

THE BLAIR EFFECT

— 2001–5 —

EDITED BY

ANTHONY SELDON AND
DENNIS KAVANAGH



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Tony Blair's strong start to his third term, with his pivotal role in capturing the 2012 Olympic Games for Britain, his statesmanlike handling of the aftermath of the terrorist attacks on London, his promise of a fresh start to the European Union and his leadership of the G-8 summit at Gleneagles, has brought his relatively lacklustre second term into sharp relief. The foundations of his premiership having been laid in the first term, the second should have been the time when New Labour fulfilled its manifesto promises. The government enjoyed the tremendous benefits of a strong economy, a rock-solid majority in the Commons and a quiescent labour movement. So what changed between 2001 and 2005 and what was achieved? How far was Blair himself responsible, and what was Gordon Brown's influence? Were the benefits enjoyed in any way wasted? What was the impact of the Iraq war? And what of Blair's policy towards Europe? In their fourth book on the political impact of British prime ministers, the editors have gathered together leading academics and journalists to provide an authoritative assessment of Blair's second term, including a review of the 'Blair effect' from the first New Labour term in 1997 to the present.

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PREFACE

This is the fourth volume in the series which analyses the impact of contemporary government. The earlier volumes, *The Thatcher Effect*, *The Major Effect* and *The Blair Effect 1997–2001*, were published in 1989, 1994 and 2001 respectively.

The approach has been the same as in the earlier three volumes. Leading authorities from academe and the media address common themes in their specialist area:

- What was the state of the area at the June 2001 general election?
- What was the state of that area at the May 2005 general election?
- What had changed and why?
- How successful or effective have any changes been?
- To what extent was change driven by the Prime Minister himself, or from Number 10 in general, by ministers, departments, think tanks or any other factors?
- What was the net ‘Blair effect’ in that area between 1997 and 2005?

Within this framework, authors were encouraged to develop their own particular approaches. Inevitably some stuck closely to the guidelines, others were freer in their interpretation of their brief. The aim has been to cover only the areas where the second Blair government made a significant fresh impact. Some chapter areas were dropped from the volume on the first Blair government, such as on the civil service, the constitution, defence and Northern Ireland, because little fresh happened to merit writing a separate chapter. The aim in this volume also was to write a shorter, more targeted book than *The Blair Effect 1997–2001*, which was over 650 pages. In the concluding chapter I examine which areas saw the most significant changes and assess how effective the changes have been. I also examine Tony Blair’s personal impact, and look at why more was not achieved, and examine whether opportunities were indeed wasted during these four years. Blair’s spectacular start to the third term – with his pivotal role in winning the 2012 Olympic Games for Britain, his masterly

handling of the national mood after the 7/7 bombings in London, and his promise of fresh hope for Africa and over global warming and a 'new' European Union – highlight the pace of progress in 2001–5.

The series overall seeks to be studiously non-party political. Where an individual author has a particular viewpoint, the aim is to balance this with a contribution from an author of the opposite persuasion.

Because this book was completed after the election, it forms a comprehensive view of what happened and was achieved between the two general elections. The hope is that the book will still have value in 2025, and even 2055. By those dates, all the main evidence will be available and the full consequences of the decisions taken in those years will have been played out. But my guess is that many of the conclusions in this book will still stand, and, even where they do not, it will still be interesting to know what an eclectic group of commentators thought on the cusp of the events being described.

I am delighted to have Dennis Kavanagh back on board as co-editor for this volume. It was his proposal to produce a shorter volume and his ideas and scholarship have been, as ever, *sans pareil*.

Finally, I would like to thank my colleagues at Brighton College yet again for their support for my work, including Lord Skidelsky, my chairman, Simon Smith and Louise Kenway, the deputies, Debra Lewis and also Dorcas Sherwood, my personal assistants, Julia Harris for all her work on typing, Elizabeth Jones for support in the early stages and David Farley for help with research. Cambridge University Press has proved to be an outstanding publisher, calm, decisive and genuinely interested in the book for its own sake. All these qualities are comparative rarities in modern British publishing.

ANTHONY SELDON

PART I

Politics and government

The Blair premiership

DENNIS KAVANAGH

Tony Blair's continuous eight-year tenure as prime minister equals the lifespan of a two-term US president. By the end of 2005, it will exceed that of every British premier in the last century except for Margaret Thatcher. Lack of time in office is hardly a problem. It is therefore not too soon to make a provisional assessment of Blair's impact. Because he has set a date for his departure there is more of the past than the future about him. And the best may be in the past.

The three phases in Blair's leadership are his three years as leader of the opposition and his two four-year terms as Prime Minister. He led his party to a huge election victory in 1997. But concentration on dominating the media agenda and winning that election meant that, with a few exceptions, little thought was given to a programme for government. In private, he has looked back on the first term as largely a wasted opportunity for public service reform and the second term has been dominated by Iraq and its fallout. In 2001 he claimed that he was more experienced in knowing how Whitehall works, tougher and had a clearer idea of what he would do if he achieved 'the historic second term'.

A second term, however, has rarely enhanced a government's reputation and Blair's has been no exception. On a personal level Blair was troubled by health scares and self-doubt after the damage done to his public standing following the war in Iraq. He was on the brink of resigning in 2004 and in the end announced that he would not serve beyond a third term. Although 2001–5 was dominated by the 'war on terror' and then in Iraq, a number of important decisions were taken – on university tuition fees, foundation hospitals, city academies, an independent supreme court and the NHS internal market. His government could point to continued economic stability and massive investment in the public services. It entered the 2005 general election with a handsome lead on all the key issues apart from immigration and appears to have won the argument about the balance between taxation and public spending. The government also began to develop a more – though not completely – coherent approach

to modernising the post-1945 welfare settlement based on devolution, decentralisation, diversity and choice.

The third term provides the opportunity to take the reforms further. But the context will be one in which Blair's political capital (a mixture of his reputation and influence) in Westminster has declined sharply and a general election in which his party lost seats and votes.¹

Blair has often invited comparison with the two agenda-setting prime ministers of the past century, Attlee and Thatcher.² He has enjoyed some of the conditions that helped their dominance, including

- a long period of office (he has served longer than Attlee),
- a large parliamentary majority,
- a weak opposition, and
- a favourable climate of opinion.

It can also be argued that Blair inherited a more favourable economic legacy than Attlee or Thatcher, although he and Gordon Brown will dispute the claim.

Yet his record pales in comparison with the accomplishments of Attlee (coping with the transition from war to peace, independence for India, joining Nato, the creation of the National Health Service, and great extensions of public ownership and the welfare state) and Thatcher (trade union reforms, privatisation and curbing inflation). These were, in the jargon, big-picture governments leaving a substantial legacy behind.

If Blair to date has not been an agenda-setting prime minister, despite the above advantages, a main cause may be beyond his control. The great war leaders, Lloyd George and Churchill, faced a dramatic and widely perceived challenge – national survival. The Attlee government was backed by popular expectations that the state could and should play a more positive role in managing the economy and providing welfare than it had previously done in peace-time. In the 1980s Thatcher had to tackle serious problems of trade union power, inflation and declining economic competitiveness that for some commentators raised questions of Britain's governability. But in 1997 Labour's election was the result largely of the voters' wish for a change of government, after 18 years of the Conservatives, and more investment in public services. Blair has not had the

¹ See Richard Rose, *The Prime Minister in a Shrinking World* (Cambridge: Polity, 2001).

² See Peter Hennessy, *The Prime Minister: The Office and Its Holders* (London: Allen Lane, 2000). The studies by Rose and Hennessy stand out for their comparative and historical perspective and are less than enthusiastic about Blair's premiership.

opportunity of facing and triumphing over a defining national crisis as the other leaders did.

Indeed, Blair has cast his own verdict on his record so far, because he has felt he needs to serve a third term to create a worthwhile legacy. He comes across as a dissatisfied leader – dissatisfied with his party, its pre-1994 structure and ethos, Parliament, the system of Cabinet government, the civil service and large parts of the public sector. He has presented himself as new, modern and radical – words that reverberate through his speeches and interviews – although the passage of time decreases the credibility of the rhetoric. At times it is possible to see the self-perceived pathfinder, like Mrs Thatcher, as prime minister of the wrong country.

This chapter examines Blair's impact on key aspects of a prime minister's job. He has self-consciously tried to be a different kind of prime minister. He has had distinctive views about himself in relation to his party, Parliament, Cabinet, Number 10 staff and the public. His Labour predecessors have been negative role models because, except for Attlee, they seemed to have failed.

Party

Any assessment needs to accept the electoral crisis facing the Labour Party when Blair took over. Its fourth successive general election defeat in 1992 confirmed that its core vote was among declining sections of the population – manufacturing working class, council estates and trades unions. It had little following in growing Middle England and the aspirational working class. The New Labour 'project' was about changing the party from top to bottom and involved capturing traditional Conservative sections of the electorate, espousing social and economic policies long associated with the political right (including privatisation and flexible labour markets), and creating a formidable election-winning machine.

A consequence of this success has been to weaken the sense of the party as tribe or family. Although he has been attacked for this it can be argued that at a time of declining partisanship and class cohesiveness, his approach has advantages in reaching out to uncommitted voters. Indeed, the current ideas of triangulation (adopting a position independent of one identified with either Labour or Conservative) and spatial leadership positively favour the leader who wears his party ties lightly.³

³ M. Foley, *The Rise of the British Presidency* (Manchester: Manchester University Press, 2001).

His promotion of New Labour has depended on distinguishing it from what he regarded as Old Labour, consisting not only of the left but also of the spend and tax social democrats like Lord Hattersley, and defining himself against the party. Constructing a negative and selective recent history of the party's policies, personalities, institutions and values that had made it outdated and unelectable, he consolidated and extended changes in the party's structure, policies and ethos begun under Kinnock.

Blair and his entourage were impressed by the Thatcher brand of forceful leadership, a view reinforced by the failure of Major's more consensual approach. Strong personal leadership would be required not only to change the party and its direction but also to win elections. Traditionally, Labour had rejected a cult of leadership, a feature reinforced by its pluralist structure and democratic ethos; until 1922 the leader was called 'chairman' of the Parliamentary Labour Party (PLP). But sections of the media and many voters took a dim view of Labour leaders from Gaitskell onwards who faced constant and wearying party opposition. Labour modernisers believed that in the modern era a party's message is carried by and through the party leader. Hence Labour had to become what is called an 'electoral-professional party' and market the leader rather than the party. This appeal worked as long as Blair had plenty of political capital and was seen as indispensable if the party was to gain and retain office. By 2005 Blair was no longer an electoral asset.

Indicators of the decline of the traditional Labour Party are several: a reduction in members and activity, trade union protests that they are marginalised, the rise of polling and focus groups as sounding boards of policy rather than the annual conference and party grass-roots, the minimal role of the policy-making machinery on university top-up fees, foundation hospitals, ID cards and Iraq, and the attenuation of many of the traditional checks and balances in the party. Party membership is now fewer than 200,000, some 50,000 fewer than when he became leader in 1994.

Perhaps decay is a highly probable outcome of a party being in government for a lengthy spell – the state of the Conservative Party by 1992, let alone 1997, as well as Labour by 1970 and 1979 are examples. The paradox is that Blair and Thatcher, although they reinvented their parties, also presided over their decline.

But does this decline matter much? Might Blair see the future as one of 'partyless democracy', one where populist leaders seek inclusive or target