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PART I

Politics and government

1

The Blair premiership

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There is no doubt that Tony Blair has been a considerable figure in British and Labour party politics. He led Labour to three successive general election victories and is the party's greatest election winner. His governments form one of three successful progressive administrations since 1906. He has been a successful Prime Minister, who has set a new path for the public services and leaves Britain a better place than he found it in 1997.

But beyond those accomplishments, how considerable a figure he was and whether he could have left a larger mark are still unresolved questions, and this after more than a dozen biographies and hundreds of essays and articles. The interest has been and continues to be remarkable. Of prime ministers over the last century only Lloyd George, Churchill and Thatcher have commanded such attention. In that respect at least Blair is in the top rank.

To disappoint was probably always going to be Blair's fate, no matter how successful he was. In 1997 the opportunities seemed so immense. Of all the post-war new governments (1945, 1951, 1964, 1970, 1974 and 1979) none was as fortunate as Labour in 1997. Virtually all were hampered from the outset by a weak economy and/or a narrow or non-existent majority in parliament. But in 1997 Tony Blair was blessed with a strong economy and a large majority in the House of Commons. The Labour Party and the cabinet were gratified that their hunger for office had at long last been satisfied and many attributed it to Blair's strong leadership. Brussels and the EU capitals looked forward to the young dynamic Prime Minister who would at long last positively engage with the EU. Blair also had good relations with the US President. For the first time in a general election Labour had been backed by a majority of the national newspapers. And the Conservative opposition was exhausted, divided and discredited. The bar for evaluation was set high.

A second reason for inevitable disappointment was the exaggerated sense of excitement and expectation in May 1997. Some of this was whipped

up by the incontinent rhetoric of Blair and his colleagues and some by an uncritical media. But none of the advantages mentioned above render such challenges as, say, family breakdown, declining economic competitiveness or climate change, any easier to tackle.

Harold Wilson in 1964 was the last Prime Minister to enter office after his party had been out of power for thirteen years and amid great expectations. He had also promised to build a 'new Britain', spoke of 'modernisation', and planned to make No. 10 'a powerhouse'. It was not a comforting precedent.

I

What did Blair find when he entered office? First, the reputation of the premiership was at one of its low periods. John Major, beset by a tiny and unreliable majority, and badly damaged by the experience of British membership of the ERM and attacks by his predecessor and much of the Conservative press, lacked authority. Blair taunted him at the despatch box in 1995: 'I lead my party – he follows his.' Much of his electoral appeal lay in his promise of strong leadership and willingness to challenge his party. Major was very much a negative model for Blair.

But from 1994 when he became party leader he was also reacting to previous Labour prime ministers. He noted (or was told) that Harold Wilson and James Callaghan had to balance cabinet appointments between left and right in the interest of party unity, that they were forced to negotiate with the NEC and the trades unions over key policies and that a new Labour prime minister had to appoint to cabinet members of the shadow cabinet elected by MPs. Labour leaders were constrained by the party's constitution and ethos, both shaped when Labour was a minor party with little prospect of ever forming a government. There was a certain immobilism about Labour in the 1970s (Blair joined the party in 1975) and 1980s. A number of policies were simply 'unthinkable' for a Labour leader, including rewriting Clause 4 of the party constitution, which committed the party to widespread public ownership.

Labour rode the public mood for change on many fronts in 1997. There was widespread agreement on the need for constitutional reform, more investment in and reform of the core public services and investment in the country's infrastructure, improving Britain's poor relations with Europe (although this did not involve a wish for more integration) and ending the sleaze associated with the outgoing Conservative government. But, in other respects, notably economic management, there was no great

call for change. Overall, voters concluded that the Conservatives after eighteen years in office had outstayed their welcome and thought it was time to give Labour a chance. Blair offered change but with reassurance. Other chapters in the book examine the extent to which Blair ended in credit on the above.

Not everything started with Blair. He inherited most of his constitutional programme from the previous Labour leader John Smith. Indeed, Andrew Gamble has argued that the programme was less a new agenda than the completion of an agenda dating back a hundred years. His achievement in bringing peace and a semblance of 'normal politics' to Northern Ireland built on the work begun by John Major. Gordon Brown's successful low-inflation policies continued the approach of the previous government; Peter Riddell suggested that an economist from Mars 'would conclude that the same government had been in charge throughout the second half of the 1990s'.

There is a certain shape and character to Blair's three terms of office. He has expressed disappointment with the first 1997–2001 term. This was when his political capital was at his highest but by 2001 he had little to show for it, beyond preparing for and winning a second term. The public service reform agenda hardly existed, certainly in the form of increasing choice and diversity. The Conservatives' health service internal market and city technology colleges were scrapped, before being effectively recreated in the second and third terms with different names – adversary politics at its worst. There were many 'headline-catching initiatives' and No. 10 and ministers acquired a reputation for putting presentation before substance. In the first twelve months ministers created nearly 200 task forces, inquiries and Royal Commissions; most proved to be substitutes for action.

Blair planned for the second term to be about 'delivery' of the reforms and improvements in public services. Instead he was thrown off course by the 9/11 attack on the Twin Towers and the consequent war on terror, Iraq, and a running battle with Gordon Brown over the succession and policy. He reached a stage when he thought about standing down in 2002 and eventually promised in September 2004 that, if elected again at the 2005 general election, he would not serve beyond a third term. Lack of progress in Iraq and controversy over whether Blair had lied or misused the intelligence to make the case for war was deeply damaging to him personally and politically. He continued to struggle with reform but with depleted political capital and facing increasingly rebellious Labour MPs.

In the third term an attempted coup by Labour MPs in September 2006 confirmed in his own mind a decision he had already made in May of that year to go in the summer of 2007. But he pressed on with reforms of pensions, energy, disability benefits, criminal justice, and trust schools (relying on the support of Conservative MPs). At the end there was a smooth and orderly handover to Gordon Brown and the Labour left had been so marginalised in parliament that it could not raise the forty-two MPs necessary to nominate a candidate to force a leadership election.

Blair speaks with pride of his record over ten years in office and expresses confidence that the ideas of New Labour are now accepted across the main political parties. But he might reflect that he could have done more if: (a) his relationship with his Chancellor had been more harmonious or if the latter had been willing to defer to his authority; (b) if he (alone among leaders of social democratic parties) had not allied himself so closely over the war on terror and Iraq with President Bush and his neo-conservative team; and (c) been bolder in his reform of public services much earlier.

II

Blair's ideas about the premiership were shaped more positively by his experience as Leader of the Opposition. His leadership as Prime Minister was marked by:

- a. a stronger political direction from No. 10, substantially increasing the size and influence of the political office, policy unit and press office. The number of political appointees in No. 10 grew from 8 to 28.
- b. new units, focusing on policy innovation and implementation, such as the delivery unit and strategy unit, and an expanded Cabinet Office. The Cabinet Office focused more on driving through No. 10's agenda and less on acting as a broker between departments and overseeing the smooth working of the cabinet system. A senior No. 10 figure said to the author in 1998: 'We want the Cabinet Secretary [then Sir Richard Wilson] to be our chief whip in Whitehall.'
- c. a larger and much stronger media apparatus, eventually leading to the creation of a Strategic Communications Unit and Research and Intelligence Unit to complement the Press Office. To cope with the 24/7 media, the communications team was more political and proactive than hitherto. Blair attributed New Labour's success as a campaigning operation in large part to the effectiveness of its communications arm.

d. listening to voters rather than the party. As in opposition he relied on the views of the median voter (obviously to the political right of Labour trade union activists and the annual party conference). He used focus groups and opinion polls, rather than party institutions, to keep him in touch with the 'centre ground'.

As leader Blair in part built on existing trends and in part responded to changing circumstances, a mix of pressures and opportunities. Richard Rose¹ argues that he has fashioned a new-style premiership. The features include: working with circles of confidants and advisers in No. 10, regarding cabinet and formal meetings as often unproductive; spending less time in the House of Commons; taking more time to manage the media and appear live on television. Blair's scant regard for cabinet in the first term was shown by the brevity of meetings. The importance he attached to parliament is reflected in how little time he spent there, although that continued a trend among prime ministers over recent decades.

Over time Blair has learnt the limits of prime ministerial leadership. Academic analysis now shares with business models less interest in zero-sum ideas of power and more in models in which the leader and his team share power with other key actors (such as ministers, senior officials, the Treasury, the Cabinet Office, etc.) in a core executive; resources are traded and the relative power of the Prime Minister and other actors depends on the particular issue and circumstances.

For such a so-called presidential figure Blair was blocked in key areas. The Chancellor carved out a measure of autonomy hardly ever achieved by a minister. Certain departments were regarded as Brown preserves, certain ministers regarded as Brownites, and No. 10 staff complained that on occasions there was almost a separate whipping operation. Across much domestic policy Blair shared power with Gordon Brown. Brown unilaterally took control of entry to the euro ('our destiny', according to Blair) by announcing that it would be an economic decision. The Treasury decided on the five tests that had to be satisfied for entry and conducted the studies. Blair found Brown as niggardly in providing information on the work as he was in giving advance details of his Budgets. According to well-placed sources Blair was so committed to entry that he offered to surrender the premiership in return for Brown's support for membership. He failed to achieve entry, a policy central to his goal of putting Britain at the heart of EU decision-making.

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

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In domestic policy the Treasury and No. 10 were often at odds after 2001. Brown's opposition to foundation hospitals (involving a letter circulated to the cabinet outlining his disagreement with the Prime Minister's policy) and academy schools meant that the final schemes were severely watered down. In both health and education Treasury opposition to Blair's agenda of diversity of suppliers and choice for consumers was supported by a number of Labour MPs. Not until 2006 and 2007 was Blair able to curb Brown's passion for means testing and tax credits and effect compromises on pensions and disability benefits.

Not surprisingly, Blair was pressed by many of his entourage to demonstrate his authority and sack or move Brown from the Treasury. Some of his staff in late 2004 and early 2005 argued that this would be necessary if he was to rescue or further his domestic reform agenda. Blair and his staff held discussions about moving Brown and plans were prepared to split the Treasury after the 2005 general election. Blair did not act, regarding both as politically impossible after the 2005 general election: one reason for his feeling deflated for a time after the election result was that it had not given him the mandate to move against the Chancellor. His unwillingness to move was remarkable testimony to Brown's power. Only the Wilson–Callaghan government (1974–9) and Churchill's administration (1951–5) had a single Chancellor. Margaret Thatcher had three and Major two Chancellors. What was sometimes called a dual premiership was inherently destabilising; the tensions between the rival tribes of No. 10 and No. 11 wasted so much energy. A senior official who worked closely for both men reflected sadly; 'When you think of everything they could have done together the conflict preventing them is just the most extraordinary waste.'

Despite the continued attempts to resource No. 10 so that it could drive departments and draw up public service targets, impose reviews of policy under Lord Birt, and hold bimonthly bilaterals with ministers in key departments to monitor progress, Blair was often frustrated. Senior officials sometimes commented that Blair (who had no prior departmental experience) and his staff seemed to have little idea of how departments worked. The departments are better resourced in staff, budgets and expertise than No. 10 and after the departure of Derek Scott from No. 10 in 2003 Blair had no economic adviser. He had become aware of the limits of central control. Charles Leadbeater and Peter Hyman, both of whom had worked for Blair, reported after they left Downing Street on how the great expectations of No. 10 are often wrecked on the front line. Appearing before the Liaison Committee in 2002 Blair admitted: 'After

five years in government. I know only too well that passing legislation or making speeches will not solve vandalism on estates, raise standards in secondary schools, look after the elderly at risk. Indeed the state can sometimes become part of the problem.' He could echo Hotspur's rejoinder to Glendower's 'I can call spirits from the very deep', 'But will they come when you do call for them?'

Over twenty years ago Sir John Hoskyns, the first head of Margaret Thatcher's Policy Unit, challenged the belief that the gene pool of the majority party in the House of Commons was large enough to find the staff to run a modern government. Blair may have had less ministerial talent at his disposal than Attlee (with Bevin, Bevan, Cripps, Morrison and Gaitskell) or Thatcher (with Howe, Hurd, Lawson, Clarke, Patten and Heseltine). He had Brown and for a time Blunkett, but after that it is hard to make a positive case for the rest.

The drive for public service reform came almost entirely from No. 10. He was aided by a few ministers and relied heavily on his principal private secretaries, Jeremy Heywood and Ivan Rodgers, on Policy Unit heads Andrew (now Lord) Adonis and David Bennett, and on advisers Simon Stevens and Paul Corrigan for health. In forming his new government in 2001 he was determined to tackle the reform of public services, and he promised ministers in four key departments that they would remain in post for the duration of the parliament. Within two years three had, for various reasons, left and the fourth did not stay the course.

Blair, the greatest election winner in the party's history, has been an outstanding coalition-builder. Successful electoral leaders bring 'added value' to the party's normal vote. Since Margaret Thatcher and John Major in 1992 Conservative leaders have been unable to reach beyond the party's core vote. Until 1997 this was also a challenge for Labour, as the size of its base in the working class, trade unions and council estates was shrinking. Blair and the creators of New Labour knew that the party had to attract not only those who had left the party but those who had never voted for it. The target voters (those the party needed to win over) were female, in the south-east, homeowners, and among the aspirational working class who had switched to Margaret Thatcher. Blair has always courted the median voter. Even after ten years in office surveys report that voters still place Blair at the mid-point of the political spectrum, which is where most voters place themselves; they locate Brown and the Labour Party to the left of the centre. In the 2005 election Labour's share of the working-class vote was the same as in 1992 but was 11% higher among middle-class professionals.

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Blair broke new ground for the party; his big tent could include everybody. He appealed to business and the City and cultivated the Murdoch press. Lance Price, a No. 10 press secretary, claimed that Rupert Murdoch's influence on the government at times seemed to be second only to that of Blair and Brown. Blair dispensed with ideology, proudly proclaiming that he was in favour of what works. He shamelessly borrowed from the centre-right parties to call Labour the people's party or a one-nation party.

Like a number of former premiers, he has said that he wished he had been bolder. Yet he took risks with his party over top-up tuition fees, foundation hospitals, academies, public private partnerships and of course allying Britain with such a right-wing US President. He took the party beyond its comfort zone and this was reflected in the rise of dissent among Labour MPs, as Philip Cowley shows in chapter 2.

In 1997 New Labour transformed British election campaigning. It was so successful that the Conservatives have been trying to copy it. William Hague gave each member of his shadow cabinet a copy of Philip Gould's *The Unfinished Revolution. How The Modernisers Saved the Labour Party*,² with the inscription, 'Know Thine Enemy'. The book became a campaign manual for the party. But it was soon clear that if Labour's support was wide it was not deep. A consequence of the decline in party loyalty is that voting ties are often conditional and held lightly; the electorate is more volatile; and more voters are inclined not to vote at all. A downside of the big tent approach has been, as his former strategy chief Geoff Mulgan points out, that the government was reluctant to tackle a number of vested interests in the media, business and the City.

Tony Blair, like Attlee and Gaitskell, also public school-educated, was not born to the Labour Party; he chose it. But his determination not to be constrained by it and his impatience with the party's democratic procedures – again (like Whitehall) he dismissed as 'process' – have helped to de-energise the party. One needs to be careful here. Mass political parties have been in decline for some years across Europe and a spell in government often results in the weakening of the party, as Labour found in 1970 and 1979 and the Conservatives by 1997. Blair's approach to election campaigning, fund-raising and policy-making has allowed little influence to the party. His tendency to 'triangulate' policy positions between Labour traditions and the opposition encouraged him to stand apart from his

² Philip Gould, *The Unfinished Revolution. How The Modernisers Saved the Labour Party* (London: Little, Brown, 1997).

party. The 'third way' was a good example of finding a way between state socialism and free market conservatism.

Cabinet government rarely thrived under Blair. Compared with his predecessors, his cabinets met less frequently, were shorter and had fewer papers before them. Starting with the Bank of England decision ('They'll back it', he told the Cabinet Secretary when explaining why there was no need to discuss the important change of policy) and the perfunctory cabinet discussion to proceed with the Dome ('Let's back Tony', said John Prescott, the Deputy Prime Minister), Blair has preferred informal discussion, often un-minuted, in what has been called 'sofa government'. He has been impatient with Whitehall commitment to what he referred dismissively as 'process'. Lord Butler's report in 2004 on the quality of the intelligence before the Iraq War complained that Blair's approach suffered from 'a lack of reasoned deliberation', too much preoccupation with presentation, and 'too much central control'. The report also noted that although there were several cabinet meetings to discuss the decision to go to war ministers rarely saw the high-quality papers written by officials. Perhaps because he realised that his influence was waning, he did use the cabinet more during 2004 for the five-year plans, and again during his last six months in working on six policy commissions.

The number of policy failures would provide ample material for an updated version of Paul Ormerod's *Why Most Things Fail*.³ Over the Blair decade the Audit Commission and the House of Commons Public Accounts Committee have gathered a rich harvest of failed initiatives. Just a sample would include: expensive IT disasters; hardship caused for poor families by errors in the working families tax credit system; several costly reorganisations in the health service, schools and examination systems and the Home Office; failure to build more prisons to accommodate the rising number of offenders consequent on the scores of offences created by over fifty law-and-order measures; and the chaos caused by the introduction of the online schemes of application for training places for junior doctors.

Promising to be purer than pure in the wake of the damage that allegations of sleaze had done for the Major government, Blair made a good start with a reform of party finance. But the Ecclestone donation to party funds and the exemption of his Formula One from the ban on cigarette advertising, down to the Labour loans scandal (and keeping them secret from the party treasurer) destroyed Blair's reputation for transparency.

³ Paul Ormerod, *Why Most Things Fail* (London: Faber and Faber, 2005).