policy-making. Their contributions were not limited to taking part in the

⁴ Florence Faucher-King, 2005, *Changing Parties. An Anthropology of British Political Party Conferences*, Houndsmills/New York: Palgrave-Macmillan,.

submission of one resolution that would then go through a compositing process dominated by unions, organized factions and party officials.

An active reflection on reforming policy-making developed in various sections of the party. It fed on thriving new social movements (including the very pro-active Labour women sections) and experiments with a national policy forum were even conducted at the turn of the 1990s. It focused on increasing individual participation and the inclusion of minorities. It was greatly inspired by the burgeoning enthusiasm for study groups and quality management. Because the 1992 general election campaign drained the energy and resources of the party, any reform was postponed until further notice. The 1993 reforms were a first step that contributed the emergence of a consensus on the need to reform further. Blair used this impetus to prepare for a substantial policy process reform.

Moreover, Labour exhibited every year at conference, its internal and ideological divisions that gave the impression it was unable to govern itself. The semi-public forum allowed the party to discuss policy orientations and occasionally challenge its leadership. In a famous example, the Chancellor who was just back from negotiating a loan from the IMF, was only granted 4 minutes to address delegates. However, the presence of many journalists and, since the 1960s, of TV cameras had also transformed it into a shop window. Because Labour considered democracy to be central to its identity and organization, it had never used the annual event solely as a platform for the promotion of the party. As a consequence, debates have on occasion been acrimonious and ideologically confrontational, projecting the image of an organization divided with weak leaders constrained, behind the scene, by unruly delegates and unelected unionists. Thus, seen as an

unsound policy-making process and a communication liability, the annual conference was bound to be changed.

Finally, the party base remained weakened for a number of reasons. Party membership figures were stagnant: local activists who were entrusted with recruitment were suspected of either limiting recruitment for fear that their individual influence might be diluted or because their very activism made them “anoraks” or political freaks. Indeed, following May’s argument about the curvilinear law of disparity, it had become a fairly common assumption that the alleged extremism of activists would put off “normal” Labour supporters. Moreover, one should not the role of networks in recruitment to political groups. Second, in line with evolution in other Western democracies, activism was declining. Levels of activism were also dropping⁵. From 1994, efforts to recruit new members were stepped up in order to reach the 300,000 threshold (this was achieved in 1995).

Blair: which project?

The election of Tony Blair provided the opportunity to introduce long-awaited organizational changes. The young leader came in with the support of a team of self-labeled “modernizers”. Within the Labour Co-ordination Committee, some of them had engaged in the reflection over party structure and discussed the weaknesses of a system that placed too much power in the hands of self-selected activists at the local and national level. A few months after his election, Blair seized the opportunity of the annual conference to use his popularity and the high expectations from the membership. The speed of some of the

⁵ Seyd Patrick Paul Whiteley , 2002, *New Labour's Grassroots. The Transformation of the Labour Party Membership*, London: Palgrave MacMillan.

rhetorical and communicative changes, the determination and repetition contributed to give the impression of a radical break from the past and of a clear strategy. Of course change did not occur overnight⁶. As we have seen, Blair's predecessors had already laid solid foundations, even if they had been less successful at convincing the electorate that the party was changing.

The existence of a Blair "project", as far as the party organization was concerned, has been over-exaggerated. More than a clear plan for structural reforms, the modernizers had a few principles and directions. These were combined with great pragmatism, a willingness to use the existing plans and to gain support. In order to build consensus, the rhetoric used positive and vague phrases such as modernization, democratization or partnership. These concepts were never clearly defined, leaving plenty of room for innovation or adaptation to the perceived constraints of the environment⁷ but little to skeptics.

One must distinguish the introduction of the "new" label in September 1994 and the reforms to the party rules and routines introduced in the following years. The re-branding of the party without consultation, discussion or agreement was an interesting marketing ploy. Although the party in 1994 was no different than it had been a few months before (as the new label was not accompanied by any major rule change or policy change), it was used as a potent symbolic marker to the electorate as well as to the members. The power of naming has often been underlined and the modernizers proved in the following years to have indeed understood the importance of symbols and rituals to change not only the party image but also the party culture. The binary opposition between old and new, archaic and

⁶ Crozier Michel, *On ne change pas la société par décret*, Grasset, 1979..

⁷ In fact to an extent the idea was to eliminate the "stifling rules" of the old structure to boost creativity. As we will see it mainly had the effect of creating more opportunities for central control.

modern, bureaucratic and democratic served to create a contrast between the unelectable and old fashioned party of the 1980s and the dynamic “new” organization.

From 1995, a series of rule changes were introduced. They have tended to follow a similar pattern of consultation, adoption and very active promotion (based on the dichotomy discussed above and/or emphasizing the grassroots support). One can identify for analytic purposes three key principles guiding the transformation of the party.

First, the idea was to create a supportive mass organization that could provide legitimacy and financial resources. In 1996, the LCC published a pamphlet⁸ that highlighted some of the ideas that were later developed, such as the creation of a “massive but passive” membership that could be mobilized on specific issues or campaigns but would otherwise leave most of the decision-making to the leadership. It could be used to increase the legitimacy of the organization both through sheer numbers and through the organization of plebiscites. With “a lot of very little powers”, it was expected that the party could be transformed into a more effective campaigning organization, stirred from the national level. The move towards a party focusing on individuals rather than intermediary groups (the CLP, the socialist society or the TU) implied a radical, though implicit, evolution in a party that did not accept individual members until 1918. The powers that could be granted could be presented as incentives for participation in a conception of activism based on the model of the rational instrumental individual⁹.

Second, the new team decided to take stock and not challenge the “cultural revolution” brought in by Thatcherism. In fact, they accepted the premise of the superiority

⁸ Labour Coordinating Committee, 1996, *New Labour: A Stakeholders' Party. The Interim Report of the Labour Co-ordinating Committee's Commission on Party Democracy*.

⁹ Except that these powers were so limited that it is not clear to what extent the incentives played a role in recruitment or in retaining members beyond the first few years when the illusion could be maintained.

of the business model as a form of organization¹⁰. The adoption of the model was not an isolated phenomenon in British politics: at the same time, the Conservatives were also moving in the same direction. However, that this could happen in the Labour party reflects an important shift¹¹. The firm was seen as better able to mobilize its resources in order to organize campaigns in a media saturated age than traditional mass party organization. As the modernizers had little sympathy for the old party structure, outsourcing of key functions, delocalization to less expensive regions, drawing inspiration from new management techniques were not seen as a problem. The creation of centralized and tightly coordinated teams with increased decision-making and implementation powers was another dimension of the business model that appeared particularly appealing to the “modernisers. Moreover, the party had been dependent on union moneys and restricted in its campaigning abilities by prudent management methods and deeply ingrained suspicion towards commercial activities. Whilst the Conservative explored “(as early as the 1980s), new funding opportunities through professional fundraising and the commercialization of some of its activities (in particular the annual conference), the Labour party had remained reticent to opening up the fringe of conference to businesses and lobbyists. A number of the new Labour elites, whose first job experiences had been in lobbying or PR firms, or in think tanks, shared few of the working class hang-ups about money and business. They encouraged the development of “commercial”activities.

Third, the business model is tightly linked to new awareness of the importance of communication. As Alistair Campbell noted many years later, “competence and

¹⁰ Meyer and Rowan Meyer John, Brian Rowan (1977), "Institutionalized Organizations: Formal Structure as Myth and Ceremony", *American Journal of Sociology*, 83 (2), 340-63.

¹¹ Florence Faucher-King, Patrick Le Galès, 2007 *Tony Blair 1997-2007. Le bilan des réformes*, avec, Paris: Presses de Sciences Po.

communication have to go together and I think that goes for any big organization”. Moreover, “in Opposition we made clear that communications was not something that you tagged on the end, it is part of what you do”¹². Neil Kinnock had created the Shadow Communication Agency (SCA) in 1986. Tony Blair brought back Peter Mandelson and recruited a young team of communication experts. They re-branded the party without consultation but hammered the new name so often that it became naturalized ... until New Labour became so unpopular that the adjective could be conveniently dropped. In 1996, the rose was redesigned and trade-marked. All CLP were given instructions in order to get everyone on-board and on-message. A new style of interaction with the media was developed, more directive and confrontational, aiming at influencing the interpretations the journalists would give of announcements, policies and politicians. The era of “spin” had begun. It required a strict discipline that was effectively maintained (partly imposed through a carrot and stick approach, partly self imposed by activists eager to contribute to the general election victory).

The ‘modernization’ process

The first reform was adopted in September 1995 by conference as a mere updating of the rule book with a few “minor” changes intended to increase the inclusiveness of the conference and its democratic credentials. Election by members and gender parity was made compulsory for all delegations. Whilst activists involved in local executives (GMC) had tended to self-select as conference delegates and were often coming year after year, the new rule meant that the composition of conference was rapidly altered with increased

¹² Alastair Campbell, House of Commons’ Select Committee on Public Administration, June 1998, <http://www.publications.parliament.uk/pa/cm199798/cmselect/cmpubadm/770/8062307.htm>

participation of women and novices (that is to say delegates with little or no experience of national meetings and procedures). Beyond claims of democratization, it was hoped that the changes would bring conference delegates who would be more sympathetic to the leadership, if not altogether more docile and easily manipulated.

Changing party culture

The flagship reform was introduced in 1997, a few months after the landslide. It was not imposed on the party by the leadership as most innovations had been debated for years¹³. As the modernizers understood, rule changes are important but insufficient to understand the evolution of the Labour party: they worked hard to eradicate traces of a working class tradition. Thus, they replace the old symbols and rituals by new ones and used the annual conference to publicize these changes to members as well as to voters. Red disappeared from the set, replaced by purple in most cases. The *Red Flag* was no longer sung, replaced by pop songs. The jargon changed as well: comrades became colleagues, composites no longer exist and the oratory style tends to emphasize positive acknowledgment of the government rather than ideological disagreements.

After a few years, Labour discovered the importance of these « empty » rituals and symbols for the construction of a meaningful collective identity that motivates the “labour of love” that is activism. Activists are driven by a diversity of motivations, some of them instrumental but the importance of identifiers has been previously shown¹⁴. As New Labour focused its attention on creating selective incentives that could attract new “citizen

¹³ Russel Meg (2005), *Building New Labour. The Politics of Party Organisation*, Basingstoke: Palgrave MacMillan.

¹⁴ Ware Alan, 1992, "Activist-Leader Relations and the Structure of Political Parties: Exchange Models and Vote Seeking Behaviour in Parties", *British Journal of Political Science*, 22(1), 71-92.

consumers”. Treated like consumers, members showed as little loyalty to their party as shoppers to their store. The party though had limited resources to reward instrumentally driven activists or to hire labour to replace those that could have worked for free as identifiers. Taking distance from the working class past alienated the Left, which was the intention of “modernizers”. However, they had not anticipated that many activists would drop out. After a few years, the enthusiasm of the victory dried out and the influx of new members proved short lived. The party tried to reintroduce “social events” but it proved unable to reactivate some local groups.

Introducing new modes of policy-making

The system adopted by the 1997 annual conference was not the outcome of a modernising “plot”. It did emerge from years of reflection on policy-making processes and from the conviction that good policy could only emerge from discussions conducted out of TV limelight. The policy forums were seen as offering the possibility of more widespread (localized) participation and of informed decision-making (as experts and ‘stakeholders’ could be invited. The advocates of the reform were convinced that the new system would lead to a consensus on “good” policies thanks to long and thorough private discussions¹⁵.

Partnership in Power introduced a new policy process structured around a new National Policy Forum whose members would be representatives of the various sections of the party (originally elected annually then every other year). All major political issues (economics, health, education....) are discussed periodically on a two-year cycle. Policy commissions drafts that are discussed in local forums and at the NPF. They can be amended

¹⁵ Public discussions raise the stake and encourage bargaining and posturing. See for instance, the case of die Grunen (Poguntke, 1994) or Bell and Shaw (1994) on Labour.

before they are debated by the annual conference. The government plays a key role in the policy commissions but the conference has retained the power to reject or refer back reports. The reform has replaced a complex and overly rule-bound process by a system that is rather informal. Labour had inherited its legalistic tradition from the caution of unionists towards centralization of power. The practice of the ad hoc, fluid NPF has shown that the informality of the new process opens the way for stricter control by the party organization. Indeed, the first few years were characterized by extremely tight control that did not really allow for the expression of dissident voices.

From 1998, policy forums were used as rubber stamps to give legitimacy to policies decided by the government. Rather than the two-way communication process that had been promised, party members were “educated”. Although all were encouraged to participate and send submissions to the Forum, there were few means to take them into account let alone give the impression to members that they were listened to. Whilst the system had been conceived as a means to increase consensus and to facilitate policy innovation, it quickly became a mechanism that bred conformism¹⁶. Such “control-freakery” was inspired by the conviction that the better informed and better resourced government could “guide” party members to reach the best solution. In this context any disagreement would either require improved pedagogy or could be dismissed as ideological. Paradoxically, private sessions have not escaped this obsession with consensus (all be it forced) thus depriving the government of valuable insight from members. Thus, *Partnership in Power* has failed to bridge the gap between government and party.

¹⁶ Instrumental activists who had political ambitions could not afford to be seen to disagree.

New Labour has won three historical general election victories. Such successes have not been achieved against the party grassroots. Nevertheless, disagreements and fractures have appeared on public service reforms, PFI or the war in Iraq. From 2001, the leadership has faced a few conference defeats. The government then decided to present itself as the champion of the consumer of public services vs. the unions. As a consequence, a growing number of members consider that forums were introduced to neuter them rather than to listen to them (Faucher-King, 2005 : 184). The reform has not led members to believe that the leadership is listening (Seyd et Whiteley, 2002) and membership has collapsed. In 2007, it was half of its peak figure of 400,000 members reached in 1997. Some have argued that internal positions are now primarily filled by political entrepreneurs, aspiring professional politicians, trade union or lobbying firm employees, (Dunleavy, DBP8 : 333).

Importing the model of the private enterprise

Less than 10 weeks after being nominated as General Secretary, Tom Sawyer presented a business plan to the NEC (Sawyer, 2000: 8). A few months later, he registered them all in a course at the Cranfield School of Management. Convinced that the party needed to change its rules as well as its practices, he brought in new managerial techniques and aimed to make the party a professional and effective organization. He encouraged a new style of media communication but also the emergence of new rules of interaction. He developed new instruments for the motivation and control of staff. From 1995, all party bodies had to submit business plans, name objectives and audit their performance. Auditing became the norm. Functions were outsourced, task forces sent to fix problems, best practices shared. Team-building away days were introduced to motivate staff and help them assimilate the party's new "mission statement".

Trade unions provided Labour with 96% of its income in 1983, but only 40% by 1997. The new financial independence is linked to increased individual donations (in particular large ones) and commercial activities¹⁷ thanks to the professionalisation of fundraising (Webb, BP6 : 166). Labour soon devised ways to go around the stricter party funding legislation they had themselves introduced as a response to “Conservative sleaze” in 2000. But this new entrepreneurial spirit is increasingly raising concern and recent scandals have damaged the fundraising potential of the party. Paradoxically, businesses have been more worried by the fear that close political relationships would unsettle their shareholders than Labour has been troubled by its radical conversion.

Conclusion

Whilst Labour arrived in power in 1997 with the promise to restore faith in politics, trust in politicians is reaching record lows. The ruthless handling of the media, the accusation of spin, the mishandling of some key reforms (such as health) and the war in Iraq have had a dramatic impact on the image of the Labour party. Conveniently though for Gordon Brown, the evils of New Labour can be blamed to a large extent on Tony Blair. New New Labour is not quite the Old version but it is likely to assert its image as a voluntarily almost clumsy communicator. It will be interesting to see how the policy-making process is handled by the new team. It would be naïve to think that Brown did not play a role in the development of a business-like party and that he might be less of a control freak. However, he may try to reconnect with the party grassroots and has cultivated his trade union links.

¹⁷ Neill Lord (1998), Report of the Committee on Standards in Public Life on the Finding of Political Parties in the UK, vol 1, CM4057-1, London: Stationery Office, p. 40). Between 1997 and 2006, unions gave over 100 million pounds to Labour.