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the quality of public services to make them agents of greater prosperity and social justice; or how we develop Britain's future relationship with the European Union. The broader progressive dialogue in this country must continue.

These are the five critical challenges facing Britain. As I have identified in this introduction, they require more searching analysis and deeper debate across the centre left. But I think they provide the future policy terrain for 'new' New Labour to focus on.

Developing New Labour's character

It is regrettable but true that a government's character tends to be formed through the lens of a camera and what is written in the press rather than directly by the policies and actions of ministers.

If you ask my Labour-supporting constituents in Hartlepool what they think about New Labour, you will get a variety of responses ranging from 'I don't like them, they're not for the likes of us' (i.e. they are a bunch of metropolitan southerners) to 'They're in love with themselves' (i.e. they are doing quite well but they don't half know it) to 'They get on with it, they're ringing the changes slowly' (i.e. they are much better than any recent government).

I think that's pretty good going after five years in office.

No other post-war government has maintained its popularity and firm lead in the opinion polls over such a period. And it is no answer to say that this is hardly surprising with an opposition like the present Conservative Party. Mrs Thatcher lost her poll lead within a year of entering No. 10, and did not get it back until the Faiklands, against a Labour opposition, led by Michael Foot, that was busily tearing itself apart over policies that were lurching to the left.

So New Labour must be doing something right. And its Prime Minister must be doing something right to have kept the whole show on the road.

The Blair Revolution put a shiny gloss on New Labour when it was written in 1995–96. Reading it again, its factual commentary is combined with a lot of wishful thinking about the coherence of the project and the cohesion of the party. Yet there is little or nothing that we said a Labour government would do which has been disappointed. Unity is intact. The government runs smoothly. And the fears that many

Why, then, did that 'chasm of perceptions', as I have called it, developbefore and after New Labour's re-election?

The 'chasm' is probably more a reflection of the media's reporting than anything. I will not blame the media for any government ill, but there is no doubting the disappointment of many of the newspaper 'commentariat' that the whole project has not fallen apart.

However, perception is reality in politics, and if perceptions exist, they need to be put right.

A fresh look at New Labour's direction creates an opportunity for New Labour to look at itself – and its character – to see what it can do to cement public trust.

In this introduction, I have discussed New Labour's apparent lack of vision and direction, which could be spelled out more vividly and consistently. New Labour's values and belief in equality – vital to motivate supporters – have not been sufficiently trumpeted. And the government's reputation for 'control freakery', with its micro-management from the centre and its top-down controls, has clearly irritated some people. At the same time, the image of New Labour as addicted to being loved by everyone and never wanting to make an enemy makes the government seem weak in others' eyes. And its timidity (in the first term rather than since the re-election), given the majority it has, annoys those people who think the government could and should be making a speedier and more direct impact.

No doubt there is some truth in all these perceptions, but that is what they are, perceptions, nurtured and cultivated from many motivations. And behind all the chatter and grumbling about the government is a simple fact: the right wing in Britain hate the thought of a successful Labour government, they hate the fact that their rule has been intertupted, and rather than blame their own failings they will persuade themselves (and anyone else) that the left have got in not by merit, but by pulling the wool over everyone else's eyes.

Killing 'spin'

The idea of 'spin', that the government simply makes things up or hides the truth, is being peddled aggressively by New Labour's critics. As a result, unjustifiably, ministers are often not believed and the government as a whole is not always trusted. If a politician opens his or her mouth, he or

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she is accused of 'spinning'. Answer a simple question and this is 'spin'. Facts are 'spin'. Anyone who works for a politician or a minister is a 'spin doctor'. Journalists regularly discuss policy issues in terms of how they are 'spun'. And if New Labour is doing well, it must be because of its advanced media skills — and luck — rather than its ability and competence.

My criticism of New Labour – and, of course, I include myself in this – is not that it has good media skills, but that these have been allowed to fall into disrepute through overuse, and misuse when in inexperienced or over-zealous hands. In the process, the government's character has been hatmed.

That's why in the case of 'spin', as in other aspects of the government, actions generate reactions that have to be countered by new actions, as Alastair Campbell, the Number 10 communications supremo has openly acknowledged.

Dealing with the 'spin' syndrome will continue to be an important area of government action for some time to come so that it can defend itself against character attacks.

Of course, the government must always think about and handle the media effectively. These days, with a proliferation of media outlets and twenty-four-hour-a-day programming, and the intense competition that takes place among written and broadcast media, the media's aggression requires a lot of management. The government constantly needs its wits about it and a strong team of handlers in the field.

But crude, clumsy handling of the media by overly controlling and politicised press officers causes more problems than no handling at all, because it undermines trust.

Jo Moore's infamous e-mail on 11 September discredited the government and its media arrangements. It was, in my experience of this government, a parody of its behaviour, and out of character for the individual concerned. But the fact that it happened (and the mistake of keeping Jo Moore in her job) instantly reinforced the government's image as being obsessed by 'spin'.

To overcome this image, the government must at all times be scrupulous with the facts and what it tells the public. Ministers need to be less evasive and 'controlling' and more open and directly engaging with all the media, and not just those correspondents who work inside the Westminster 'bubble'.

The public wants to hear proper explanations of what the government is doing rather than bald assertions and what sometimes sound

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like catechisms from ministers on radio and television. Explaining why the present model of the NHS is the best and why the alternatives are inferior is a good example of where ministers needed to offer more argument rather than simply relying on assertion, given the money going into the system. Policy should no longer be presented as if it is being driven by tomorrow's headlines. In its second term, the government has already started to rely on policy strength, letting the policies work without having to pre-announce and then re-announce them, which only fuels scepticism among the media and the public. This is a practice that every department should be more eager to adopt.

This is an urgent concern. Too much of what the government is doing fails to make an impact because its words are dismissed as spin. This situation will continue to deteriorate if the government does not create a new understanding and open working relationship with the media, which the media should reciprocate by balancing its aggressive reporting with a greater sense of proportion and perspective, and respect for the facts.

Slaying 'sleaze'

Responding to the media's agenda of 'sleaze' is more difficult. Relatively small issues tend to be magnified very quickly out of proportion to their real importance. However since the Tory MPs' behaviour in the 1990s, the press have been on 'sleaze watch', or 'scalp-hunting' depending on how you view it. Since New Labour came to office the chance to raise issues of propriety and conflicts of interest has been greatly increased by two developments: the party's success in diversifying its funding from reliance on the trade unions to a wider spread of individuals, often linked to businesses; and the legislation introduced by the government to create transparency in political donations. Armed with this information, journalists have been able run these two things together and to allege that money has been given in return for favours.

Of course, the job of the media is to root out and expose any sort of corrupt practice. Journalists cannot be blamed for failing immediately to tell whether something is 'big' and being covered up, or whether they are chasing up a cul-de-sac. But much of the so-called sleaze-busting is often based on innuendo rather than investigative journalism or high standards of reporting, adding two and two and making five. In every case of reported ministerial 'sleaze', subsequent investigation has

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revealed that the allegations add up to nothing. But the muckraking, and other accusations of lying, have taken their toll on a number of ministerial reputations which have been sullied without justification.

It is in the interests of everyone in politics for independent machinery to exist that can examine, quickly, whether allegations have any standing and warrant further investigation.

The problem at the moment is that the government, and the Prime Minister in particular, is the judge of allegations made against ministers. The press, understandably, do not accept this (unless the Prime Minister gives way to the hysteria, and then they are just as likely to accuse him of overreacting). Putting some independent ethics panel or commissioner in place to deal with issues when they arise will assist journalists to establish the truth, help protect politicians from unfair attack and raise the public's confidence in the political system.

The government also needs to reflect on the appearance that has been created of an overly cosy relationship with business.

A constructive partnership with business is indispensable in today's highly competitive global economy, it is one of the government's most important accomplishments and itwould be thoroughly retrograde for the government to jeopardise this. Forging collaborative networks in which the government can play a role is often key to increasing market share. But without weakening the government's close working with business, this should not exclude stress on the corporate ethics and social responsibility that society expects of business. Promoting social partnership in the workplace, which the best people in the unions and business believe in, also has a role to play. At the moment, there is an impression that the government demands responsibility from everyone else in society, and it would be good to hear more of this being applied to the business world, alongside the deserving praise and support for enterprise.

The power of parliament

The character of the government is also framed by its relationship with parliament. With its huge majority, this government appears unaccountable and unstoppable. I do not think the government realises the extent to which New Labour looks to many people like a huge and all-powerful establishment with its tentacles everywhere – for example, reaching into the BBC and other non-departmental public bodies. Unlike in America, for example, where there is a system of counter-

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vailing powers and the administration has to balance its interests against those of a powerful Congress and the Supreme Court, in Britain a government with a substantial majority enjoys considerable autonomy.

Possibly as a result of this, the media often see the need to act as the checks and balances rather than merely report on them, aggregating to themselves an unaccountable power that most people would think is inappropriate in a modern democracy, rather as the trade unions did in the 1960s and 1970s.

This reaction by the press to the government's hegemonic position should stimulate the government into giving parliament much more extensive opportunities to hold it to account. The Prime Minister's decision to appear before parliamentarians in special session twice a year is a good step. Ministers should follow his example and devote more time to parliament and perhaps a little less to managing the media. It is all a question of accountability, and in these stakes, while both have their role to play, accountability to elected parliamentarians should come before answerability to the media. It would do the government's reputation — and therefore its character — no end of good.

Breaking the mould

Two years into the life of the government, Tony Blair was having one of his frequent 'taking stock' office discussions.

'Since it is impossible', he said, 'to put everything right in two years, or even five, we need to do three things: show what we have done; explain why we are doing it; and then how we will get the rest done in time.'

What was missing, he believed, was definition and explanation. 'If we don't act, the danger is a mood becomes settled.'

Blair is right, but only up to a point. The government constantly needs to focus the public on the big picture of what it is doing, and its direction. This has to be linked to the distinctive vision of society that, step by step, the Labour government is taking Britain towards.

But definition and explanation are an aid to, not a substitute for, policy strength. And neither definition nor policy strength will survive without political self-confidence and courage. These are the indispensable qualities that will enable New Labour to persuade the country to follow us along the path we are taking.

Political self-confidence is what made the 2002 Budget a success. Faced with claims that New Labour was turning backwards, that 'tax and spend'