In December 1981, Charles Frost was a worried man. The small engineering company that he owned and ran was suffering severely from a decline in export orders, largely as a result of the high value of sterling against other currencies. He was already laying off some of his workers and he was not sure whether the company, which his father started in 1951, would survive another year. He was particularly disappointed with Margaret Thatcher’s Conservative government. Mrs Thatcher had promised to pursue a rigorous ‘tight money’ policy that would squeeze inflation out of the British economy and restore its international competitive position. As he contemplated a difficult winter, Frost could not help feeling that she had somehow lost her way. The trust that he had placed in her economic and political judgment was ebbing fast. Perhaps her confident pronouncements about the virtues of monetarism were little more than hot air. He grew even more alarmed in April 1982 when Thatcher despatched a large naval task force to deal with the Argentine invasion of the Falkland Islands. How could the objectives of such a force possibly succeed when most of the Third World, and much of the developed world, appeared to sympathize with Argentina’s claims to sovereignty over the islands? Frost was as surprised as anyone when, by the summer of 1982, it was clear that British forces had achieved a rapid and overwhelming victory in the conflict. There were also signs that the British economy was beginning to respond positively to the dose of monetarist medicine that had been administered by Thatcher’s chancellor Geoffrey Howe.

Frost’s reaction to these developments had important implications for the way that he thought about politics over the next decade. Thatcher and her cabinet colleagues really did have extraordinarily good political judgment. If there were problems that government needed to solve – whether they related to the economy, to foreign policy, or to other matters – then it was the Conservatives who were
likely to solve them. The prime minister and her colleagues had that perhaps all too rare virtue of competence; they were ‘a safe pair of hands’ and could get the job done. Frost had no compunction in voting Conservative in 1983 and 1987. Even after Thatcher’s departure in November 1990, Frost’s loyalty to the party remained. Confident in its continuing ability to deal with the most serious problems affecting the country, Frost again voted Conservative in April 1992.

Frost’s daughter, Isabella, turned eighteen in late 1994. She had been aware for the two previous years that her father’s confidence in the Conservatives had been waning. Although she did not really understand the details, she knew that ‘the ERM crisis’ of September 1992 had somehow been a watershed. Her father frequently made comments about the decline in the Conservatives’ economic judgment, about the leadership’s failure to deal with its increasingly disruptive Euro-sceptic rebels, and about the haze of financial and moral ‘sleaze’ that now hung over the party.

Isabella was not particularly interested in politics but she was quite taken with the new Labour leader, Tony Blair. Just at the moment that the Conservatives appeared to have lost their reputation for savvy decision-making and competent administration, Labour seemed to have found a leader who combined responsiveness and trust (virtues Isabella valued highly) with sound political judgment.

In May 1997, both Isabella and her father voted for New Labour. They remained pleased with their choice for some time. Charles’ business prospered and Isabella’s income as a newly minted fast-track civil servant rose progressively. Blair’s chancellor, Gordon Brown, ran the economy efficiently and effectively. Labour had promised to remain within the Conservatives’ planned public spending limits for their first two years in office, and they delivered fully on that promise. Labour’s early decision to give the power of setting interest rates to the Bank of England provided the framework for an extended period of macro-economic stability. Blair sent British forces to Bosnia and to Kosovo, and on both occasions the interventions seemed to assist in pacifying local tensions. Blair also continued to move forward with the Northern Ireland peace process that had started under John Major, working with the Irish government to reduce the risks of republican and loyalist terrorism. These domestic and international policy successes reinforced Charles’ and Isabella’s convictions that Labour had
what was needed to run the country. In 2001, their decision to vote Labour again was an easy one.

Things then started to go awry. The two Frosts had shared in the increased fear of terrorism that followed the attack on the World Trade Center in New York on 11 September 2001. Nonetheless, they had approved of Tony Blair’s resolute response; they were favourably impressed by his insistence that al-Qaeda represented a challenge to Western democracy that required a united response. They also recognized the difficult policy choice that Blair and his government had to make in deciding whether to support the US-led invasion of Iraq in March 2003. Indeed, they admired Blair for his courage in taking a bold and difficult decision. They thought it was in keeping with his character as a leader of sound judgment who was prepared to make hard choices. Charles Frost was reminded of Thatcher’s courageous decision two decades earlier to send British forces to the South Atlantic to recapture the Falklands. He could see the parallels even more clearly as the coalition forces toppled Saddam Hussein’s regime with remarkable speed, and plans were rapidly put in place for a constitutional convention whose members would be elected by the Iraqi people. For Frost senior, Blair’s gamble in backing the American president, George W. Bush, wholeheartedly appeared to be paying off. Once again, Blair had demonstrated his capacity for making wise policy decisions in difficult and uncertain circumstances. He was clearly a man to be supported.

However, as the conflict evolved into a protracted occupation, first Isabella and then her father became more equivocal about the wisdom of Blair’s decision to go to war. The first blow was the coalition’s failure to find any of Saddam’s ‘weapons of mass destruction’, the threat of which had provided the legal justification for the invasion. The second was increasing recognition that the evidence on which the threat had been based was fragmentary and contentious. The third was the worsening security position in Iraq and the associated consequence that the invasion appeared to have generated additional support for al-Qaeda terrorism there and, indeed, around the world.

As the occupation continued with no end in sight throughout 2004 and early 2005, the Frosts’ confidence in Blair’s political judgment – and in that of his government – progressively weakened. Although they still recognized the solidity of Chancellor Brown’s economic judgment, they came to doubt Labour’s competence to make sound
decisions in other policy areas. For Charles, the economic stability that Brown and Labour had provided since 1997 was enough to keep him loyal to Labour in the May 2005 general election. For Isabella, who was more concerned with the increased terrorist threat that the war and occupation had engendered, Blair’s failing political judgment was sufficient to prompt a switch in party preference. The decision was not easy – indeed, at one point she considered not voting at all. However, she ultimately decided to support the Liberal Democrats. They were the only party that had consistently opposed the war on both ethical and practical grounds since the supposed threat from Saddam’s weapons of mass destruction had become a serious political issue in the autumn of 2002.

The Frosts’ story, in microcosm, reflects the main themes of this book. Their changing political views over the quarter century between 1980 and 2005 reflected their changing perceptions of the decision-making competence of the main political parties and their leaders. At any point in time, their preferences were strongly influenced by their perceptions of the capacity of the rival parties – the putative alternative governments of the day – to solve the major policy problems facing the country. The Frosts, in short, were interested in performance, and when they made their assessments of the likely performance of various parties, they paid close attention to the qualities of the party leaders. For Charles, Margaret Thatcher’s resolute leadership in the Falklands campaign combined with her chancellor’s management of the economy were enough to convince him that the Conservatives were the competent party. His view remained unchanged until September 1992, when the Major government was obliged, in humiliating circumstances, to remove sterling from the European Exchange Rate Mechanism.

By 1997, both Charles and his daughter were convinced that Labour and, especially, Tony Blair now offered the best prospect of providing the sound political judgment that effective government requires. Charles and Isabella’s continuing conviction that Labour was best able to address major problems confronting the country led both of them to vote Labour again in 2001, a conviction, notwithstanding his doubts, that remained with Charles through to 2005. New Labour’s record on the economy and the funding it generated for important public services such as healthcare and education were just too strong to deny. However, for Isabella, Tony Blair’s failure to understand the
damaging consequences of his gamble in supporting George Bush in Iraq demonstrated that the Labour leader had lost the capacity for wise judgment that had characterized his earlier years, first as opposition leader, and then as prime minister. In her mind, Blair’s image had been irreparably tarnished and she was no longer prepared to support him or his party.

But, if perceptions of competence mattered in all of these changes in preference, there was one example where competence perceptions were not quite so important. In deciding to vote for the Liberal Democrats in 2005, Isabella was moving away from a calculation about performance. She knew from the opinion polls that there was little prospect of the Liberal Democrats forming a government after the general election. However, having rejected Labour on competence grounds, she voted for the Liberal Democrats because they adopted a position that was very close to her own on the issue that mattered most to her, the war in Iraq.

All of the calculations that Charles and Isabella were making reflect two distinct, but related, forms of voter rationality. Calculations about judgment, competence and performance – about which party and which leader are best able to address the problems of the day – are well described by the valence model of electoral choice. In this account, large majorities of voters agree about what government should provide – a strong economy characterized by low rates of inflation and unemployment, a panoply of well-funded and well-functioning public services in key areas such as healthcare, education, housing and transportation, a clean and healthy environment, protection from criminals and terrorists, and a secure, stable international order – but they disagree about which party is best able to achieve these consensual policy goals. People vote for the party that they think is most likely to deliver the mix of policy outcomes that are widely seen as ‘good things’.

When making their choices, voters rely heavily on their party identifications and their images of the party leaders. In a world where political stakes are high and uncertainty abounds, partisan attachments and leader images serve as cost-effective heuristic devices or cognitive shortcuts that enable voters to judge the delivery capabilities of rival political parties. Open to new information, voters revise their party identifications and leader images in light of ongoing performance evaluations.
The second form of rationality, evident in Isabella Frost’s decision to support the Liberal Democrats, derives from the spatial model of electoral choice. According to this model, the issues that matter in politics are ‘pro–con’ ones that divide the electorate. Voters and parties adopt positions on these issues. People then vote for the party that is closest to them on the issue or set of issues that matter most to them. In Isabella’s case, Labour and the Conservatives both supported the war but the Liberal Democrats opposed it. She had already decided on valence grounds that she could no longer vote for Labour. In her mind, Blair had misled the British public about Iraq and the results had been nothing short of disastrous. In turn, this led her to mistrust the Labour leader and to lose faith in his party’s general policy-making capability. Then, she made a positional calculation to vote Liberal Democrat because they were the party closest to her on what she believed to be the most important issue of the day.

In making her decision, Isabella had arrived at the same point as her friend, Annie. Both abandoned Labour in 2005. But Annie had made her decision differently. The youngest daughter of long-time Labour activists who had marched in CND rallies in the 1960s and an erstwhile Labour identifier and party member herself, Annie had been strongly opposed to the Iraq War from the outset. For Annie, like her parents, launching a war was not an acceptable means of conflict resolution. It was immoral to make a pre-emptive military strike that risked the lives of thousands of innocent people. After demonstrating against the war to no avail, she angrily tore up her Labour membership card and sought an anti-war alternative. Whether the Blair-led Labour government could win the war, let alone secure the peace, was irrelevant.

After listening to Isabella, Annie thought about voting Liberal Democrat in 2005. It was true, as Isabella argued, that Mr Kennedy and his party had been consistent opponents of the war. But, it was equally true that they had no chance of winning. They might capture a few more seats, but that was it. Other anti-war parties like the Greens or Respect were also sure losers. Voting for them was simply a waste of time. Since there was no viable anti-war party, Annie decided to stay home on election day. Unconvinced that she had a duty to vote regardless of the choices on offer, she wondered whether there might be other ways to make her voice heard on major issues. There surely had to be more to British democracy than just parties and elections.
The aims of the book

This book has two principal aims. One aim is to describe and explain major developments in British electoral politics that occurred between 1997 and 2005, and in particular the loss of popular support that Labour experienced between 2001 and 2005. As Figure 1.1 shows, although the Conservatives failed to gain much electoral ground in 2005 – increasing their UK vote share by less than 1%, Labour suffered a substantial loss, falling from 40.7% to 35.2%. In contrast, the Liberal Democrats made gains, moving upward from 18.3% to 22%. And, although the combined nationalist (SNP plus Plaid Cymru) vote was slightly down, the total share for all ‘other’ parties reached 10.4%, the highest on record. In accounting for these changes in party fortunes, we pay particular attention to the way in which the attack on the World Trade Center in September 2001 transformed the issue agenda of British politics. We also examine the pivotal role the Iraq War played in damaging Tony Blair’s image and Labour’s electoral fortunes.

Another feature of our analysis involves factors affecting electoral turnout. As Figure 1.2 indicates, the 2005 election was characterized by
a very modest recovery in turnout (1.8%) after the sharp declines that occurred in 1997 and especially in 2001. In 2005, turnout remained down over 16% compared to what it had been in 1992. Despite a closer ‘horse race’ between Labour and the Conservatives, many people – especially young people – did not go the polls. We explore why some people decided not to cast a ballot, and investigate whether nonvoters are turning to other political activities or abandoning politics altogether. We also place the British findings in comparative perspective by examining patterns of electoral turnout and other forms of political participation in several European democracies.

Our second aim is more ambitious. In Political Choice in Britain (Clarke et al., 2004b), we demonstrated that explanations rooted in individual rationality provide far more compelling accounts of voting behaviour and the dynamics of British electoral politics than do explanations based on social forces associated with membership in groups defined by characteristics such as ethnicity, gender or social class. We also demonstrated that valence calculations about the performance capabilities of rival parties have provided a more powerful statistical explanation of British voting behaviour over the past

Figure 1.2 Voting turnout, United Kingdom, 1945–2005 general elections (Source: Kavanagh and Butler, 2005: Appendix 1)
fifty years than *positional* calculations based on positions on specific issues or more general ideological dimensions. In this book, the theory of valence politics is developed in three main ways. First, we specify more precisely what valence calculations entail. Second, we investigate sources of valence judgments to establish why people conclude that one party rather than another is better able to deliver effective performance on key valence issues. Third, we argue that valence judgments can help to explain more than just party choice. Valence considerations also affect people’s turnout decisions and how they evaluate the practice of democracy in contemporary Britain.

**The New Labour story**

Labour’s victory in the May 1997 general election silenced years of debate about the party’s future. After eighteen years in the political wilderness, years when Labour was viewed by many people as incapable of governing, there was a new determination among the party’s activists and MPs that the New Labour government must demonstrate – and must be allowed to demonstrate – its ability to govern Britain effectively. That determination paid off. Throughout the 1997 parliament, with the brief exception of the September 2000 fuel crisis, Labour’s and Tony Blair’s opinion poll ratings consistently outdistanced those of their rivals. The Blair government behaved prudently in managing the economy; ambitiously in increasing expenditure on education and health; boldly in introducing constitutional reforms in terms of Scottish and Welsh devolution and the Human Rights Act 1998; and courageously (and successfully) in its military commitments in Bosnia and Kosovo. Labour received its due reward in June 2001 with a second landslide election victory. Then, on 5 May 2005 – in the first British general election held in the post 9/11 era – the party won a historically unprecedented, third consecutive parliamentary majority.

Unlike 1997 and 2001, the 2005 election was not ‘a sure thing’. When the campaign began, Labour and the Conservatives were running ‘neck and neck’ in the polls. Labour was ahead, but its lead was slim and often within the statistical margin of error. There was serious media speculation about the possibility of a hung parliament. The enthusiasm that had accompanied New Labour’s rise to power eight years earlier was noticeably absent. The economy remained healthy,
but the mix of salient issues in 2005 was very different from what it had been in 1997 and 2001. To make matters more difficult, Blair was much maligned by friends and foes alike for his insistence that Britain join the United States in what many judged to be an ill-advised military adventure in Iraq. In the event, Labour emerged victorious, although its extremely mediocre vote share (35.2%) and reduced percentage of seats in Parliament (55% compared to 63%) gave the party faithful little cause for celebration. The bloom had clearly faded from New Labour’s rose and yet the party managed to hold on to power. Why and how did this happen?

The credit and debit sides of the equation are not especially difficult to assemble. To its credit, Labour had continued to manage Britain’s economy very effectively. Inflation and unemployment remained low by historical standards, and the economy had grown year on year throughout Labour’s first two terms in office, the longest period of continuous economic growth on record. Although government borrowing was relatively high, Chancellor Brown had successfully operated within his ‘golden rule’ of ensuring that government revenues and expenditures were in balance over the course of the economic cycle. Moreover, this balance had been achieved at the same time as spending on health and education had increased substantially.

Labour’s achievements in the first of these fields – the economy – were duly recognized by the electorate. As we report in subsequent chapters, Labour was widely seen as the party best able to manage the country’s economic affairs. Also, although Labour did not receive especially high grades from the electorate as a whole for its stewardship of the health system, education and other public services, among those who gave priority to those issues, the party had a clear edge over its rivals. By constantly reminding voters of its successes on the economy and public services, Labour’s advantage on these issues grew over the course of the 2005 election campaign.

Advantaged on some, but by no means all, important issues, Labour’s key strengths in the run-up to the 2005 election were its continuing superiority on two key valence considerations of party identification and leader evaluations. In Political Choice in Britain (Clarke et al., 2004b), we demonstrated that party identification, or partisanship as it is often called, has dynamic properties. It is not an ‘unmoved mover’ in the storied ‘funnel of causality’ (Campbell et al., 1960) leading to the vote. Rather, to echo Fiorina’s (1981) felicitous