

Leo Panitch and Colin Leys, *The End of Parliamentary Socialism: From New Left to New Labour* (London & New York: Verso, 1997).

Over the relatively short period of twenty five years the Labour Party has been transformed in the most radical manner of any British party in the twentieth century. Only the Conservative Party's adaptation to social democracy after the Second World War is comparable and that was more about programmatic than structural change. Today, in government, the Labour Party has a constitution, programme, policies, personnel, procedures, image and ethos very different from the last time it was in government in the late 1970s. To give just some examples of the changes that have occurred over this period of time:

- Labour's constitutional objective now includes the words "by the strength of our common endeavour we achieve more than we achieve alone", which have replaced "the common ownership of the means of production, distribution and exchange";
- party members elected Tony Blair as their leader and thus, ultimately, as Prime Minister, whereas the previous Labour Prime Minister, James Callaghan, had been elected solely by Labour MPs;
- all Labour MPs elected on May 1, 1997 were selected as candidates by individual party members, whereas MPs elected in 1974 had been selected by local party activists;
- the 32-member National Executive Committee is now merely the managerial arm of the party leadership, whereas the 29-member committee of the 1970s was a significant institution in intra-party policy making;
- constituency party representatives on the National Executive Committee are now elected by ballot of all individual party members, whereas they had been elected by delegates to the annual party conference; furthermore, these local party representatives now cannot be MPs, whereas since 1945, with two exceptions, they had always been MPs;
- debates at the party's annual conference are structured around reports from the national policy forum, to which local party resolutions are directed, whereas previously debates were based to a very large extent upon the resolutions submitted by local parties and affiliated organisations;
- trade unions now cast 50 per cent of the vote at the annual conference, whereas they cast 90 per cent in the 1970s;
- no Labour MP elected on May 1, 1997 has direct financial support from a trade union whereas 40 per cent of Labour MPs elected in October 1974 had been sponsored by trade unions;
- in 1998 the number of individual party members was officially recorded as 395,000, whereas in 1980 when, for the first time, realistic membership figures were published, 348,000 were recorded.

There are two major reasons for these radical changes to the party. First, the loss of four consecutive general elections provided considerable impetus to change. However, although electoral defeat is the mother and father of party change, how a party responds to defeat depends upon a variety of political factors, of which the most important are leadership, intra-party structural arrangements and factional alignments. So Neil Kinnock differed from John Smith, and they both differed from Tony Blair in their interpretations of the party's electoral problems. Furthermore, between 1983 and 1997 the strength and cohesion of both the Labour left and the trade unions varied in ways which both facilitated and frustrated change.

New Labour owes its origins partly to Margaret Thatcher and her successful electoral strategies in the three general elections of 1979, 1983, and 1987. She so dominated electoral politics with her commitments to market enterprise, lower taxation and a reduced role for the state in economic and social affairs, and so attracted Labour's traditional supporters, that the party leadership felt the necessity to modify its programme accordingly. Kinnock initiated changes but he was hamstrung by an intra-party balance of forces which survived until after the party's further election defeat in 1987. Then the fragmentation of the Labour left and the trade unions' desperate desire for a Labour government provided opportunities for change. During his nine years as leader, Kinnock expelled the Trotskyists, reduced the role of party activists, and modified the party's policies on defence, public ownership, trade unions' collective rights and Europe, but he was not an electoral asset, as the party discovered in 1992. His successor, Smith, made some additional structural modifications but appeared to believe that further policy changes were unnecessary. Smith's early death and replacement by Blair reopened the reform process. There is no doubt that New Labour would not have emerged if Smith had remained as Labour leader.

The difficulty with electoral defeat as the explanation for the rise of New Labour is that some of the most significant changes occurred after 1994 when opinion polls suggested that Labour would win the next general election. At a time when election victory appeared to be certain some of the most radical elements of New Labour's programme were introduced, such as the rewriting of the party's political objectives in its constitution, the abandonment of commitments to higher taxation and public expenditure as a means of redistributing income, the restructuring of the party organisation by the use of membership ballots, the reorganisation of the National Executive Committee and the revamping of the annual conference. Electoral defeat was less of a motivating factor for these political changes. How does one explain change when in a position of electoral strength?

In 1994 a new leadership with a new political agenda was elected, although at the time this was not apparent. Just as the election of Margaret Thatcher as leader of the Conservative party in 1975 was a coup by a particular

Conservative faction, so the election of Blair in 1994 was a coup by a modernising faction which held a distinctive viewpoint. The modernisers believed that Labour was an activist-driven party with too strong a working-class image, and with commitments to a centralised state, public ownership of industry, high personal taxation and public expenditure. Until all this was changed, Labour would be unelectable. Hence the New Labour project.

What has happened since New Labour succeeded in gaining control of the party has been interpreted in various ways. One assertion is that New Labour has merely adapted Labour's traditional, social democratic values. This new "third way" is necessary because the traditional divisions in society between public and private interests, labour and capital, and the state and the market are no longer relevant. Furthermore, the traditional welfare consensus can no longer be recreated. Only by working with the market can Labour's goals can be realised.

Another interpretation, held by a significant number of commentators, including Panitch and Leys, is that the party has accommodated to Thatcherism. Even Labour's constitutional reforms, such as the creation of devolved assemblies in Scotland and Wales, the introduction of new electoral systems, and the abolition of hereditary peers, will make only modest adjustments to the Thatcherite state.

Panitch and Leys closely examine the radical, new left, socialist project which emerged, under the leadership of Tony Benn, in the Labour party in the late 1970s. They argue that this project eventually failed because its energies were concentrated on winning intra-party battles rather than winning over the voters. It also underestimated the resistance of parliamentary paternalism which engaged in a successful counter-revolution. And, finally, it relied upon the support of trade union leaders who were insincere in their radicalism.

The strength of their book is that it is well researched. However, there are three weaknesses. First, although they provide an extensive examination of Benn's role within the party they are blind to his failings. Benn appealed to the left activists within the party and to trade unions as a man of passion and commitment, which he undoubtedly was and still is, but beyond this activist constituency he was deeply distrusted. His political judgements were often deeply flawed because of his narrow constituency of support. So, for example, his call for a general strike in 1985 to support the miners in their struggle with the government, lacked any understanding of the distaste among many trade unionists for the tactics used by Arthur Scargill and the National Union of Mineworkers.

Second, Panitch and Leys gloss over the sectarianism of the Labour left at this time. But the intolerance displayed towards those who did not share the passion for this radical project was often quite terrifying. Many individual members either abandoned the party altogether or became inactive in the face of such intolerance. Finally, they fail to recognise and examine the extent of the

social, attitudinal and behavioural changes that occurred within Labour's previous constituency of support and the need for the party to adapt to these changes.

As ever with the Labour party nothing is simple and there are always conflicting pressures and outcomes which make it difficult to reach a definitive interpretation of contemporary trends. Panitch and Leys claim that Labour is now a parliamentary capitalist party. However, in 1996 Blair set the Labour party a crucial test: "If the next Labour government has not raised living standards of the poorest by the end of its time in office, it will have failed." After two years in government Labour has introduced some measures, such as the welfare to work and the working families tax credit schemes, and additional public expenditure on education and health, which go some way towards meeting that objective. But, on the other hand, welfare reform proposals, in particular, cuts in lone parents' and disability benefits, will only create greater inequality. Whether therefore Labour retains any links with social democracy will only be apparent towards the end of its first term in government.

Patrick Seyd  
University of Sheffield