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Crafting the conditions for renewal

Lise Butler

Learning the lessons of Labour in government

At the time of writing, the Labour government led by Keir Starmer has been in power for less than a month. Already the relief of leaving behind 14 years of austerity and increasingly shambolic Conservative rule has given way to sombre assessments of the gap between the last government's spending promises and the reality of public finances. Labour should not underestimate the test that adverse economic circumstances are likely to pose. The Blair government's three terms in office were in no small part a reflection of the fact that it came to power amid manageable inflation, low interest rates and falling unemployment. Meanwhile, the MacDonald, Attlee, Wilson and Callaghan, and Brown governments all faced rough economic headwinds, and none held office for more than six consecutive years.

As has been widely noted, Labour has held power for only 33 of its 124 years of existence. The different economic, social and geopolitical contexts in which Labour has governed frustrate attempts to draw neat lessons for the Starmer administration—we cannot pluck Labour's past political strategies out of history and hope that what worked in 1947, 1966 or 2001 will work in 2025. But Labour's record in government may offer guidance about what decisions and strategies will allow it to enact lasting positive change, operate with integrity and maintain party unity in international affairs, and renew rather than squander its recent mandate.

“Labour has held power for only 33 of its 124 years of existence”

THE IMPORTANCE OF INSTITUTION BUILDING

Labour's most enduring – and enduringly popular – achievements have not simply involved redistribution, but changes embedded in law and institutions. As the historian Ben Jackson has observed:

“The key to entrenching changes and making them endure beyond the tenure of one government is to enact reforms that subsequent governments will accept as enduring and not see to undo.”¹

While the Attlee government undertook widespread nationalisation, its most lasting legislative reforms included the National Health Service (NHS), National Insurance and the New Towns Act. And while many of the Wilson government's benefit and social policy reforms were undone in subsequent decades, institutional achievements like the Open University and the Advisory, Conciliation and Arbitration Service (ACAS) for industrial relations disputes remain important today.² The Blair government is remembered for its record on reducing child and pensioner poverty

1 Jackson B (2024) ‘Commentary: a hundred years of labour governments’, *Political Quarterly*, 95(2): 215–218, 218.

2 Holtham G (2022) ‘The task ahead for Labour if it came to power’, *Progressive Review*, 29(3–4): 244–251.

via the tax and benefits system. But while many of New Labour's achievements in poverty reduction, as well as healthcare and education, were undone after the Conservative-led coalition returned to power, its legislative changes, such as the minimum wage and devolution, have endured.

The current government's manifesto promises show potential for a programme of institution building, for example in headline initiatives such as Great British Energy and a new National Wealth Fund. In implementing these initiatives, the government would be wise to note that support for new institutions may not be immediate, and that their case may have to be made and remade. The NHS did not enjoy universal support during the Attlee government – instead, as the historian Andrew Seaton shows, “large sections of the public greeted [reformers'] proposals with ambivalence, trepidation, or even hostility”. Indeed, Seaton argues, the NHS was only cemented as the British cultural icon it is today in the 1980s, when, under the threat of privatisation, it was defended by a vocal campaign of trade unionists and activists.³ The history of popular attitudes towards the NHS suggests that large-scale initiatives like GB Energy may take time to be accepted and embraced, but also that ambitious institution building can embed Labour's achievements and galvanize popular support for progressive policy long into the future.

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FOREIGN POLICY

Recent assessments of Labour in government note that the party has often floundered on foreign policy.⁴ During the Attlee government, the Korean war placed unexpected burdens on Britain's finances; under Wilson, the Vietnam war contributed to deep internal fissures between Labour's leadership and the party membership; and Blair's handling of the Iraq war tarnished the reputation of his government for posterity. Across the political spectrum, there is increasing consensus that future geopolitical conflict is increasingly likely and that cold-war paradigms no longer apply: former Conservative secretary of state for defence, Grant Shapps, recently described Britain as facing a “pre-war world”,⁵ and Labour's new foreign secretary, David Lammy, observed that:

“The world order – which once appeared governed, at least to a large extent, by the rules we helped set up with our allies after the second world war – is now defined by a new form of geopolitical competition.”⁶

While Labour is often more comfortable dealing with domestic policy, the Starmer administration cannot afford the luxury of a reactive approach to foreign affairs.

“the party has often floundered on foreign policy”

Before the general election, Lammy outlined what he calls a “progressive realist” approach to foreign policy, which he defined as using “realist means to pursue progressive ends” including “countering

3 Seaton A (2023) *Our NHS: A history of Britain's best-loved institution*, Yale University Press, part III: 185–290.

4 B Jackson (2024), ‘Commentary: a hundred years of labour governments’, *Political Quarterly*, 95:2: 216; Murphy C (2024) ‘Keir Starmer: three warnings from history for Labour's seventh British prime minister’, *The Conversation*, 5 July 2024.

5 Shapps G (2024) ‘Defending Britain from a more dangerous world’, speech, Lancaster House, London, 15 January 2024. <https://www.gov.uk/government/speeches/defending-britain-from-a-more-dangerous-world>.

6 Lammy D (2024) ‘Labour's foreign policy will be realistic about us as a nation, not defined by what we used to be’, *Guardian*, 17 April 2024. <https://www.theguardian.com/commentisfree/2024/apr/17/labours-foreign-policy-realistic-not-nostalgic-progressive-realism>.

climate change, defending democracy, advancing economic growth and tackling inequality – abroad as well as at home”.⁷ This approach brings together the ‘realism’ of Ernest Bevin, who as a staunch anti-communist was instrumental to the founding of NATO, and the ‘ethical’ foreign policy of New Labour’s foreign secretary, Robin Cook, who emphasised human rights and climate initiatives.⁸ But the challenges and internal contradictions implicit in this stance cannot be underestimated. Labour’s foreign policy tradition was shaped, in the party’s early years, by liberal internationalism, a belief in international working-class solidarity, and long periods in opposition.⁹ As a result, a central challenge for Labour in government has been to reconcile the foreign policy commitments of its membership – and often the parliamentary Labour party – with Britain’s alliances and geopolitical position, and especially Britain’s ‘special’ relationship with the US.

A central pillar of the ‘ethical’ or progressive strand of Labour’s foreign policy tradition is international development. Charlotte Lydia Riley has argued that international development and aid have been central to Labour’s sense of purpose and self-definition as an ethical force, arguing that these policy areas are “an integral part of Labour’s ideology as central to the party’s identity as the welfare state at home”.¹⁰ Historically, Labour has distinguished itself from the Conservative party in separating international development from the Foreign Office. In 1964, it established the Department of Overseas Development, led by Barbara Castle, and in 1997, the Department for International Development. The latter was shuttered under Conservative prime minister, Boris Johnson, in 2020.

The current government has broken with Labour’s record, promising instead to align development with Britain’s foreign policy aims, and “strengthen international development work *within* the Foreign, Commonwealth & Development Office”.¹¹ But without a protected role for international development, progressive multilateral initiatives like the current government’s proposed Clean Power Alliance risk being undermined by other strategic considerations. A failure to separate aid and climate change initiatives from less ethically minded strategic considerations may also hasten backbench revolts on foreign policy, a phenomenon which plagued both the Wilson and Blair administrations. While Lammy is wise to adopt a pragmatic and even modest view of Britain’s foreign policy role, it is unlikely that Britain will achieve the kind of influence he hopes without a separate and dedicated office for development and climate change.

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POLICY RENEWAL

Labour now has the luxury of a large majority – though, as has been widely noted, one achieved with a vote share only marginally larger than after the devastating loss of 2019. Labour’s majority gives it the strength to enact its agenda, and to make difficult choices in its first term in office. But the government should guard against intellectual stagnation. A common feature of Labour’s electoral losses has been a lack of policy innovation, and an inability to anticipate where its electoral coalition

⁷ *ibid.*

⁸ *ibid.*

⁹ Vickers R (2011) *The Labour Party and the World, Volume 2: Labour’s foreign policy since 1951*, Manchester University Press: 9–26.

¹⁰ Riley CL (2022) “‘This party is a moral crusade, or it is nothing’: foreign aid and Labour’s ethical identity” in Yeowell N (ed) *Rethinking Labour’s Past*, I.B. Taurus: 195–214, 211.

¹¹ Labour party (2024) *Change: Labour Party Manifesto 2024*, Labour party. <https://labour.org.uk/wp-content/uploads/2024/06/Labour-Party-manifesto-2024.pdf>; italics my own.

was vulnerable. While the Attlee government won office with an impressive majority of 145 seats in 1945, this was reduced to a disappointing five seats in 1950, and a loss in the general election held the subsequent year. Labour's precipitous loss of seats was due in part to its struggle to overcome the food, fuel and convertibility crises of 1947.

“the government should guard against intellectual stagnation”

But contemporary accounts also point to a deeper lack of vision and purpose within the party in the late 1940s: following the successful delivery of its early legislative agenda, the Attlee government suffered from a sense that, as one commentator puts it, “there were no more crusades to launch, no enticing battles left to fight, no dragons left to slay”.¹² Michael Young, the architect of the Labour party's 1945 manifesto, *Let Us Face the Future*, described the 1950 manifesto *Let Us Win Through Together*, which he also produced, as “a pretty tawdry thing” characterised by a lack of intellectual dynamism within the party's policymaking apparatus.¹³ In crafting a policy offer for the 1950s, Labour failed to take full account of popular frustrations with the top-down and paternalistic elements of both nationalised industries and social services, and the drift of female voters away from the party due to frustrations with rationing and Labour's focus on full male employment.¹⁴ Equally, while New Labour did enjoy multiple terms in government, it has since been judged for its technocratic and centralising tendencies, a legacy that has haunted the Labour party out of office. As Future Governance Forum director, Nathan Yeowell, has reflected:

“One of the tragedies of New Labour [was] the inability to sustain and replicate the intellectual creativity of the 1990s into government, and the ultimate failure to renew sufficiently whilst in office, despite the existence of a lively infrastructure of sympathetic left-of-centre think tanks and other organizations keen to influence the direction of government policy.”¹⁵

Labour unquestionably has a strong mandate for government, but the relative thinness of its electoral margin suggests the potential for a volatile turn in its political fortunes. This challenge demands a dynamic intellectual culture and an eye for popular dissatisfactions that fail to make the headlines.

“the relative thinness of its electoral margin suggests the potential for a volatile turn in its political fortunes”

Some of Labour's most enduring progressive achievements have often been the product of collaboration with other parties. Ben Jackson has noted that:

“When Labour did successfully take the lead in political struggles for freedom and equality it was because of the alliances that the party forged with social movements, new ideas, state power, changing social attitudes and even other political parties.”¹⁶

12 Crowcroft R and Theakston K (2013) ‘The fall of the Attlee government, 1951’, in Heppell T and Theakston K (eds) *How Labour Governments Fall*, Palgrave Macmillan: 61–82, 64.

13 Butler L (2020) *Michael Young, Social Science and the British Left, 1945–70*, Oxford University Press: 79.

14 Black A and Brooke S (1997) ‘The Labour party, women, and the problem of gender, 1951–1966’, *Journal of British Studies*, 36(4): 419–452; Zweiniger-Bargielowska I (2000) *Austerity in Britain: Rationing, controls and consumption, 1939–55*, Oxford University Press.

15 Yeowell N (2022) ‘Introduction: Rethinking Labour's past’, in Yeowell N (ed) *Rethinking Labour's Past*, I.B. Tauris: 3–24, 14.

16 Jackson B (2022) ‘The disenchantment of the Labour party: socialism, liberalism and progressive history’, in Yeowell N (ed) *Rethinking Labour's Past*, I.B. Tauris: 25–38, 36.

17 Beveridge W (1942) *Social Insurance and Allied Services*, His Majesty's Stationery Office.

Some of Labour's most successful progressive legislation originated outside the party: the author of the Beveridge report, William Beveridge,¹⁷ was a Liberal; and the social reforms of the 1964–70 Wilson government, such as the decriminalisation of homosexuality and abortion, were not Labour policy but the result of private members' bills drafted by Liberal and Conservative law-makers. While Labour's large majority will allow it to enact its governing agenda efficiently, its most lasting legacies may be forged through cross-party initiatives.

Avoiding intellectual stagnation in office requires a dynamic policy ecosystem – of which think tanks play a central part. Think tanks, notably the Institute for Public Policy Research (IPPR) (established in 1988) and Demos (established in 1993), were central to the 'modernisation' of the Labour party in the 1980s and 1990s.¹⁸ But while these organisations enjoyed significant influence in the lead-up to Labour's victory in 1997, they had a more ambivalent relationship with Labour in government. When the Blair government took office, key figures in the think tank world assumed positions of significant influence in government. Demos director, Geoff Mulgan, was appointed to a role in Number 10, and the IPPR's David Miliband was Tony Blair's head of policy from 1994 and subsequently a central figure in the Prime Minister's Policy Unit. But despite their role as important incubators for policy careers in Downing Street, these think tanks' influence on government waned.¹⁹

“Avoiding intellectual stagnation in office requires a dynamic policy ecosystem”

The current Labour administration should be cautious about complacency once key manifesto targets are met, and avoid replicating the Blair and Brown governments' tendencies towards centralising policy expertise in government. It should seek to retain a network of 'critical friends' better equipped to detect blindspots in the party's agenda than policymakers more closely embedded within the Starmer administration.

CONCLUSION

In drawing from the historical record to articulate some warnings for the Starmer government, a key principle is to expect the unexpected. Some of the events that have most contributed to shaping perceptions of Labour's record in government, like the 9/11 terrorist attacks or the financial crisis in 2008, were not anticipated when the governments presiding entered office. The Starmer government can look to its predecessors for inspiration and guidance in industrial policy, nationalisation, welfare and international affairs. But there are multiple challenges facing the current government for which past Labour administrations provide no satisfactory analogue.

“a key principle is to expect the unexpected”

While immigration rates are likely to descend from their post-Covid high, net migration is more than four times higher than when Blair was elected to office, and the outbreak of civil unrest and racist violence across the UK this summer suggests that anti-migrant sentiment may continue to be a divisive force in British society. In the face of the climate crisis and a volatile international situation, Labour faces a real challenge to craft both a migration policy and a migration narrative that reflects its internationalist and humanitarian values. Labour has negotiated the 'special relationship' with the

18 Murphy C (2023) *Futures of Socialism: 'Modernisation', the Labour party, and the British left, 1973–1997*, Cambridge University Press.

19 Pautz H (2011) 'New Labour in government: think-tanks and social policy reform, 1997–2001', *British Politics*, 6(2): 187–209, 197–201.

US, with greater and lesser success, and dealt with diverse Republican and Democratic administrations, but has never had to contend with an American president as opposed to its progressive values as Donald Trump. Labour has faced demographic challenge, but never an ageing population at the scale Britain faces today. And while past Labour governments have made progressive noises on the environment, this one will have to respond to the increasingly tangible impacts of climate change – from aforementioned migration rates to the price of olive oil.

In short, many of the challenges facing the Starmer administration are of a new and distinctly acute character, and require pragmatism, fearlessness and a willingness to step outside the policy parameters modelled by past Labour governments – old and New. Labour should not mistake the ideological and fiscal caution that won it office for a successful governing strategy, and should look to its past, not for fixed solutions, but to nurture the conditions that inspire policy renewal.

Lise Butler is a senior lecturer in modern history at City, University of London. She is the author of *Michael Young, Social Science, and the British Left, 1945–70* (Oxford University Press, 2020) and a contributing editor to *Renewal: A Journal of Social Democracy*.