

## The British Labour Party Under Tony Blair's Leadership:

Transformation, Evolution or Wrong Direction?

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## I Introduction

After eighteen years in opposition, the British Labour Party led by Tony Blair won a landslide victory in 1997. The party's parliamentary majority was subsequently reduced at the 2001 and 2005 general elections. Blair's popularity also declined to the point where he announced before the 2005 election that he would not serve a full term. He was succeeded by the Chancellor of the Exchequer, Gordon Brown in 2007 who led the party to defeat in the 2010 election. Labour had been in power for an unprecedented thirteen consecutive years but was now back in opposition once again. This paper will address the changes that took place in the Labour Party under Tony Blair's leadership. It will ask what happened to the internal organization of the party and then what effect this had on the whole identity of the party.

## II Internal Changes to the Labour Party in the 1980s and 1990s

After its defeat in 1979 the Labour Party went through a period of drastic internal change. In order to analyse that change we will turn to a classic approach to the study of internal party organization.

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### Theories of Oligarchy in Democratic Political Parties

Mass-membership political parties first emerged in Europe in the late nineteenth and early twentieth centuries. One of the first researchers to analyse this new phenomenon was Robert Michels whose book *Political Parties*

focused on the German Social Democratic Party (SPD). In this book Michels coined the phrase “the iron law of oligarchy” which referred to “the law that oligarchy is, as it were, a preordained form of common life of great social aggregates.” (Michels, 1962: 354) Mass parties of the Left that were forming in Europe at that time claimed to be democratic, but Michels claimed that the law that he had discovered showed that, for a large organisation, such an ambition was impossible. Michels divides his reasons for persistence of oligarchy in large organisations into two categories: technical and psychological causes.

### Technical Causes of Oligarchy

#### ⊙ **Large membership.**

Michels asks the following question of mass parties: “how would it be possible to assemble such a multitude in a given place at a stated time and with the frequency demanded by the exigencies of party life?” (Michels, 1962: 26-7) Since such a process is clearly impossible then it follows that delegation of authority to a party elite is inevitable. If models of representative democracy are being considered, then large membership *per se* does not have to bring about unrepresentative oligarchy. Below Michels gives reasons why such a model of democracy is not possible in a mass party.

#### ⊙ **Large number of complex issues.**

Michels points out that “the technical specialisation that inevitably results from all extensive organisation renders necessary what is called expert leadership.” This leads to “a continuous enlargement of the gulf which divides the leadership from the masses.” (Michels, 1962: 31) Large parties are internally complex and as they compete for state power they become in-

involved in a wide range of policy issues. Clearly, professional organisers and politicians will be able to master these complex issues while ordinary members who can only dedicate a certain fraction of their time and efforts to the issues will have to rely on those higher up the party hierarchy for guidance. Michels is making an important point here, but as we shall see in the case of the Labour Party in the 1980s there are cases where ordinary rank-and-file members can challenge the party hierarchy in their mastery of complex issues.

#### ⊙ **Complex organisational duties requiring specialisation.**

Michels writes that “in all the socialist parties there is a continued increase in the number of functions withdrawn from the electoral assemblies and transferred to the executive committees. In this way there is constructed a powerful and complicated edifice. The principle of division of labour coming more and more into operation, executive authority undergoes division and subdivision. There is thus constituted a rigorously defined and hierarchical bureaucracy.” (Michels, 1962: 34) The British Labour Party for most of the twentieth century evolved along lines that are in accordance with this observation. A hierarchical bureaucracy evolved with the Parliamentary Labour Party (PLP) and the party’s National Executive Committee (NEC) at the top. However, events in the 1980s showed that the party oligarchy could not always have everything its own way.

#### ⊙ **Resemblance of the party to a military organisation.**

Michels argued that “there is a close resemblance between a fighting democratic party and a military organisation.” (Michels, 1962: 42) If this observation is true then rank-and-file

party members are going to have to be good soldiers and obey orders from above without question for the greater good of the party's victory over its enemies. Here, however, Michels exaggerates the connection between military discipline and inter-party discipline (although in the Europe of the early twentieth century this was an understandable thing to do). In democratic parties the lower ranks are free to question the policies of those above them in the organisational hierarchy.

⊙ **Central party press.**

In the parties he observed, Michels noted that party newspapers and newsletters were controlled by those at the top of the party oligarchy. This meant that opinions and policies of the party oligarchy were disseminated more widely than those of dissenting groups in the rank-and-file. Improvements in literacy and in printing technology, however, meant that as the twentieth century progressed it became easier for small groups within large parties to disseminate their ideas through the printed word.

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**Psychological Causes of Oligarchy**

⊙ **Most people are by nature followers: only a few have the necessary qualities to be leaders.**

Michels wrote: "There is no exaggeration in the assertion that among the citizens who enjoy political rights the number who have a lively interest in public affairs is insignificant." (Michels, 1962: 49) A critique of this and the other psychological causes of oligarchy will be covered in the next section.

⊙ **Members fluctuate but leaders are permanent.**

A party could be damaged by the untimely loss of a leader or member of the party oligar-

chy. Individual rank-and-file members, on the other hand, can come and go without making any impact upon the fortunes of the party.

⊙ **The masses are incompetent.**

Michels wrote that "the incompetence of the masses is almost universal throughout the domains of political life and this constitutes the most solid foundation of the power of the leaders." (Michels, 1962: 86)

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**The Labour Party in the 1980s: Oligarchy undermined**

Labour entered the 1980s as a divided, troubled party. The loss of the 1979 general election to Margaret Thatcher's Conservatives led to calls from within the party for drastic change, both organisational and ideological. During the 1970s the party membership had become more politically radical. Many members were now university-educated, and they saw the Labour Party as a vehicle for radical or even revolutionary change. (Panitch and Leys, 2001: 26-38) They were opposed to the policies of James Callaghan and the rest of the party leadership whom they blamed for Labour's failure in office during the 1970s. The only member of the Labour cabinet of those years who was popular with the radical rank-and-file was Tony Benn, a socialist politician who had long called for greater democratic participation in both the Labour party and the wider British economy and society. Other senior Labour figures (especially the former Chancellor of the Exchequer, Dennis Healy) were regarded by the Left as having betrayed the party and the working class by compromising too much with capitalism. The Left regarded Healy's capitulation to the demands of the IMF during the financial crisis of 1976 as the high point of this betrayal.

(The IMF only agreed to help the British government if it introduced widespread cuts in public spending.) The unpopularity of the leadership during the years following the 1979 defeat gave left-wing activists in the party rank-and-file a chance to push through reforms which they believed would make the Labour Party into a more genuine socialist party. Thus, in the party conferences of 1979, 1980 and 1981, the Left were able to push through reforms in the organisation that were opposed by the Labour Party oligarchy. (See Kogan and Kogan 1983). The most important changes were mandatory re-selection of MPs by their Constituency Labour Parties, and annual election of the party leader and deputy-leader by an electoral college consisting of 40% affiliated trade unions, 30% Constituency parties, and 30% PLP. These reforms seriously weakened the grip the party oligarchy had over the party. In achieving this, the party rank-and-file had challenged Michels' Iron Law of Oligarchy. (Panitch and Leys, 2001: 10). How had they done this? To answer this question we will examine how Michels' "causes of oligarchy" were shown not to apply to the case of the British Labour Party in the 1980s. We will examine the causes in turn.

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### **Labour Activists Refute Michels' "Technical Causes of Oligarchy"**

#### ○ Large membership.

Labour Party membership has been around a quarter of a million for most of the post-war period and is spread out over all of the parliamentary constituencies the length and breadth of Great Britain. (It is not active in Northern Ireland, and neither are the Liberal or Conservative parties). The size and geographical

dispersion of the membership makes it difficult, but not impossible to organise at the grass roots. During the 1970s the Campaign for Labour Party Democracy (CLPD), a small organisation of left-wing activists was formed at the Constituency Labour Party (CLP) level. It was able to successfully develop and apply specialised organisational skills in order to further its aim of reform of the party. It used the tactic of the "model resolution" i.e. before annual party conferences it sent out a single standard conference resolution to every CLP. Several sympathetic CLPs then forwarded the same resolution to the conference. According to party rules, if enough CLPs sent the same model resolution to the conference it would have to be put on the agenda of the conference for debate, whether the leadership of the party supported it or not. In this way, rank-and-file activists were able to influence the party conference, and therefore to change the party rules, in ways that went against the wishes of the party oligarchy.

#### ○ Large number of complex issues.

Michels believed that in an ever more complex political world, professional, full-time politicians – i.e. party leaders or the people working for them – would inevitably have the advantage over ordinary members who simply would not have the time to grapple with difficult issues relating to party organisation or government policy. However, working at the local constituency level of Labour party politics in the 1970s and '80s were very dedicated activists who, although they were not paid, were able to devote an energy and commitment to their cause that resembled that of professional politicians. Shirley Williams, who was a Labour cabinet minister in the 1970s, but who

quit the party in 1981, partly in response to the leftward shift of party policy brought about by constituency activists, made the following comment. She observed that there was a “commitment to the concept of politics on the left and the far right [in British politics] which simply means that you are willing to put the whole of your life into politics.” (Kogan and Kogan, 1983: 43) Oscar Wilde quipped that the problem with socialism was that it took up too many evenings. For dedicated socialists, weekends and evenings are made for political activity. In this period of the “battle for the Labour party” they showed that they could match anybody in the party oligarchy in their mastery of complex issues.

⊙ **Complex organisational duties requiring specialisation, and resemblance of the party to a military organisation.**

Large complex organisations inevitably develop their own hierarchical bureaucracies. The British Labour Party is certainly no exception to this. The top rank of the hierarchy is occupied by the cabinet (or shadow cabinet when the party is in opposition) and other senior members of the Parliamentary Labour Party (PLP). In theory they are subject to some control by the National Executive Committee (NEC) of the party and also the annual party conference. The practice up until 1979, however, was that the NEC was usually dominated by the PLP, and that the conference could either be dominated by the PLP or ignored (as often happened under the premiership of Harold Wilson in the 1960s and ‘70s). Under this system, ordinary members of the party were supposed to act like good soldiers and follow the orders that came from above. This picture changed, however, in the period 1979-81, when

constituency activists, along with sympathetic trade union leaders, were able to push through changes to the way the leader was elected. This was achieved against the wishes of the top ranks of the party hierarchy.

⊙ **Central party press.**

Michels believed that ideas within a party would be dominated by the “official” ideas propagated by a press controlled by the party oligarchy. However, the experience of the Labour party in the 1970s and ‘80s shows that this is not always the case. Anyone attending a Labour party or union meeting at that period of time would have received the impression that it was newspapers that were opposed to the party hierarchy that were dominant. Trotskyite groups operating within the party published the weekly newspapers *Militant* and *Socialist Organiser*, while other influential left wing newspapers included *Socialist Action* and *London Labour Briefing*. Some of the groups publishing these papers achieved quite professional standards of journalism and printing. It even looked at one moment in the 1980s that *Militant* might become a daily paper. On the other hand, following the 1979 election defeat, efforts of the party leadership to promote their ideas within the party were often feeble.

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**Labour Activists Refute Michels’ “Psychological Causes of Oligarchy”**

⊙ **Most people are by nature followers: only a few have the necessary qualities to be leaders.**

Michels is known as an elitist political theorist. Left-wing activists who successfully reformed the Labour Party from below in the period 1979-81 were unanimous in their oppo-

sition to elitism. One reform they achieved was the mandatory re-selection of MPs once per Parliament (in between general elections, i.e. about once every four years). This meant that Labour MPs who did not follow the wishes of their CLP were in danger of being de-selected, meaning they would not be able to stand at the next general election. MPs who did not see eye-to-eye with the General Committee of their CLP were very worried by this reform. (This was the reason behind some of the defections to the SDP in 1981.) However, left-wing activists saw the reform as a triumph for democratization. MPs would no longer be able to regard their parliamentary seat as their own private property. They would now have to listen to the voices of the ordinary members who did the hard work at election time that got the MPs elected in the first place. This was clearly a victory of the participatory model of politics over the elitist model propounded by Michels and others.

○ **Members fluctuate but leaders are permanent, and the masses are incompetent.**

The second of these two principles has already been shown not to apply in the case of Labour in the period currently under review. The first point however is far more problematic. If party leaders and other members of parliament can easily be removed by the party rank-and-file, what effect does that have on how they can operate effectively in the wider political environment that extends beyond the party? Are leaders who are not “permanent” able to effectively lead their parties? This is an issue that we will return to later.

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## **The Labour Party in the 1990s: Oligarchy re-established**

Events within the Labour Party in the period 1979-81 seem to refute Michels’ theory of oligarchy. The rank-and-file were able to achieve considerable victories over the party hierarchy in ways that undermined both the technical and psychological arguments advanced by Michels. However, events later in the 1980s and into the ‘90s may make us pause before we dismiss Michels too quickly.

The first point that needs to be addressed is the dire electoral performance of Labour in the 1980s. The 1983 general election was Labour’s worst performance since the war with only a 27.6% share of the vote, and 1987 saw only a limited recovery (to 30% of the vote). Many inside and outside the party blamed this on its left-wing policies, and on the image it projected to the public as a party torn apart by internal strife. Neil Kinnock who was party leader from 1983 to 1992 tried to deal with the party’s unpopularity by re-establishing the control of the party oligarchy. He did this in several ways. Firstly he expelled from the party members of the Trotskyite “entryist” groups that operated under the banners of the *Militant* and *Socialist Organiser* newspapers (See Crick 1986). Secondly he organised a “Policy Review” and made sure that the people considering the new policies were sympathetic to the idea that Labour’s old state-socialist policies had to be modernised if the party was ever going to win power again. In addition to this, the decline in union power during the 1980s meant that militant union leaders (like Arthur Scargill, leader of the miners’ union) held less influence over the party conference than they had once had. Moderate union leaders, on the

other hand, redoubled their efforts to promote moderate policies in order to make Labour electable. They had no interest in supporting a party that could not get back into power.

Even though Kinnock achieved some success in making Labour more electable, the narrow defeat of the party at the 1992 election (with 34.4% of the vote) showed that what he had done was not enough. Following that election John Smith was elected leader, and he vowed to continue Kinnock's modernising project. In 1993 he set up the National Policy Forum, an organ which went further than Kinnock's reforms in taking party policy formation out of the hands of rank-and-file activists (Quinn, 2004: 82-94.) In 1994, Smith tragically died from a sudden heart attack and was replaced as leader by the young ex-lawyer Tony Blair. Blair indicated his commitment to modernisation by repeatedly referring to the party as "New Labour" (although there was never any question of a formal name change). Sadness at the loss of John Smith combined with desperation for victory at the next election caused many Labour members of all ranks to look to Blair as the saviour of the party. Organisational reforms of conference and the NEC gave him unprecedented power. As Kenneth O. Morgan observed (writing in 2001), "No previous [Labour Party] leader has ever come close to the degree of central personalised power exercised by Tony Blair today." (Morgan, 2001: 584). It is at this point that we can see some of the emotional attachment of the rank-and-file towards a charismatic leader who can offer them victory. Michels was not so wrong, therefore, when he talked about the psychological need of the masses for a leader. Nothing enhances charisma more than victory and Labour's landslide vic-

tory in 1997 helped cement Blair's position within the party. Labour's share of the vote was significantly increased from 34.4% in 1992 to 43.2% in 1997.

One problem for any leader is that charisma can fade away over time. Unpopularity over many of Blair's decisions, particularly the war against Iraq which started in 2003 sapped his popularity within the party considerably. Of course Blair was not relying on charisma on its own to maintain his authority as party leader. Blair continued reforms begun by Kinnock to turn the annual Labour Party Conference into a much more tame and leadership-managed event. New Labour made sure that media management was more sophisticated than it had been in the past. Campaign manager, Peter Mandelson and media consultant Alistair Campbell especially were responsible for transforming the annual conference as well as other party events into media-friendly spectacles. Following advice from campaign managers of Bill Clinton's Democratic Party, speeches made by Blair and other cabinet members were crafted as television broadcasts to the nation rather than political speeches aimed only at the party faithful. The bulk of the Labour Party membership accepted this because by 1997 they were desperate for victory after four defeats in a row. The leadership's task was also made easier by the decline in union militancy and the expulsion of extreme left-wingers from the party.

A party executive that does not have to answer to the will of its rank and file is more able to adapt to changes in the external environment whether they are domestic or global. Michels and other elite theorists writing at the dawn of the age of democratic mass parties saw this, and it is probable that if Michels had been

alive to see the decline of Labour during the early 1980s he would have said something like “I told you so.” If the rank and file gain too much power over party policy they will structure policy according to narrow ideological agendas, and the party will suffer electorally as a consequence. It is a truism that in normal times, parties in liberal democracies win by appealing to the central ground. This is more difficult to achieve (although not impossible) if ideology is the main determinant of policy. Thus Labour suffered severe defeats in 1983 and 1987 due to its inability to appeal to the centre ground of the British electorate. According to this theory, Blair and his allies re-established the control of the party hierarchy and this was followed by electoral success. The problem with this theory concerns what happened next. After success in 1997, the share of the vote enjoyed by Labour fell to 40.7% in 2001, 35.2% in 2005 and then (with Gordon Brown as prime minister) 29% in 2010. Labour’s popularity with the electorate had fallen to below where it was in 1987. There are many causes for this, but political scientists Patrick Seyd and Paul Whiteley identify a key drawback of taking too much power away from ordinary party members.

*A lack of accountability makes the party error-prone and likely to make careless decisions, which can alienate it from those core voters who are already showing signs of defecting. These core voters traditionally supported the Labour party because it represented them and their interests. If they can no longer rely on this because the party is pursuing a wholly middle class agenda, they will defect either to other parties or they will drop out of politics all together and become non-voters. (Seyd and Whiteley, 2002: 181.)*

It could be argued, therefore, that New Labour under Tony Blair moved too far towards a perceived centre ground (another word for middle-class England?) and so alienated one group of voters as it courted another.

### III | **What happened to the Labour Party as a result of Blair’s leadership?**

This paper will investigate four possible outcomes listed below.

1. The Labour Party became a kinder and gentler version of Thatcher’s Conservative Party.
2. The Labour Party under Blair tried to modernize and adapt to new challenges but ultimately failed to do so.
3. The Labour Party modernized and adapted to new external conditions while retaining its core values
4. Blair modernized the party to such an extent that it was transformed into a new kind of progressive party suitable to the politics of the 21<sup>st</sup> Century. “New Labour” really was something new.

Options one and two involve the Labour Party “selling out” its core beliefs and values either deliberately by the use of subterfuge and deceit (option one) or through incompetence and weakness (option two). The remaining two options involve success in maintaining Labour as a force for progressive politics while also adapting to new challenges and being electable. Let us examine each option in turn.

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## **1: New Labour as a Continuation of Thatcherism**

Supporters of the radical economic reforms of Margaret Thatcher during the 1980s often claimed that there was no alternative to the drastic shake-up of the British economy that she presided over. The acronym TINA (There Is No Alternative) was often seen in the media at this time. Thatcher was one of the first politicians in the world to be associated with the concept of neo-liberal economic policies designed to roll back the state and unleash the dynamic power of the market. During the 1980s, world leaders who shared Thatcher's ideology like Ronald Reagan and Yasuhiro Nakasone enthusiastically followed her lead. Those from a different political tradition like Francois Mitterrand tried alternatives but were forced to change direction by increasingly globalized economic trends. During the 1980s, the British Labour Party at first strongly opposed Thatcher's economic policies and advocated more nationalization, higher tax rates for the well-off and stronger powers for trade unions. The party also briefly proposed withdrawal from the European Community (precursor to the European Union). Labour leaders were forced to change these policies, however, after the disastrous defeat of the 1983 general election which followed the breaking away of some Labour MPs in 1981 to form the rival Social Democratic Party (SDP).

In the latter part of the 1980s, modernizers under party leader Neil Kinnock tried to find ways to adapt the Labour Party policy platform to changed circumstances. Kinnock's expulsion of the Trotskyite group Militant Tendency strengthened the hand of the modernizers within the party. Meanwhile the national re-

duction in trade-union membership, brought about by a combination of Thatcher's anti-union laws and mass unemployment, reduced the power of the unions within the Labour movement. These developments opened the way for the Labour right to re-assert itself. In so doing the right were accused of simply putting a gloss onto Thatcherism. New Labour's obsession with media management and 'spin' were seen as symptoms of this.

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## **2: The Labour Party under Blair tried to modernize and adapt to new challenges but failed to do so.**

When Labour took office in May 1997 one of the worries uppermost in the minds of the prime minister, his cabinet and supporters around the country was the issue of competence. Labour had been out of office for eighteen years and none of the new cabinet had senior ministerial experience. Blair and his allies were determined to show that they could run the government and manage the great affairs of state without embarrassing mistakes or "banana skins" (the word given to some of the slip-ups made by Thatcher in her later years as PM). To this end New Labour embraced pragmatism. "What matters is what works" was an oft-repeated mantra of the party (Shaw 2007: 80). From the point of view of New Labour the absence of ideology was a positive advantage, because ministers were free to examine all kinds of ways of delivering public services or managing the economy more efficiently. Many Labour party members and voters, however, were less sure about this when they saw Thatcherite policies being continued by a Labour government. This was especially true of the

continued use of the private sector in public services like education and health. Both Blair and Brown were enthusiasts about 'Public Private Partnerships' (PPPs) and they were extensively used in both the health and education services.

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### **3: The Labour Party modernized and adapted to new external conditions while retaining its core values**

A case can be made that the Labour Party under Tony Blair continued many of the traditions of Labour under previous postwar prime ministers, Clement Attlee in the 1940s and Harold Wilson in the 1960s and '70s. Both of these leaders tried (and were successful at least in part) in guiding policy to adapt party ideals to external conditions. During each period, for both PMs, there was much in common between their policies and those of the opposition Conservative Party. In the case of Attlee, who is often hailed as a hero by Labour loyalists, many domestic policies followed from the wartime planning that had gone on under the coalition government that included both Labour and Conservative ministers. For Wilson too there was a lot of common ground between him and his opponent Ted Heath. By 1979, however, with the economy in crisis, many on the left of the Labour Party and the right of the Conservative Party attacked this consensus politics and called for more radical, ideologically driven policies to address Britain's woes. The Labour left called for more socialist policies like nationalization and nuclear disarmament. The Tory right called for more free-market policies and a return to traditional social values. Thatcher was the standard-bearer of the Tory

right and when she became PM in 1979 she rejected the consensus politics of former Conservative PMs like Macmillan and Heath.

At the same time as the Conservatives lurched to the Right the Labour party lurched to the Left. Over a decade later, many of the supporters of New Labour in the 1990s championed their cause by claiming their movement as the inheritors of the true Labour tradition that pre-dates 1979. Some New Labour architects like Peter Mandelson refer to the period 1979-83 as the "Bennite aberration." Tony Benn himself said that "the Labour Party has never been a socialist party, although it does contain some socialists." Philip Gould, another staunch New Labourite wanted to re-capture the support of natural Labour voters who were turned off by talk of revolution. He believed that the Bennite Left had betrayed the party's natural supporters: "ordinary people with suburban dreams who worked hard to improve their homes and their lives." (Gould 1998: 3). The failure of the Left to capture the party in the early 1980s meant that by the 1990s Labour had returned to its traditional place on the centre left of British politics and could renew its appeal to ordinary suburban Britain. If this analysis is correct then Labour defeat in 2010 was more down to short-term factors like the leadership skills (or lack thereof) of Gordon Brown and no major overhaul of party organization or ideology is required.

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#### **4: Blair modernized the party to such an extent that it was transformed into a new kind of progressive party suitable to the politics of the 21<sup>st</sup> Century. “New Labour” really was something new.**

Between 1979 and 1997, not only Britain but Europe and the world had changed in many fundamental ways. The Cold War was over and the Soviet Union had broken up. Francis Fukuyama had written that alternative models had failed and the only viable way forward for humanity was to adopt free-market capitalism and liberal democracy (Fukuyama, 1992). Nationalised industries were a thing of the past and even traditional public sector services like health and education were being opened up to more and more competition and the influence of private business. Communism had failed, other types of revolutionary socialism seemed to be the preserve of fantasists, and welfare-statism was under threat. Was this the end of the Left in Europe? Some argued that social democratic parties did not need to give in to neo-liberalism but instead should look for a new way forward. The “Third Way” became the name of an intellectual movement that sought a middle-ground between free-market capitalism and statist socialism. In Britain one of the champions of the Third Way was Sociology Professor, Anthony Giddens who wrote that “social justice must be tempered by the need to sustain a competitive economy” (Giddens, 2002: 22). Giddens hoped that Blair along with other modernizing social democratic leaders like Lionel Jospin in France, Gerhard Schroeder in Germany and Bill Clinton in the USA would put “Third Way” theory into practice.

Giddens argues that a new style of politics is necessary because old-style democratic socialist approaches cannot deal with five major dilemmas that arose towards the end of the twentieth century.

1. **Globalization.** Import controls, price fixing and high taxation, old tools of democratic socialist policy, simply cannot work in a borderless global economy.
2. **Individualism.** Social, cultural and life-style changes in advanced democracies have led to a decline in the traditional collectivism of the factory floor and the extended family. Statist policies that deliver one-size-fits-all welfare provision are no longer acceptable.
3. **The ‘blurring’ of left and right.** There are no real alternatives of wealth creation to capitalism. Other issues like protection of the environment are not the preserve of one side or the other.
4. **Political Agency.** New social movements have outflanked political parties in addressing the concerns of many people. Examples here are environmental groups, human rights groups and consumer groups.
5. **The Environment.** Issues like global warming and the exhaustion of fossil fuels cannot be adequately handled by traditional social democratic governments.

In his early days as party leader, Blair spoke approvingly of ‘Third Way’ policies but after coming to power he gradually distanced himself from Giddens and other ‘Third Way’ gurus (like progressive economic journalist, Will Hutton). Rhetorically Blair often used the language of the ‘Third Way’ in his speeches as prime minister. The socio-linguist Norman

Fairclough closely analysed some of his early speeches and found that “when the ‘Third Way’ is summed up by Blair and others it is usually in terms of the convergence of ‘enterprise’ and ‘fairness’” because in the knowledge-base economy success will go to those countries whose populations are highly educated and where the talents of the entire population are put to use. (Fairclough, 2000:43). Blair’s claim to be the harbinger of genuinely “new” politics rests mostly on claims like this – claims to reconcile ideas (like ‘enterprise’ and ‘fairness’) that had previously thought to have been incompatible. Fairclough claims that “New Labour seeks to reconcile in language what cannot be reconciled in reality given their commitment to neo-liberalism.” (Fairclough, 2000: 157). The decline in the popularity of New Labour and Tony Blair, illustrated by a declining share of the vote in local and European elections as well as the 2001 and 2005 general elections, would seem to bear out the verdict of the critics. Sometimes it is not possible to reconcile the competing interests of different ideas or different groups within society.

## IV | Conclusion

It can be concluded that none of the four options examined above describes adequately the entire story of the rise and fall of New Labour under Tony Blair’s leadership. Each account does, however, describe *in part* what happened during the two decades of the 1990s and the 2000s. The judgment about which of the four is the best account is often determined by the values of the person making the judgment. The scholar, Eric Shaw, for example concludes that New Labour has betrayed the best traditions of

the Labour Party and embraced too enthusiastically the profit-driven values of private enterprise (Shaw, 2007: 206-7). Candidate for Labour Party leadership Ed Miliband on the other hand writes that “our most enduring and most popular policies – like the minimum wage, the transformation of the NHS or the strengthening of maternity and paternity rights – are those that most clearly express our values.” (Candidate email to Labour Party members June 11, 2010.) He believes that a continuation of the New Labour project is the best way to get Labour re-elected.

Whatever the composition of the leadership of the Labour Party in the future, there is no going back to a pre-Blair age. Not only has the party been transformed, but British society too has changed beyond all recognition. A narrow appeal to the working classes will not bring a majority to Labour, nor will a vague appeal to aspirational middle England. It may be that the coalition government formed by the Conservatives and the Liberal Democrats in May 2010 will be the new model for British politics with the two main parties having lost their duopoly of power. Whether this is the case or not, Labour will have to be flexible and imaginative to prosper as a dynamic political force in the future. For this to happen, the Labour leadership will need to re-connect to their grassroots. Reforms can be made that give a greater say to the membership without reviving the intra-party warfare of the early 1980s.

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## **The British Labour Party Under Tony Blair's Leadership: Transformation, Evolution or Wrong Direction?**

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This paper addresses the changes that took place in the Labour Party under Tony Blair's leadership. It examines what happened to the internal organization of the party and what effect this had on the identity and nature of the party. The theory of party organization devised by Robert Michels known as "the iron law of oligarchy" is used to examine the balance of power between party leadership and rank-and-file within the Labour Party. During the early 1980s the rank-and-file members of the party were able to exert their influence against the wishes of most of the leadership. In the late 1980s and into the 1990s, however, the leadership re-asserted their authority.

Tony Blair was at first a very popular and charismatic leader who seemed to justify the "psychological causes of oligarchy" described by Michels. However, his popularity and the electoral success of the Labour Party subsequently declined. The paper then investigates four possible long-term effects of Blair's leadership on the party. (1) The Labour Party became a kinder and gentler version of Thatcher's Conservative Party. (2) The Labour Party under Blair tried to modernize and adapt to new challenges but ultimately failed to do so. (3) The Labour Party modernized and adapted to new external conditions while retaining its core values. (4) Blair modernized the party to such an extent that it was transformed into a new kind of progressive party suitable to the politics of the 21<sup>st</sup> Century. The paper concludes that

none of these four options describes adequately the entire story of the rise and fall of New Labour under Tony Blair's leadership. Each account does, however, describe *in part* what happened during the two decades of the 1990s and the 2000s.