How Parties Behave:

The Role of Strategy in Contemporary British Political Parties

Stephen D. Barber

A thesis submitted in partial fulfilment of the requirements
of London Metropolitan University for the degree of

Doctor of Philosophy

London Metropolitan University

September 2003

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Contents

Abstract

This thesis uses the concept of strategy derived from management theory to study parties in Britain during the contemporary period. It discusses the concept, nature and role of party strategy in British politics, introducing a new way of discovering how parties behave and making original observations of historical events.

This thesis tackles party strategy in contemporary British politics in a number of interdisciplinary ways. It draws a theoretical definition of strategy from the management literature, suggesting that: *strategy is about forming objectives given resources available and carrying out a plan to achieve those objectives with a pattern of consistency over time.* Rejecting rational concepts that parties' purpose is purely to win votes and hold office, the thesis nevertheless accepts that parties exist in part to fight elections. Drawing on the *Ashridge mission diamond* and making use of Budge's *office seeking* and *policy pursuing* model a theoretical view is formed that the strategic objectives of parties sit someway between Budge's two conceptual extremes, qualifying the latter with the idea of constructive and destructive policy pursuing parties and forming an idea of an organisation's mission.

This thesis is a study of contemporary British politics. Drawing on political history and taking a comparative case study approach, the project describes strategic behaviour in three arenas: leadership and organisational culture; the creation of critical mass, momentous, electoral support; and the state of strategic disorder when the party endures a failure of direction. Original qualitative research was undertaken to support this approach in the form of combining existing literature from both politics, history and management fields with party documents and illuminating interviews and correspondence conducted with a series of politicians close to the events described.

The study compares the strategic leadership and organisational culture of Labour between 1983-87 and 1994-97, demonstrating the ease with which strategic implementation was possible by the leader in the latter period compared with the earlier. The study compares the critical mass strategy approach to elections in 1979, 1992 and 1997 to consider how parties behave when their objective is to win convincingly in a general election by creating a momentum of support. The study compares the strategic disorder in the Labour party under the leadership of Michael Foot and the Tory party under John Major and William Hague, setting these against the experience of Margaret Thatcher's first government which was able to implement a strategy successfully by being seen to deliver and being sufficiently flexible to allow strategy to emerge.

A more substantial case study, examining the strategy of the centre since the launch of the SDP in 1981, reinforces the thesis by taking the strategic themes and analysing them over a prolonged period. The case study demonstrates that the party strategy of the centre altered considerably, reacting to the strategies of the two larger parties.

The methodology of this thesis draws on the theories in management strategy and some debates in political science. Innovative in demonstrating displacement abilities and conducting empirical analysis, the primary advancement of this thesis is to apply management literature concepts to the study of contemporary British politics. By doing so, the thesis contributes to the interdisciplinary understanding of strategic party behaviour. It suggests an approach to the study of party politics and offers original observations and interpretations of historical events during the period.

Acknowledgements

Therefore, to gain a hundred victories in a hundred battles is not the highest excellence; to subjugate the enemy's army without doing battle is the highest excellence. Therefore, the best warfare strategy is to attack the enemy's plans, next is to attack alliances, next is to attack the army and the worst is to attack a walled city.[1]

Sun-Tzu, 4th Century BC

However beautiful the strategy, you should occasionally look at the results.[2]

Ian Gilmour quoting Churchill in Cabinet 23 July 1981

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[1] Sun-Tzu, <u>The Art of War</u>, translation by Sonshi.com.
[2] Ian Gilmour, 1992, <u>Dancing with Dogma</u>, Pocket Books. P 46. In reaction to the Treasury team's proposals to cut spending by £5bn

Introduction

The Role of Strategy in British Party Politics

Thesis Premise and Methodology

This thesis discusses the concept, nature and role of party strategy in contemporary British politics, introducing a new way of discovering how parties behave by relating the discipline to management science literature. Strategy is crucial to successful democratic party politics. Strategy can make the difference between triumph and failure, winning and defeat, flourishing and withering. Strategy is central to the efficient existence of a party as a functioning organisation. For these basic reasons, party strategy is a worthy topic for examination. Like so many countries, the party system in Britain is a competitive one. At a national level, parties contend with each other before the arbiters of the electorate and the ever-critical eye of the press. In such an environment, parties cannot expect to prosper without a robust and appropriate strategy.

Whilst party strategy is a vital element of British politics, there have been few attempts to critically assess the topic or to rigorously combine the nature of the subject, as developed by management theorists, with the realities of political history. This study addresses that breach by providing an examination of strategic issues which have faced contemporary political parties operating at a national level in Britain. Fundamental to the thesis is

testing the viability of party strategy as a topic and as a contribution to the study of contemporary British politics. The thesis takes an interdisciplinary approach, combining the theoretical elements of management and political science with the realities of contemporary British political history. The contribution is, therefore, both theoretical and descriptive in nature.

This thesis is a study of contemporary British politics. Since it necessarily deals with concepts, due reference is made to political science debates where necessary, but only insofar as surveying such debates enables the thesis to draw conclusions over issues related to strategy. The role of the thesis is to draw on the concepts to illuminate contemporary British politics, rather than analysing the concepts themselves. It is nevertheless, designed to develop the political scientist's understanding of the term 'strategy'.

In existing texts, strategy is usually thought of as that of organisations, a concept developed in the private sector. This thesis demonstrates the extent to which these ideas can be transferred to an examination of political parties' behaviour. It is not the purpose, nor is it appropriate, for this thesis to examine the full breadth of strategy as a theme itself or to assess critically the singular topic of strategy in a substantial way. There is a plethora of excellent books and articles, which dissect and analyse the concept of strategy. Some of these works will be used as the arguments develop, whilst others, though worthy, insightful and important will be passed over. The originality of research comes from taking concepts, thrown up by the strategy

literature, and to integrate them into a study of contemporary party politics, theoretically and empirically. This means inevitably that this thesis does not analyse substantially or add to the academic debate of strategy as it is currently understood but draws that debate into the study of contemporary party politics. As a subject, strategy has become a vast academic discipline and as a practice is considered the highest form of managerial reasoning. An industry has evolved around strategy where consultants, managers, analysts and academics define and redefine the topic. This thesis will not seek to challenge the concept of strategy and does not intend to produce any new conclusions concerning its theoretical definition. Rather, this thesis will draw from the existing subject matter to assess and explain the behaviour of political parties. By doing this, original theoretical observations of the nature of strategy in parties will be made in an empirical context.

Party strategy can be considered as an approach to the study of politics. This study approaches contemporary British politics from that very perspective. The thesis examines the unexplored idea of how real parties function from the perspective of strategy. The analysis set out in these pages is, therefore, a strategic one contributing, or indeed beginning, this academic discussion. If the thesis is not to be purely theoretical, it is a requirement that strategic behaviour is explored. The research methodology combines theoretical and empirical analysis, taking an interdisciplinary approach which combines strategy theories within management literature with the broader context of contemporary British political history drawn out in a case study approach. The

analysis is supplemented by dialogue with ten elite interviewees whose testimony punctuates the narrative bringing insight and clarification to the topic. This band of sitting or former MPs, MEPs, Cabinet Ministers, a Chancellor of the Exchequer, leading party figures, party managers and a party leader ensures that the theoretical elements of the subject are enriched and developed by an empirical interrogation of that which actually happens when parties or politicians form and execute strategies. The interviews supplement the broader analysis by providing first hand accounts of party behaviour. As original research materials, the interviews were structured such that genuine dialogue and probing with the informant was possible. Few other research methods offer this opportunity. The length of the transcripts is often indulgent. However, the text is left as unadulterated as possible for this and three other basic reasons. Firstly, the interviews work as interesting, stimulating and helpful set pieces; secondly, the anecdotal approach offers many insights into the workings of contemporary British politics and contrasts favourably with the theoretical elements of the topic; thirdly, it is only reasonable that if a question is asked, the answer is used as much in its entirety as possible and is not edited to suit the by-line. One advantage of studying the contemporary is the ability to undertake original research by interrogating the very people who made the decisions or who were close to events. In that sense, this study contributes to contemporary history to the extent that as a strategic political history, these pages highlight the major themes of the contemporary period. Using this comparative, historical, approach, parallels can be drawn highlighting events of importance otherwise

overlooked as commonplace or not previously interpreted for this purpose. The methodology combines the theoretical discussion with select case studies producing a series of narrow pieces of political history and important theoretical developments in the study of party strategy. Whilst the period covered is relatively specific, deliberately the thesis examines party strategy of contemporary politics rather than of an historically defined contemporary period.

There are limitations to the methodology. Principally, this thesis is able to discuss conceptual strategic models and apply them to the behaviour of political parties. The thesis cannot advance the theoretical field from which it draws strategic concepts. In terms of a contribution to historical understanding of party behaviour, there can be no comprehensive account of developments, only new observations about selected events. Further, it is unable to claim that these are models knowingly, deliberately and specifically employed by party strategists nor can it claim to offer a blueprint for parties seeking to establish a strategy. Nevertheless, the methodology is able to provide a complete and academic approach, enabling party strategy to be examined and original interpretations of events to be produced.

Chapter One

Introduction to Party Strategy

And

A Review of Strategy and British Party Politics

This thesis is a study of contemporary British party politics. It seeks to explain parties' real strategic behaviour. It is an appropriate theoretical beginning, to consider what is meant by strategy, for the purpose of this thesis. Since the politics literature is insufficient in this regard, the definition of strategy to be used is drawn from the management literature and uses the ideas of management theorists.

In reviewing briefly the available literature, this chapter discusses what could be meant by strategy. A discussion of resource and capabilities of political parties and their nature follow this. As an introduction to the work, it will set out the approach taken and the structure of the pages to follow.

Strategy and Political Studies

In some respects, the concept of strategy seems to be viewed with disproportionate importance to management theorists as it is to political analysts. Contemporary politics is littered with references to 'strategy' as an important term yet there exists limited clear understanding of strategy as a theoretical concept when party politics is being discussed. Management theorists, as is explored in the next section, have a sophisticated

understanding of the theory and practise of strategy, yet that understanding has not been applied to the behaviour of political parties generally or specifically and this has resulted in a paucity of academic literature considering strategy in contemporary British politics. This is perhaps because by entering the world of commerce and of management theory, strategy was to be guaranteed attention in academic circles, particularly in the United States of America where management science is an important and, perhaps crucially, well funded subject in the Universities[3].

The politics literature contains a wealth of analysis relevant to the examination of party strategy and is essential to this thesis. However, while it is commonplace to use the term[4], most of the recent literature, which discusses strategy, concerns itself with the communications abilities of a modern party machine. Margaret Scammell's *Designer Politics*[5] is one of the best examples of this, examining in detail the electoral campaigns of the major parties. Scammell contrasts with a book such as strategist Philip Gould's[6] inside account of the modernisation of the Labour party, which describes the process the party went through, over a decade, to ensure its

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[3] There is also a belief that during the days of US paranoia over communism and the feared left wing teachings in American Universities, funding the study of management science created a 'capitalist' bulwark. Management as a subject in its own right emerged from schools of economics during the post war period. See John Kay, "These are desolate times for the dismal science", Financial Times, 5/6/03.

[4] For instance, Phillipe J. Maarek, 1995, Political Marketing and Communication, John Libbey. Especially Chapter Two. Talks about 'marketing strategy' and explains the marketing process but does not explore the concept. Pippa Norris et al, 1999, On Message: Communicating the Campaign, Sage. Especially Chapter Four. Uses the idea of strategy and party objectives but is interested primarily in communications and concerns itself with the campaign.

[5] Margaret Scammell, 1995, Designer Politics: How Elections are Won, Macmillan.

[6] Philip Gould, 1998, The Unfinished Revolution: How the Modernisers Saved the Labour Party, Abacus.

message was heard. Gould, as another senior Labour figure put it privately, 'should be taken with a pinch of salt', at times since the account is highly self-promoting, ignoring the contributions of others. Nevertheless, it remains one of the only detailed inside accounts of effectively New Labour strategy. By comparison, Sarah Hogg and Jonathan Hill's book[7] covering much of the same period from their privileged position as advisers to John Major, documents the day-to-day manoeuvrings of a party in government. Other worthy contributions tend to focus on electoral battles, positioning and policy without focussed attention to the concept of strategy. Here the excellent Butler and Kavanagh series[8] examines each general election, their background, party positioning and analysis of results. Likewise, the journals offer a source of post and pre-election analysis[9] as do the newspapers whose journalists are able frequently to grasp an understanding of the realities of events. What is less evident from these studies is the nature or basis of party strategy and how parties behave.

Elsewhere, there is a considerable and established body of work on, voting behaviour[10]. This is a separate literature which forms part of the understanding of the political system. It does not, however, consider

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[7] Sarah Hogg and Jonathan Hill, 1995, Too Close to Call Power and Politics: John Major in No. 10, Little Brown.
[8] David Butler and Dennis Kavanagh, 2001, 1997, 1992, 1988, 1984, 1980, The British General Election of...., Macmillan.
[9] For instance, Martin Harrop, "The Pendulum Swings: The British General Election of 1997", Government and Opposition, Vol 32, No 3, 1997. John Meadowcroft, "Is There a Liberal Alternative? Charles Kennedy and the Liberal Democrat's Strategy", Political Quarterly, Vol 71, No 4, Oct – Dec 2000. Parliamentary Affairs, "Special Edition on the 2001 General Election", 2001.

specifically the concept of strategy. An examination of the concept of party strategy in terms of voting behaviour could form the basis of future research. Similarly, there is already an impressive and developing literature examining the role of policy programmes in party behaviour. The European Consortium for Political Research, Manifesto Research Group[11], led by among others Ian Budge, has amassed considerable data across a number of countries over many years. Analysis suggests important links between policies, electoral competition, party positioning and behaviour[12].

To examine party strategy is to be faced with the theorising literature of political science and the real world examinations of contemporary politics. Some consideration of 'strategy' can be located amongst the political science literature. Koeble and Kitschelt[13], for instance, both propose sophisticated and theoretical models of 'electoral strategy'. However, by 'strategy' both theorists are referring to positioning, how a party appeals to an identified electorate. This is insufficient for this study of strategy. While Kitschelt acknowledges the idea of achieving objectives, neither analyses meaningfully

[10] See for instance David Denver, 1994, Elections and Voting Behaviour, Harvester Wheatsheaf; David Denver and Gordon Hands (eds), 1992, Issues and Controversies in British Electoral Behaviour, Harvester Wheatsheaf.
[11] www.scw.vu.nl/~pennings/ECPR.htm
[12] See for instance, Ian Budge, David Robertson and Derek Hearl (eds), 1987, Ideology, Strategy and Party Change: Spatial Analysis of Post-war election Programmes in 19 Democracies, Cambridge.
[13] Thomas A. Koelble, 1992, "Recasting Social Democracy in Europe: A Nested Games Explanation of Strategic Adjustment in Political Science"; Herbert Kitschelt, 1993, "Class Structure and Social Democratic Strategy", in Steven B. Wolinetz (ed), 1998, Political Parties, Dartmouth.

party strategy itself. Rather, the works are both genuine contributions to theoretical spatial models of political science.

Elsewhere, among the theoretical commentaries, models and debates of party behaviour can be discovered. Theoretical concepts of party systems and party competition are intimately bound with the idea of party strategy[15]. Classics such as Downs, Hirschman and Dunleavy[16] play a part in an understanding of political parties, their positioning rationality and motivation. For this thesis, their usefulness is to acknowledge and make use of the arguments they engender in order that conclusions about party strategy may be drawn. Also useful are the works of academics such as Beer and Crick[17] who have explored respectively the nature of political parties. Despite the completeness of their contributions to the field of political science and their use to a discussion of party strategy, these studies have not established nor sought to investigate a concept of strategy.

An excellent source for the historian seeking to research party strategy is the biographical accounts provided by countless politicians who have been at the

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[14] See For instance Maurice Duverger, 1962, <u>Political Parties: Their Organization and Activity in the Modern State</u>, Methuen; Giovanni Sartori, 1976, <u>Parties and Party Systems: A Framework for Analysis</u>, Cambridge; Angelo Panebianco, 1988, <u>Political Parties: Organization and Power</u>, Cambridge. For an overview, see B.D. Graham, 1993, <u>Representation and Party Politics</u>, Blackwell. Chapter two.

[15] See For instance Maurice Duverger, 1962, <u>Political Parties: Their Organization and Activity in the Modern State</u>, Methuen; Giovanni Sartori, 1976, <u>Parties and Party Systems: A Framework for Analysis</u>, Cambridge; Angelo Panebianco, 1988, <u>Political Parties: Organization and Power</u>, Cambridge. For an overview, see B.D. Graham, 1993, <u>Representation and Party Politics</u>, Blackwell. Chapter two.

[16] Anthony Downs, 1957, <u>An Economic Theory of Democracy</u>, Harper & Row; Albert O. Hirschman, 1970, <u>Exit, Voice and Loyalty</u>, Harvard; Patrick Dunleavy, 1991, <u>Democracy Bureaucracy & Public Choice</u>, Harvester Wheatsheaf.

very heart of their respective parties' strategy and overseen its implementation[18]. Some of the most revealing accounts of the period may be derived from the publications of (in no particular order), Thatcher, Major, Healey, Jenkins, Ashdown, Heseltine, Howe and Lawson. Inevitably, as a source they have drawbacks and flaws: A politician is rarely attempting to offer an objective view of history, these books represent a defence of a career; they are frequently ghost written and with the benefit of the elapse of time; publishers' sales targets also mean that it is far easier for a politician who has sat in government to publish than it is for one who has occupied the opposition benches. Accounts are therefore more abundant covering the successive Tory governments than the successive Labour oppositions of the 1980s and 1990s. The same will doubtless be true of Labour in government post 1997 and the Conservatives in opposition. The most useful accounts are often diaries, those published by Benn and Ashdown being two of the most valuable for this period, with the latter including regular strategy *Position Papers* as an appendix. Even here motivations must be considered. For Benn it is a desire to leave behind a post-war political archive, a defence for the left. Whilst Ashdown must be believed for claiming the diaries were originally written for his grandchildren rather than publication (after all he struggled to find a publisher for the books written about his political vision in the late 1980s[19]), by the time he came to write up his post 1997 diary entries

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[17] Samuel H. Beer, 1982, Modern British Politics, Faber and Faber; Bernard Crick, 1992, In Defence of Politics, Penguin.

[18] Accounts of those close to, but removed from, events can also be revealing. See for instance the memoirs of former BBC Political Editor, John Cole, 1995, As It Seemed To Me, Weidenfeld & Nicolson.

[19] Paddy Ashdown, 1989, Citizens' Britain: a Radical Agenda for the 1990s, Fourth Dimension; 1994, Beyond Westminster: Finding Hope In Britain, Simon and Schuster.

which detailed his coalition discussions with Tony Blair, it is difficult to believe he did not realise he was sitting on an explosive political publication. These accounts are helpful in that they frequently describe a strategy being formulated, implemented or failing. Similarly, the vast array of general and specific historical accounts of the period must be tackled. Ranging from something as general as Sked and Cook's undergraduate text, *Post War Britain*; to Henry Pelling's and Eric Shaw's respective histories of the Labour party[20]; to the eloquently written *Whatever Happened to the Tories* by Ian Gilmour; Peter Riddell's and Hugo Young's respective histories of the Thatcher governments are essential reading; *The Progressive Dilemma* by David Marquand and Crewe and King's history of the SDP, all inform the topic and help to provide formative data for an empirical study of party strategy. Useful to the historian, one would not expect these books to discuss the concept of party strategy nor have they tackled the history of parties from a strategic perspective.

Since the existing literature offers an insufficient basis for the study party strategy in contemporary British politics, this thesis will fuse what can be learned from political and historical accounts with the body of work sitting within the management theory literature.

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[20] Shaw devotes three specific and useful chapters to Labour's campaign and communication strategy and describes carefully the 'strategic paradigm' but without analysis of the concept. Eric Shaw, 1994, <u>The Labour Party Since 1979: Crisis and Transformation</u>, Routledge. See P 59, Chapters 3, 6 and 8.

What is Strategy?

One discipline where there is overwhelming attention to the concept of strategy is amongst the management theory literature. By reviewing this literature, it is possible to produce a working definition of strategy for the purpose of examining party behaviour. This thesis is innovative in relating this literature to the study of contemporary British politics. However, given that the strategy literature is vast, this project is unable to advance the field of management science. It should be noted that the subject dates back as far as the fourth century BC when Sun-Tzu wrote *The Art of War*. The work remains in print today and is a classic in the field. Sun-Tzu was concerned with war and effective strategies with which to wage it. The work is still devoured because his words form the basis of modern strategy.

Sun-Tzu's writings will not influence this study directly in any meaningful way, but it illustrates the importance and durability of the subject. That Sun-Tzu had produced early theory to what is now a vast academic discipline demonstrates the depth of the subject and highlights the dangers in attempting to dissect and re-interpret it. This thesis does not seek to analyse the concept of strategy but rather to identify the mainstream debate amongst the management literature. Strategy is a concept of importance in many fields for hundreds of years. In a more contemporary setting, strategy developed from this wartime exigency before leaping into the everyday vocabulary of

business management. If nothing else, this proves the transferability of the topic. The language of war and of battle plans is also appropriate to that of competition and contention[21]. For that matter, this is the language of politics.

Where strategy is referred to in political science, it has tended to relate to the idea of positioning. While this is satisfactory for the sophisticated theoretical models proposed in that literature, management science has developed the idea into a body of work in its own right. Strategy is about more than merely positioning; a concept which is a natural starting point for strategic thought. One of the most prominent management theorists, Michael Porter, argues that while positioning is an essential part of strategy, it should be rejected as a definition for strategy since any competitive advantage can only be temporary as rivals can simply copy the position[22]. Whilst strategy is about handling competitive situations, there are theorists who hold that it is not a formal process. Indeed, Robert Grant suggests that in identifying successful strategies it is not uncommon to discover that those strategies never existed as a plan[23]. An essentially popular approach in a political sense, some strategists are content to put their faith in the market alone[24]. However, most contend, "strategy refers to those actions... plan[ed] in response to or in anticipation of changes in its external environment, its customers or its

[21] 'Strategy as war' remains a theme in modern management literature. See for instance J.P. Jeannet, 1987, Competitive Market Strategies in a European Context, IMEDE. This study draws on the military strategies of Baron von Clausewitz.
[22] Michael E. Porter, "What is Strategy?", Susan Segal-Horn (ed), 1998, The Strategy Reader, Blackwell/OU. P73.
[23] Robert M. Grant, 2002, Contemporary Strategy Analysis, Blackwell. P10
[24] See H.J. Einhorn & R.M. Hogarth, "Behavioural Design Theory: Process of Judgement and Choice", in D.E. Bell, H. Raiffa & A. Tversky (eds), 1988, Decision Making: Descriptive Normative and Prescriptive Interactions, Cambridge.

competitors."[25]   There is a good deal of agreement, across the literature, reflecting this sentiment. As Davidson puts it: "The aim of strategy is to achieve sustained advantage."[26]   In the highly competitive environment, strategy has become a necessity and "provides a direction for the whole [organisation], a yardstick against which any important decision...can be measured,"[27] according to consultant and writer John Harrison.   As a characteristic, strategy displays "a consistency of direction based on a clear understanding of the 'game' being played and an acute awareness of how to manoeuvre into a position of advantage."[28]   Furthermore, and importantly, strategy should be thought of as a process rather than an event[29] and as such is inherently a long-term process. Another consistent theme is that "strategy is concerned with the match between the internal capabilities of the [organisation] and its external environment."[30] As economics lends its theme of use of resources to strategic thinking, strategy may only be formulated and executed using the resources available to that organisation.   In defining strategy as a theory or a practice, the concept is limited always by existing or available structures.

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[25] Steven Silbiger, 1994, The 10-Day MBA, Judy Piakus. P310
[26] Mike Davidson, 1995, The Grand Strategist, Macmillan. P39
[27] John Harrison, interviewed, 1990, Strategic Management, Henley Distance learning.
[28] Robert M. Grant, 2002, op cit. P 10
[29] Arthur A. Thompson and A.J. Strickland, 1998, Strategic Management Concepts and Cases, Irwin/McGraw-Hill. P 16.
[30] John Kay, "Strategy and the delusion of Grand Designs", in "Survey - Mastering Strategy", Financial Times, 27/11/99. See also Robert M. Grant, 2002, op cit.

The management theorist Richard Whittington identifies four distinct schools of strategy to emerge since the 1960s[31]. Classical strategy epitomised by the work of the two Alfreds – Chandler and Sloan[32] - advocates top down planning. The approach is highly rational, positioning the organisation where maximum 'profits' might be earned. It involves keeping strategy detached from day to day management and here Sloan differentiates 'policy creation' and 'policy execution'. Organisation design is crucial for classical strategy to work because of its emphasis on the long-term plan. A work that cannot be ignored when discussing strategic implications on an organisational culture is *Images of Organization* by Gareth Morgan[33]. Morgan cuts through the theory of organisations and provides much of the backdrop for the discussion about party leadership and organisational culture in Chapter five. A variation on the Classical approach emerged in the 1990s. The Systematic school accepts the need for strategic planning, but crucially, pays attention to the economic and social environment.[34]

In the 1970s and 1980s, Evolutionary and Processual approaches challenged classical strategy's belief in the ability of top down planning. However, the schools themselves differ considerably in outlook. Evolutionists rely on the

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[31] Richard Whittington, 1993, What is Strategy and Does it Matter?, Thomson. For an enlightening examination of ten strategy schools (design, planning, positioning, entrepreneurial, cognitive, learning, power, cultural, environmental, configurative) see Henry Mintzberg and Joseph Lampel, "Reflecting on the Strategy Process", Sloan Management Review, Spring 1999, Vol 40, No 3. This could form the basis of further research.
[32] Alfred Chandler, 1962, Strategy and Structure: Chapters In the History of the American Industrial Enterprise, Cambridge. Alfred Sloan, 1963, My Years In General Motors, Sedgewick & Jackson. See also James D. Westphal and James W. Fredrickson, "Who Directs Strategic Change?", Strategic Management Journal, Dec 2001 Vol 22 No 12.
[33] Gareth Morgan, 1997, Images of Organization, Sage.

markets and theories of natural selection[35]. In a highly competitive environment, markets will select the 'best' product or strategy. The school, therefore, believes in differentiation as a key tool. Andreas Whittam-Smith, founder of the *Independent* and keen strategist, echoes this sentiment with the belief that "if you enter with innovation, you can hope to enlarge the market, provided the innovation is well chosen."[36]

The Processual school does not even believe in the market as an effective way in which to create strategy. Rather, its approach, epitomised by Cyert and March[37], is more cognitive. Processualists do not believe in pure efficiency of the unbound logic of man. Instead, their approach centres on the political bargaining involved where change is to occur in an organisation. They contend that organisations change piecemeal with tweaks and adjustments. The school is highly conservative and realistic. It accepts that real people, who have their own agendas and misgivings, staff organisations. These people must be pacified and carried if an organisation is to change. Organisations, therefore, evolve over time to form that which its leaders intended. The significant theme Bernard Crick's political classic, *In Defence of Politics*, is that democracies work by negotiation and cannot be thought of

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[34] M. Granovetter, "Economic Action and Social Structure: The Problem of Embeddedness", American Journal of Sociology, Vol 91, No 3, 1985.
[35] See B.D. Henderson, "The Origin of Strategy", Harvard Business Review, Nov-Dec 1989.
[36] Andreas Whittam-Smith, interviewed, 1990, Strategic Management, Henly Distance learning. See also Gary Hamel, "Strategy Innovation and the Quest for Value", Sloan Management Review, Winter 1998, Vol 39, No 2.
[37] Richard Cyert & James March, 1963, A Behavioral Theory of the Firm, Englewood Cliffs.

merely in terms of philosophy.[38] There is a parallel in the analysis of the management and political sciences in how any change can be implemented.

Each of these approaches must form the background to using the term 'strategy'. The consistent defining theme of strategy, across all of these approaches, relates to seeking advantage over the identified competition.

In their accessible study, Mintzberg et al, argue that this language alone is insufficient and that strategy requires five definitions[39]:

Strategy is a pattern   -   consistency of conduct over a period.

Strategy is a plan   -   a blueprint of action.

Strategy is a position   -   positioning the product in a given market.

Strategy is a perspective   -   the way in which an organisation does things.

Strategy is a ploy   -   a manoeuvre employed to outfox a competitor.

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[38] Bernard Crick, 1992, op cit.
[39] Henry Mintzberg, Bruce Ahlstrand and Joseph Lampel, 1998, Strategy Safari, Prentice Hall. P9-13

The first two definitions encapsulate the 'intended' and the 'realised' strategy, for they may be quite different. Mintzberg et al, write of emergent strategy, "where the pattern realised is not expressly intended"[40] which is an important part of understanding approach to strategy. Even where a strategy is planned, it should be allowed emerge and differ from premeditated patterns as the environment suggests. Strategy should not be entirely rigid in this respect. Definitions three and four are essentially the same but examined from a different perspective. An organisation will take what it already has and re-position to take advantage of the market.

This breakdown is useful in creating a workable definition although is wanting in two respects. Firstly, the structure takes insufficient account of the differences between 'Predicting' and 'Reacting'. Whilst it neatly splits intended, deliberate, unrealised, emergent and realised strategy, there appears too little attention at the very outset to the prediction of emergent strategy or the reaction to that which might cause intended strategy to become unrealised. As Ries and Trout argue:

> To every action there is some reaction on the part of your competition, even if it doesn't exactly duplicate your initial move...A good...strategy is one that anticipates the competitor's counterattack...Find a weakness inherent in the leader's strength and attack at that point[41]

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[40] Henry Mintzberg et al, 1998. op cit. P4
[41] Al Ries & Jack Trout, 1986, Marketing War-Fare, McGraw-Hill: New York. P 198

Secondly, Mintzberg's definition five, *Strategy is a ploy*, is not long-term and should perhaps not be considered as a strategy but rather as a *tactic.* Ries and Trout make an important distinction between the two.

> While strategy evolves from an intimate understanding of tactics, the paradox is that good strategy doesn't depend on superlative tactics... If the strategy is good, the battle can be won with indifferent tactics. If superb tactics are needed to win the battle, then the strategy is not sound. In other words, the company that relies on tactical brilliance is also relying on an unsound strategy[42]

Grant also emphasises this distinction with a usefully succinct definition. "Strategy is the overall plan for deploying resources to establish a favourable position; a tactic is a scheme for a specific action."[43] That is tactics are about the 'manoeuvres' of battle, strategy is about winning a war.

Elsewhere, economists have influenced strategy as and before the subject evolved into its current form[44]. In some respects, economics is symbiotic to strategy, as they are both concerned with resources from creation to deployment. Fundamentally, economics' interest is with scarce resources and it is here that strategy must also concern itself, for strategy may only be

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[42] Ibid. P 192
[43] Robert M. Grant, 2002, op cit. P 17
[44] As was noted previously, management science grew out of schools of economics as a post war phenomenon.

devised using the resources available. In respect of deployment, the interaction with the competition is germane. In 1929, Harold Hotelling wrote his celebrated paper, *Stability in Competition*[45]. In it he created the line of consumers, uniformly distributed, and predicted that all things being equal, companies would locate themselves in the middle since "no customer has any preference for either seller except on the grounds of price plus transportation costs"[46]. Similarly, Hotelling would suggest, a political candidate seeking election will position himself equidistance between the extremes of support. Hotelling's theory suggests that should one player who previously occupied the middle, move to the right, it is reasonable to expect another player to move up the line to maximise profit[47]. Hotelling's theory is highly theoretical and assumes a high degree of uniformity in both 'consumers' and 'commodity'. Nevertheless, this article formed the basis of one of the most controversial debates in political science, a view on which is crucial to a proper understanding of party strategy. The debate is therefore examined briefly from this perspective in chapter two.

The major problem with the economic approach is that it is based perhaps too much on reason. It assumes that all is operating at its most efficient and that errors are never made. "Economists focus their research on strategic interactions where all parties are achieving the most they can, and use the

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[45] Harold Hotelling, "Stability and Competition" The Economic Journal, Vol 39, Issue 153, March 1929.
[46] Ibid. P 45.
[47] Ibid. P 48

notion of equilibrium to avoid extolling mistakes or good luck."[48] This is perhaps why the economic theories in themselves are insufficient for practical strategists and why their greatest contribution is the power to analyse and influence strategy.

Something that economics of strategy highlights is that there is no one best strategy. The creation of the most effective strategy will depend upon the organisation itself. "Rather than urging everyone to adopt a universally applicable strategy, the assumption underlying economic research is that...the observed behaviour of a group of companies is optimal."[49]

The treatment of strategy here is selective, drawing on the literature of most use to this topic. The study of strategy is ultimately concerned with why organisations faced with the same environment, perform differently. The implementation of strategy is about ensuring that an organisation performs better than its competitors in achieving its objectives. In summary of the literature discussed, a working definition of strategy for the purpose of exploring party behaviour can be produced: strategy is about forming objectives given resources available and carrying out a plan to achieve those objectives with a pattern of consistency over time.

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[48] Fiona Scott Morton, "Why Economics has been Fruitful for Strategy", in "Survey – Mastering Strategy", Financial Times, 4/10/99.

Resource and Capabilities - The Nature of Political Parties

To examine real life party strategy, these theoretical approaches must be reconciled to the nature of political parties. The role of this thesis is to fuse the concept of strategy with the nature of political parties and history and provide a guide to their strategic behaviour. Strategy can refer to any objectives an organisation may have. To cover them all would be an impossible and tedious pursuit. This thesis refers to the broad overarching strategy of the party, meeting its primary objectives. As part of a definition, strategy is more than forming objectives; it is about implementing a plan to meet them. In a real situation, parties may only implement strategy given available resources and capabilities. As political science concedes, there is a gap in the literature considering how parties assemble resources[50] only recently tackled by Paul Webb[51]. Although individually, these are being addressed by academics such as Fisher, on party funding, Fisher and Webb on party employees[52], and Seyd, Whiteley Broughton and Richardson on party membership[53], there is limited consideration of these resources in the management science idea of resources and capabilities, or in relation to strategic abilities. A full exploration of party resources and capabilities is a

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[49] Ibid.

[50] Steven Wolinetz (ed), 1998, op cit. P xv.

[51] Paul Webb, 2000, The Modern British Party System, Sage.

[52] Justin Fisher, "Campaign Finance: Elections Under New Rules", Parliamentary Affairs, Vol 54, 2001; Justin Fisher and Paul Webb, " Political Participation: The Vocational Motivations of Labour Party Employees", The British Journal of Politics and International Relations. Vol. 5, No. 2, May 2003.

[53] P. Seyd, P. Whiteley, D. Broughton, 1990, "Study of The Labour Party Membership, December 1989 - May 1990"; P. Seyd, P. Whiteley, 1999, "Survey of Labour Party Members, 1997 and 1999"; P. Whiteley, P. Seyd, J. Richardson, 1992, "Survey of Conservative Party

thesis in itself and is beyond the scope of this project. This section will be limited to explaining that which is meant by resources and capabilities and considering briefly the elements of this concept which contribute to party strategy.

An important theme in the management literature, and one drawn out by Grant, is the concept of resource and capabilities of an organisation[54]. Strategy may only be discussed given the resources available and the capabilities of the organisation. The converse of this is the limitations of party in terms of its inherent nature. Grant defines an organisation in terms of what it is capable of doing. It is on this basis that he considers strategy. "Resources are inputs into the production process.... But, on their own, few resources are productive. Productive activity requires the co-operation and co-ordination of teams of resources. A capability is the capacity for a team of resources to perform some task or activity."[55] Prahalad and Hamel use 'core competencies' to describe strategic capabilities. That is the ability of an organisation to implement a strategy which cannot easily be imitated[56]. In this sense, core competences are those capabilities which are elemental to achieving its strategic plan. Collins and Montgomery agree, arguing that competitive advantage is linked to resources. This enables an organisation to

Members, 1992", UK Data Archive, (www.data-archive.ac.uk). The national studies examined the characteristics, attitudes, activism and experience of party members.

[54] Robert M. Grant, 2002, op cit. Chapter five. Grant is the major exponent of resource-based strategy which became the dominant paradigm of the 1990s. Previously, environmental fit was seen as a dominant theme.

[55] Robert M. Grant, "The Resource-Based Theory of Competitive Advantage: Implications for Strategy Formulation", in Susan Segal-Horn (ed), 1998, op cit. P 183

[56] C.K. Prahalad and Gary Hemel , "The Core Competence of the Corporation", in Susan Segal-Horn (ed), 1998, op cit. P 224.

perform better than a competitor. It follows that strategy should be built around resources which are superior to the competitors'[57].

For a party, strategic capabilities must refer to any objective which the organisation is capable of achieving. That might be, for instance, fighting a general election, but could quite easily relate to policy implementation. Core competence must be something it can do better than other parties. This is clearly more difficult. In examining party strategy thematically, this thesis will identify objectives and therefore capabilities of parties during the contemporary period. Whatever they are, a party is only capable of achieving those objectives given the available resources. For instance a party's objective may be to fight a general election but is only capable of doing that with the resources to fight sufficient Parliamentary seats. There may be a master strategist at the helm of the party machine, but without the resource of candidates, the party would be incapable of contesting an election[58].

Grant suggests six categories of resources for an organisation:

1. Financial

2. Physical

[57] David J. Collins and Cynthia A. Montgomery, "Competing on Resources: Strategy in the 1990s", Harvard Business Review, July-August 1995. PP 118-28.
[58] Indeed, Webb suggests that the resource of party is important in providing a stock of Parliamentary candidates. Paul Webb, 2000, op cit P 228.

3. Human

4. Technological

5. Reputation

6. Organisational

For party strategy, most of these resources can be dealt with briefly. Also, it is worth noting that there is crossover when compared to the categories proposed by Webb, who identifies party members, funding, and staff and policy assistance as types of party resource[59]. This thesis will consider Grant's categories although will be mindful of those suggested by Webb since there is little conflict in the ideas.

In Grant's study, Physical resources refer to plants, machinery and the raw materials of industrial life. Save for perhaps property in the shape of buildings and offices, such resources are rarely important to a party given that it does not produce anything in a commercial sense. Physical resources can be largely dismissed for the purposes of analysing party strategy. Committed party activists who will canvass and leaflet are an important practical resource but it does not form a major part of a theoretical discussion of party strategy and perhaps should be thought of in terms of human resources.

Technology as a resource would refer broadly to computers, databases, websites and electronic communications. Technology has played an increasingly important role in parties' abilities to fight elections, for instance

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[59] Ibid. P 218.

the Labour party's use of its much feared *Excalibur* computer system in the 1997 election. Inspired by the capabilities of the 1992 Clinton Presidential campaign[60], Labour's £500,000 Rapid Rebuttal System allowed the party to counter any Tory attack, with a full fact based report, within hours[61]. At its centre, Excalibur processed vast quantities of articles and documents. The system was perhaps more powerful in reputation than in use. During the campaign, the Attack Task Force found old-fashioned paper files easier to use such was the amount of irrelevant information in the computer banks[62]. It is perhaps for this reason that after 1997, Labour insiders advocated winding down the system while William Hague's Conservative opposition planned to install one[63].

Further, the internet is fast becoming a cheap resource for disseminating positions[64]. Here, Ward and Gibson have produced a detailed survey of candidate and local party use of the internet during the 2001 general election[65]. Although they are critical of the quality of online content, the coverage and effectiveness of the technique, such studies demonstrate the potential importance of technology to British politics. Nevertheless, technology is yet to become a major factor in party strategy. Perhaps of

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[60] It was introduced to Labour by Democrat Bob Mulholland, a proponent of negative campaigning. "Putting the Dirt Back into Politics", The Guardian, 31/5/01
[61] The management literature places emphasis on fast response capability as important to strategy. See G. Stalk, "Time - the next source of competitive advantage", Harvard Business Review, July-Aug 1988.
[62] Philip Gould, 1998, op cit. P303.
[63] "Falling on their word: a secret war is taking place inside the party over Labour's magic 'Excalibur' computer system", New Statesman, 18/7/97.
[64] David Farrell and Paul Web, 1999, "Political Parties as Campaign Organisations", Brunel University Discussion Paper.
[65] Stephen Ward and Rachel Gibson, "On-line and on message? Candidate websites in the 2001 General Election", The British Journal of Politics and International Relations, Vol. 5, No. 2. May 2003. PP 188-205.

some importance to a different study, it should remain a side issue for this examination.

Parties require funds to operate effectively. As a resource this means financial donations from party members, industry and trade unions. It might also include state subsidies, known as 'short money', paid to opposition parties to support front bench activities such as research and staffing[66]. Elections can be expensive operations and in the absence of state funding, raising cash is a necessary function of a party machine. The level of funds must, to some degree, determine how ambitious the strategy especially in terms of expensive resources such as communication. The number of staff, offices and research capabilities of a party are all limited by the monies available to pay for them. Election campaigns themselves are probably the single biggest and unavoidable cost a party has to face. However, contrary to the experience in the United States, say, where successful Presidential campaigns necessarily accumulate vast sums, in Britain financial resources of parties are not quite as crucial. Parties undoubtedly need funds. However, while some parties are able to raise more funds than others, none of the three main parties is able to fund election campaigns so highly as to exclude worse funded parties from competing effectively. Since 2000, national limits have been placed on the sums parties are permitted to spend. There is some good literature on the topic which informs any examination of party resources.[67] Webb, helpfully, produces a table of income and expenditure of the three main parties 1959-97 and charts demonstrating the growth of

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[66] See Paul Webb, 2000, op cit P 250.

spending in all parties during the period[68]. For the purposes of examining strategy, however, it is enough to consider that parties need financial resources if they are to implement a strategy.

Reputational resource is something of a minor, though significant, theme[69] which reappears occasionally throughout the text of this thesis. It can be thought of as the, not easily imitated, reputation a party might have with the electorate for efficiency or ability in a policy or managerial area. Chapter three considers the concept of portfolio strategy, the case study in Chapter six examining the 1992 general election returns to the idea. Since it appears elsewhere in this thesis, reputational resource will be mentioned only briefly here. A party is able to form a strategy based on its perceived skills, strengths and competencies and the perceived weaknesses of an opponent. It is only able to do this by relying on its reputation which, although may be long in establishment, can be lost rapidly. One very good example of this, which is examined in detail later, is the traditionally strong reputation the Conservatives have enjoyed for economic competence. Events in September 1992, when Britain was ejected from the Exchange Rate Mechanism, 'all but destroyed the party's reputation for economic competence. As a resource, reputation, can therefore be valuable and reflective of a core competence given that it is difficult for competitors to imitate. As an example of that which the management literature describes, the resource of reputation, if deployed in an effective strategy, is the essence of party capability.

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[67] Justin Fisher, 2001, op cit.
[68] Paul Webb, 2000, op cit. PP 232-235.

Human and organisational resources are perhaps of fundamental interest when considering political parties. This resource can be thought of as the party structure and the individuals who perform the various roles and functions of the organisation. This means party members from the leader, front bench team, Parliamentary party, constituency parties, ordinary members and staff. It is largely and inevitably upon these resources and their resulting capabilities that this thesis will discuss party strategy. Grant's emphasis on knowledge is a strategically important resource residing with individuals within the organisation and chimes with the suggestion of Webb's book that party members are an important resource for developing policy ideas[70]. The party must, therefore, apply the resource rather than create it.

This study considers party strategy within the environment of not only party comprisal but also the infrastructure of government and Parliament. Within Parliament and in the wider membership, Conservative, Labour and Liberal Democrat parties operate as broad mosaics of opinion. For instance, Labour after 1994 was a sometimes uneasy coalition of a dominant, *New* Labour at the top unburdened by statist principles of Labour past, supported by a Blairite mix of post 1997 intake of young career politicians, an old Labour left silenced by the memory of eighteen years in opposition and an old style Labour right concerned with civil liberties, social justice and public services but dispossessed by their more progressive scions. The Conservative party,

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[69] Tamela D. Ferguson, David L. Deephouse and William L. Ferguson, "Do Strategic Groups Differ in Reputation?", Strategic Management Journal, Dec 2000, Vol 21, No 12.
[70] Paul Webb, 2000, op cit. P 228.

certainly since shortly after even the 1979 general election (and certainly by 1987), has been characterised by a split between the increasingly aged and marginalized pro-European, one nation, interventionist grouping – what Margaret Thatcher would call wets – and a post Thatcherite, Eurosceptic right wing, concerned with pursuing a popularist tabloid agenda. After 1997 the split was between the 'liberal' modernisers personified by Michael Portillo and the traditionalism of Iain Duncan Smith. The Tories have always been a broad coalition of differing and distinct political outlook, driven more by pragmatism than ideology. Indeed the only distinct philosophy in a hundred years has been the 'monetarist', neo-liberal programme known as Thatcherism. Even the ostensibly united Liberal Democrats, divested of the 'beardy weirdy' image of the 1970s, form a coalition of Liberals and Social Democrats, of pro and anti co-operationalists which has existed since the days of Lloyd George[71]. The party even encompasses a broad spectrum of opinion in terms of economic and social policy from an almost Bennite left wing to that best associated with one nation Conservatism, passing Crossmanesque redistribution somewhere between the two.

By uniting the coalition, those divisions may become resources. By using those resources effectively, they may become capabilities and integral parts of party strategy. Strategy of political parties can be orchestrated from the top where the party senior operates within an atmosphere of collective responsibility. This concept has constitutional implications in terms of the

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[71] See for instance the debates in preparation of and following the 1929 general election: Ramsay Muir, Government under the Three Party System, Liberal Publication dept. Sept 1929.

Cabinet, but is also in existence, to varying degrees, in the front bench teams of all Parliamentary parties. Whilst all organisations are obliged to operate some form of collective responsibility, in politics the process involves uniting not only different opinions in terms of technical decisions, but embracing strands of political philosophy in order to maintain a human as well as organisational resource. An effective leader would seek to represent strands of opinion in the wider party within the leadership team. As a resource, a balanced and unified team can be a considerable capability. Effective 'big hitters' in Parliament, for instance, may not be excluded from the team almost regardless of their ability to carry out their brief, because of the human capability they champion and the organisational groupings they represent.

Despite their personal and political animosity, Margaret Thatcher found it impossible to exclude the likes of Michael Heseltine from her Cabinet, not only upon winning power in 1979 but while she was at the pinnacle of her power until his resignation in 1986. The vanquished Simon Hughes was afforded a senior portfolio after the Liberal Democrat leadership race in 1999. Hughes represented a different, but important, strand of opinion to Kennedy' within the party. Despite his old Labour pedigree, John Prescott's elevated position as Deputy Prime Minister and after the 1997 election as head of the super ministry of Transport, Environment and the Regions was assured because he was able to reach parts of the Labour party that Tony Blair could not. Whilst they may represent different opinion, as a collective resource it means the party is capable of more than if those strands were disunited.

Parties are different from commercial organisations. The nature of parties are not only derived from the sum of their parts but also the role in which they find themselves. In terms of analysing national political parties, at any one time at least one of the players will be required to form a government. This places quite different emphasis and responsibilities on each of the protagonists for a given period. One grouping will be required to manage day-to-day government and put their programme through Parliament, while the others will oppose and attack. This also means differing resource and capabilities of each of the parties. A party in government has considerable resources at its disposal, meaning core capabilities not easily replicated by opponents.

Furthermore, Parliament is often accused of being depressingly supine, particularly during the past century[72]. This means top down strategy is increasingly easy to implement in this area. As the journalist, writer and latterly BBC Political Editor, Andrew Marr confirms, "the most basic and in theory the easiest job in the Commons is of course to provide and sustain a government. This is done with the party system."[73] Backbenchers are an important human resource for a party, particularly one in government. During the debates concerning the Maastricht Treaty in 1991, Tony Benn, then MP for Chesterfield, displayed dismay with an elected and powerful assembly which was unwilling to upset the executive:

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[72] For a discussion of the condition of Parliament see Peter Riddell, 2000, Parliament Under Blair, Politicos.
[73] Andrew Marr, 1995, Ruling Britannia, Michael Joseph. P 116

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This Chamber has lost its confidence in democracy. It believes that it must be governed by someone else. It is afraid to use the powers entrusted to it by its constituents. It has traded power for status. One gets to go on the telly if one is a Member of Parliament. The Chamber does not want to use its power. It has accepted the role of spectator and joined what Bagehot called the dignified part of the constitution, leaving the Crown, under the control of the Prime Minister to be the executive part.[74]

The issue of Europe has proved to be a consistent exception, one way or the other. It is the issue which can be relied upon to produce an excited band of 'rebels' lining up to defeat their party line. However, this is the exception. Benn, it seems, is for once at one with Richard Crossman who observed some thirty years ago that, "the prime responsibility of the member is no longer to his conscience or to the elector, but to his party... Party loyalty has become the prime political virtue required of an MP, and the test of that loyalty is his willingness to support the official leadership when he knows it to be wrong."[75] This was reflected most starkly during the debates over war with Iraq in 2003 which eventually led to a huge rebellion of Labour backbenchers but many who continued to support the government against their better judgement.

So, the government of the day can usually get its business through the Commons with considerable ease. However, for the strategist, the

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[74] Tony Benn MP, 20/11/91, Hansard, Issue No 1572, Column 335, HMSO.
[75] Richard Crossman, "Prime Ministerial Government", in Anthony King (ed), 1969, The British Prime Minister, Macmillan. P156

responsibility of forming a government means also that as a resource it is no longer always 'capable' of positioning the party in the optimum position of support along Hotelling lines. Sometimes decisions must be taken in government whether they be popular or cause widespread resentment. There is of course a role for strategy here – perhaps one of vital importance – for the ruling party. There will also be a role for strategy in the opposition parties, who must react correctly to the government's chagrin. This is only possible within the human and organisational resources at the party's disposal.

Reviewing the management literature, strategy has been defined as being about forming objectives given resources available and carrying out a plan to achieve those objectives with a pattern of consistency over time. Addressing a gap in the politics literature, this chapter has also related the management theory concept of resources and capabilities to party strategy. It may also form the beginning of future research.

Thesis Structure

This thesis explores the concept of party strategy, its role in contemporary British politics and provides a strategic guide to the behaviour of political parties. Drawing on the management literature, this chapter has established a working definition of strategy and forms the bedrock upon which an examination may proceed. Political parties operate within a highly

competitive environment, one in which every action is observed, attacked and counter-attacked. Strategy is concerned with competing at the optimal level by assessing the environment and making best use of resources available. To this extent, strategy, as described, lends itself to the study of politics.

This thesis is innovative in relating strategy as a management literature concept to the behaviour of parties during the contemporary period. Strategic behaviour is only possible where the nature of the organisation, its objectives and resources are identified. To reach the point where examination of party strategy is possible, there is first a requirement to form a view about quite fundamental questions and make elementary arguments as to the nature of the party.

The first section of this thesis builds the theoretical basis to the strategic examination of the party. Given the definition of strategy drawn from the management literature in this chapter, which centres on the concept of achieving objectives given available resources and its exploration of resources and capabilities, it is a requirement to define those broad objectives. ' An indictment of modern parties, politics and politicians is the idea that they exist merely to win and hold power, almost regardless of policy. Chapter two is dedicated to reviewing this argument. A necessary resolution is required before any further strategic examination is possible. Chapter three draws this debate into the related controversy of modern electoral techniques; primarily the much feared focus group: a management or marketing tool. Just how influential on strategic positioning such techniques can be is examined. The

final theoretical chapter to follow takes the logical step from the debate to consider elections as a fundamental part of party existence and the objectives which might be important to strategic posture and mission of parties.

To examine strategy in the real world of contemporary British politics, the second part of the thesis illustrates three strategic themes, drawn from the management literature, in micro case studies. These demonstrate how such strategies have manifested themselves during the contemporary period. These chapters are structured so as to review each debate by beginning with a discussion of the concepts derived from the management literature before describing real party behaviour in historical case study form.

The first theme represents a logical step from the first section by examining the leadership and organisational culture of parties. This chapter explores how a strategy is implemented, the nature of leadership and the intricacies of a functioning organisation using the ideas of management theory. Here, the experience of Neil Kinnock's Labour party 1983-87 is juxtaposed with that of Tony Blair's 1994-97. The second theme, detailed in chapter six, is that of critical mass strategy. This is where an organisation is able to build up an unstoppable momentum of support. Opponents are unable to dent the competitive advantage, as the leading party is able to stay ahead in popular support by responding effectively to any strategy of the other players. The chapter forms some concept as to how such strategy is possible and draws upon the examples of elections in 1979, 1992 and 1997. Taking the distinct periods of Labour under Michael Foot and the Conservatives under John Major

and William Hague, Chapter seven focuses upon strategy and disorder. The chapter forms some views on the characteristics of a party where strategic misdirection can be identified and draws further lessons from the experience of Margaret Thatcher's first administration by way of comparison of a strategy which prevailed despite a sometimes unfavourable environment.

A case study probing the strategy of the political centre since the launch of the SDP in 1981 is the basis of the study's third section. Here strategic theory and themes are drawn together in an extended examination of a strategy's development. The elongated time frame allows for a detailed view of both the theoretical and historic progression of a party's strategic objectives, posture, positioning, emphasis and direction. The case study draws upon the experience of not only the SDP but also the Liberals, Liberal Democrats and the Pro Euro Conservative party.

The concluding section of the thesis documents the demise of strategy under the respective party leaderships of Tony Blair and Iain Duncan Smith following the 2001 general election. Beginning with a theoretical note, the chapter draws historical as well as strategic conclusions to consider the failure to implement effective strategy in an era where strategic direction is a necessary part of successful party competition. The concluding chapter draws the strands of the thesis together as a strategic examination of the party, which could serve as the basis for further studies of strategy and party.

Chapter Two

Rationality in Strategic Objectives

And

A Strategic Review of Downs to Consider Party Objectives

When the management literature discusses strategic objectives, it does so in terms of commercial organisations often considered capable of behaving rationally. A potential limitation of displacing the strategy literature directly to the study of parties is reflected in the degree to which strategic objectives may be considered to deviate from this idea. For the study of strategy in political parties to be framed comprehensively requires an analysis of parties themselves. Such an analysis is constrained by the limits to which parties can be considered to be cohesive bodies alluded to in the last chapter. So far as the attitudes and behaviour of parties can be viewed as unified, their actions analysed in respect of rationality is informative in explaining the purpose of their strategies. Drawing on some principal texts in the field of political science to explore rational concepts, this chapter also considers that which history demonstrates as plausible. Rationality is a vast subject area within political science, a specialised debate which has developed for half a century. This chapter acknowledges this debate, drawing on the concepts to form a conclusion about strategic objectives. This chapter will discuss rational behaviour themes to consider the extent to which a strategy might be formed out of rationality.

If parties are purely rational bodies, able to metamorphose into what they believe the electorate desires, the study of strategy in politics becomes one of a marketplace for presenting products of self-interest. To dispel the idea that parties exist purely to win elections and hold office is important to that which is understood by strategy. Strategy, as it has been defined, may only be understood fully, in this context, by appreciating parties' objectives and the issues on which a party is unwilling to compromise. The conclusion drawn to this issue runs through party strategy and will help in the formation of arguments throughout this thesis.

Labour Exchange

An updated version of Hotelling's theory, this time considering democracy, emerged in 1957. Anthony Downs' work[76] is now considered the classic text in its field. Its basic argument is that both party and voter are rational beings: parties seek to maximise their vote, the electorate seeks to maximise pleasure. Downs sees politics and policy led by public opinion with competing parties positioning themselves to appeal to the median voter. Rational parties (as they all are in this model) have but one objective: to win and retain office. To take this view, without question, would simplify any discussion of strategy since it would mean that all strategy is concerned with winning elections.

To this extent, it might be an illuminating exercise to construct a critique of Downs based upon the experience of the Labour party since 1983, and in

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[76] Anthony Downs, 1957, op cit.

particular since 1994. Removed from the clinical and theoretical world of the political scientist, this period in Labour's history appears to offer some support to Downs. Successive defeats at the hands of the electorate persuaded figures in the party of the need for extensive change. More than ever before, Labour's key objective became to win. "Marketing involves finding what people want and then producing the best product possible, within the constraints of cost and realism. That's what New Labour did."[77] Over a period, Labour's position on the left – right spectrum moved closer to the right to re-occupy the centre ground. The median voter, Basildon man, of the aspiring middle class had become convinced of the Thatcherite arguments of mobility and individualism[78]. Perhaps, as Downs would have us believe, "given several mutually exclusive alternatives, a rational man always takes the one which yields him the highest utility."[79] After all the evidence of 1992 is that while in opinion polls, voters responded in favour of higher public spending, in the privacy of the polling booth they voted for what they believed was lower taxes[80]. The ground of the median voter had moved further to the right than at any time in living memory. By the time of the 1997 election, Labour had come to occupy ground traditionally considered as the preserve of the Tories - themselves becoming hijacked by the extremes in their ranks - and arguably to the right of some previous Conservative administrations[81]. Speaking on the

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[77] Winston Fletcher, "New Labour can show marketers how job's done", Marketing, 27/11/97.
[78] There is evidence supporting a contrary view that the electorate never truly embraced 'Thatcherism'. See Ivor Crewe, "Has the electorate become Thatcherite", in Robert Skidelsky (ed), 1988, Thatcherism, Chatto & Windus.
[79] Anthony Downs, 1957, op cit. P36
[80] For an analysis of why the polls were so wrong, see David Butler & Dennis Kavanagh, 1992, The British General Election of 1992, Macmillan.
[81] Tony Benn has claimed that Edward Heath's record in politics is to the left of Tony Blair. Interview on the announcement of Heath's retirement from the Commons, Channel Four News, 24/10/00.

Radio 4 programme, *Straw Poll*, the political journalist George Jones was critical of New Labour:

> Tony Blair is living proof that winning elections is more important than political philosophy... He concluded Labour could not win if it stuck to its traditional policies – public ownership, higher taxes on the rich – so he adopted many of the policies and rhetoric of the party in power... Labour, created a hundred years ago to represent the workers, became a party of the middle classes. Michael Foot and Neil Kinnock may have been truer to Labour's philosophy, but they stood impotently on the sidelines during the Thatcher years as she dismantled Labour's traditional power base.[82]

Whilst this critique might be considered illuminating, it may also prove insufficient in the pursuit of understanding broad strategic objectives. For, as Hirschman reminds us, Downs' "power to explain reality [is] cast into doubt by the undisciplined vagaries of history."[83] Downs may be attractive in a theoretical sense but can be wanting in verisimilitude. It only partially reflects favourably against the real world view of a party system that does not – and cannot – always act rationally and which does not support the view that parties always position themselves to attract the median voter. One criticism is that there is more interest in an intellectual supposition than in examining the matter of the subject in an historical setting. Downs is, after all, the pioneer of this debate and the work is understandably narrow. Rogers argues

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[82] George Jones, speaking on "Straw Poll", <u>Radio 4</u>, 12/8/00

that, "one may take Downs's study as an exercise in deduction, disavowing all claims as to whether the axioms are 'interpreted' or not. This might be a very interesting study of possibilities... But since Downs claims that his theorems should be tested in our world, one may well wonder why he did not simply state these theorems, omitting the tedious construction."[84] Downs does not draw upon historical sources in forming his view, which may limit its usefulness when examining party strategy. Any examination of strategy must draw on real events if it is to be a credible study of contemporary politics. It is in this way that the thesis is able to develop such concepts.

For Downs, "a political party is a team of men seeking to control the governing apparatus by gaining office... By team, we mean a coalition whose members agree on all their goals... Thus every member of the team has the same goals as each other."[85] However, as has been demonstrated, parties are coalitions, mosaics, of opinions and support. It is perhaps accepted that in the approach to the 1997 general election, Labour was single minded in its determination to win. It is accepted that it spent a great deal of energy ensuring that its policy programme would be acceptable to the electorate. Indeed, its programme was in no small part derived from voter attitudes. However, this does not wholly support Downs who would have us believe, politicians "treat policies purely as a means to the attainment of their private ends, which they can reach only by being elected... Parties formulate policies

[83] Albert O. Hirchman, 1970, op cit. P69
[84] W. Hayward Rogers, "Some Methodological Difficulties in Anthony Downs's An Economic Theory of Democracy", The American Political Science Review, Vol 53, Issue 2, June 1959. P 484
[85] Anthony Downs, 1957, op cit. P25

in order to win elections rather than win elections in order to formulate policies."[86] Two issues are immediately raised.

The first is an assumption that Labour's (or indeed any party's) policies were driven purely by the attitudes of an electorate. This places an emphasis upon an almost intelligentsia dominating the voting population which, reminiscent of Voltaire's will of man, has such an influence on the parties as to determine the positioning of the centre ground of politics. It suggests parties that have little or no interest in becoming involved in shaping policy, other than in very calculated fashion to win office. Labour made extensive use of focus groups in the process of modernisation. The extent to which this can represent a following of pubic opinion or more credibly a method of promoting policy in a manner attractive to the general population will be analysed later. The Downs proposition, however, would suggest the other parties – Conservative and Liberal Democrat – acting in a similarly determined way, their own policy stance having been developed by reacting to these attitudes prevalent within the electorate[87].

Patrick Dunleavy argues to the contrary that rather than merely following public debate, parties are able to shape it. "It is not feasible to hold both parts of Downs' model at the same time. If governmental or state power has the extraordinary significance described by Downs, it will confer on the party

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[86] Ibid P28

[87] For a good overview of the debate and consideration of the respective parties' ideologies see Paul Webb, 2000, op cit. Chapters three and four. Perhaps significantly for a study of strategy, Webb characterises the debate as 'ideological reputations'. He argues that adjustments to party programmes form part of the competitive process, but that these adjustments will usually take place only within identified ideological territories.

of government the ability to shift the aggregate distribution of preferences in the electorate and indeed to change individual voters' preferences."[88] Dunleavy goes on to claim that any party with the potential to form the next government has the power to preference shape – commensurate to the likelihood of their achieving power. He suggests this is possible in three ways. Parties can capitalise on social tensions, use joint institutional manipulation, and agenda set[89]. Of these, the third is perhaps of most interest for it justifies the existence of party competition in a parliamentary democracy. It demonstrates that the competition does not exist purely to enable a party to achieve office but may be employed actively to shape perceptions of any given policy, thereby bringing to bear upon that policy a strongly held view. Keith Dowding, who cites the actions of Thatcher's policy advisers Alfred Sherman and John Hoskins, supports the view. These advisers wrote policy artificially radical in order that preferences might be shaped and the agenda shifted.[90]

The form of Dunleavy's argument offers validity for the existence of parties in a more developed context than Downs. Clearly, the motivation underlying Labour's policy review and modernisation was the desire to achieve office, but in fitting into a view of political history, it also represents a party's response to the rapidly changing circumstances of real life. Circumstances in this case altered by Thatcher's neo-liberal programme, a programme that occurred not

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[88] Patrick Dunleavy, 1991, op cit. P118. See also Hugh Ward, "If the Party Won't go to the Median Voter, Then the Median Voter Must Come to the Party: A Spatial Model of Two-Party Competition with Endogenous Voter Preferences", Paper for the PSA conference, London, April 2000. Ward suggests parties with preferences cannot locate the median voter. The expected voter position is also 'a function of where parties locate' under this model.
[89] Ibid. P125 – 127.

just in Britain, but also across other western democracies. Labour's transformation appears so sheer in many respects because of its initial reaction of shifting so far to the left. Parties and their policies do not exist in academic isolation but must evolve. Harold Wilson's overused maxim that 'a week is a long time in politics' is as always correct. It would be surreal if parties were to fight a general election in the twenty-first century on manifestos written in say 1929. The world, the country, moves on. Arguments are developed, won and lost. It would be bizarre if parties today were still arguing over the Corn Laws, tariff reform, sustained formation of the National Health Service, unilateral nuclear disarmament or even membership of the ERM. The point made is one that has particular connotations for the Conservative party whose tradition (the Thatcher period excepted to a certain degree) is one of belief in continuity and against radical change[91]. The party has, nevertheless, adapted its stance, periodically in order that it might remain relevant to a changing world and thereby, fundamentally, is able to preserve the institutions and values in which it believes. This is an important point in a strategic critique of Downs. The Thatcher period has only been accepted to a certain degree for although she instigated quite radical change, her administration retained identifiable harmony with traditional Tory values such as law and order, nationhood, hierarchy and institutions such as the family and the Church. The

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[90] Keith Dowding, 1991, Rational Choice and Political Power, Edward Elgar. P128.
[91] See Robert Nisbit, 1986, Conservatism: Dream and Reality, OU Press. In 1867 Disraeli had proffered: 'In a progressive country change is constant; and the question is not whether you should resist change which is inevitable, but whether that change should be carried out in deference to the manners, the customs, the laws and the traditions of a people, or whether it should be carried out in deference to abstract principles and arbitrary general doctrines.'

Conservatives changed under Thatcher, won office, and preserved values in which they had always believed – for a time at least.

This leads to the second issue. Downs would suggest party has little passion to enact a policy programme once in office other than as a means to achieve re-election. Whilst there was a palpable obsession in Labour's ranks, after the 1997 triumph, in winning a full second term this was as much a paranoid mission to lay to rest the ghosts of Labour past as a single minded belief in their own competence to occupy government. As can be demonstrated, in the first term of Labour in office for eighteen years the Blair administration pursued a vigorous – if at times cautious – programme of policy inaction. These policies should be considered as more than merely satisfying the expectations of the electorate for in some cases - such as creating the Welsh Assembly – the electorate had little appetite for the measures. These policies in action represent the things a party would have liked to have done had it not languished on the opposition benches. The policies may have been dragged into a new political era, but there remained core philosophical bedrock. Labour Deputy Prime Minister John Prescott would say it until he is blue – or more likely red - in the face. His Old Labour justification for getting into bed with the New Labour modernisers: 'Traditional values in a modern setting'. It is surely possible for a party to position itself strategically, in terms of Downs and Hotelling, at a point where it is likely to attract the maximum votes. It would be unreasonable to expect it to do otherwise in terms of presentation. However, the party will be in a position to enact a programme in keeping with values to which it has traditionally aspired and

which are common to its members. Rational choice models accept the argument that parties are not infinitely flexible in their ideological manoeuvring. If for no other reason than credibility, parties could not realistically adopt diametrically opposite policies from those they have championed previously simply because they perceive the electorate as hostile. As Webb suggests, "rational and unified parties are deemed not to have complete freedom to shift policies; they must, to some extent, be constrained by past policy positions if they are to retain credibility in the eyes of the electorate...Parties have an incentive to develop enduring policy reputations."[92] Furthermore, the 'no leapfrogging' rule assumes that parties developing these policy reputations, consequently create ideological territories beyond which they will not adjust their positions. This means that a party of the left will not 'leapfrog' over a party of the right, adopting right wing policies or vice versa[93].

Labour since 1994 comes about as close as any party in modern British history in justifying Downs. It discarded many policies of its past, often cynically. Despite a tabloid pleasing instinct and a reluctance to offend middle England there is a clear continuity in the values the party upholds in common with its predecessors. Jim Tomlinson has put the case that for all of New Labour's obsession with novelty, its economic approach is by no means

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[92] Paul Webb, 2000, op cit. P 87.
[93] Ibid. P 136

detached from the past. Rather it is "still shaped by 'declinist' understandings of Britain's... past."[94] Yet the presentation is one of changed approach.

For a study of strategy, Downs' position on how parties appeal to the electorate may be compared with the actions of parties in real situations. Margaret Thatcher, for instance, did not reach Number Ten in 1979 by inspiring the nation with bedtime stories of the monetarist, neo-liberal, economic policy that was to form the tenet of her years in office. It was the populist prospect of council house sales, reduced public spending and lower taxation, higher defence spending, socking one to the Unions and a disgraceful hint at stronger immigration controls that paved her way. Blair and Thatcher shared an approach in their respective rise to the highest office. It was not detailed policy positions that made their parties in opposition attractive to the voter – although both had carefully worked out programmes – but it was an ability to create almost atmospheric visions of life under the new administration. It was rhetoric and mood-creation. Blair spoke of the third way and of the stakeholder society. Thatcher's imagery was against a backdrop of the winter of discontent[95]. Law and order and less government control were easy to embrace without the need to explain a detailed policy. In opposition, both were cautious. Neither won, realistically, on the pure basis of their appeal but rather on the shortcomings of their opponents. Their wins were convincing, however, because of the ability to mood-create. This is acknowledged by the rational choice model which assumes that where the

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[94] Jim Tomlinson, "Nothing New Under the Sun? Understanding New Labour", Brunel University Discussion Paper, Undated.

electorate may be too unsophisticated to assess the minutiae of policy platforms, it employs 'broad ideologies' to steer voting decisions[96].

One of Downs' arguments, which could have a bearing on strategy, is that of ambiguity. He deals with the problem of imperfect information with the idea that parties "becloud their policies in a fog of ambiguity"[97]. This remains highly theoretical. For while Downs and supporters such as Glazer may believe that a "candidate who specifies a position... runs the risk of specifying an unpopular one,"[98] there is little acknowledgment of the scrutiny under which a party's proposals are placed, a scrutiny that is increasingly intense in proportion with that party's likelihood of winning office. For instance, during the 1992 general election, Labour's Shadow budget was torn apart by both the Conservatives and the media. Every spending commitment was carefully costed and analysed. By contrast, the Liberal Democrats' programme was subject to a far more limited inspection. It is noteworthy that neither the strategic objective of the Liberal Democrats in 1992 nor indeed the political likelihood was to win office. Glazer goes on to discuss sequential announcements: "Suppose... candidate A announces a position first. This position is the candidate's best estimate of the median voter's ideal point... the candidate who announces a position last can better determine the true preference of the median voter and is therefore the one most likely to win."[99] To a degree this type of Downsian logic is attractive in strategy formation. As

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[95] Thatcher's approach contrasts with Labour's fairly weak pledge to hold negotiations with the Unions. The Labour Way is the Better Way, Labour Manifesto 1979
[96] Paul Webb, 2000, op cit. P 86.
[97] Anthony Downs, 1957, op cit P 136
[98] Amihai Glazer, "The Strategy of Candidate Ambiguity", The American Political Science Review, Vol 84, Issue 1, March 1990. P 237.
[99] Ibid P 240.

is confirmed by the Downs supporting analysis of Kollman, Miller and Page whose model attests that "the incumbent party's platform is fixed, and the challenger party attempts to find a platform in the issue space that defeats the incumbent."[100]   However, these models should reflect the experience, particularly in the British system, that at least one of the competing parties will always occupy office. The example of Labour's 1992 shadow budget is instructive and is discussed further in Chapter six. The shadow budget is widely considered to have been a strategic error for the party and was an event which took place for none other than electioneering purposes. However, it should be remembered that it was the Conservatives who, in Chancellor Norman Lamont's Budget, announced their policy first to be followed by Shadow John Smith within days.

It is unlikely that an opposition party, in the British system, could cloak its position for the whole four years of a Parliament, to reveal policy only at the beginning of the campaign. This means that an opposition party might be in the advantageous position of being able to reveal its policy second to the governing party, but is still at risk from the attractive parts of the policy being implemented by the government. In reality, it is difficult for parties to be ambiguous if they wish to be successful, even if success is judged as the ability to win office. Indeed Shepsle suggests to the contrary that "ambiguity actually decreases the appeal of a candidate, that a candidate restricted to ambiguous strategies is positively disadvantaged... Indeed, the overriding strategic problems in contingencies of risk aversion are those of commitment

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[100] Ken Kollman, John H. Miller and Scott E. Page, "Adaptive Parties in Spatial Elections",

and credibility, not equivocation."[101] This is borne out when reference is made to political history. Crewe and Searing considered this position before reflecting on the actions of one of the most office hungry parties in the contemporary period: "Yet Mrs. Thatcher [despised] waffling and [spent] a great deal of energy making her extreme positions perfectly clear."[102]

Rationality in Office and on the Doorstep

The experience of party in office might be compared with this model. Downs offers the premise: "Because... government... wishes to maximise political support, it carries out those acts of spending which gain the most votes by means of those acts of financing which lose the fewest votes."[103] As any political examination of the management of government finances[104] will show, the Treasury performs a carefully crafted balancing act between taxation and expenditure as is illustrated by this reaction from former Financial and Chief Secretary to the Treasury and Chancellor of the Exchequer, Norman Lamont:

It's a very general and big question. I think the crude idea that politicians just spend money on things to win votes is over the top and not correct. At the same time politicians are sensitive to public opinion. For example, the threat of hospital wards being closed during the winter may lead Ministers to say, 'we can't have a crisis

American Political Science Review, Vol. 86, No. 4, December 1992. P 931
[101] Kenneth A. Shepsle, "The Strategy of Ambiguity: Uncertainty and Electoral Competition", The American Political Science Review, Vol. 6, Issue 2, June 1972. P 567.
[102] Ivor Crewe and Donald D. Searing, "Ideological Change in the British Conservative Party", American Political Science Review, Vol. 82, No. 2, June 1988. P 363.
[103] Anthony Downs, 1957, op cit P52

this winter, we must have some more money because otherwise it looks like things are worse than I expected.' I think it isn't true that you're crudely trying to win votes and don't forget, you've always got the Treasury who are standing there trying to control expenditure, who are going to resist this all the time. So I think that would be a very crude and basically not correct way of how people behave, but it's unreal to say that people don't say, 'we'll never get re-elected if we don't do this.'[105]

Programmes must be financed but the electorate and the media have proved a fickle pack, demanding both increased expenditure and lower taxes[106]. It might be considered unreasonable to expect a government not to perform this balancing act. Managing competing demands is a principle of politics, 'the art of the possible', as Rab Butler would remind us. After all, an element of Downsian logic is accepted by Lamont. However, the evidence suggests that Downs' premise lacks the advantages of development in light of empirical evidence. Contrast, for instance, with the pressure building on the Chancellor to re-link pensions to earnings, during the 2000 conference season. As inflation figures were published, it was calculated the indexed rise in pensions would be £2.25 per week. To re-link to earnings would cost just £2.65 per week, easily affordable. However, while the decision would be easy in the

[104] See for instance, Nigel Lawson, 1992, The View From No.11, Bantam Press. Norman Lamont, 2000, In Office, Warner.
[105] Interview with Norman Lamont, Park Lane, 8/1/03. See also Norman Lamont, 2000, op cit. P 101.
[106] The contradicting demands of the electorate were demonstrated during 2000 when early in the year Prime Minister Blair was forced to announce increased spending on the NHS impromptu during an interview with David Frost. "Breakfast with Frost", BBC1, 16/1/00.

short term, by 2050 it was calculated, the cost to the Exchequer would have grown to some £100bn per year, compared to £55bn if progression remained linked to inflation.[107] Here was a government taking an unpopular decision, in what it believed was in the long term good of the country, for which it would derive no credit while in office and no electoral advantage – indeed possibly the contrary. It is not to argue that individual politicians do not ever engage in party activity to further their personal ambitions. Powerful parties are an aphrodisiac to the aspiring. It is notable that, for whatever motivations, where parties become popular and powerful, they are able to attract moderate and often high profile members of their opponents. The Conservatives by the time of their return to power in 1979 had acquired the membership of former Labour Minister Reg Prentice (who later became a junior Tory Minister). Labour's 1997 triumph was the precursor of former Conservative Communications Director turned MP Shaun Woodward's defection to their ranks, not three years into the new Parliament. In both cases the protagonist had come to dislike what their own party had become, but they also appeared attracted to a young and vibrant party in office. Peter Riddell has charted the rise of the career politician in Britain and has demonstrated the breed of young politicians who enter politics with the overriding ambition to hold office.[108]

Later in the year, protests at the level of taxation on fuel brought much of the country to standstill.

[107] All figures taken from Channel Four News, 10/10/00

[108] Peter Riddell, 1993, Honest Opportunism The Rise of the Career Politician, Hamish Hamilton.

For Downs, self-interest is the cornerstone of political life, largely dismissing any notion of altruism.[109] For an examination of party strategy though, political history does not always support this view, for removed from the equation is any concept of what is 'right' or what is 'just' or what is 'necessary'. If Downs were correct party competition might take a different form. In a first-past-the-post electoral system where there has not been a coalition government in more than half a century, there would be limited place for a third party for there would be little reason to join it. Yet, as is demonstrable, the Liberal Democrats and its predecessor forms have often been the focus of attraction to political actors and voters alike. The premise of Downs is clear in its view of the motivation of politicians. However, it does not clearly justify the unpaid and often thankless work of the political activist, who year in year out walks the streets, knocking on doors, pushing leaflets through letterboxes, in the knowledge that most of whom they encounter will be uninterested and unmotivated. This can be explored. The activist often has no ambition for office, grace or favour and yet will work for the election of their party, even in constituencies where there is little prospect of victory. Supporting a party is not like supporting a football team. It is about values and principle at its best, prejudice and self-interest at its worst. It is not about is the rational objective of merely achieving office. Furthermore, Fisher and Webb have analysed the motivations of party employees discovering that 67% of Labour workers were active party members prior to employment and suggesting that employment is a form of political participation. They conclude, "rational choice models alone do not provide a sufficiently

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[109] Anthony Downs, 1957, op cit. P28.

comprehensive account of the incentives for activism."[110]. Hirschman picks up this argument: "Since the activists are far from being middle-of-the-roaders, their enthusiasm can be dampened by a party moving to an excessively middle-of-the-road position. Hence, the adoption of a platform which is designed to gain votes at the centre can be counter productive: it may damage rather than shore up the party's fortunes at the polls."[111] The role of the activist members – the grass roots – of a party is important, as a resource, to politics on a national level. Even if national political actors are at one in a desire to move in a particular direction, as Downs suggests, the presence of activist members prevents, to a significant degree, the rationality of parties in the singular pursuit of office. Hirschman continues:

> The day-to-day policies of [political] movements tend to be influenced – specially (sic) when they are out of power by their present activist members rather than by the preoccupation with losing the favour of all members and voters. Hence a shift toward the centre which antagonizes the captive but activist members is likely to be resisted more strenuously than a radical shift, even though the latter might lead to exit of noncaptive members and voters.[112]

The experience of the vanquished - Labour after 1979 and the Tories after 1997 – seems to lend some weight to Hirschman's observations. Labour of

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[110] Justin Fisher and Paul Webb, May 2003, op cit. P184.
[111] Albert O. Hirschman, 1970, op cit. P72
[112] Ibid P75

the early 1980s was a creature of its activist left. The shift, which occurred

after its ejection from office, owed little to Downsian rationality. Speaking at

the Memorial Lecture for Sara Barker, in 1979, recently deposed Chancellor of

the Exchequer Denis Healey reminded his audience:

> The fact that men and women who will give up night after night,
>
> weekend after weekend, to work for a political party are bound to
>
> differ in their views and the fire of their enthusiasm from the great
>
> mass of the British people, for whom politics is something to think
>
> about once every year at most, more often once every four or five
>
> years.[113]

The Labour party did not seek to move toward the median voter. To the

contrary, the party's stance moved in the opposite direction, leaving a gulf at

the centre to be filled by what was to become the Liberal SDP Alliance, itself a

creation of principle taking advantage of a rational opportunity[114]. Labour's

experience demonstrates the importance of political activism and philosophy

in an extreme environment that rejected electoral appeal.

The Hague-led Conservative opposition existed in a different environment to

Labour in the early 1980s. For while the party under his leadership also

moved away from what the 1997 election result would indicate to be the

wants of the median voter and more in line with the right wing views of the

typical grass roots supporter, the Tories were not a captive of the 'blue rinse'

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[113] Denis Healey, 1989, The Time of My Life, Penguin. P 472

activist in quite the same way as Labour was of the left. What occurred after 1997 is nevertheless instructive. The party sought to please a fundamental segment of its support, not necessarily party members. The tabloid pursuing approach pleases what might be described as *Daily Mail* reading middle England.

To understand strategy, it is necessary to understand the strategic objectives of an organisation. Downs is a seminal work which has spawned a vast literature developing the concept of rationality. It is, however, a narrow approach. This thesis seeks to examine party strategy with a broader slant. To do this is to recognise the limits of the premise that the strategic objective of political parties is just to win elections and hold office. This chapter has drawn on the Downsian rational choice interpretation of party behaviour to form a view as to the strategic objectives of parties. The chapter suggests that there is heuristic value in the work but that rationality alone is insufficient for this purpose.

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[114] This is to be explored in the case study

Chapter Three

Strategic Use of the Focus Group

And
The Question of Creeping Rationality in Contemporary Politics

A recent tool of contemporary politics, borrowed from the world of commerce, the focus group enkindles reliance and trepidation in equal proportion. It is not only the left who believe focus groups have become the master of party.[115] They create widespread suspicion because of the sensitivity of the Downsian argument. Yet as a powerful management tool in the formation of strategy[116], they cannot be ignored in any discussion of the purpose of party. This chapter explores the use of focus group electoral techniques to examine the extent to which they might inform the rational choice debate in terms of party strategy.

The use of focus groups would lend credence to theories of rationality in politics if they could be proven to form the policy process itself by giving the electorate what it is believed they want rather than simply presenting it in such a way as to be considered attractive. As with so many elements of contemporary British politics, the focus group's use in electioneering is a US export[117], which became particularly important in Britain for two basic reasons. Firstly, the Labour modernisers who took control of their party in

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[115] Mark Seddon, "Philip Gould Interview", Tribune, 6/11/98.

[116] Despite attracting more attention, Mori pollster Julian Misell points out that qualitative research, such as focus groups, remains secondary to quantitative research, such as traditional polling, since politicians are "more convinced by hard numbers than the softer qual. stuff." Julian Misell, correspondence with author, 22/3/03.

1994 had long been admirers of Clinton's Democrats and their modern electoral techniques. New Labour's chief pollster, Phillip Gould, who had nudged the experienced Bob Worcester of Mori out of the picture during Neil Kinnock's leadership, had worked modestly with Clinton's Presidential campaign team in 1992. Others, too crossed the Atlantic and reporting their experiences back to the party. Junior Labour activist members such as Yvette Cooper spent some time on the Clinton campaign[118]. Blair's Chief of Staff, Jonathan Powell worked as a diplomat in the British Embassy in Washington where he was known as a 'schmoozer' of the Clintonites, David Miliband who later ran the Downing Street policy unit and adviser Geoff Mulgan studied at MIT whereas Gordon Brown's aide Ed Balls studied at Harvard[119]. Furthermore, convinced, "mistakenly, that Saatchi & Saatchi won elections for Margaret Thatcher, New Labour threw itself enthusiastically into the hurly-burly of marketing and discovered to its amazement and wonder the focus group."[120] Upon realising their effectiveness, the techniques and organisation were copied on this side of the Atlantic. The party used focus groups to establish the *New Labour* brand. Importantly, this was not simply about presentation or communication but enabled the party to prioritise and test policies[121]. Secondly, the opinion polls during the 1992 general election had been so poor, some qualitative forms of research were needed to guide

[117] Although they originate from use on propaganda films during the second world war before moving into marketing circles in peace time.
[118] John Braggins, Margaret McDonagh, Alan Barnard, 1993, The American Presidential Election 1992 – What can Labour Learn?, Labour Party Publication.
[119] "The American Connection: new Labour's gurus", The Economist, 8/11/97.
[120] "Focusing on the tissues of the day", Marketing Week, 27/5/99.
[121] Julian Misell, correspondence with author, 22/3/03.

parties through the mire of public opinion[122]. Traditional polling – the questionnaire – often fails to capture the veracity because a response cannot always fall neatly into one of the pre-prepared answers. "Asking voters to choose among fighting crime, reforming welfare, and improving health care is an illegitimate choice for those who believe government must accomplish all three."[123] Questionnaires not only fail to reflect the 'yes, but...' answers, but they are incapable of deciphering mood and feeling. Focus groups aim to draw out genuine reactions and motives lost by the questionnaire[124]. Furthermore, the declining trend in response rates to quantitative polling led to questioning of how representative traditional methods had become[125]. Whilst such concepts remain subjective, the evidence of 1992 was that the electorate did not want to admit to pollsters that tax was their predominant concern about the election outcome. Respondents do not want to appear selfish and, indeed, may not consider themselves so. The electorate merely makes an often ill-informed decision over the candidate they prefer, given a package of policy and personality. It is a mistake to consider the voting public as sophisticated political observers. As usual, health and education were the first issues to trip off the tongue from the majority of those surveyed in the run-up to polling day in April 1992, yet fears over tax and

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[122] See also Philip Gould, 1998, op cit P 327. The reputation of quantitative research has recovered since 1992 and is believed sufficiently sophisticated to "establish a sense of prioritisation as well as understanding drivers of opinion". Julian Misell, correspondence with author, 22/3/03.
[123] Frank I. Luntz, 16/5/94, "Voices of Victory, Part I: Focus Group Research in American Politics", The Polling Report. Luntz has served as polling and communications adviser to Republican leadership and candidates.
[124] See J.M. O'Donnell, "Focus Groups: a habit-forming evaluation technique", Training and Development Journal, 1988, Vol 42 No 7. P 71
[125] See for instance R.M. Grouves and M.P. Couper, 1998, Nonresponse in Household Interview Surveys, John Wiley & Sons.

economic competence guided the cross in the calm of the booth[126]. This concept re-emerges later in this chapter during the discussion on portfolio strategy.

Just how far focus groups have been used and indeed can be used for purposes of rationality requires investigation. There is a powerful argument suggesting that politicians on both sides of the Atlantic misuse focus groups. For while their results are seized and acted upon often obsessively, the results provide as accurate a picture as "walking into a pub and spending an hour chatting to the regulars. Yet that, more or less, is what now underpins much of the thinking that passes for strategic discussion inside the two main parties."[127]   US Republican adviser Frank Luntz's interpretation of their usefulness differs from this view: "Historically, quantitative data has helped set themes and issues, but focus groups have determined strategic communication and implementation."[128]   Where these methods have been most successful is not in creating policy in a way that will attract rational choice voters but rather in gaining insight into fears and hope. Such insight does not necessarily undermine rational choice models but argument must be based around results.

The US Presidential elections of the 1980s demonstrated to politicians who had perhaps heretofore been unaware, the potential effectiveness of focus groups.   In 1984 Walter Mondale was able to check his seemingly

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[126] See for instance Norman Lamont, 2000, op cit. Chapter 7.
[127] Ivor Gaber, 16/8/96, "Hocus-Pocus polling: you can get any result you want from a focus group. That doesn't mean it will be right", New Statesman.

unstoppable opponent for the Democrat nomination, Gary Hart, when a Georgia focus group discovered his weakness: a concern over his ability to handle an international crisis. "It was the magic bullet that stopped Hart dead in his tracks."[129] In 1988 a flagging George Bush, who was trailing Democrat candidate and Massachusetts Governor Michael Dukakis by 16 points, seized upon the name 'Willie Horton' after a focus group meeting in Paramus. Horton had been convicted of brutal rape and murder and sent to prison in Massachusetts[130]. However, when focus group convenors saw the emotion on the faces of participants discussing the furlough programme, "pretty soon it appeared as though Michael Dukakis had personally opened the prison doors to release Horton."[131] Bush won.

Surfacing of Downsian Politics?

The fear is that the use of focus groups has moved on since these days of seeking a 'magic bullet'. Their use and purported value in Britain has become more extensive than could have been predicted, causing some traditionalists concern about their potential influence. John Prescott is on the record as describing focus group findings as "rubbish",[132] provoking what commentators believe to be "a fault line between 'conviction' politicians who believe in instincts, and professionals who say parties should use every device available

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[128] Frank I. Luntz, 1994, op cit.
[129] Ibid
[130] See also Tali Mendelberg, "Executing Hortons: Racial Crime in the 1988 Presidential Campaign", Public Opinion Quarterly, Vol 61, No 1, Spring 1997. P 134.
[131] Pamela Hunter, August 2000, "Using Focus Groups in Campaigns: A Caution", Campaigns and Elections.
[132] Reported by Andy McSmith, "Prescott slams Blair's ally in focus group row", The Observer, 29/8/99.

to gauge public opinion and win votes."[133]   The wrangling has not been

confined to Labour. William Hague's Tory leadership came under attack from

both sides in what right wing Conservative MP and then Chairman of the

Public Accounts Committee Chairman David Davis warned was a

subordination of "basic beliefs to the findings of focus groups and the

imperatives of opinion polls. It is utterly wrong and incredibly dangerous."[134]

Latterly a Labour MP, Shaun Woodward is a former Director of

Communications at Conservative Central Office.

Barber: What is the justification for using techniques such as focus
groups?

Woodward: That's just practical politics. There is no point in going
out there with policies, or products, that nobody wants to buy or
nobody wants to vote for. The purpose of focus groups is, if you
are in opposition, to discover the things you are talking about catch
people's eye, seem to attract the attention of people who are
disaffected with the political party that's in power and if you are in
government, the purpose of a focus group is to discover whether
you are making a good or a bad fist of it. What is critical is not to
give so much emphasis to focus group work that you become, as a
government, simply a follower of public opinion or as a party in
opposition, simply a party that puts together a rag bag of views of
the discontented.

Barber: Can they ever represent a subordination of basic beliefs in
favour of populism?

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[133] Ibid.
[134] Reported in The Guardian, 2/10/00

Woodward: If you lose sight of what focus groups should be used for, and instead of being a tool they become the engine that drives the political car, they are very dangerous. Provided you recognise they have a place, and no more than that, they are extremely useful.

Barber: The danger is that you end up competing for the lowest common denominator?

Woodward: Yep. Which is what Hague did when he ended up advocating ghastly, mean and frankly dangerous policies against asylum seekers because what his focus groups were telling him was that there were lots of discontented people, many of whom were not even remotely affected by the asylum seeker issue, but nonetheless, he extrapolated from a few areas of the UK significant discontent with government policy and produced these hateful policies which picked on a vulnerable group of people. What that demonstrated was that it was a party with a leader who had completely lost any sense of what focus groups should be used for and was using them, not as a tool but as the engine which was driving his political programme.[135]

Woodward's evidence is interesting because it suggests that a detrimental effect on strategy of 'rational' use of focus groups. Focus groups, used effectively, can help to illuminate the relative attractiveness of a party's proposals or actions. If an attractive electoral offering is key, differentiation is also important in politics. Once parties move closer on the key issues of the day — the economy, foreign affairs, law and order — it becomes difficult to

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[135] Interview with Shaun Woodward, House of Commons, 6/11/02

distinguish themselves in the eyes of the electorate.   As Leader of the Opposition, Tony Blair accepted this:

> As the clash of the all-encompassing and absolutist ideologies of the first part of the 20th century grows muted and distant – the right having accepted the need for social provision, the left the necessity of a market economy – politicians feel obliged to generate the same amount of noise over what are really far more limited disagreements.[136]

Here the argument returns to Hotelling's line, where politicians seek to place themselves equidistant between bodies of support. It is rare in British politics for the major competing parties to be at opposing ends of the political spectrum.   Where this has occurred – in 1945 and during the early 1980s for instance – a period of re-alignment has usually followed, drawing parties closer on fundamental items of policy.   This has not necessarily meant a move by both parties, or even one, toward the political centre ground. What it has meant is a readjustment of strategic stance in line with a new or dominant political environment. This Downsian debate, which is germane to the issue of strategy, over whether winning an election has become more important to parties than a sense of political philosophy remains at the heart of the controversy over focus group use.   Mori pollster Bob Worcester made a pragmatic argument during a radio debate over the issue:

Of course, political philosophy is important. Thoughtful electors want to know if there is substance behind the spin. If, however, you never have the power to put your political philosophy into practice, what good is it?[137]

Worcester believes it a legitimate strategy for a party to change its policies in the interests of getting elected. If focus groups are to direct the policy of major parties then there is no longer a battle over political philosophy, only a battle for office. There are of course degrees to the motivation involved in seeking election. David Marquand argues, for instance, that many in the Labour party were content to lose in 1979 since they would rather see a (Heathite) Tory government implement the distinctly un-socialist, neo-liberal economic policies Healey had introduced, than a Labour government. However, the hard line Thatcher government that came to power represented the antithesis of the consensual politics which the party could accept. It follows that under Kinnock, the party resolved to win office if for no other reason than to protect the vulnerable from what it saw as the excesses of Thatcherism[138]. Conversely, Will Hutton argues that the Conservative party, still small 'c' conservative in nature, believes it should occupy office to prevent the radical change it associates with the left[139]. Responding to Worcester, the political commentator Anthony Howard was scathing at the attitude which believes parties are led by the polls:

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[136] Tony Blair, 7/2/96, The John Smith Memorial Lecture, Queen Elizabeth II Conference Centre London
[137] Bob Worcester, speaking on "Straw Poll", Radio 4, 12/8/00
[138] David Marquand, 1999, The Progressive Dilemma: From Lloyd George to Blair, Phoenix. Chapter 19.

If you at once acquiesce in the fact that there is no choice in democracy, then I think we may as well almost put paid to the notion of there being anything but a governmental state.[140]

Howard's distaste of the notion of pollster led policy belies the ugly accusation that modern politics is dominated not by conviction, principle or philosophy, but by a desire to please a fickle and uninterested electorate. This Downsian concept, pursued in the previous chapter, is fundamental to any understanding of the use of focus groups. Labour's focus group supremo, Philip Gould is contemptuous about criticism of their use:

With the exception of 'spin-doctors', no campaigning phrase has been imbued with a greater air of nonsensical mystique than 'focus groups'. Why focus groups should have gained this elevated position I cannot tell... Focus groups are important to me. The mystique surrounding them is ridiculous: they are simply eight people in a room talking.[141]

The mystique, for many, surrounds the policy process. Insufficient philosophical vigour and a willingness to follow an agenda based loosely on ignorance, is the caricature these methods. Those who criticise their use fear that no longer is it a prime strategy to argue a belief to a sceptical or

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[139] Will Hutton, 1996, The State We're In, Virage.
[140] Anthony Howard, speaking on "Straw Poll", Radio 4, 12/8/00
[141] Philip Gould, 1998, op cit. P 326

uninterested electorate. A prime strategy is to offer the electorate what they want to hear. There is an inescapable logic to the view that having policies drawn up in isolation of the political environment, based on the pure political philosophy of those involved is a worthless luxury, if there is never an opportunity for the philosophy to be exercised in office. Once in office, however, the approach is not so clear cut. In office, decisions must be taken - even unpopular ones. For David Marquand and Anthony Seldon, whose work traced the development of post war political policy, there is little surprise that parties are the drudges of public opinion:

> Public opinion is not autonomous: it is informed by a mass of different influences. Ever since the franchise began to be extended in the early nineteenth century, it has wielded an important influence on policy choices by governments, the more so since techniques for monitoring and measuring it have become more sophisticated and immediate since the 1960s. The public demand for social policies after both world wars, for economic growth in the 1950s and 1960s and for more economic freedom in the 1980s all fed through into policy programmes. Norman Blackwell's particular contribution as Head of the Number Ten Policy Unit [in the mid 1990s] has been to re-orientate Conservative policy back more towards the concerns of target voters. The reorientation of the

Labour party since 1983... has been fired by more the need to follow and satisfy public opinion rather than to lead it.[142]

Reviewing policy in light of electoral set backs is not a new thing[143]. The Conservative Party has been doing it since Peel's Tamworth manifesto in 1834. After all, Margaret Thatcher was elected in 1979 on a programme quite different from that on which Edward Heath stood in 1974, even if very similar to the 1970 manifesto. Yet, she was supported by the very same backbenchers, who voted for her on the basis that she was an alternative to Heath[144]. Similarly, upon his succession to the Tory leadership in 1990, John Major scrapped a significant, but unpopular, plank of Thatcher policy – the Poll Tax – and the 1992 manifesto was quite different in tone than those of the Thatcher years, despite her Cabinet remaining largely in tact[145]. Following the landslide Labour victory in 1997, William Hague's party began the process of addressing why it lost and how it could change to make itself popular again a process to be repeated by Iain Duncan Smith after 2001. What is clear is that Labour's modernisation period, since 1994 in particular, affected the parameters of the debate over philosophy in British politics largely because of the sheer professionalism employed by the party in its approach to the election. Despite focus groups, polls and spin, there remains ideology in politics but perhaps too often the ideology is pushed towards the margins of debate.

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[142] David Marquand and Anthony Seldon, 1996, The Ideas That Shaped Post-War Britain, Fontana. P 280
[143] The idea of self renewal also exists in the management literature. See for instance Constantinos Markides, "Strategic Innovation in Established Companies", Sloan Management Review, Spring 1998, Vol 39, No 3.
[144] Peter Riddell, 1983, The Thatcher Government, Martin Robertson. P 23

The Realities of Focus Group Politics

If the overview above presents something of the myth of the focus group in Britain, the published evidence is not quite so sinister. Two further pieces of evidence from Gould – one reproduced in his book, the other leaked to the press – show focus groups used to glean feelings and attitudes toward the parties. In the run up to the 1997 election, Gould was interested in discovering amongst former Conservative voters why they had stopped supporting the Tories and the nature of their feelings toward Labour.[146] Even the memo (intended to be secret) is more concerned with presentation than specific policy as an extract – riddled with sound bites - demonstrates:

> Delivery alone will not produce...deliverance. We have to win hearts as well as minds in every one of our core areas. Our contract with the British people is as much emotional as it is rational. We must move from the third way to one way. We must build a one-way pattern from a mosaic of uncompromising and single-minded positions in all of the policy and issue areas rather than a whole raft of often confusing and abstract third way messages. This means that on the economy we are for stability, on education we are for standards and, for example, on crime we are tough or for zero tolerance; on the NHS we are for consumers;

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[145] The Best Future for Britain, Conservative Manifesto 1992.
[146] Philip Gould, 1998, op cit. P329

on Britain for patriotism; on poverty we will end it for children, etc.

(These words are not right, they are examples.)[147]

Whilst this is fairly vacuous copy, it represents the realities of modern party branding. Gould believes that "Focus groups do not of necessity involve dilution of principle or compromise – to say that implies that the voters are fools, which they are not. They want politicians who are tough, honest and courageous, and who govern with principle."[148] Surely, when communicating with a uninterested electorate this means appealing to the lowest common denominator. There is achnowledgement, amongst pollsters at least, of the limitations of focus groups. That politicians may not share this consensus as is apparent from this exchange with Shaun Woodward:

Barber: Do focus groups usually or generally get it right?

Woodward: No. I remember when I was in television, we used to do focus groups on television programmes I made and when I worked for Esther Rantzen on *That's Life* she would say, 'the problem with focus groups is that if you actually sit down with people and you say what do you like? What do you not like? You would end up with a list of things that would be a completely untransmittable piece of television.' It still requires someone to make decisions and put things together, take risks and be bold. Focus groups are a useful tool in telling you things but in truth it's the old story: you can get any answer you want depending on the

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[147] Philip Gould memo written in early May 2000, "Getting the right place in history and not the wrong one", reproduced in The Guardian, 19/7/00. The title is notable given the criticism of Claire Short about Blair's obsession with his place in history, upon her resignation from the Cabinet in May 2003.

[148] Philip Gould, 1998, op cit. P328

question you ask and how focus groups are conducted is very professional skill and there are quite a lot of people out there who run focus groups but are perhaps not as skilled in actually producing the information which is really useful.

Barber: Do politicians rely on focus groups being right?

Woodward: Some politicians over rely on them. The good ones use them but don't rely on them.[149]

Perhaps politicians do not always appreciate focus group's limitations. *Marketing Week* in May 1999 highlighted one extreme, and amusing, example of focus group failure. According to the Department of Trade's Home and Leisure Accident Surveillance Report, an estimated 4,440 accidents each year are caused by, well, trousers. "Estimated in this case means, of course, that the figure is pure guesswork. Even so, it is an alarming thought that, thanks to the focus group, government policy may in part be determined by people who cannot be relied upon to pull on a pair of trousers without falling over."[150] This issue of recruiting not only a suitable as well as a compatible group has been covered by the literature[151] but the fact remains that there is a limit to the usefulness of that which focus groups can contribute. It is difficult to assess whether politicians recognise these limitations. Philip Gould, for instance, conducts focus groups with almost excessive regularity in the run up to an election, yet Hayward and Rose express concern as to the

[149] Interview with Shaun Woodward, House of Commons, 6/11/02.
[150] "Focusing on the tissues of the day", Marketing Week, 27/5/99.
[151] See for instance T.L. Greenbaum, The Handbook of Focus Group Research, Lexington.

honesty and spontaneity of respondents who attend groups with a degree of frequency[152].

One of the most useful, documented, examples of the focus group at work in British politics is detailed in the often overlooked Fabian pamphlet produced by Labour MP Giles Radice after the 1992 defeat. *Southern Discomfort* argues for the modernising agenda and sets out the basis for New Labour two years before Blair's ascendancy to the party leadership. For this reason it might be considered to hold greater significance than Philip Gould's work and it is noteworthy that Gould fails to acknowledge Radice in his book. Radice conducted focus groups in five southern marginal constituencies which Labour failed to win in 1992: Gravesham, Harlow, Luton South, Slough and Stevenage. He uncovered the lingering negative attitudes those parts of the electorate retained about the party. These were people whose support the party would have expected to attract. Indeed, in some cases the respondents had considered voting Labour right up until entering the booth, but weakened before voting Conservative. The results are fascinating and show how Labour failed to demonstrate to the aspiring working class voter the benefits of electing it to government. Radice concluded: "If Labour is materially to assist the 'have nots', it has to gain power; and it can only achieve power if it obtains the support of a significant section of the 'haves'."[153] The focus groups did not determine policy but they demonstrated to the party what they

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[152] W. Hayward and J Rose, "'We'll meet again...': repeat attendance at group discussions – does it matter?", Journal of the Market Research Society, Vol 32, No 3, 1990. P 402.
[153] Giles Radice, September 1992, Southern Discomfort, Fabian Pamphlet 555. P 16. See also It's Time to get Britain Working Again, Labour Manifesto, 1992. Another noteworthy publication is Tony Blair, Patricia Hewitt, Peter Mandelson, Simon Crine, Calumn Macdonald,

had to do if they were to convince what should have been their natural electorate, to support them in a general election.

Focus groups have their place in strategy formation even if they are incapable of offering the type of Downsian answers some critics believe them able and some politicians rely on them to deliver. If their attractiveness in the Downsian sense is questionable, then they have other uses as a strategic tool. It is essential that the objectives of the focus group be carefully worked out prior to the session[154]. Tony Wright accepts the need for focus groups but is clear that their purpose must be limited:

> There may be those who think that a governing project can be assembled and sustained within the parameters of spin-doctoring, media managing, polling and focus-grouping. It cannot. I am prepared to believe that these black arts are indispensable to the conduct of modern politics; but I am not prepared to accept that they provide a substitute for a governing vision. In this respect the example of the Clinton White House, now chronicled in its unappealing detail, is a model to be avoided rather than emulated. An obsession with keeping the ship afloat can too easily divert attention from where it is supposed to be going – at least until it hits the rocks.[155]

Nick Butler, Raymond Plant, Phil Collins, Peter Stephenson, Jim Murphey, 1992, The Fourth Defeat, Fabian Review, Vol 104, No 3. This explores the reasons Labour again lost in 1992.
[154] Zane K. Quible, "A focus on focus groups", Business Communication Quarterly, June 1998, P28
[155] Tony Wright, 1996, Who wins dares: New Labour – New Politics, Fabian Society Pamphlet 579. P3

Focus groups are perhaps not the great threat feared by many. Used irresponsibly, however, and party strategy could be highly erratic. Used as a sensible element of formulation, and strategy may be more complete.

Portfolio Theory and Scenario Analysis

Two areas where the use of focus groups may influence the strategy process are providing the informative basis for portfolio strategies and scenario analysis. In both cases the focus group is able to provide not a direction of the policy agenda but rather, a better idea of the needs and fears of the electorate. Focus groups are "used by political parties as an issue management tool as they are a quick and potentially insightful and can be used to unpack the clusters of attitudes that drive opinion. They are good for dealing with crises and other hot issues."[156] It is perhaps for this reason that they can be fed into these two areas.

Portfolio theory as part of strategy formation allows a party to diversify its assets to appeal to the diversified requirements of the voting public. Here 'assets' refer to the policy platform and personality of the party and indeed the resources available to it[157]. The portfolio would relate specifically to the range of policy areas and accompanying personality traits of the politicians whose job it is to promote those views and plans. "When one asset is

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[156] Julian Misell, correspondence with author, 22/3/03.

combined with another to form a portfolio, it is not a natural event. The return and the 'riskiness' of the portfolio are altered."[158] That is the relative risk relates to the correlation between two returns which are sum of the portfolio. It is important for parties to reduce the risk of losing votes and increase the return of gaining votes. By establishing a portfolio strategy, it may be possible achieve domination in policy areas and particularly in what can be verified as the crucial policy areas. Thus, reputational resource is established. To take an example (although this changed by the mid 1990s), traditionally Labour has polled strongly on 'caring' or social issues, whereas the Conservatives' strength lay in economic management and law and order. A portfolio strategist might use the findings from a focus group to identify where the party's supporters and the section of the electorate it wanted to attract, saw their priorities, and allow it to act accordingly. For instance, where a large number of those polled under quantitative analysis saw the health service as a priority, it might be reasonable to expect a Labour party which is seen as ahead on those caring issues to benefit and a Conservative party desperate to improve its caring credentials. Yet should focus group analysis demonstrate that whilst most people thought the health service was important, they feared for their job and economic situation, a Tory portfolio strategy would promote heavily the economic competence of its party's spokesmen and credibility of its economic policies, to the detriment of health. Being strong in the areas that matter is what is important. Indeed, the

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[157] Strengths, Weaknesses, Opportunities, Threats (SWAT) analysis is a technique by which organisations can asses their abilities and is a constant theme across the management literature. See for instance Paul Finlay, 2000, Strategic Management, FT Prentice Hall. P320
[158] Susan Hudson-Wilson, "New Trends in Portfolio Theory", Journal of Property Management, May-June 1990.

example just set out is close to the experience in the 1992 general election, an event which is set out more fully in Chapter six. Here, the Conservatives' successful prosecution of their 'Labour's Tax Bombshell' campaign followed this very logic. In fact, the campaign began in July 1991 after Maurice Saatchi's agency, drawing upon Gallup poll data, advocated linking the cost of Labour's programme directly to the implications for taxes. Central Office had calculated a cost of some £35 billion or an average tax increase of £1,000 per person. The Conservatives clung to this warning right through until the election itself, boring journalists but instilling real fear in the electorate.[159] A small group of party strategists, based on political instincts and opinion poll analysis, took this decision to relentlessly attack Labour on tax in the run up to 1992. Labour was vulnerable here because of those indelible images of the late 1970s and the left's continued call for punitive taxes throughout the 1980s.

There is a further example of portfolio strategy which is illuminating to this train of enquiry. In this example, the party identified and assumed primacy over a portfolio area of importance to the electorate, but which was a policy strength of its competitor. As Shadow Home Secretary under John Smith's leadership of the Labour party, Tony Blair captured law and order as an area of strength for his party by capitalising on a fundamentally tabloid agenda as the governing Tories were perceived to have lost control of the issue. Most notably his speech following the murder of toddler Jamie Bulger challenged the liberal approach to crime that had been the hallmark of his predecessors.

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[159] Dennis Kavanagh, 1995, Election Campaigning: The New Marketing of Politics, Blackwell.

His famous sound bite, 'tough on crime, tough on the causes of crime', established a fresh of image of Labour on the issue in the mind of the electorate. This was the intention. Blair had become convinced of the need for Labour to change and to change more rapidly than it had before. This meant taking on the Conservatives at the areas of policy they had always assumed to be theirs and where Labour had barely contemplated championing in the past.

Best Party on Law and Order

Source: Mori

Mori statistics demonstrate public perceptions of the 'best' party for particular issues. Law and order was a significant Conservative portfolio topic after the 1987 election but became Labour's after Blair took the Home Office portfolio in 1992.
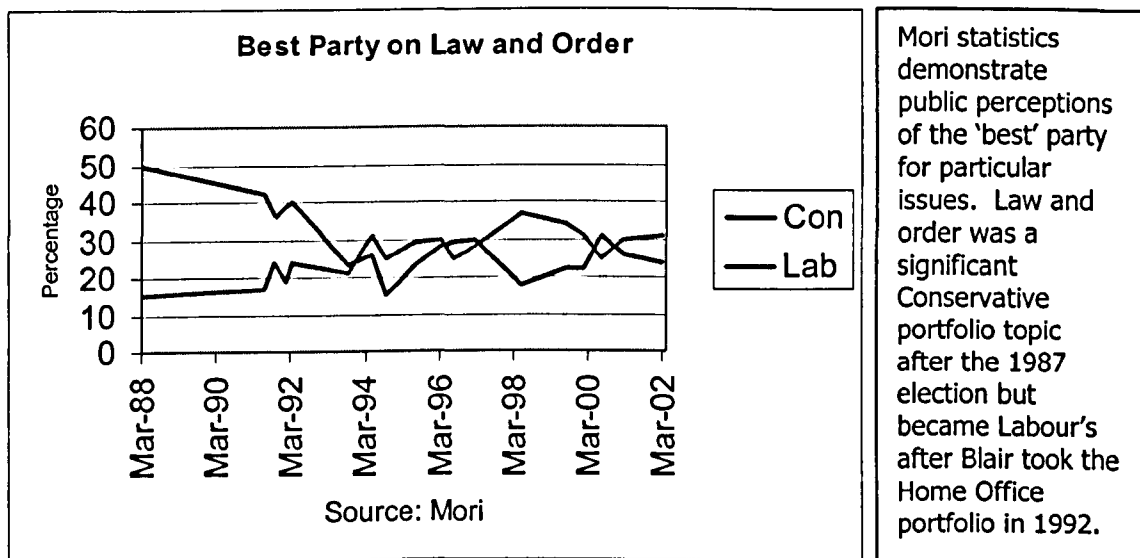
Capture of law and order as a portfolio area where a party can claim strength is an important part of a successful offering to the electorate. Focus groups may have identified the need for attention to a policy area, but they do not necessarily direct the policy itself, merely the emphasis and personality of the promotion.

Elsewhere, focus groups may inform the strategy process by providing information for scenario analysis exercises. That is creating scenarios about

P68.

what might happen. When forming a strategy, the reduction of risk in implementing that strategy is important. "Scenario planning embraces uncertainty and devises a range of views of an uncertain future... they provide competing views of the future".[160] They also help to analyse not only those aspects of strategy which are known or are uncertain, but they reveal those aspects strategists are unaware they do not know[161]. Grant believes the value of these techniques is in the process rather than the results since it allows strategic options can be evaluated. Scenarios should not be used to forecast but as a method of contemplating and communicating about the future[162]. Scenario analysis is a tool used extensively by Labour in the approach to the 1997 general election. It involves identifying a number of potentially damaging scenarios and mapping out in some detail planned responses. Fictitious newspaper headlines, such as 'Blair Went Private to Straighten Teeth After He Became Labour Leader' and 'Mandelson and Brown Stage Shouting Match in Millbank as Labour Lead Falls', which could have damaged Labour were mapped out, responses determined[163]. Good strategy involves planning for contingencies. Since scenarios "compensate for the usual errors in decision making – overconfidence and tunnel vision"[164], there is every reason for a party high in the polls to use them. The exercise carried out by Labour in the run up to 1997, demonstrates the importance of testing the strategy against any foreseeable circumstances.

[160] Eric K. Clemons, "Using scenario analysis to manage strategic risks of reengineering", Sloan Management Review, Summer 1995 P 67.
[161] Paul J.H. Schoemaker, "Scenario Planning: A Tool for Strategic Thinking", Sloan Management Review, Winter 1995, Vol 36, No 2. P28
[162] Robert M. Grant, 2002, op cit. PP 322 -323
[163] Donald Macintyre, 1999, Mandelson and the Making of New Labour, Harper Collins. P 366
[164] Paul J.H. Schoemaker, op cit. P 27

The use of focus group techniques evokes fears of Downsian rational choice models of party behaviour. It is feared that policy and position is led by the findings of the pollsters. It has been argued that focus groups are incapable of offering politicians this level of guidance and that at best they can be used to determine emphasis or presentation and can help to build strategic techniques such as portfolio planning and scenario analysis. The danger arises where politicians form a misguided belief that focus groups can deliver electoral success. However, such reliance on an imperfect tool is likely to result in ill-judged strategy.

Chapter Four

Strategy for Elections, Strategy for Change

And

Defining Objectives for Party Strategy

If broad strategic objectives cannot be said to be consistently the rational attainment of office, a more satisfactory appreciation of party behaviour must be sought. The management literature argues that strategy is, in part, about planning to achieve a set of consistent objectives[165]. To understand party strategy, it is necessary to form a view of those objectives. It is this that the chapter will consider, forming a basic view of broad party objectives which can sit as background when examining strategy in real situations. The chapter also serves to tie up a number of these related loose ends. To help form a workable view of strategic objectives, this chapter is able to draw on some limited theoretical sources from political and management science respectively.

If parties do not exist purely to win elections, then the idea that they exist to fight elections cannot be dismissed. A constant in the existence of parties is the general election. An event held usually within every five years at the request of the Prime Minister (voluntarily or due to loss of confidence in the House of Commons) and on the instruction of the Monarch, the general

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[165] Henry Mintzberg et al, 1998, op cit. P9.

election is a relatively fixed staging post in terms of strategy[166]. That parties exist to fight elections is undeniable[167]. In a liberal democracy such as Britain, parties offer themselves to voters[168] for periodic re-election and must do so in order that they might remain active at the national level. By its nature, this means that strategy must be formed with this event as paramount and that an important function of political parties is that of campaigning bodies. Fighting elections is a primary purpose of political parties. When the Pro Euro Conservative party was formed, they were advised not to fight the 1997 general election on the basis that during the costly exercise they would be damaged by attracting such limited support. The converse of this argument was simply that if they did not contest at least some seats, the organisation could not in fact be a considered as political party but rather a pressure group. The evidence provided by former MEP and Pro Euro Conservatives founder member, Brendan Donnelly, who took the view that it was essential to fight elections if his organisation was to be considered as a party, supports this. "It was my view at the time that we should [fight the general election] and the compromise that we eventually came to was that we would fight in one seat – where we did badly."[169] Nevertheless, by fighting an election a body becomes a party. By advocating solely a policy position, that body can be defined only as an interest group.

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[166] As Prime Minister, Margaret Thatcher consistently went to the country every four years, believing that to leave it longer shows weakness and mindful of James Callaghan's mistake of not calling an election in 1978 where he would have been in a stronger electoral position. John Major, by contrast, chose to go the full five years: successfully in 1992 but in failure in 1997. The latter including one of the longest ever election campaigns. This is a decision also in the hands of the incumbent Prime Minister.

[167] See for instance Richard S. Katz, 1980, A Theory of Parties and Electoral Systems, Johns Hopkins University Press.

[168] There is a considerable body of literature on party competition which sits outside of the scope of this thesis. For overview see B.D. Graham, 1993, op cit.

The importance of the election to parties means that politics generally and strategy in particular is often short-termist although strategy should be thought of as a long-term process[170]. A long-term strategy cannot be put in place without in-depth consideration of the short-term electoral consequences of any action. Elections are important to parties because they confer legitimacy. That is both a mandate to govern and a mandate to express a contrary view in the new Parliament. An election win was considered important to John Major's Conservatives in 1992 in order that his administration could step out of the shadow of the Thatcher era and govern with its own legitimacy rather than with the inherited.[171] Electoral strategy should, therefore, be considered as a fundamental part of any party's behaviour. From the day after polling, parties are positioning themselves for the next electoral clash. Campaigning is an ongoing process in politics, which is merely tested once every five or so years. It is a misconception to assume that parties fight each election with the intention of winning office. At least one of those parties involved in the election must fight with the intention of assuming office in the electoral aftermath but others may be fighting with different intentions and motivations.

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[169] Interview with Brendan Donnelly, East Finchley, 16/6/02
[170] The importance of long-term vision is highlighted in the management literature. See Arthur A.Thompson and A. J. Strickland, 1998, op cit. PP 33-34
[171] See Bruce Anderson, 1992, John Major, Headline. P411.

Mission: Office Seeking, Policy Pursuing

To form a view as to the broad strategic objectives of parties, this thesis will borrow two respective concepts from Ian Budge of Essex University and Andrew Campbell and Kiran Tawadey of the Ashridge Strategic Management Centre. That some parties are 'office seeking' whilst others 'policy pursuing'[172] and that organisations require some idea of 'mission' contributes to a discussion of party strategy. This thesis will not analyse these theoretical concepts since this is the role of political and management science respectively. It will, however, make use of the ideas for considering party strategy. Strategy must be formed with an objective in mind. On a basic level this means forming strategy and fighting an election with the intention of holding office thereafter. Here, seeking office is the primary objective. Other parties may be considered as policy pursuing, interested in the policy agenda, constructively influencing as a primary objective or in a destructive sense, arguing policy internally. Even in the case of office seeking theory, however, rationality would not be validated for "office is justified as essential to the attainment of other ends"[173]. These other ends may be the policy agenda. Where rationality is, therefore, rejected, and these broader ideas of objectives used, a sense of a party's mission should be formed.

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[172] As a widening to this theory, policy pursuing parties may be considered 'constructive' or 'destructive' in nature. That is trying to constructively influence the policy agenda or destructively fighting over issues internally. See Stephen Barber "Party Strategy for Political Marketers and The Office Seeking strategies of the Centre party in 1983 and 1997", Paper for the PSA conference, Leicester, April 2003.

[173] Ian Budge and Hans Keman, 1990, Parties and Democracy: Coalition Formation and Government Functioning in Twenty States, Oxford. P14

The Ashridge model[174] suggests a definition for an organisation's mission. Proposing this as a model for parties, in support of Budge's definitions, is to develop more wide ranging party objectives than those suggested by the rationality arguments. It is also noteworthy that since it is drawn from the commercially orientated management literature, the strategy of commercial organisations might also be considered as wider than merely rational attainment of profit.

The Ashridge Mission Diamond

PURPOSE
Why the organisation exists

STRATEGY
The competitive
position and
distinctive competence

VALUES
What the organisation
believes in

STANDARDS AND BEHAVIOUR
The policies and behaviour patterns
that underpin the distinctive
competence and the value system
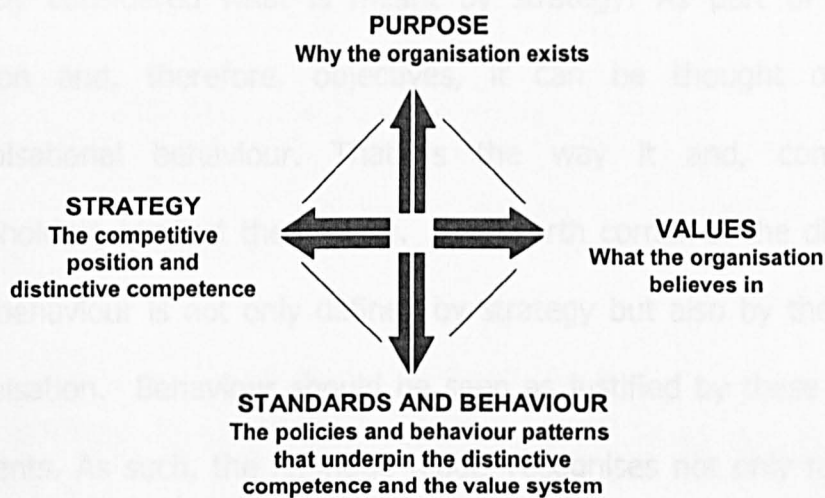
Using the Ashridge model, a party may be ascribed a purpose. That is the development of a 'multi-constituency definition' of why the organisation exists. A party fulfils the needs of its association of stakeholders by defining its relationship with them. In this sense, the party may be seen to exist in order to satisfy the needs of its stakeholders. Under the model, however, purpose is wider than this, since organisations with a 'strong sense of mission' may reject mere stakeholder definitions of their purpose in favour of a higher ideal. Contra-rationality, such organisations have "a purpose that provides a

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[174] Andrew Campbell and Kiran Tawadey, 1992, Mission and Business Philosophy, Butterworth

basis for a cause; something that can rise above the selfish interests of stakeholders and provide the basis for a sense of mission."[175] This is important since stakeholders – in the case of a party, the human resources discussed in Chapter one - are able to support the party not because of the rational benefits, but because they consider it worthwhile.

The second corner of the diamond is strategy itself, which is "one of the logics which link behaviour and decisions to purpose."[176] This thesis has already considered what is meant by strategy. As part of understanding mission and, therefore, objectives, it can be thought of as defining organisational behaviour. That is the way it and, consequently, its stakeholders conduct themselves. The fourth corner of the diamond implies that behaviour is not only defined by strategy but also by the values of the organisation. Behaviour should be seen as justified by these other two key elements. As such, the Ashridge model recognises not only rational reasons for behaving in a particular way, but also importantly value or moral reasons. The model's proponents argue that if only viewing behaviour from the standpoint of strategy, the organisation may be considered cold or calculating. Where examined as a whole, however, that behaviour is deeper and infuses a sense of mission.[177] It is by combining these four elements of the diamond, that a party, and the real people who form that party, collectively establish that sense of mission since they consider it to be a worthwhile pursuit.

Heinmann. Chapter one
[175] Ibid. P 3
[176] Ibid

It might be more instructive to consider the Ashridge model as linear rather than a diamond. When an organisation's sense of mission is considered, it is done so as a whole, a combination of the four elements illustrated above. It is possible to talk about an efficiently functioning organisation in terms of its mission without questioning the respective place of these elements. However, that sense of mission may only exist fully where each element of the model is in place. Indeed, it is possible to view these elements as forming a logical sequence. As such, the strategic behaviour of an organisation could be said to emerge from its purpose, which in turn can be derived from its values.

The Ashridge Mission Model as Linear

Values → Purpose → Strategy → Behaviour
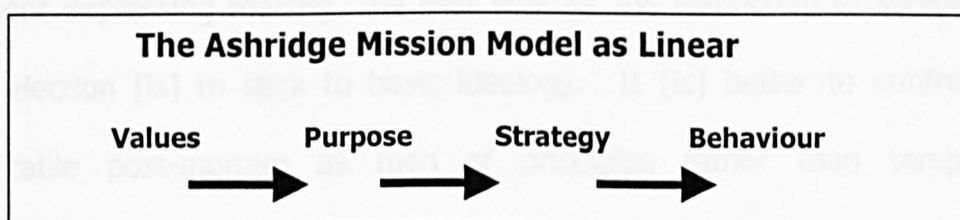
Given that party behaviour may be influenced by values and purpose as well as strategic rationale, the sum of the mission may be naturally thought of as the degree to which the party is office seeking or policy pursuing.

When considering party strategy in real world situations, there is no such straight divide between office seeking parties and policy pursuing parties. Each is usually a combination of the two with an emphasis to any given degree on one or the other. Conservative party objectives 1975 – 1992 were strongly office seeking though with a policy pursuing agenda in trail. The two are self-supporting. It is doubtful if the Thatcher governments would have

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[177] Ibid. P 5.

come into being had it not been for their policy pursuit and equally had it not been for its office seeking instinct, policy could never have been enacted. The Thatcher-led party can be said to have ascribed itself a higher purpose than winning office – a mission - and it carried with it the values of its gradually emerging dogma.

Further, where there is little expectation that a party can win, there is limited pressure on a leadership to moderate the policy toward office seeking. Bara and Budge point out that where a party is office seeking but where polls present depressing reading "the best way for the leadership to survive after the election [is] to stick to basic ideology. It [is] better to confront the inevitable post-mortem as men of principles rather than temporising moderates who lost the election anyway."[178] This is reflective of the Ashridge stakeholder definition of purpose and is part of the lesson Labour had to learn during the 1980s. In the early part of that decade, Labour had become highly policy driven, in a destructive sense, with little appetite for office seeking priorities. It was also failing to attract votes and support. The 1997 party had reversed that position with honed office seeking impulses. "The only purpose of being in politics is to make things happen", Blair had told his audience at the Royal Festival Hall, as it became clear he would be Prime Minister within hours.[179] On a related topic, Jennifer Lees-Marshment, whose academic work has analysed the marketing of British political parties, has created definitions of party objectives reminiscent of Budge but viewed from

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[178] Judith Bara and Ian Budge, "Party Policy and Ideology: Still New Labour?", Parliamentary Affairs, 2001, 54. P 591.
[179] Reproduced in Andrew Rawnsley, 2000, Servants of the People, Hamish Hamilton. P3

the concept of marketing. Under Lees-Marshment's classifications, a party is either product orientated, sales orientated or market orientated[180]. Here, like policy pursuit, product orientated parties will make a case for the ideas in which they believes. Similar to office seeking, a market orientated party 'designs its product' to appeal to the electorate. Sales orientation, however, is perhaps more reflective of the Dunleavy concept visited in Chapter two. That is a policy pursuing or product orientated party is able to promote its beliefs or shape preferences.

In terms of policy pursuit, the Liberal Democrats and its predecessor forms have been perhaps the most successful. Whilst never holding national office for the entire post war period, the values held by the party have meant Liberals have been highly influential on the policy agenda. From Keynesian economics to Beverage's welfare plan to Steel's abortion Bill to the Cook/McLennan constitutional reforms, Britain's third party has provided impetus and legitimacy to the policy agenda. On a national level, the party's behaviour could rarely be considered as office seeking. Indeed, it was not until 1974 that Liberals once again sought to fight a truly national election campaign by contesting practically every seat. The party prevented Jeremy Thorpe from accepting a seat in a potential Heath Cabinet in February of 1974. David Steel failed to extract office in exchange for supporting Callaghan's ailing government in the late 1970s. This perhaps demonstrates

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[180] Jennifer Lees-Marshment, "The Marriage of Politics and Marketing", Political Studies, Volume 49, issue 4. P 692. See also amongst others, "The Product, Sales and Market-Orientated Party: How Labour learnt to market the product, not just the presentation", European Journal of Marketing, Special Issue on Political Marketing 2001. Both articles discuss the process of political marketing which may be considered as a parallel topic to party strategy.

a sense of purpose in the party's mission. Nevertheless, the evidence of 1997 is that substantial talks between party leaders Ashdown and Blair could well have seen Liberal Democrats occupying Cabinet seats alongside Labour Ministers had it not been for the scale of Labour's victory[181]. Here it is possible to describe the Liberal Democrats as continuing their policy pursuing traditions whilst seeking office in a more realistic manner than at any time since Lloyd George was leader.

The analytical distinction between office seeking and vote maximising parties might also be discussed. That is the pursuit of a strategy which seeks to accumulate votes as a priority, not necessarily with the single-minded objective of winning office outright. As Budge contends, "office is not a goal for most politicians if they cannot pursue their policies at least to some extent."[182] While votes are not intrinsically valuable, they may be thought of almost as a resource, since they offer the corresponding capability of office, influencing policy or denying a competitor these advantages. A centre party viewing potential coalition formation might be considered as office seeking by maximising a relatively small amount of votes. In such circumstances, the centre party becomes essential, or pivotal, if a workable majority is to be created.

Kitschelt suggests circumstances where a party pursuing a 'pivotal', office seeking, strategy may be prepared even to "sacrifice votes and legislative seats to improve their chances to obtain a pivotal position in the process of

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[181] Paddy Ashdown, 2000, The Ashdown Diaries 1988-1997, Allen Lane.

government coalition formation. A party is pivotal if no majority coalition can be formed against it."[183] A strategy (or tactic) of 'oligopolistic competition' would see a party shifting towards a more extreme position to squeeze a competitor out of contention, after which time it would be possible to return to its more traditional, moderate, position. In the short-term, such action may lose the party votes. However, this is perceived as a worthwhile forfeit given the longer-term return of continual involvement in coalition government. Therefore, "oligopolistic competition [is] not rational... per se, but depend[s] on circumstances that make pursuing such objectives feasible."[184] Such strategies rarely, if ever, occur in Britain given the electoral system, although it could be observed, for instance, that the adoption, by major parties, of an environmental agenda after the 1989 European elections, was an attempt to undermine the Green party's unusually strong support in that poll. Although not shifting to an extreme position, the new emphasis squeezed the Greens' fragile support and it is noteworthy that, perhaps, only the Liberal Democrats subsequently continued to accentuate 'green' policies to any meaningful extent.

In forming a successful or robust strategy, all parties should pay attention to their office seeking or policy pursuing objectives, or indeed vote maximising, should circumstances permit. The balance this is ascribed may be thought of as being influenced by the sense of mission the party enjoys. Given that the grand event of a general election will occur during the course of strategic

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[182] Ian Budge, 1987, op cit. P 27.
[183] Herbert Kitschelt, 1996, The Transformation of European Social Democracy, Cambridge University Press. P125.

implementation, that which a party intends to achieve is polarised by this decisive occasion.

The Role of the Campaign

Whether primarily office seeking or policy pursuing, parties do not merely come to that position for the beginning of an election campaign but the position evolves over time in reaction to events, developments, purpose, values, mission and leadership. For instance, the Conservatives' 1992 'Tax Bombshell' campaign demonstrates the long period over which even these electoral themes may evolve. It is at election time, however, that positions are crystallised. In terms of meeting objectives, this section will review briefly the election campaign in relation to party strategy.

By the time the incumbent Prime Minister journeys to the Palace to seek dissolution of Parliament, under normal circumstances, parties will have already set out the basis of their appeal to the electorate. Consequently, polling indicates that most voters have already decided which candidate they are going to vote for before the election campaign begins. Statistics produced by the polling agency Mori, reproduced below, demonstrate the extent to which the electorate tends to have decided how to vote before the official campaign begins. In the 2001 general election, 79% of the Conservative and 80% of the Labour vote was determined before the campaign began. Even in

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[184] Ibid. P 34

1992, that election so synonymous with the floating voter, the victorious Conservatives had gained 72% of their votes prior to the campaign with 63% of the total electorate disregarding the campaign. Where the figures digress is in the case of the Liberal Democrats, who in 1992 gained 59%, and in 2001 41% of their support during the campaign with 10% - 12% becoming convinced in the final twenty-four hours. This suggests that the four weeks of campaigning is disproportionately important to the third party, perhaps because of the concentration of interest on their policies and personalities which the party struggles to attract mid-term. At election time, broadcasting rules dictate the fair ratio of reporting for each party. Since these rules do not apply during the Parliamentary term, the Liberal Democrats are ignored often in the battle between the two larger parties. Whilst these few weeks are, therefore, crucial to the Liberal Democrats in building support, ironically, of the three the party spends the least on their campaign.

When did you decide which party to vote for?								
	1992				2001			
	All %	Con %	Lab %	Lib Dem %	All %	Con %	Lab %	Lib Dem %
Before the campaign	63	72	67	42	74	79	80	59
In the first week	6	4	6	9	4	2	4	4
Around the middle	11	8	10	19	8	6	7	14
Within the last week	13	12	10	19	7	5	4	13
Within the last 24 hours	8	4	7	12	7	7	4	10

Source: Mori
Interviews with 1,877 adults. Fieldwork conducted 14-19 June 2001

Since strategy, as defined in the management literature, is about achieving objectives given available resources, the campaign must be a fundamental

element of party strategy since this is where most of the available resources are expended. This may suggest inefficiencies in party strategy[185]. Former Tory Director of Communications, Shaun Woodward, explains why party resource is focused on the campaign:

Barber: Given that such a large percentage of the electorate has decided who it will vote for some time before polling, why is there always so much emphasis on the four weeks or so of the election campaign?

Woodward: This is one of those relative questions because if you compare the United Kingdom with, say, the United States... The United States will embark on a year long campaign for the Presidency. Ours are actually very short campaigns – three or four weeks at most. The longest John Major had was five and a half weeks and that was unusual. But that's a twelfth of the length of an American Presidential campaign. So our campaigns are not long and because they are not long, when they happen you divert a lot of attention and resource to them. Britain is not a country which is by and large engaged in lengthy run-ups to polling. One of the differences in our system is that its up to the Prime Minister to choose his or her date, so if you are in opposition you will not be wanting to spend valuable resources and money before it is a good idea to do it. People in Britain get quite bored by elections. My experience is that after about a week they rather wish the campaign was coming. Three weeks is really pushing it and after five weeks they are bored to tears.[186]

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[185] The concentration of resources may be considered contrary to that suggested in the management literature where there is a highly developed idea of allocating resource priorities. Arthur A. Thompson and A. J. Strickland, 1998, op cit. P 261.
[186] Interview with Shaun Woodward, House of Commons, 6/11/02.

The increasingly large sums spent on election campaigns[187] indicates that parties consider them an essential and important part of their existence and progress. Yet Fisher argues that for national political parties, the correlation between spending and electoral success is inconclusive[188]. Labour MP Barry Dulaney believes the nature of modern campaigning is a reflection of inefficient fund raising, which is concentrated on the few months in the run up to the election[189]. There's little point in 'being the richest opposition party' after polling day he suggests. The realities of electoral politics is reflected by Shaun Woodward:

> You would be a brave party leader to be so arrogant to think that actually victory was so in the bag that you needn't go out and campaign or spend any money. There is very little reward for people who actually fight a campaign so arrogantly that they don't bother campaigning.[190]

In terms of resources, Farrell and Webb have demonstrated the development of parties into sophisticated campaign organisations, capable of using all forms of media from an increasingly centralised position. The implication of their analysis is the rapid development of not only techniques, but also organisation, resulting in a decline of the local party base.[191] Such

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[187] The Political Parties, Elections and Referendums Act 2000 (PPER) placed strict constraints on the levels of party spending during the campaign, defined for the Act as the 365 days preceding polling day. See Justin Fisher, 2001, op cit.
[188] Justin Fisher, "Party Expenditure and Electoral Prospects: A National Level analysis of Britain", Electoral Studies, Vol 18, 1999
[189] Speaking on "A Week in Westminster", BBC Radio 4, 13/01/01
[190] Interview with Shaun Woodward, House of Commons, 6/11/02.
[191] David Farrell and Paul Webb, 1999, op cit.

developments are inevitable in a media dominated world where global communications have become accessible and global communicators powerful. Nevertheless, given most of the electorate has determined the recipient of their vote prior to the campaign, the emphasis on the four or so weeks prior to polling day may suggest an unavoidable inefficiency in strategic resource.

Recent history has demonstrated the official campaign itself cannot win the election for a party. During the 1980s Labour moved from an inward looking, destructive policy pursuing body at the 1983 election towards a more disciplined and sensitive office seeking position by 1987. The chaos for Labour in 1983 extended from leadership to policy. For all his intellect, Labour leader Michael Foot failed to offer an attractive image to an electorate in admiration of Margaret Thatcher's determined authority during the Falklands conflict. Indeed, at one point during the campaign, it was necessary to confirm he was still leader. The Manifesto offered a very different vision of Britain to that which the Tories placed before voters and for that matter very different to that which the electorate wanted to see. Labour had not rationally sought electoral support in 1983 in terms of either policy or presentation. Receiving just 27.6% of the vote, no other main opposition party had ever fared so badly and with the Alliance achieving 25.4%, just 674,000 votes behind, Labour's position was dire.

The 1987 election was not to be a repeat of this[192]. Labour entered the campaign if not office seeking then at least with the principle objective of 'not coming third'. By this time, Neil Kinnock was leader and, crucially, Peter Mandelson had become Director of Communications. It is widely acknowledged that Labour's 1987 campaign was one of the most professional ever to be waged by a political party in Britain. Even their most ardent critic, Margaret Thatcher, in a grudging tribute to Labour's superior organisation, later recorded:

Neil Kinnock was gaining more and better television coverage. He was portrayed...against the background of cheering crowds, or doing something, which fitted in with the theme of the day. The media...were entranced by the highly polished party election broadcast showing Neil and Glenys walking hand in hand, bathed in a warm glow of summer sunlight, to strains of patriotic music, looking rather like an advertisement for early retirement. This probably encouraged them to give favourable coverage to the Kinnock tours. And what was I doing on Wednesday? I was visiting a training centre for guide dogs for the blind. The symbolism and significance were not lost just on the media but on me too.[193]

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[192] See for instance the professionalism of the manifesto. Britain will win with Labour, Labour Manifesto 1987

[193] Margaret Thatcher, 1993, The Downing Street Years, Harper Collins. P 580-581.

With the Conservatives lacking a Director of Communications at the beginning of the campaign,[194] their communications were notably less efficient and failed to set an agenda for each day. However, "the four week campaign saw very little movement in the polls of any statistical significance on any major issue or image dimension."[195] The Tories' basic strategy was a prediction, in what was known as the 'Blue Book' first drafted in December 1986, that Labour would concentrate on 'caring' issues whereas the economy and defence were those of real concern to the electorate. A reputational resource, the Conservatives were perceived as strong on these issues[196]. The Tories' strategy going into the campaign had taken advantage of portfolio techniques supported by longevity in office. In 1987, Labour's policy metamorphosis had yet to be completed. Their policy platform was, as Neil Kinnock was fond of remarking, 'not fully baked'. The episode demonstrates two important points for strategy and the objectives of party: Firstly, marketing (in this case the campaign) without a sustainable product (party policy) will not achieve overall victory. Secondly, a four-week election campaign alone is incapable of delivering a Parliamentary majority. The campaign should be a communication of the strategy, a tactic almost, not the strategy itself.

Thomas Holbrook's, thoughtful study of campaigns in the US context[197], throws up some propositions given the experience of British election campaigns. Holbrook suggests an important role for them: "Campaigns do

[194] Thatcher had vetoed party Chairman Norman Tebbit's proposed appointment. See also Hugo Young, 1989, One of Us, Macmillan. P 515.
[195] Margaret Scammell, 1995, op cit. P 151
[196] Ibid P 125.
[197] Thomas M. Holbrook, 1996, Do Campaigns Matter?, Sage.

matter; they play a very important role in shaping public opinion during an election year and they contribute to the ultimate outcome. But at the same time it is important to recognize that the political and economic context of the election can place parameters on the potential effect of the campaign."[198] Whilst Britain has been moving towards a 'Presidential' style[199] of government for decades, there remain differences between the Parliamentary system and the Presidential, which have a dampening of the campaign effect. Firstly, personality is not concentrated purely on one person. There are always prominent front and backbenchers. Secondly, parties develop issues and policies throughout the Parliament. Thirdly, the electorate will usually have had a few years to get used to the opposition personalities and evaluate their performance in and out of the Chamber. A slick personality driven campaign by a relative unknown is simply not possible. That being said, with politics increasingly media driven, the personality traits of politicians, especially of the party leaders may be able to substantially influence the result. However, in the Parliamentary system, that effect is not limited to the campaign itself.

The notable exception to the campaign effect, described earlier, should not be forgotten. Struggling for media attention throughout the Parliament, broadcasting rules requiring television coverage to report their activities proportionally means that the third party alone tends to pick up votes during the campaign.

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[198] Ibid. P 158.
[199] Surprisingly there have been few serious studies of British 'Presidential' style politics. For a concise but analytic examination, see John Bartle, Ivor Crewe and Anthony King, 1998, Was it Blair who won it? Leadership effects and the 1997 British General Election, Department of Government , University of Essex. Paper Number 128; Michael Foley, 1993, The Rise of the British Presidency, Manchester University Press.

Given this analysis, it would be reasonable to suggest that parties fight campaigns for a number of basic strategic reasons: Shore up and bring out the core vote; Convince floating voters; Provide confidence to already committed voters by projecting the 'right' image; Raise and fight for important issues, acquiring a mandate in the new Parliament; Undermine opponents. As a real life examination of party strategy, campaigns represent inefficiency in the allocation of resources, concentrating on the culmination of the strategic plan rather than its development. It is in this way that the thesis will consider the campaign in relation to party strategy.

By-Elections

One area where election campaigns are of singular importance is during by-elections. Here, the micro-election of a single constituency can become the focus of nationwide attention. This was certainly the case from 1989 (when the Conservatives won their last by-election whilst in office[200]) to 1997 (when the general election resulted in a Labour victory). With each by-election came an analysis of the party in office. Between December 1990 (when John Major became Prime Minister) and 1992, there were four by-elections in seats held by the Tories. They lost each one. These campaigns contributed to the prolonging of the polling date and may well be in part responsible for the overall majority in the 1992 Parliament, although the lack of economic

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[200] William Hague was the winning candidate in Richmond, Yorkshire after former Cabinet Minister, Leon Britten, left the Commons to take up a position as a European Commissioner.

recovery was probably more significant[201]. By-election campaigns are important for all parties and party leaders. Even if "meaningless as predictors of the general election [to] follow"[202], by-elections are instrumental in determining the morale of a party. Consider the effects of the three by-elections in the winter of 1990[203]. The already embattled Prime Minister Thatcher, saw "the restiveness of Tory back-benchers...transformed into open panic by the Eastbourne by-election."[204] Whereas to Bradford and Bootle the PM, "put on a brave face, saying it was no worse than ...expected. But it was bad enough, and at the wrong time."[205] She was gone within weeks, though not primarily because of the seat losses, the resolve for change felt by the most vulnerable Tory MPs can only have been stiffened. Ironically, Paddy Ashdown did not intend to run a candidate in Eastbourne, caused by the murder of Ian Gow at the hands of the IRA. Ashdown concluded that his party, "should not, on principle, allow the IRA to decide who was and was not an MP and allow them the spectacle of a by-election which they caused."[206] It was only a strongly worded fax by Liberal Democrat Director of Campaigns, Chris Rennard that persuaded him otherwise.[207]

By-elections are mini-referenda on party performance in which the select electorate can cast a vote against their usual preferred party in protest,

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[201] Norman Lamont, 2000, op cit. P 157.

[202] Ivor Crewe, "By-Elections Since 1983: Did They Matter?", in Chris Cook and John Ramsden (eds), 1997, By-elections in British Politics, UCL Press. P 264

[203] 18 October, Eastbourne; 8 November Bradford North, Bootle (contested for the second time that year). The former was taken by the Liberal Democrats, whereas Bradford, a Labour seat, pushed the Tories into third place.

[204] Margaret Thatcher, 1993, op cit. P 832.

[205] Ibid P 838.

[206] Paddy Ashdown, 2000, op cit. P 92

[207] Ibid.

knowing the result will not change the administration. Their timing is erratic and cannot be planned for. They are examples of the need for sound emergent strategy, as is suggested in the management literature and will be explored in a later case study[208]. A good, bad or indifferent by-election campaign can make a significant difference to the outcome. The 2000 Romsey by-election is a fine example of a concerted campaign. A traditionally safe Conservative seat was won by the Liberal Democrats following a bold campaign, led personally by party leader Charles Kennedy, combined with considerable tactical voting. Here the Conservative party in opposition lost one of its safest seats, an occurrence almost unprecedented.[209] With a majority of over eight thousand, the seat was one of the Tories' fifty safest, yet it was lost to a party gaining more than fifty percent of the vote[210]. Romsey also demonstrates that "in the British electoral system minor parties live and die by their credibility as election winners... For minor parties by-elections are an intermittent oxygen pump of publicity and credibility, without which they would be invisible to all but a small, politically aware, minority."[211] Perhaps, as part of a fuller strategy, by-elections might be considered as tactics, albeit random in occurrence[212]. As has been suggested by the management literature, tactics are about winning battles; strategy is about fighting the war.[213]

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[208] Henry Mintzberg, 1994, op cit. P 25.
[209] It had occurred only twice during the previous 100 years: in 1911 and 1965.
[210] See "Charles Kennedy and the Riddle of Romsey", The Economist, 13/5/00.
[211] Ivor Crewe, 1997, op cit. P 261
[212] It is said that during the early years of the SDP, David Owen would cast a Doctor's eye at the healthiness of his Parliamentary opponents as a predictor of by-elections.
[213] Robert M. Grant, 2002, op cit. P 17

Parties as Inter-Election Formations

Strategy must be formed at least in part with a view to fighting an election. Whatever their objectives, parties may or may not succeed in achieving them. Between elections, however, parties have other functions. Parties do not merely exist to contest elections or else party organisation and discipline would not be so developed. Rationality arguments could be bolstered by such a suggestion and indeed, that they exist for wider purpose serves only to weaken such propositions. Even where an office seeking strategy is unsuccessful, a strategy must emerge to satisfy the post-election conditions, commensurate with the party's sense of mission. A party will still wish to enjoy achievements in Parliament if only as an opposition. When considering strategy formation, it is important that this function is considered. Typical of the theoretical studies of party is to focus on electoral competition. A real life examination of party strategy must bear in mind the activity which parties do most of the time.

On a collective basis, Members of Parliament within their party groups form and sustain an executive and opposition. As stakeholders in an organisation they will enjoy a collective sense of the purpose which binds the party together. They assume the roles of government and opposition. On an individual basis, these mosaics of opinion may fight for commonly held principle or in single-minded criticism of the executive. Parties may use the mandate delivered at the election, if not to enact a programme of policy in government, then to fight for issues where voters appear to have conferred

legitimacy and where their values may define their behaviour. During the Parliament, parties take collective decisions and actions in relation to events and occurrences. A policy pursuing party, sitting on the opposition benches, may be concerned with influencing the agenda, highlighting issues and persuading others of their importance. Such a party is more likely to be motivated by achieving the right policy than defeating the government. An office seeking opposition party, however, may be primarily concerned with inflicting damage on the governing party and will direct votes accordingly. A good example here would be the 1992 vote ratifying the Maastricht Treaty. With the knowledge that the Conservatives' slim majority would be wiped out by anti-European 'rebels', office-seeking Labour was determined to inflict damage on the government by defeating it in what was a crucial vote. In doing so, it would also destroy a Bill, which, in principle, it supported. The government was saved, however, by policy pursuing Liberal Democrat votes, more concerned with Britain's European agenda than the destruction of a government it clearly opposed[214].

Strategy for Elections, Strategy for Change

Having questioned Downsian arguments of rationality to explain the strategic objectives of British political parties, this thesis suggests that parties do not exist merely to win elections and retain office. It has been argued that both policy, principle and mission are important factors in the existence of these bodies. Forming an idea of a party's mission and taking the concept of office

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[214] See Paddy Ashdown, 2000, op cit. P 197.

seeking and policy pursuing party models, it is necessary to establish a view of extent to which each model is being followed in any given party at any given time, if a proper understanding of party strategy is to be formed.

If parties do not exist purely to win elections, it is undeniable that they exist to fight them. Elections are important because they confer legitimacy on a party grouping, provide mandates and are essential to any democracy. Campaigns are important to party strategy because they concentrate on their individual agendas allowing parties to offer platforms of policy and personality, periodically to the electorate. Campaigns draw out support at the polls and focus attention on particular issues. Parties entering the campaign can be either office seeking or policy pursuing in emphasis (or indeed somewhere between the two). This thesis widens policy pursuit to suggest constructive or destructive forms of party behaviour. However, strategy is not campaigning.

Parties must form a strategy for the inevitable election campaign itself and the change it wishes to champion thereafter corresponding with its purpose. As coalitions of support, for the purposes of strategy, parties exist between elections to form an executive, focus of opinion or opposition, pursue policy positions, engage in other areas of electoral politics, confer patronage and individual members to represent their constituents. A rounded strategy must therefore involve winning elections and / or securing change commensurate with the mission.

Given the review of Downsian rational choice models and the argument here that parties behave in a manner less determined merely by electoral success, it is with this idea of strategic objectives that party behaviour in contemporary British politics will be explored. It is only possible to understand strategy, as defined by the management literature, where the purpose, objectives and beliefs of the organisation are also understood.

Chapter Five

Party Leadership and Organisational Culture

And

How Kinnock's Labour Party Struggled with Strategy 1983 – 1987 while Blair's acquiesced 1994-1997

Having examined the concept of strategy theoretically to produce a clear idea of the strategic objectives of parties, these ideas can be applied to the real world of political parties. The following chapters draw further on the management literature and examine the idea of strategy in an historical context. This chapter considers how theoretical strategy might be implemented in a party given the existence and vagaries of leadership organisational culture[215].

Leadership within a party organisation may be that officially installed – party leader and the front bench team – or figures with lesser mandate but moral authority. One of the major issues to be faced when analysing strategy is overcoming the simplistic attitude that a strategy can be conceived and then 'bolted on' to existing structures. This scientific or classical view of strategy[216] discussed in chapter one, may be considered as pleasing in a conceptual sense and attractive in an academic view, but far too two-dimensional in any realistic examination of the implementation of party strategy. For a strategy

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[215] Political science has tackled party organisation and behaviour, notably in Angelo Panebianco, 1988, op cit. However, the approach taken by this thesis is to make use of the body of work which sits within the management literature.

to be conceived and implemented effectively, convincing leadership is required to cajole, convince and inspire the organisation into following in what is very much a processualist approach[217] or mindful of the stakeholder concepts of the Ashridge mission model[218]. This chapter explores that debate by beginning with a discussion of the concepts derived from the management literature before describing real party behaviour in case study form.

Party Culture

It requires stating that political parties are inherently 'political organisations'. That means not only are their objectives political, for clearly they are, but their very nature and culture is also political. Parties compete with each other in the political arena of democratic process. Each party seeks to follow a strategy designed to outmanoeuvre its opponents and to achieve given objectives. However, to devise, set and ensure that strategy is accepted requires a process of organisational politics as described in the management text of Gareth Morgan.

> Organizational politics arise when people think differently and want
> to act differently. The diversity creates a tension that must be
> resolved through political means... [T]here are many ways in which
> this can be done: autocratically ("We'll do it this way");
> bureaucratically ("We're supposed to do it this way");

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[216] Alfred Chandler, 1962; Alfred Sloan, 1963, op cit.
[217] See Cyert and March, 1963, op cit.
[218] Campbell and Tawadey, 1992, op cit. PP 3-5

technocratically ("It's best to do it this way"); or democratically ("How shall we do it?"). In each case the choice between alternative paths of action usually hinges on the power relations between the actors involved.[219]

At a national level, respective political parties attract the ambitious, the cause committed, the traditional and the progressive. These are the stakeholders of the party. Autocratic leadership is only possible in circumstances where these elements can be united behind a leadership of demonstrable ability to succeed[220]. Blair's Labour party and Ashdown's Liberal Democrats succumbed to this style of organisational politics. Labour, because it was a final chance to win (and once won to govern for a second full term); the Liberal Democrats because the leadership offered hope at a time of despair. Without that belief that leadership can succeed, party organisational culture will resemble something less than autocratic. Official leadership will always hold the power of patronage over its followers. In government, this can mean the hope of elevation into office; in opposition, a front bench role; in either, honours and preferment. In each case, a successful leadership will have a greater power of patronage, just as wounded leadership will struggle to influence. The latter stages of the Major government was a time where an administration perceived to be lame was unable to act in an autocratic fashion to its party organisation.

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[219] Gareth Morgan, 1997, op cit. P 160

Nevertheless, even a party which is unable or unwilling to be autocratic, requires a strategy. Here, the organisation might be said to be bureaucratic, technocratic or democratic. Leadership still needs to implement a strategy and while it may be derived from one or more of these organisation types, a more active leadership seeks to make use of the culture rather than to passively accept the emergence of strategy.

Bureaucracy may produce a strategy through committees and forums. Technocratic, through policy tinkering; democratic, through all of these means but involving the consent of the organisation[221]. Active leadership in circumstances where it is unable to be autocratic, will implement a strategy by working within the culture of the party. Leadership's "authority is always limited by the extent to which those receiving instructions are willing to obey them. Instructions are liable to interpretation ... and the skilful... will realise the limits of authority... An organisation which fail[s] to satisfy its contributing members [will] not be effective and therefore unlikely to survive"[222]

Before continuing with this line of enquiry, the concept of 'leadership' requires some examination. Leadership as is most commonly described, refers to the 'formal' leadership of the party organisation. Officially, even democratically, installed, this leadership has a mandate and a responsibility to implement a strategy. Elsewhere, unofficial leadership might exist within the organisation.

[220] Sumantra Ghoshal and Christopher A. Bartlett, "Rebuilding Behavioral Context: A Blueprint for Corporate Renewal", Sloan Management Review, Winter 1996, Vol 37, No 2. P 23.
Suggests the need for commitment to long-term management direction.
[221] Robert M. Grant, 2002, op cit. P 192 on bureaucracy; P 197 on heirachy; P 526 on new modes of leadership.

Leadership representing particular opinion or interest may also subsist. Thus, 'charismatic authority'[223] may be as important in the examination of party culture as is formal authority. Prevented from becoming a formal leader, Tony Benn is a supreme example of 'charismatic leadership' within a party. During the early 1980s, Benn became a powerful advocate for the left within the Labour party. Narrowly denied his ambition of the party deputy leadership, Benn emerged from the elections a more powerful figure, the leader of the left within Parliament. Former Minister and Labour MP, Peter Shore believed that the charisma and public figure of Benn meant, "in many ways he is Labour's lost leader. He is more superbly equipped than anyone else to fulfil the functions of a really dynamic Labour leader."[224] After his resignation from the Cabinet in 1986, Michael Heseltine represented charismatic leadership of pro-European Conservatives, writing two books[225] and maintaining a substantial political office awaiting Thatcher's downfall which eventually came more than four years later. Similarly, John Redwood became the charismatic leader of the anti-European Conservatives following his resignation from the Cabinet in 1995.

Strategy is the process of forming achievable objectives given resources available. In a party structure, strategists are responsible for forming that strategy and implementing the plan. Objectives vary but where leadership, of either type, wish to progress the strategy, the party culture needs to be

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[222] John Sheldrake, 1996, Mangagement Theory From Taylorism to Japanization, Thompson. P 125-126. In analysis of Chester Barnard, 1938/1968, The Functions of the Executive.
[223] Gareth O Morgan, 1997, op cit. P 172
[224] Peter Shore speaking on "The Wilderness Years", BBC2, 3/12/95
[225] Michael Heseltine, 1987, Where There's a Will, Hutchinson; 1989, The Challenge of Europe: Can Britain Win?, Weidenfeld and Nicolson.

considered. Strategy often involves change. Where strategy involves considerable change, it often means the direction of the organisation requires shifting. In such circumstances, autocratic leadership may be difficult or impossible; thus, classical approaches to strategy[226] are not possible. A strategy involves objectives for the party, but, "since... individual goals are perceived as lodged in the individual human mind, the problem is to specify organizational (sic) goals without postulating an 'organizational mind'"[227]. That is, however unified, the party is but an organised collection of people and cannot be said to have inherently a clear collective objective. Each of the individuals who collectively make up the party structure, however, can and will have objectives or goals which to a lesser or greater degree will converge to form the party objectives or goals. Ansoff disagrees with this proposition, believing that organisations can have goals explaining that the "key attribute of performance is a stable aspect of aspirations."[228] However, parties are coalitions of opinion and goals, which share sufficient principles or common beliefs to organise into a formal structure around a common mission. The aspirations of the individual members, for their party, beliefs, ambitions and causes, will encourage them to unite behind certain common goals. A degree of collective responsibility necessarily occurs. The individuals involved in the structure, for the most part accept that to make progress they must remain united. Nevertheless, in order that the coalition is sustained, politicking within the party takes place. Contra Downs, for formal party leadership to implement a strategy, which inevitably requires objectives, involves a process

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[226] Alfred Chandler, 1962, op cit.
[227] Cyert and March, 1963, op cit P 30
[228] H. Igor Ansoff, 1979, Strategic Management, Macmillan. P 115

of bargaining within the coalition [229]. Leadership may have certain aspirations in a strategy but the individuals within the organisation will have other goals and causes to promote. Successful leadership should, therefore, ensure "performance by converting objective needs with personal goals."[230] The crossover between the management literature and political science has been illustrated: Cyert and March hypothesis of coalition bargaining to explain organisational culture chimes with Bernard Crick's analysis. That being stated, this study will inevitably continue to consider the party as a whole in the ongoing examination of strategy formation but must be mindful of its constituent parts.

Taking the experience of the Labour party during two short periods in its contemporary history, this chapter will examine the concept empirically. During the respective periods 1983-87 and 1994-97, the organisational culture of Labour differed considerably providing the contrasting leadership styles of Neil Kinnock and Tony Blair with different strategic environments.

Kinnock's Labour Party 1983 – 1987

After the disastrous 1983 election and the resignation of Michael Foot, it was important for the new formal leadership of the Labour party to build a

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[229] Cyert and March, 1963, op cit P50
[230] Henry Drucker, 1989, The Practice of Management, Heinemann. P 134

strategy[231]. That strategy involved change within the party. As Kinnock later put it, "as I began to campaign for election as Leader, it was clear to me and to those associated with me that there would have to be profound changes in the policies and in the organisation of the Labour Party - not simply as ends in themselves but also as contributions to the change in the mentality of the Labour Party."[232] Labour had only narrowly beaten the SDP for second place at the 1983 general election. A shadow of its former self, the party had lost support in the country and amongst its supporters. In the midst of Michael Foot's resignation, that former independent minded left winger, Neil Kinnock, beat Roy Hattersley, from what then was described as the Labour right, for the party leadership[233]. As Hattersley became deputy, the 'dream ticket' formal leadership was not to be the ill disciplined spectacle of its predecessor. It was this mix of right and soft left which was to characterise the strategic approach of the official leadership. Giles Radice was in Neil Kinnock's shadow cabinet:

Barber: Did Defeat again in 1983 send shockwaves through the party?

Radice: I think what it did was made the soft left grow up – the Kinnockites. For them it was a turning point because they realised

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[231] The Kinnock years of the Labour party have produced a fraction of the academic literature devoted to the same period of the Thacher government. Many of the publications which deal with Kinnock, do so in the context of Blair (see later references). However, see Martin .J Smith and Joanna Spear (eds), 1992, The Changing Labour Party, Routledge; Martin Westlake, 2001, Kinnock: The Authorised Biography, Little Brown; Michael Leapman, 1987, Kinnock, Harper Collins.

[232] Neil Kinnock, "Reforming the Labour Party" Contemporary Record, Vol.8, No.3, Winter 1994, P 536. On 8 December 1993 the Rt Hon Neil Kinnock MP presented this paper to the Institute of Historical Research seminar on Twentieth Century British History. For an examination of the tasks before Kinnock see Bernard Crick, "The Future of the Labour Party", Political Quarterly, Vol 54, 1983.

you couldn't run on the ludicrous election programme Foot ran on – 'longest suicide note in history' – and they realised that they had to make the Labour party a slightly more attractive party to be a member of and indeed that is his great contribution. I was saying that to him: Neil's great contribution, in my view, was to make the Labour party a party fit for decent people again rather than mad guys who were neurotic activists.

Barber: When Kinnock became leader in 1983, he seemed determined to assert his authority and the authority of that formal leadership. How important was that as a strategy?

Radice: I think it was quite a good strategy, he did rather well with the party and he started off the changes Blair, Smith carried through. I thought he was a good leader of the party. I think he couldn't persuade the people, the voters, that he would make a good Prime Minister.

Barber: Was that because of the media?

Radice: Partly and partly because he was bloody waffley on television. He didn't sound quite up to it. My wife and I were always terrified when he went on telly in case he made a boob whereas we never were with Tony or John Smith.[234]

Strategy in such circumstances was complicated by the divisive state of the party. That was the task ahead of the leadership. That is what was to prove arduous. Forming a strategy itself should not have been so difficult. Where the role for a party is to fight elections, looking forward to the next clash, "it

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[233] Kinnock polled 71.3% to Hattersley's 19.3%.
[234] Interview with Giles Radice, House of Lords, 8/1/03.

was clear that this... was going to be a battle for second place."[235]   The

strategy embarked upon was essentially one of survival, to prove relevance

again in a political environment which had progressed, for better or worse,

since 1979, from a party that was seen to have regressed. Despite the pitiful

outcome of the 1983 election, the Bennite left rejoiced in the analysis that

eight million people had voted for 'real socialism'. "It was the authentic voice

of what I then privately called the Bourbon Tendency in the Labour Party,"

Kinnock later revealed, "people who had learned nothing and were being led

to oblivion by a former aristocrat."[236] The formal leadership of the Labour

party was to do this by purging the extreme left of the party's ranks,

changing policy and improving the fallen image of the organisation. Labour's

strategy between 1983 and 1987 was very basic, its objective clear. The task

of implementing it, however, was strewn with difficulties, not because of

external obstructions but because of the impediment of the organisation that

was the Labour party and its 'irrational' culture.

While it was essential that the leadership show itself to be strong, autocratic

control was not an option open to Kinnock. Strategy could not just be bolted

on to the existing organisation, planned from the top and implemented. As

with a critique of such strategy the "dichotomy between formulation and

implementation"[237], meant that piecemeal change within the party, working

within that culture, was the only way of effectively forming a workable

strategy. Labour's Chris Powell referred to the strategy as, "basically damage

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[235] Philip Gould, 1998, op cit. P76
[236] Neil Kinnock 1994 op cit. P 536

limitation, both in the sense of the fears of the potential of the SDP to take over as the official opposition... but more in the knowledge that many of the policies that Labour then had would be extremely difficult to effectively sell to enough voters to get elected."[238] Here, the idea of the politician and politics displaced into the strategic manager and management theory is in evidence as Kinnock 'got on with' implementing his strategy:

'Getting on with it' meant - if I can pursue the managerial metaphor - assembling the available assets and undertaking what would now be called the 're-engineering' of the enterprise with the purpose of producing electability. The assets - the available factors of production - were somewhat limited: I had the office team that I assembled and a few close Parliamentary and trade union colleagues who were sympathetic to the cause of reform and prepared to work hard for it. In addition, I was aware from wide personal contact that there was a body of opinion in the Labour Party that, in the wake of the defeat of 1983, would either embrace change eagerly or - at worst - give it the benefit of the doubt.[239]

Because of the culture of the party, Labour in the build up to 1987 could not afford to be more ambitious in its expectations than coming second in the election. "The changes in policy and organisation made before 1987 were

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[237] Henry Mintzberg, 1994, The Rise and Fall of Strategic Planning, Prentice Hall. P275. Mintzberg is a critic of classical approaches to strategy.
[238] Quoted in Philip Gould, 1998, op cit. P 77.

patently and, to me, very painfully not enough to do anything more than contribute to a small rise in Labour's vote, a 20-seat gain and the achievement of second place above the Liberal Social Democrat Alliance."[240] The wider strategy would have been to build on such an achievement, but between 1983 and 1987 the strategy was one simply of survival. Nevertheless, in contrast to Kinnock and Gould's realistic view, the mood in the shadow cabinet was deliriously optimistic as Radice recalls:

> We thought we could win. I don't know why we thought that but we did... The difficulty was, Kinnock thought he could win with the unilateralist position which was proved incorrect in '87. He had shifted on the Common Market already but hadn't shifted on unilateralism and that took some time, after all he was an old CND-er.[241]

The episodes in Labour party history between 1983 and 1987 amount to Kinnock's leadership dealing with the organisational culture of the Labour party to implement a strategy – something he was, almost uniquely, equipped to do. For whilst Blair was successful, a decade later, because of his detachment from the party, "[i]n spite of its disruptive implications for established socialist views, both traditional and revisionist, the ideological revision that Kinnock brought about was made easier... by his own immersion

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[239] Neil Kinnock, 1994, op cit. P 537
[240] Ibid P543
[241] Interview with Giles Radice, House of Lords, 8/1/03.

in the ethos of the Labour Party."[242] Despite this, the leadership was not always successful in its aims and by the 1987 election had only partly achieved that which it had wanted. Indeed, it was approaching the election beyond, that progress was being attained:

> In 1983 there was no certain majority for the Leader's view... By 1985, I could - with a certain amount of pressuring of various kinds - get a majority of one even on issues like the refusal to promise retrospective payments and amnesties to miners who had been fined or imprisoned by the courts during the strikes. In 1986 I began to get a steady majority provided that I undertook necessary consultations before important NEC votes, and by 1989 that had become a substantial majority which enabled me to secure the passage of the Policy Reviews, including the ending of the policy of unilateral nuclear disarmament.[243]

The organisational bureaucracy was the first obstacle of contention. The leader's office and Shadow Cabinet dealt with the National Executive Committee, Campaign Strategy Committee, Press and Publicity Committee, media focused Breakfast group, Polling Committee, Jobs and Industry Campaign group, Social Policy campaign group the Parliamentary party, grass roots members and the block vote holding Unions. It was through this ill-disciplined morass, that the party struggled with strategy, and struggled to change the party. Unfortunately, there "was no tradition or institutional

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[242] Tudor Jones, 1996, <u>Remaking the Labour Party: From Gaitskell to Blair</u>, Routledge P129

means within the Party for the Shadow Cabinet or Parliamentary Labour Party to instigate such changes."[244]

Many bodies and personalities within the organisation had to be handled as change was "blocked to some extent by those who thought of themselves as guardians of the soul of Labour."[245] The miners' strike of 1984-85 placed Kinnock's leadership in an uncomfortable position.[246] While the miners were Labour's natural electorate and the unions part of the Labour party, Arthur Scargill's National Union of Mineworkers appeared to be implementing its own strategy, not necessarily to secure improved conditions for its members, but rather to damage and bring down a Tory government it despised. For Labour, the dispute impeded the political recovery it craved. Labour was forced into a position of both supporting the mine workers and condemning picket line violence. It did neither very successfully. The fudge not only prevented Kinnock from pushing forward his strategy but it proved a further obstacle in the organisation to be handled. For Radice and the right, "the ghastly Miners' strike nearly derailed us. Kinnock was not and we were not as brave as we should have been. Basically I think we should have denounced Scargill for holding a strike without a ballot... It derailed the strategy."[247] Thus, when the 1984 conference passed a motion condemning the police and violence against the miners, the leadership's hopes of forming a coherent overall electoral strategy were damaged. Kinnock's view of Scargill was also

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[243] Neil Kinnock, 1994, op cit. P 543
[244] Tudor Jones, 1996, op cit. P 114
[245] Neil Kinnock, 1994, op cit. P 537
[246] Kinnock and his supporters referred to the months of the miners' strike as the 'lost year'. See Ibid. P 542
[247] Interview with Giles Radice, House of Lords, 8/1/03.

less than flattering: "He's destroying the coal industry single-handed"[248], he is reported to have exclaimed.

Yet, Scargill was not the only Labour member to undermine the beginnings of a party overhaul. Derek Hatton, Deputy Leader of Liverpool Council, personified the excesses of the Militant Tendency by expanding rapidly the budget and preparing for a 'general strike' over spending. Meanwhile in Parliament, politicians such as Tottenham MP Bernie Grant represented the extremism in the national party. In London, GLC leader Ken Livingstone had kicked off 'loony left' policies across the capital's boroughs. That the press could so easily caricature these local authorities actions[249] painted Labour nationally in an unfavourable light. These excesses of party members, had to be tacked by Kinnock and demonstrate that a strategy can rarely be imposed on an organisation. These were the 'charismatic' leaders of those years. Unaccountable to the extent that the 'formal' leadership could not control their actions, they had access to the press and were able to wreak havoc on what should have been the ever clearer Labour strategy[250]. Neil Kinnock:

> Some around me at the time hoped that the lessons of defeat
> would be so convincing that they would automatically produce a
> mandate for radical change, especially with a Leader who had

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[248] Quoted in Alan Sked and Chris Cook, 1990, Post War Britain: a Political History, Penguin. P 452

[249] Such as Hackney ending town twinning with France and Germany in favour of the Soviet Union and Nicaragua and organising gay and lesbian open days; the introduction of non-competitive sports at one London school; banning of the word 'family' in Lambeth

[250] For an examination of Militant and the Labour left see Michael Crick, 1986, The March of Militant, Faber and Faber; Eric Shaw, "The Labour Party and the Militant Tendency", Parliamentary Affairs, April 1989, Vol 47.7.

secured 71 per cent of the vote in the Leadership contest. I did not

share that optimism.[251]

Kinnock, it should be remembered, was not elected on the basis of 'one

member one vote'. Rather, the Electoral College from which he benefited was

made up of the trade unions, constituency parties and the parliamentary

party. Ironically, this is the system which had been created by the left in

1980. Having been nominated by the Transport and General Workers Union,

Kinnock remained ahead of his rivals throughout the leadership campaign.[252]

However, the mandate he received was not one naturally of the party. At the

1984 party conference, the Union block vote defeated the modest

modernisation plans to introduce one member one vote (OMOV) for the

selection and re-selection of seats already held by Labour. Kinnock's plans

were defeated by some four million votes to three million. This was the first

major reform Kinnock had attempted to push through, later regretting he had

not secured changes earlier.[253] It was a significant constitutional change

because it formed part of the strategy "to enfranchise the party membership -

the rank and file whose name had so often, so readily and so wrongly been

taken in vain."[254] By doing this, Kinnock would be moving power out of the

hands of the charismatic leadership of the party. His strategy ultimately

failed, perhaps because "in the absence of any mechanism for instigating and

promoting change, even the strongest... leadership will-power is not an

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[251] Neil Kinnock, 1994, op cit. P 536
[252] See Henry Pelling, 1991, A Short History of the Labour Party, 9th Edition, Macmillan. P186
[253] Tudor Jones, 1996, op cit. P 114
[254] Neil Kinnock, 1994, op cit. P 537. Here Kinnock must be referring to the moderate rank and file not the left wing rank and file which had infiltrated the party since the 1970s.

adequate engine of reform. And that difficulty is... particularly pronounced in the Labour Party where authority over the Constitution is vested in the Conference, where the NEC is elected annually and matches the federal nature of the party and... the Shadow Cabinet is not within the gift of the Leader's appointment."[255]

The implications of Labour's organisational culture over the strategic plans of the leadership are pronounced. At the 1986 gathering, following some success by the leadership in improving Labour's position to the extent that the Conservatives were trailing Labour in the polls, the party elected to retain the 1983 programme which had proved so disastrous. Kinnock made an anti-nuclear defence speech. Labour's ratings sunk once again. Patrick Wintour, Political Correspondent at *the Guardian*, took the view that the policy review "was a huge strategic mistake because the Labour party had nothing new to say for about two years."[256] Then Shadow Education spokesman, Giles Radice differs from this view explaining that, "I can't remember what came out of the policy review: not much. It was on the right lines, we had to review our policies. The only trouble was that we didn't abandon unilateralism", and that the lack of policy was not a problem because, "we made it up as we went along".[257]

Important also is the idea that not only did Kinnock and the 'formal' leadership need to work with the organisational culture to achieve what it

[255] Neil Kinnock, 1994, op cit. P 536
[256] Patrick Wintour, 13/12/95, QMW.
[257] Interview with Giles Radice, House of Lords, 8/1/03.

wanted, but so too did the 'charismatic' leadership. In the early 1980s, the left of the Labour party was uncontrollable. However, after defeat at the polls in 1983, beaten by the government in the miners' strike, failure of Eric Heffer and Tony Benn to achieve election to the Shadow Cabinet in 1984 and growing credibility by the party's formal leadership to implement a strategy, the left's power waned. To remain a credible force the 'soft left' (of which Kinnock was part) resolved to work with the formal leadership rather than against it.[258] The 'hard left' remained, but as a much diminished force, to the extent that after spending the first two years of his leadership working within the culture of the Labour party, Neil Kinnock was strong enough by the 1985 conference to make his famous attack on Militant.[259] It was one of his most powerful and brave speeches, his ratings soared, but ultimately for negative reasons: he was attacking his own party rather than his opponants. The leader of Sheffield Council, David Blunkett who achieved election to the NEC in 1983, demonstrating the continued left wing influence of the constituency parties, personified the 'soft left'.[260] Blunkett, who later became the right wing Home Secretary of Blair's second administration, was in the mid –1980s head of what became known as the 'Socialist Republic of South Yorkshire'. His breed of the Labour left wing understood the need for co-operation if it wanted to remain in any way relevant. Given the subsequent rise of Blunkett as standard-bearer of conservative right within the Labour movement, one might be forgiven for considering the move opportunistic.

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[258] Sked and Cook, 1990, op cit. P 505
[259] Kinnock spoke of, "the grotesque chaos of a Labour council – a LABOUR council – hiring taxis to scuttle around the city handing out redundancy notices to its own workers... You can't play politics with people's jobs and people's lives"
[260] Henry Pelling, 1991, op cit. P 187

Rather than imposing or persuading, both of which would probably have proven fruitless, some parts of the strategy were developed and implemented with a degree of secrecy. Communications in particular was kept out of the gaze of the NEC which was unaware even of the existence of the Shadow Communications Agency (SCA) for months after its installation within the Labour party organisation. "Peter [Mandelson] took tremendous risks and did things he did not have a mandate to do."[261]

When it finally came in the summer of 1987, the general election campaign showed that the communications strategy – far less affected by culture – had been more ambitious than the positioning and policy strategy[262]. It also demonstrated the limitations of having one without the other. In 1983, the campaign had been close to comical. Images of accident prone Michael Foot travelling by bus, hobbling around on his stick, seemingly not knowing where he was going, platforms collapsing before him and his leadership requiring re-affirmation, epitomised what Labour had become. The slick 1987 campaign was very different and a fundamental part of Labour's strategy. Philip Gould appears to suggest that the strategy was the communication and specifically the campaign itself. His argument centres on the key statistic that during the campaign the gap between the Alliance and Labour moved in the latter's

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[261] Patrick Wintour, 13/12/95, QMW.
[262] Labour had not distanced itself from its past to the extent it later would. For instance, the manifesto pledged increased taxation for the very wealthy. Nevertheless, the slick looking manifesto was a moderate and sensible document by comparison with its 1983 brethren. Britain will win with Labour, Labour Manifesto 1987

favour from 2% to 8%. Thus, Labour did not come third and the Alliance's hopes of becoming the principal opposition were dashed.

> In fact, the campaign itself had been an extraordinary success. It had saved Labour. It need not have been so – a weaker campaign, any hint of 1983, and Labour would have been smashed into third place, perhaps forever.[263]

Gould is perhaps overstating the importance of the campaign to the Labour strategy. It is unlikely that the party would have even possessed the discipline to have carried on the campaign had it not been for the wider strategy implemented by the formal leadership, within the organisational culture of the party, during those years.

What this period of Labour's history demonstrates to the study of strategy is that strategy may be formed, but its implementation cannot simply be imposed. Formal leadership needs to work within the culture of an organisation. Its ambitions in implementing strategy may, therefore, be limited by what is acceptable to the organisation over a given period. In terms of the Labour party, piecemeal change had enabled successive formal leaderships to move the party's positioning in the political spectrum, decisively to the right. However, this only became acceptable over the course of more than ten years from the mid 1980s.

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[263] Philip Gould, 1998, op cit. P 80

Blair's Labour Party 1994-1997

By the time John Smith assumed the leadership after the 1992 election defeat, Labour had returned to the more social democratic, left of centre traditions of its past. Smith's Labour party was moderate, conservative and cautious, "he was above all a unifier".[264] Smith, long an established figure on the Labour right who had defied the whip in 1971 along with sixty nine of his colleagues to vote in favour of British entry to the Common Market, was nonetheless trusted by the traditionalist left in a way in which Kinnock in the end perhaps was not. Smith's ability to balance the debate meant that he did not seek to directly champion the modernisers' cause as his predecessor had come to. Smith shied from the modernisers' 'holy grail', the scrapping of Clause IV, despite a call from Blackburn MP and Shadow Environment Secretary, Jack Straw, in March 1993[265] and Neil Kinnock in February 1994.[266] Nevertheless, Smith's leadership managed to achieve the principle of one member one vote for the selection of parliamentary candidates, at a considerable risk to his leadership.

Naturally, the modernisers welcomed this as a significant move to curtail trade union power. Their issue was with the pace of change and the strategic methods. "Smith as leader was like Callaghan – not really interested in

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[264] Tudor Jones, 1996, op cit. P 131

[265] See Jack Straw, 1994, Policy and Ideology, Fabian Society. Giles Radice had earlier called for the scrapping of Clause IV in his own ground breaking Fabian pamphlet discussed earlier. Giles Radice, September 1992, op cit. P 24.

[266] See Neil Kinnock speaking on, Tomorrow's Socialism, BBC2, 5/2/94

communications led leadership. He was storing up internal conflict with the modernisers."[267]

Tony Blair, Gordon Brown (rising front-bench stars), Peter Mandelson (whom Smith kept on the back benches) and one or two others made up 'the modernisers' during this post 1992 period. Frustrated by what they saw as the slow pace of change within Labour, the modernisers seized the chance to take the Labour leadership upon Smith's death of a heart attack in March 1994. The fact that it was clear a moderniser would win and that Blair in particular - young, ambitious, centrist, conservative even to some extent - easily defeated his fellow candidates, demonstrates the journey that Labour had travelled. The Blair supporting moderniser, Dr Tony Wright MP confirms this:

> Barber: When John Smith died in 1994, how important was it that a 'moderniser' candidate should win the subsequent leadership election?
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> Wright: I think it was important. I think if we had taken the consolidation option at that point, thinking that we had done just about enough, we probably wouldn't have done enough. It was important that the momentum that was started with Kinnock through Smith was continued by somebody else.
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> Barber: Is the fact that Blair won so convincingly a testament to the organisational passivity of the Labour party or was it a desire to obtain office after such a long time?

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[267] Patrick Winter, 13/12/95, QMW.

Wright: I think there was a recognition in people's water really that Blair was an outstanding political leader and although they didn't think he was 'one of us', many of them probably felt he was the person necessary to complete the job. Indeed, he used to tease the party a lot to that effect. It's only more recently that has changed.[268]

Fourteen years before, Denis Healey, a man of the Labour right, far more in the traditional mould, was unable to take the Labour leadership because the culture of the party had taken on so much of the dogma of the left. Yet, three election defeats later, the party culture and indeed mission was so anxious for power if it were to survive, that it elected the best candidate to do just that[269].

Under Blair's lead, Labour was perceived to have reformed at a pace and with ease not before imagined[270]. The party name even appeared to change, like a consumer product, to 'New Labour'[271]. The reforms culminated in the replacement of Clause IV of the party's constitution - which committed the party to common ownership of the means of production, distribution and exchange – a feat in which Hugh Gaitskell had failed some thirty five years

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[268] Interview with Tony Wright, Portcullis House, 22/10/02.

[269] See, "Mr right: Labour's new leader must continue modernising his party", The Economist, 23/7/94.

[270] Inevitably, considerable attention has been paid to Blair's Labour party with most of the literature concerned with the party in office. Some works not cited elsewhere would include: Anthony Seldon (ed), 2001, The Blair Effect: The Blair Government 1997-2001, Little Brown; David Coates and Peter Lawler, 2000, New Labour Into Power, Manchester University Press; Colin Hay, 1999, The Political Economy of New Labour, Manchester University Press; Peter Mandelson and Roger Liddle, 1996, The Blair Revolution: Can New Labour Deliver?, Faber and Faber.

[271] Indeed, a name change had been considered. See also Philip Gould, 1998, op cit. P 219.

previously[272]. This reform was largely symbolic for the modernisers but it also enabled the party to embrace fully market economics. Save for those years in the early 1980s, Labour had never believed truly in such 'socialist' measures[273]. Nevertheless, the symbolism of its removal stamped the modernisers' authority on the party generally and the leader's authority absolutely. Unlike previous attempts to change Clause IV, when there was significant left wing influence in the party (and indeed where the purpose of reform can be traced), Blair's successful removal of the line was electoral in motivation[274] and at a time of obedience within the organisation. Blair's task was not entirely effortless and probably more difficult than appearances suggest, although should a comparison be made with Neil Kinnock's attempts to introduce OMOV a decade before, his objectives were met with relative ease. It should also be remembered that Blair, in contrast to Kinnock, was elected by an electoral college of not only the PLP (where he commanded a majority) and the Unions, but also, crucially, the party membership. He won all three sections. As leader, this may have presented him with a more substantial personal mandate than was enjoyed by Kinnock. Blair was not captive of any segment of the Labour movement and could resist easily any such pressure, although, as Tony Wright suggests, that electoral college was only in place because of the shift that had already occurred to the organisational culture of the party:

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[272] At the special conference held at the Methodist Central Hall, a stone's throw away from the Palace of Westminster and the place of Clause IV's original adoption in 1918, Blair won 65 per cent of the vote including 90 per cent in the constituencies and 54.6 per cent of the trade unions. See Tudor Jones, 1996, op cit. P 146

[273] As defined by this belief in public ownership of production, distribution and exchange. Herbert Morrison defined socialism as 'what the Labour party does'.

[274] Gerald R Taylor, "Power in the Party" in Gerald R Taylor (ed), 1999, The Impact of New Labour, Macmillan. P 22

Barber: Was it important to Blair's strategy to replace Clause IV?

Wright: Oh yes. It was absolutely essential and it is something that John Smith would not have done. Having been at the Labour party conference on the day he announced he was going to do this, and I had been one of those arguing for it, it's extraordinary the number of my colleagues now who were violently against that being done at the time who will now accept that it was absolutely pivotal to do it in terms of general re-positioning of the party.

Barber: Blair was able to push through these reforms, with relative ease – particularly compared to Kinnock. Was the fact that his mandate derived from an electoral college which included the mass party membership, crucial to that ability?

Wright: I think that was more a reflection of the general change in the party itself. The party, after all those years had learned what it had to do. The organisational changes were a reflection of that – they couldn't have been made earlier on. The party had to change before you could make the changes. So it was all part of the same culture shift.[275]

Echoing Kinnock's methods of working the party culture, Blair set about convincing his party of the change by holding an 'open debate' within the party and touring the constituencies. He also squared his colleagues, most crucially Labour's Deputy Leader John Prescott who agreed to support Blair on the understanding that no further reforms would take place before the

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[275] Interview with Tony Wright, Portcullis House, 22/10/02.

election.[276] Prescott later explained to Paddy Ashdown his feelings about the Labour party, revealing himself to be small 'c' conservative in its regard: "I want to preserve the Labour Party for my children,"[277] he told Ashdown. Prescott was persuaded to back reform in return for the greater preservation of that which he held dear. The support was crucial for Blair, but, realistically, it is doubtful it could have been withheld. Tudor Jones suggests three reasons why Blair succeeded in pushing through the reform where Gaitskell had failed three decades previously. Blair did not face great trade union hostility; he had prepared his colleagues well in advance; and he did not have to confront "that formidable alliance of fundamentalists of the Labour left and pragmatists and sentimentalists of the party's centre."[278] Added to this must be the attitude and culture of the party between 1994 and 1997, after so many years in the political wilderness.

Blair's party was 'office seeking', hungry for power in what the collective realised might be a last chance to achieve it. Eighteen years of opposition by the time of the 1997 general election had seen the party gradually move away from the disorder and 'destructive policy pursuing' antics of its past. Gone, or diminished, were the charismatic leaders of the far left, as too were the policies of the early 1980s thanks to Neil Kinnock's abandonment and Smith's more gentle tidying up. New Labour could not be blamed for the ills of Old Labour past. After all, when his party had last held power, Blair had not even been a Labour member, spending his time as a long haired Christian

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[276] See Tudor Jones, 1996, op cit P 139; John Rentoul, 1996, Tony Blair, Warner. P 416; Jon Sopel, 1995, Tony Blair: The Moderniser, Michael Joseph. P 273.
[277] Paddy Ashdown, 2001, The Ashdown Diaries: Volume Two 1997-1999, Allen Lane. P 169

rock musician at Oxford. "Blair recognised that much of the Labour party suffered him only on the basis that he would deliver power."[279] Their suffering by this stage extended to passivity and obedience. When, in 1996, the *New Statesman* extended invitations to 'several Labour MPs' to write of their concerns over Blair's leadership, every invitation was turned down[280]. Yet as John Lloyd reported earlier that year, there were MPs prepared to grumble off the record[281]. Indeed, commentator Steve Richards went as far as to suggest that Blair picked unnecessary fights with the likes of Ken Livingstone on the left because taking on the left boosted the leader's image. He reported that a Blair adviser had told him: "'we need another Clause Four' to keep up momentum."[282]

That familiar forum for Labour dissent, the annual party conference, the forum at which former Prime Minister Callaghan and Chancellor Healey had been humiliated by jeering comrades, was pacified. Stripped of its power and controlled firmly by the party hierarchy, the event under Blair was to become a choreographed display of unity and electioneering.

By the time of the 1997 election, so despised were the Tories and so disassociated was Blair with old style Labour that there was barely any dissent in his support. From the *FT* to the *Sun* to the *Mirror*, from the old left of Michael Foot to the reformed left of Neil Kinnock to the unlikely, unguarded

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[278] Tudor Jones, 1996, op cit. P 143
[279] Andrew Rawnsley, 2000, op cit. P 4.
[280] Steve Richards' column, New Statesman, 2/8/96
[281] John Lloyd "Right and Left to Right and Wrong" in New Statesman 26/7/96
[282] Steve Richards, 2/8/96, op cit.

support of new right Margaret Thatcher. Roy Jenkins had long been a source

of advice for Blair and David Owen almost re-joined Labour having previously

shown support for John Major[283].

> Blair... by the cavalry charge, by his lead in the polls, by his support in
>
> the media, by the money he can raise, and by his charm, made himself
>
> invulnerable to his party, even as he strips it of this or that policy or
>
> attitude that its members see as its raisons d'etre. Moreover, he has
>
> done so without having to take on a coherent political argument
>
> opposed to his own.[284]

The organisational culture of the Labour party had changed significantly

between 1983 and 1994. The formal leadership of Kinnock, which had

difficulty exerting its authority on the party, had implemented its strategy,

eventually defeating the charismatic leadership of the Bennite left. Blair

inherited the benefits of Kinnock's work. The contrasting effort of Blair in his

attempt to implement his own more radical party strategy, demonstrates just

how eager to be led by the formal leadership that Labour's organisational

culture had become.

Using the management literature and real events, this chapter has

demonstrated the constraints on the ability of official leadership to impose

strategy on a party. Elsewhere, charismatic leadership can both pursue its

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[283] Andrew Rawnsley, 2000, op cit P 7. See also Kirsty Milne, New Statesman, 16/8/96.
Quoting the phrase "'Blajorism'. Another way of putting it might be: are we all Owenites
now?"

own and frustrate the official strategy. Leadership must work within the

organisational culture of the party if it is to achieve its objectives. Autocratic

leadership, or classic approaches to strategy, are only possible where the

culture of the party acquiesces to the direction.

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[284] John Lloyd, 26/7/96, op cit.

Chapter Six

Critical Mass Strategies

And

A Comparison of Elections in 1979, 1997 and 1992

So far, strategy, as drawn from the management literature, has been discussed in terms of achieving party objectives. In a study of contemporary British politics, these are pitched someway between office seeking and policy pursuing priorities given the organisation's sense of mission. Parties exist to fight elections and their overall strategy must to a considerable extent be geared towards the next electoral clash. Strategy can only be implemented effectively by leadership sympathetic to the organisational culture of the party. In what might be described as 'balanced' times, parties will compete for votes by pitching a policy platform and personality to the electorate on a relatively equal footing. However, 'balanced' is not an environment that occurs with any degree of frequency. Not only are parties rarely single-minded in their pursuit of office, but also one of the participants in the election must already occupy government. Voting is therefore more about the desire to remove or retain an incumbent than it is about installing a new administration. Footings are rarely equal. In the six general elections between 1979 and 2001, arguably only one was fought under what might be described as 'balanced' circumstances. That is, circumstances where both of the main parties were in a realistic position of holding office after polling day.

That election was 1992 and even here, in retrospect, the Labour party under Neil Kinnock probably faced defeat from the very outset.

In 1987, Labour's main objective was 'not coming third' after their disastrous performance in the 1983 poll.   Granted, as part of longer-term electoral strategy, the success of 1987 was that it won the battle for opposition over the Alliance.   However, since it resulted in only 20 extra MPs and a rise in the vote of just 3.2%, the election was not to be the staging post that meant 1992 was its chance to return to government.   The 2001 poll was not fought in 'balanced' circumstances either as the principal opposition was too weak to advance on the commanding government. Only in 1979 and 1997 was the respective opposition party able to mount a challenge to the government of the day that was so credible as to place the governing party in a position ruinous to the extent that there was nothing it could do to win. This chapter explores critical mass strategy by beginning with a discussion of the concepts derived from the management literature before describing real party behaviour in case study form.

Critical Mass Politics

A critical mass strategy creates sustained advantage by gathering a momentum of support.   It should be thought of in terms of creating momentum[285]. Strategy, as Mintzberg proposes, includes pattern as well as

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[285] The term 'Critical Mass' used here is derived from management theory. Its origin is, however, a physics term. The technical definition of critical mass is 'the minimum amount of fissionable material that will support a self-sustaining chain reaction.' If taken at face value,

plan, so there needs to be a degree of consistency in an organisation's behaviour[286]. Critical mass is characterised by a competitive system in which one player is able to build up an unstoppable lead or support to the absolute detriment of the other competitors. Critical mass strategies create momentum of sufficient duration to meet an identified objective. Such a position may be generated from what began as an equally competitive environment. It is, as Whittington states a "critical assumption... that all participants are playing by the same basic rules. The expected outcome is some sort of collusive equilibrium, where exchange of threats ensures a rough kind of peace."[287] For a critical mass strategy to be successful, a party must break from this assumption. For advantage to be sustained, barriers to imitation must be established[288].

Critical mass is germane to national British politics in particular because with the prolonged absence of a proportional system of election the victor is generally so absolutely, with other contenders vanquished in no less uncertain terms. In the sixteen general elections between the war and 2001, only one, February 1974, resulted in a hung Parliament (to be partially resolved eight months later with a second general election). In all of the others, the leading party was able to secure a majority of seats in the House of Commons, yet no party during the period has achieved 50% of the popular vote. This concept of winner takes all is fundamental to critical mass dynamics. That is not to

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the term is limited in that which it can explain about strategy. Nevertheless, the spirit of its meaning when discovered in the management literature is about creating and sustaining momentum in strategy outcomes. This is how critical mass is considered in these pages.

[286] Henry Mintzberg et al, 1998, op cit PP 9-13. See Chapter one.

[287] Richard Whittington, 1993, op cit. P 106

[288] Robert M. Grant, 2002, op cit. P 235

say that critical mass strategies would be redundant under a proportional system. It would still be necessary to win; only alliance forming would influence the strategy. In a critical mass approach, strategists seek what may appear to be unfair advantages[289]. The party should attempt to alter the environment away from a 'balanced' position. Ansoff's breakdown of entrepreneurial, marketing and operating critical mass, may be useful in suggesting the process and essential self-containment of a strategy to achieve it[290]. As with any strategy, resource is key and here the control of resource commitment is seen as important. By controlling resource, an organisation may achieve greater control of a strategic outcome, in this case the critical mass dynamics of electoral support.

Critical mass is about more than winning. Critical mass is about winning absolutely. It is about building sustainable support, being constantly ahead of the competition and creating undeniable popularity. However, leading management theorist Peter Drucker warns that because of internal resistance to change and the vulnerabilities of such focussed effort, there is "an upper as well as a lower margin"[291] to what any organisation may hope to achieve. In a sense, any party fighting an election with the intention of winning office, should aim to form a critical mass strategy. Whilst parties do not always fight elections with this single objective, there must always be a party involved in each election, which is in a position to occupy office after polling day. The creation of such support may be self-serving in the sense that a belief that a

[289] Richard Whittington, 1993, op cit. P 110.
[290] H. Igor Ansoff, 1979, op cit. P 43.
[291] Peter F. Drucker, 1989, op cit. P 63

party will attract substantial votes may in itself be a significant motivation in attracting more votes. Nadeau, Niemi and Amato addressed this issue in 1994. Their analysis reported a small yet statistically significant correlation between expectations and voting intentions. Their calculations concluded that every "10-point gap between the percentage thinking that the Conservatives rather than Labour will win the next election contributes one point to the electoral margin itself."[292] However, they point out that expectations have a dependency on voting intentions. Nevertheless, the findings define part of what may be understood by critical mass strategy. Critical mass is characterised in particular by obtaining rather than retention of power or office. This is because the retention of office does not require the creation of support but rather the maintenance. The creation of such support may inevitably result in sustainability in office but this is by no means certain.

In recent years, two elections have satisfied this model. Margaret Thatcher swept Labour out of office in 1979, beginning a period of eighteen years of Tory rule. Tony Blair's New Labour party in 1997 achieved a landslide victory with a tremendous swing of some twelve percent. The swings, in both cases, represented the largest since Attlee's victory of 1945. There is, however, a third. Despite fighting the election from a position of holding office and, therefore, being in a position of seeking to retain power, the John Major-led Conservative party in their handling of the 1992 general election might also be considered to adhere to critical mass dynamics. The Major-led

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[292] Richard Nadeau, Richard G. Niemi and Timothy Amato, "Expectations and Preferences in

administration had run for just seventeen months by the time of the 1992 election and had been able to portray itself as a new administration from the Thatcher government it succeeded, despite the fact that her Cabinet and government was largely intact. The Conservatives in 1992 were very much a party seeking a mandate having taken over from the forceful personality of Margaret Thatcher in 1990. It is this fact that separates them from the actions of the party in the previous two elections of 1987 and 1983 or from Labour in 2001.

Exit Strategies and Critical Mass

Before this theoretical concept is examined in the context of contemporary British politics, it is worth considering one important aspect of a powerful strategy in the management literature, without which a critical mass strategy may not be certain of success. For a strategy to be successful, it must be capable of disposal. A strategy should not be rigid in its entirety, although to implement it effectively a degree of discipline is necessary. Where a strategy must be capable of change is where circumstances or the strategic environment alters in a way unforeseen at the time the strategy was devised, or indeed where a strategy has run its course and paved the way for further change. A strategy may become a victim of its own success, bringing about a change more momentous or sooner than had been intended. 'Exit' may form an important element of a critical mass strategy. Exit strategy signals the accomplishment of objectives and a completion of the strategy. New strategy

will emerge from exit strategy, seeking to achieve the new objectives of the organisation. In this way, momentum can be established. Strategy, particularly that associated with a degree of risk, should have exit for another reason. Exit strategy is a 'back door' should the plan disintegrate or, as a result of unanticipated events, prove counterproductive. Strategy devised without provision for exit, may become a strait jacket, constricting freedom to act or react to competitor organisations. In contemporary politics, with its rapid response units and instant use of the media, a wayward strategy which unintentionally binds politicians to a scheme which proves damaging, can rapidly define and take hostage those politicians. Successful exit strategy should prevent this while critical mass forces competitors to 'react' to the strategy. The extent to which the elections of 1979, 1992 and 1997 represent critical mass dynamics and how the strategy was achieved will be considered in this chapter.

1979 and 1997 Compared

People believed that new Labour was bound to win before the campaign even started. They were right. I suspect most voters had made up their minds about how they were going to vote long before I asked the Queen for a dissolution of Parliament. We faced defeat and we sensed it.[293]

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[293] John Major, 1999, The Autobiography, Harper Collins. P 690.

John Major's honest assessment of the 1997 general election, in which the Tory party under his leadership was defeated in no uncertain terms by an invigorated Labour, chimes with James Callaghan's resigned view of his own downfall in 1979:

> You know there are times, perhaps once every thirty years, when there is a sea change in politics. It then does not matter what you say or what you do.[294]

There was inevitability about the elections of 1979 and 1997. Something in the electorate had occurred, perhaps the sea change of which Callaghan's spoke. There was a desire for change. There was a credible and politically attractive alternative to the incumbent[295]. Nothing that Callaghan or Major's party could do, would avert defeat and both hoped in vain for a serious slip up in their opponents' campaigns[296]. Neither Thatcher in 1979 nor Blair in 1997 slipped once, both holding an almost paranoid fear that their great opportunity would be lost. The incumbents relied on the election campaign itself as an electoral strategy. As in 1992, John Major decided on a longer campaign in 1997 in the hope of improving the Conservative party's standing[297]. The experience of these polls lends credence to the proposition

[294] James Callaghan reported in The Sunday Times, 31/5/87, reproduced in Stephen Haseler, 1989, The Battle for Britain: Thatcher and the New Liberals, IB Tauris & Co. P1. Eight years on, this may have been a rather retrospective view from Callaghan given the strength and record of the Thatcher government at the end of its second term.
[295] See "After the Thatcher Blitz" in New Statesman, 20/12/96
[296] See John Major, 1999, op cit. P691
[297] There are 'Downsian' political scientists who take the view that lengthening a campaign "increases the ability of parties to learn about, and adapt to, voters' collective preferences." See Ken Kollman, John H. Miller and Scott E. Page, 1992, op cit. P 935.

that the official campaign itself makes little difference to the electoral prospects of a party.

In each case, the record in office had irreparably damaged the reputation of the governing party as they approached the campaign. John Major's Conservative government had effectively lost the 1997 poll shortly after the previous win when the Pound was ejected from the European Exchange Rate Mechanism in September 1992. Although the event led to the beginnings of economic recovery, it was a humiliation for the Tories who watched their economic policy and political credibility disintegrate. Significantly for the voting public, mortgages rose affecting the housing market leaving many in negative equity. Placing the electoral defeat in an historic context, Ian Gilmour suggests:

> The consistent Two-Nations approach of the Thatcher Government was, together with its abysmal record of economic management – two miserable slumps and one crazy boom – a prime cause of the disaster the Conservative party suffered seven years after Margaret Thatcher's fall.[298]

The fact that the Thatcher record affected the 1997 result rather than 1992 is important to this examination of critical mass strategy and will be examined shortly. It is clear, however, that the government had lost the confidence of the electorate on economic matters. There were other issues. Like Callaghan

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[298] Ian Gilmour, 1998, Whatever Happened to the Tories, 4th Estate. P348

in the late 1970s, Major was often reliant on back room deals to secure the passing of government business through the Commons. His party was beset by 'sleaze' allegations and his leadership so undermined that the Prime Minister resigned as party leader in 1995 to fight a 'put up or shut up' campaign against any challenger. The fact that he was challenged by a member of his own Cabinet and 'friends' of another (Portillo) set up campaign head quarters, undermined any remaining claim Major may have had to leadership authority.

The backdrop of the 1979 election was in some respects worse for the then Labour government. The winter of discontent with all its lasting imagery of uncollected rubbish, the unburied dead, strikes, power cuts, unemployment and economic U-turns damaged a government forced into dissolving Parliament by a vote of no confidence in the Commons.

It is almost without question that the respective governments in 1979 and 1997 lost the election. Nevertheless, the critical mass dynamics concern the nature of the wins. Blairite MP Tony Wright watched the build up to 1997 from the Labour backbenches:

Barber: Could Labour have failed to win the 1997 general election?

Wright: 1997 it couldn't have failed to win no. There's a nice comment in the David Butler election book from a Conservative MP and candidate in that election who said, 'I could have gone to the South of France for six months and it wouldn't have made a blind

bit of difference as long as my electorate hadn't discovered it.' I think it simply was inevitable.

Barber: Was it more convincing because Blair was leader and because of the strategy he had pursued in the previous years?

Wright: Well it required two things to come together: it required the Conservative party to destroy itself and it required the Labour party to have established its credibility. Those two things came together and that's what made it inevitable.[299]

There are too many 'what ifs?' posed in history already, but for the purposes of explaining the nature of these critical mass strategies, consider what occurred with what could have happened. Labour's win in 1997 was so convincing because of the dynamism injected into the party by the election of Tony Blair as leader in 1994. It is more than likely that had John Smith lived, the Conservatives would still have lost, but the extent and nature of Labour's win would have been quite different. One thing which would not have happened was the 'unfair' advantage offered by the flourishing tactical voting under first-past-the-post in 1997. As Ivor Crewe argues, "the primary reason for the growth of tactical voting in 1997 was not the strength of anti-Conservatism (it was pretty intense during the Thatcher years, after all) but the new convergence between Labour and the Liberal Democrats."[300] What was achieved was the harnessing of anti Conservatism into an effective coalition for that primary purpose.

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[299] Interview with Tony Wright, Portcullis House, 22/10/02.
[300] Ivor Crewe, "Things can only get worse for the Tories", in New Statesman, 30/4/01.

Similarly, had Edward Heath resigned immediately after the October 1974 defeat, William Whitelaw rather than Thatcher might have become leader. Somehow, the Tory party would have been a very different beast. Opposition Spokesman for Trade and Industry before 1979, Cecil Parkinson became one of Margaret Thatcher's most trusted Ministers:

> Barber: With the comfort of hindsight, the Conservative party would have found it very difficult to have lost the 1979 general election. Nevertheless, that victory still appears somewhat decisive in its rejection of Labour in favour of a rejuvenated Tory party under Margaret Thatcher. Can you explain why that strategy was so successful?

> Parkinson: I think it was in part successful because of the mistake of our Labour opponents. If Labour had had the election in the October of the previous year, I think the result could have been different, because we had the famous winter of discontent... Part of it was because of a very clever advertising campaign which Jim Callaghan bought. It was the campaign which used the poster 'Labour isn't working'. It was never used in the '79 election it was used in the '78 run up. We thought they were going to have an election in the Autumn of '78 and therefore a big campaign was mounted ahead of that probable election and that poster was a very effective one, got a lot of publicity, struck a real chord and it played a part, we think in convincing Callaghan not to go and to delay the election. He paid a very heavy price for that because along came this winter of discontent and by the end of that the public were pretty fed up with him. But you have to remember there was another feature of that election. We had a woman leader and Callaghan was quoted when she was elected as saying 'we've just won the next election'. People really didn't believe that the country was ready for a woman Prime Minister. So it was quite

a tight election, even though the government was unpopular and we were in the lead in the polls. I think it was more disillusion with the government and the fact that there had been a whole range of humiliating things like Healey having to turn back from London airport because of an economic crisis... I think people thought that anything would be better than this. So I don't think it was a great surge of people suddenly rediscovering the attractions of Conservatism, I think it was a surge of deep disgust with a Labour government which had failed to deliver.

Barber: You raise the question of Labour losing the election rather than Conservatives winning it. Does that raise any questions for the mandate for what became Thatcherism?

Parkinson: I think the majority was big enough for us. There was a huge feeling that somebody had to tackle the Trade Unions and we really couldn't carry on being the sick man of Europe. But, we were an unknown quantity and with Margaret Thatcher leading us, she wasn't seen as a huge vote winner in the run up to the election. She was seen as a problem really. The Labour government lost but the winning party always claims that its manifesto was the thing that won for it and, therefore, it has a mandate to carry it through. What made her remarkable was that she didn't see the manifesto as a set of promises to get herself elected, she actually believed in it, she saw it as a work programme and this came as quite a surprise, not only to her Labour opponents, but to quite a number of people in her Cabinet.[301]

The build up to elections preceding 1979 and 1997 were characterised by what Stephen Haseler described in 1980 as "mock auction[s]. Labour tended

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[301] Interview with Cecil Parkinson, House of Lords, 11/11/02.

to promise unrealistic welfare provision, the Conservatives unsustainable tax-reductions."[302] The parties that were to be victorious at these polls were both able to break from the circle of out-bidding their opponents. In building a successful critical mass this is important. It is essential that the "big themes and the middle distance should not be obscured by the myopia of the daily spats."[303] However, these two parties that were able to break from the cycle did so in different ways. 1979 represented a distinct moving away from the policies of the incumbent, whereas 1997 saw an acceptance of existing constraints.

After Thatcher's elevation to the Conservative leadership in 1975, her intellectual guide had been Sir Keith Joseph, a staunch opponent of the direction the party had taken under Heath. During that Parliamentary session, Joseph appears to have accepted the existence, but rejected the embracing of what can be described as Downsian, or more specifically, Hotelling, theories of positioning. His historical analysis of the party system was that of 'socialism' occupying more and more of the 'middle ground' of politics. Successive Labour governments, as he saw it, had introduced socialist measures that the Conservative party had accepted by way of consensus: the 'Socialist ratchet' as he was fond of calling it. The middle ground (as opposed to the 'common ground' where there was general cross-party agreement) had been moved gradually away from the Tories' natural space, and they had come to accept such policies as high taxation and public spending. Speaking to the Oxford Union, 6th December 1975, Joseph argued:

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[302] Stephen Haseler, 1980, The Tragedy of Labour, Basil Blackwell. P5.

While the middle ground is a compromise between politicians, unrelated to the aspirations of the people, the common ground is common ground with the people and their aspirations... [T]he middle ground is a guarantee these days of a left-wing ratchet, and... the common ground alone can provide the stable expectations that the people of all sorts and all organisations long for.[304]

The Conservative leader agreed: "Labour moved Britain towards more statism; the Tories stood pat; and the next Labour Government moved the country a little further left."[305] Thatcher's new conviction was contradicted, however, the very day of the no confidence defeat. Retiring to their office in celebratory mood, the Conservative Shadow Cabinet resolved to honour the government's pledge to increase pensions.[306] Nevertheless, the party resolutely shifted away from consensus as Cecil Parkinson recalls:

Barber: How central to the electoral strategy was the decision to step away from consensus politics?

Parkinson: I think that was at the very heart of the manifesto. I think of the individual policies what was at the heart of it was that we really had to root out socialism. We had to put an end to Butskellism and consensus: consensus had become a rather dirty

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[303] Tony Wright, 1996, op cit. P7
[304] Keith Joseph, 1976, Stranded on the Middle Ground Reflections on Circumstance and Policies, Centre for Policy Studies. P19
[305] Margaret Thatcher, 1993, op cit. P 7
[306] Ibid. P 4

word in the minds of people like myself and the Conservative party because it was just an excuse for not doing what you knew needed to be done. We rationalised Butskellism and gave it rather fine sounding words like 'consensus' but in fact what it meant to people like me was that for years and years we had been putting up with a semi-socialist state because we were too timid to do anything about it. Ted Heath in 1970 marked out the ground. If you look at the '70 and the '79 manifestos they are almost identical. The problem was, for various reasons, Ted reneged on the manifesto and did a complete U-turn. So there was nothing particularly novel about the '79 manifesto or in fact about Thatcherism. I have always maintained that what marked Mrs Thatcher out from her predecessors wasn't the novelty of her policies but her determination to implement them.

Barber: That moving away from consensus politics, would you say it was what the electorate also wanted? Was it that sophisticated?

Parkinson: I think the most emotive political slogan is 'time for a change'. We didn't actually use that but we implied it. We basically said 'Socialism just doesn't work'... Really that means getting rid of it and means breaking eggs if we are to make the proverbial omelette and Mrs Thatcher was prepared to break them. The winter of discontent just meant that the people were ready to accept that we couldn't carry on as we were.[307]

Thatcher's Conservative party was never to be the party of consensus that it had been under every other leader since the second world war, including Heath for all his attempted distancing from Butskellism and the Macmillan consensus. Believing that "in the fine print of policy, and especially in government, the Tory Party merely pitched camp in the long march of the

left"[308], Thatcher was determined to reverse the trend, position her party in firm conviction on the neo-liberal, self-help, right. Not yet the coherent political philosophy which retrospect would afford, Thatcherism began with a repudiation of consensus politics. In terms of party strategy, this meant a hardening of policy but also a distancing from the natural electorate in the 'middle ground' in terms of matching the proposals of Labour. However, this group was offered an alternative set of promises. Thatcherites believed not in the benevolent state but rather in free markets. Freedom meant smashing the union power many now found stifling, it meant lower taxes, council house sales[309] and nationalistic pride. The Tories did not reject the voters in the 'middle ground' but rather offered something new which appealed to their self-interest. This was not the dogma readily associated with Thatcher. Indeed, the 1979 manifesto was distinctly non-philisophical in nature. In the forward, Thatcher told readers, "For me, the heart of politics is not political theory, it is people and how they want to live their lives."[310]

Tony Blair's *New* Labour party had, by 1997, sought to reposition itself quite radically. In contrast to Thatcher's philosophy of 'if you are not for us you are against us', Blair rather took the view that 'if you are not against us, maybe you are for us'.

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[307] Interview with Cecil Parkinson, House of Lords, 11/11/02.
[308] Margaret Thatcher, 1993, op cit. P 7
[309] It is worth noting that many of Thatcher's more populist policies were generated from the Tory left. See Peter Walker, 1977, The Ascent of Britain, Sidgwick & Jackson. P 163
[310] 1979 Conservative Party General Election Manifesto

A 'new strategic thinking', against which all programmatic or organizational initiatives were judged, dominated the struggle for electibility... first a model of electoral behaviour that required a focus on the images of the party and its leader and not on voters' policy preferences... Secondly, the party's policy platform was to be repositioned to maximise votes... thirdly, campaigning should focus on setting the agenda of party political debate.[311]

Much like Thatcher, Blair had come to dislike or fear the left of his party. Deliberately, he moved his party further away from its traditional base to cover what Keith Joseph might have called the middle ground. Ground that, by this time, the Tories were failing to occupy successfully. The New Labour strategy was not to be different from the Tories in the sense that they represented a new and radical doctrinal philosophy but that they did offer something distinctly superior. The acceptance of the Conservative government's spending commitments was as important for Labour's critical mass dynamic in the build up to 1997 as the Tory rejection of consensus politics had been before 1979. By accepting these constraints, and this includes a pledge not to raise income tax, Labour effectively shut off a powerful avenue of attack and was able to move on to other issues in a way that the Tories were unable. Breaking out of the vicious political cycle, allowed these successful parties to maintain momentum. Closer to events, Tony Wright, sensed a more simplistic mood in the electorate. Nevertheless,

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[311] Steve Ludlam, "The Making of New Labour", in Steve Ludlam and Martin J Smith (eds), 2001, New Labour in Government, Macmillan. P24

that simplistic mood was made possible because of the critical mass dynamics into which the party entered.

> Barber: How important was Labour's acceptance of both the Conservative programme in office and more specifically the spending restraints, in securing critical mass support at the polls in 1997?

> Wright: I think that's to be too sophisticated about it. People voted at that level. They needed to know that the Labour party were not going to be as they saw the Labour party of old who were simply going to spend money like there was no tomorrow. They wanted to see a sense of responsibility and we had given that but I think that was only part of a generally new feeling there was about the party.[312]

In referring, once again, to 'balanced' times, parties, tactically, attempt to trump each other in their proposals. A party's spokesman will say one thing; their opponent will attack it and say another. If critical mass dynamics are to be achieved, the party must break out of this cycle to be constantly a step, or more, ahead of its rivals. By doing this, a party forces its rivals to react to its actions without the need to counter-react. It merely moves on to the next issue. It may only be possible if the rival has local difficulty, in the form of destructive policy pursuit, as could be argued was the case in 1979 and 1997. Here the incumbents' strategies were in disarray, unable to make progress, forced to defend indefensible records of union power or sleaze. In both

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[312] Interview with Tony Wright, Portcullis House, 22/10/02.

cases, the opposition party was able to break out of the circle of out-bidding by strategically positioning themselves at an optimum point.

As with Labour in 1997, as they entered the 1979 general election campaign, the Conservative party was undoubtedly office seeking, but its own form of pursuit of policy was clearly established. "What they wanted was for the Conservatives to stand for a distinctive set of values and policies rather than appearing to react to the initiatives of their opponents."[313] In this they succeeded and must form the crucial part of this and any critical mass strategy. This premise appears to have been accepted by Labour. Prior to the 1997 election, Labour moderniser Tony Wright argued that, "governments need bold themes and strong narratives if they are to sustain their purpose and win popular support over a protracted period. The Thatcherite narrative, first told in the late 1970s, managed to endure until the early 1990s. New Labour's needs no less force and reach."[314] Both strategies were able to agenda set, simultaneously forcing their opponents to react to their programme and defend a dismal record. Once broken from the cycle, what enabled them to maintain the momentum of support was the employment of further elements of critical mass dynamics.

The first of these is intellectual credence. During the late 1970s,"[i]n the contest of ideas the Conservative Party appeared to be making the running and could no longer be called the stupid party"[315] From within the party,

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[313] Butler and Kavanagh, 1980, op cit. P 74
[314] Tony Wright, 1996, op cit. P2
[315] Peter Riddell, 1983, op cit. P 24

Keith Joseph wrote and spoke at length about the ideas of the new right, forming the Centre for Policy Studies, still in existence today.

Barber: Keith Joseph and others spent a good deal of time philosophising about monetarism and other policies during the latter years of the 1970s. Why was it important that the Conservatives obtain an intellectual pedigree in the approach to 1979?

Parkinson: I discussed this with Keith on a number of occasions. Keith felt that if we were going to make the changes, winning the election wasn't enough. If we were going to make the changes, they had to be intellectually respectable and we must win the argument for them amongst thinking people... He regarded capturing the intelligentsia as a fundamental back up for us when we won the election and when we started to promote the necessary changes. He felt, if we could win that argument and get the commentators and the thinkers realising that we weren't just a bunch of opportunists but that we were very deeply motivated and driven by a set of ideas, he felt that would be an important part of the fuel that would drive the engine of reform when we won the election.

Barber: Did Thatcherism exist in 1979? Were you a radical party in those years?

Parkinson: We were determined to be radical but we were a little guarded because we had gone into government in 1970 with similar ambitions and had been bounced out of them.... The feeling was would Margaret have the nerve? She had... But she was an instinctive politician and she was very happy to find an intellectual back up for her ideas. Keith on the other hand was exactly the

opposite: he was a student, he was an intellectual who did allow himself to be influenced.[316]

Labour, too indulged in some philosophising about future policy whilst in opposition. Over many years, Gordon Brown had become the intellect behind what would be New Labour[317], just as Mandelson was the media manipulator and Blair the acceptable face of the party. Phrases such as 'stakeholder society' were fleshed out by the likes of Will Hutton[318]. Ideas of constitutional reform taken up by Andrew Marr,[319] Tony Wright examined the thoughts of new politics and social inclusion[320].

Barber: You were one of the thinkers of the New Labour project. How important to the strategy was intellectual credence rather than mere competency to govern?

Wright: I think it had a role to play. I think people needed to feel that they were finding new political and intellectual ground and not just making certain political adjustments. Tony Blair, although not in any sense an intellectual or a thinker, was very much alive to the need to do that, very interested in anybody who had any ideas of any kind and wanting to use them. So I think he knew the importance of some theoretical re-positioning. Even if he didn't himself think that was a personal political priority, he was very encouraging to people who were doing that. So this attempt to construct a political position, which, as he used to argue, was

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[316] Interview with Cecil Parkinson, House of Lords, 11/11/02.
[317] See Gordon Brown, April 1994, Fair is Efficient: a Socialist Agenda for Fairness, Fabian Pamphlet 563.
[318] See Will Hutton, 1996, op cit.
[319] See Andrew Marr, 1995, op cit.
[320] See Tony Wright, 1996, op cit.

neither *old left* nor *new right*, became a very, very important part of the whole enterprise.

Barber: Is there an ideology behind New Labour?

Wright: Well I think there is a political position behind New Labour, the uncertainties within it, I think reflect the wider uncertainties in the world. But at its heart was an attempt to say, 'it's quite possible to have a market economy without having a market society', and to try to combine things that had not been combined before, and in some ways probably to start reflecting the great mass of Labour voters in the way that had not been the case before. In a way, Labour voters were there long before the party and they were waiting for the party to catch up with them.[321]

Intellectual credence led to three things: something of a genuine approach, attractive themes of interest to academics and the media, and the ability to spawn popularist offerings. Fundamentally, however, it was about mood-creation. While undoubtedly generating fresh, stimulating policy, what was occurring was particularly distinct from a policy pursuing strategy. This is because policy was driven by an outward looking need to maintain momentum rather than an inward looking strategy for change. The policy was for the electorate not for the ideologically committed party faithful. Use of a more ideological approach may also aid the party once elected. This is something that the Blair administration, in some contrast to the Blair opposition, failed to take full advantage of whereas the Thatcher administration did. Jonathan Freedland, of *The Guardian*, explains:

The problem for a party that sheds ideology is... you make yourself entirely dependent on performance in practise and delivery. If you set yourselves up as this managerial, competent body – technocratic – if things go well, people will applaud you. If not they will throw you out and get another management team. If, however, you have a story, a narrative, and an ideological mission almost, people will take you during the rough... as well as the smooth... That is exactly what happened during the Thatcher recession. Even all the pain necessary to implement Thatcherism... people thought, 'we'll take this because she knows where she's going and she's going somewhere better for the country'.[322]

Despite somewhat academic approaches to the formation of policy, it is striking as to just how vague the detail and limited were the commitments of the opposition party in 1979 and 1997. As Michael Heseltine recalls, "The 1979 Conservative election manifesto was not a radical document. I remember the drafting sessions and the caution with which every pledge was treated."[323] The five tasks the party set itself for its first term in government were notable in that not only did they lack dogma as has come to be associated with Thatcherism, but that in their vagueness they reflected the concerns of the day:

(i) To restore the health of our economic and social life, by controlling inflation and striking a fair balance between the rights

[321] Interview with Tony Wright, Portcullis House, 22/10/02.
[322] Jonathan Freedland, speaking on "Talking Politics", Radio Four 21/4/01

and duties of the trade union movement.(2) To restore incentives so that hard work pays, success is rewarded and genuine new jobs are created in an expanding economy. (3) To uphold Parliament and the rule of law. (4) To support family life, by helping people to become home-owners, raising the standards of their children's education, and concentrating welfare services on the effective support of the old, the sick, the disabled and those who are in real need. (5) To strengthen Britain's defences and work with our allies to protect our interests in an increasingly threatening world.[324]

Labour's 'winter of discontent' was exploited fully and a heavy-handed section on restricting immigration was populist in tone rather than a serious programme for government. As Peter Riddell points out, "all Conservative manifesto's of the past twenty years... contained such commitments."[325] 'Big ideas, cautious pledges' might almost have been the slogan. Thatcher's political secretary from 1975 to 1981 was Richard Ryder:

Margaret Thatcher was more prudent, more cautious than her reputation. She avoided commitments, which could frighten away key voters... So she was not a champion of confrontation with the unions or any other group. Indeed privatisation received barely a mention in the 1979 manifesto, and she pursued a step by step

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[323] Michael Heseltine, 2000, Life in the Jungle, Coronet. P 194
[324] 1979 Conservative Party General Election Manifesto
[325] Peter Riddell, 1983, op cit. P 29

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approach to trade union reform... Do not be taken in by the myth that M.T. was a Maoist radical. She was not. Only ideological disciples peddle this line.[326]

This caution did not prove to be a disadvantage for the Thatcher opposition in terms of either its electoral appeal or the electorate's understanding of what the party might offer. Indeed, strategically, the prudence may have, unwittingly, underlined it.

In the late 1970s avoidance of detail fitted in with new modesty about what governments could actually do to solve problems; on balance such attitudes limited arguments and kept the party together. In this, Mrs Thatcher's caution was due less to revulsion from the pre-1970 exercise than for her concern to reach agreement on a set of principles from which the 'correct' line of policy would follow[327].

The lessons of the Thatcher-led Conservatives would be re-visited on the Blair opposition a political generation and a half later. Blair was photographed writing the 1997 manifesto commitments by hand in the rear garden of his Islington home[328]. Labour demonstrated that it was what the manifesto stood for – trust, competence, change – that was important, rather than the detail

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[326] Richard Ryder correspondence with author, 24/6/02
[327] Butler and Kavanagh, 1980, op cit. P77
[328] new Labour because Britain deserves better, Labour Manifesto 1997. Part of Blair's forward had stated: "I want to renew faith in politics by being honest about the last 18 years. Some things the Conservatives got right. We will not change them. It is where they got

of policy contained therein. Furthermore, as Steve Richards pointed out "in the previous three elections Labour made a big tactical error by regarding manifestos as the end of the process. Instead of writing documents aimed at winning an election, they produced detailed programmes for government that were a gift for political opponents."[329] In 1997, the manifesto was part of the critical mass strategy. It was a promotional and thematic document rather than just a blueprint for office. Blair asked for trust in him and belief that Labour had changed. The Conservatives, by their attacking cry of 'New Labour, New Danger' demonstrated that they had been forced into accepting that Labour had indeed changed. If the Tories believed, it was only reasonable that so too should the electorate[330].

This emphasis is perhaps because, as Robin Gibb of the *Centre for Policy Studies*, puts it, "there is no great virtue in radicalism, if the ideas put forward are radically unpopular."[331] Consequently, truly radical ideas rarely form the build up to an election campaign - particularly where a party intends to win. 1945 is perhaps the rare genuine exception.

The intellectual credibility of a party led by a fresh leader into distinct electoral positioning gave both Margaret Thatcher's and Tony Blair's

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things wrong that we will make change. We have no intention or desire to replace one set of dogmas by another."
[329] Steve Richards, "The claims being made for Blair's 'The Road to the Manifesto' invite comparison with another radical agenda: Margaret Thatcher's 1979 programme", New Statesman, 5/7/96
[330] Bizarrely, despite the considerable tax rises during the Parliament, the Tories' 1997 manifesto continued to pledge reduced taxation, claiming that taxes had been reduced, largely on the basis that they had cut the "basic rate of income tax from 25p to 23p, and extended the 20p band." You can only be Sure with the Conservatives, Conservative Manifesto 1997.

opposition parties the aura of 'newness'. Indeed Blair went so far as to re-name his party with this tag. Newness was possible despite there being little substantial changes in personnel. Indeed, policy itself changed less than was perceived. The new leadership, however, was able to discard with ease policies thought to be liabilities and strengthen the emphasis of others. Similarly, it is easy to forget just how much of a minority Thatcher was in her Shadow Cabinet, and indeed her Cabinet during her first term. The Heathites or what would become known as 'wets' were too powerful to simply purge. Indeed, Thatcher was at pains, during this time at least, to listen to the concerns of backbenchers, in stark contrast to her predecessor. Only Peter Walker and Robert Carr left her opposition front bench. The likes of Willie Whitelaw, Ian Gilmour and James Prior remained. Thatcher's leadership kept the Tory party together despite evidence of ideological differences.

Barber: From the outside at least, the party was remarkably united in the run up to the 1979 poll. How was that achieved given the tensions that existed even within the Shadow Cabinet?

Parkinson: I think the thing that unites the Conservative party is the prospect of office. There was a feeling that we could win and should win, that the government was doing everything it could to discredit itself and therefore what we must do is stick together and that's how we would succeed. That is one of the things that does unite the Conservative party. When they see a real chance. First of all, they don't think they should be out of power but when they

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[331] Robin Gibb, speaking on "Talking Politics", Radio Four, 21/4/01

have been and see a chance of winning that is the thing that really
is the cement that makes for a solid structure.[332]

Whilst Blair went from 'Bambi to Stalin' in less than a year of assuming his party's leadership, he too was at pains to unite his party by this time cleansed of the militant left. His Deputy, John Prescott, represented the traditional wing of Labour showing a leadership determined to keep all, or almost all, on board. Blair converted some of those formerly on the left and gave them prominence in his team. The Meachers, Cooks and Boatengs joined the Harmans and the Mandelsons. In a sense, this is the point. Newness alone is of limited advantage where a party is hopelessly divided. After all, Michael Foot's Labour party in 1983 was in some ways very 'new'. Its policy emphasis and approach were new, as was its leadership. There was little chance, however, of it creating critical mass.

1992

The 1992 election victory for the Conservatives cannot be considered as a model for critical mass dynamics, for the reason that here was a party seeking to retain office. Nevertheless, this administration was created for office seeking motives: "the party's will to win, and the belief that Margaret Thatcher would lose... had made me Prime Minister."[333] John Major later mused. The government exploited its perceptions of 'newness' to re-establish itself as a contender for government. In doing these things, the Tory party in

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[332] Interview with Cecil Parkinson, House of Lords, 11/11/02.
[333] John Major, 1999, op cit. P 291

1992 made use of the principles of critical mass, discussed in light of the experience of 1979 and 1997.

The John Major-led Conservative government entered the 1992 general election in the midst of recession caused by the Tory government. Labour was riding high in the polls from the beginning to the end of the election campaign. Under Kinnock's leadership, Labour had reformed its policies and image dramatically. The former unkempt, firebrand of the left with 'views as red as his hair', had advocated unilateral nuclear disarmament, withdrawal from Europe and widespread nationalisation not a decade before. He now stood before the electorate in well-cut, dark suits arguing for a soft socialist vision of a fairer society with an emphasis on improving the Health service.

By 1990, the Conservative government had reached new levels of unpopularity. It was inconceivable that they could win a fourth general election in a row[334]. Thatcher had been Prime Minister for eleven and a half years, acquiring arrogance, intense by even her own standards[335]. Throughout the country, there was at last a desire for change, throughout the Tory party; there was uneasiness, conscious that many colleagues would lose their seats. Inside Kinnock's Labour party their anticipation was tinged with agitation. According to Gould, by June 1990:

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[334] For a contemporaneous discussion about the Tories becoming the only party of government in Britain, see Peter Riddell, "The Conservatives After 1992", Political Quarterly, Vol 63, 1992.
[335] See for instance, Geoffrey Howe, 1995, Conflict of Loyalty, Pan. P574

Despite a ten-point lead in the polls Nicholas Ridley's damaging resignation from the government [after making off the cuff remarks about the Germans at the end of a *Spectator* interview], seething anger over the poll tax and victory at the mid-Staffordshire by-election with a 21 point swing ... at the death in the polling booth, people may be more likely to vote for the devil they know and dislike rather than the devil they do not fully trust.[336]

Gould was probably overly pessimistic. Had things continued in the vein in which they had, it seems unlikely a Thatcher-led Conservative party could have secured another term in office. Seething resentment within the party over Europe and the eventual resignations of Chancellor Nigel Lawson and later Former Foreign Secretary Geoffrey Howe damaged confidence in the Prime Minister. Labour had built up an impressive campaign against the government's widely despised Community Charge, a replacement for the Local Authority Rates, known everywhere outside of government as the Poll Tax. As John Major noted about the Poll Tax riots in Trafalgar Square in March 1990:

Many of the demonstrators may have been of the 'rent-a-mob' type; but many were not, and I was shocked that the British people, normally so slow to anger, should have taken to the streets over the reform of local government taxation. The event was

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[336] Philip Gould, 1998, op cit. P 102

unprecedented in post-war Britain, and it was becoming clear that

the Poll Tax was not so much an albatross as a ticking time bomb,

ready to explode.[337]

The events surrounding the Poll Tax are important in explaining critical mass

at the 1992 election. Labour had expended a great deal of energy on the

issue of the Poll Tax[338]. They had placed themselves at the forefront of the

campaign. They could naturally count on considerable electoral appeal over

the issue as is borne out in the local election results that year[339]. The

electorate sensed blood and wanted a change. The change they received,

however, was provided by the Tory party itself. The removal of Margaret

Thatcher as Prime Minister and Conservative party leader, in December 1990

is illustrative of the ultimate in exit strategies. For the Conservatives in

government facing the prospect of election defeat within eighteen months,

the removal of the woman who had led the party to three successive victories

but who now seemed an electoral liability was unquestionably an act of

political survival. Her removal demonstrates that even the most seasoned of

politicians can fall victim to poor strategic planning. Having backed herself

and her government into supporting the widely despised Poll Tax, Thatcher

had given herself no exit strategy when the predicted backlash came upon

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[337] John Major, 1999, op cit. P 173

[338] Abolishing the Poll Tax remained a major commitment for Labour at the 1992 election with plans to install a 'fair rates system'. It's Time to get Britain Working Again, Labour Manifesto, 1992

[339] The Tories won only 27% of the vote compared to Labour's 53%, 14% for the Liberal Democrats and 1% for the SDP. However, by retaining Westminster and Wandsworth where the Poll Tax had been kept low, the Conservatives could deduce that financial self interest was a strong determining factor in voting intentions.

the government[340]. Having angered elements of her party with her increasingly sour European stance, politically she was vulnerable on a separate front. Where in the past Thatcher had generally given her strategy an exit - in the sense that there was room for manoeuvre as is evidenced by industrial policy discussed later - by November 1990 there was no other way out. The strategy of her administration had become flawed. Thatcher herself became the unwilling exit strategy in a move which also shows the Conservative party's continuing ability to create emergent strategy – in this case with some rapidity and ruthlessness[341].

The events surrounding Thatcher's downfall demonstrate the adjustments to the strategies of the other parties to the abrupt change in the fortunes of the Conservatives. Both Labour and Liberal Democrat strategies in the late 1980s had become based around the negative image of the Prime Minister whose third administration, which ran from 1987[342], had tested the limits of nationwide support.   Cecil Parkinson returned to a very different Cabinet after the 1987 election:

I didn't find the post '87 Cabinet a very happy one.... From '87 onwards, the government became increasingly divided and there were undercurrents. A number of the key people had left: Keith,

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[340] See for instance John Cole, 1995, op cit. especially chapter 39: "The Poll Tax's Only Friend".

[341] See Chapter seven for analysis on the Thatcher administrations success in emergent and exit strategy.

[342] By 1987, the Tories were offering more of the same. The Next Moves Forward, Conservative Manifesto 1987, was self-congratulatory and represented Thatcher demonstrating that she and her hard brand of Conservatism were permanent features of British politics. See also Hugo Young, 1989, op cit. P 517

Norman, Willie had gone... A lot of the kindred spirits had left and their replacements weren't nearly as dynamic or as committed to change as she was. The '87 Cabinet, you really began to sense tensions and differences.[343]

In November 1990, they unceremoniously ousted their most electorally successful party leader of the century. Michael Heseltine challenged Thatcher for the Conservative leadership. Although failing to win, he wounded her so intensely she was forced to resign. The Tories replaced her with the relatively low profile, grey figure of John Major, formerly Chancellor of the Exchequer[344]. Norman Lamont became Major's campaign manager in the battle for the Tory leadership and recalls how Conservative MPs were attracted to him:

> I think a key point was that John Major was not as well known as
>
> Michael Heseltine but within hours or days of his starting to appear
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> on television and getting a lot of focus as a possible next Prime
>
> Minister, he got better approval ratings in the opinion polls than
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> Michael Heseltine. Heseltine was always thought to be a
>
> formidably attractive person so I think that was an important point
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> in the minds of MPs that here was an election winner and of course
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> John Major did win the election.[345]

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[343] Interview with Cecil Parkinson, House of Lords, 11/11/02.
[344] For a full exploration of Thatcher's removal see Alan Watkins, 1992, A Conservative Coup: the Fall of Margaret Thatcher, Duckworth.

Suddenly things were different. Having been used to the dominance of Margaret Thatcher for all of the 1980s, the electorate, and indeed the media, greeted John Major's administration as something distinctly 'new'. It was now Neil Kinnock and his team who seemed 'old'. Kinnock had been Labour's leader for nine years and had appeared to change his views beyond recognition. The charge of 'untrustworthy' would not be difficult to pin, if grossly unfair in reality. John Major made few changes to Thatcher's Cabinet, although Heseltine returned to government as Environment Secretary. Nevertheless, the party in power enjoyed the aura of newness. Its perceived break from the previous administration was palpable whilst in reality tenuous. After all, save for a brief, and unhappy, spell as Foreign Secretary in 1989, Major had been at the Treasury since 1987 and shared collective responsibility for the government's actions. He shared responsibility for the recession.

Shaun Woodward was appointed Director of Communications at Conservative Central Office shortly after Major became Prime Minister:

> Barber: What was the Conservative strategy between 1990 and 1992?
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> Woodward: It's an interesting question because I wasn't involved in active Conservative politics until the fall of Margaret Thatcher and when I went into Central Office I was offered a job by John Major to go in as Director of Communications, one of the crucial tasks which very clearly lay ahead of Major was how he was going

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[345] Interview with Norman Lamont, Park Lane, 8/1/03.

to fight the forthcoming general election. And it very quickly became apparent to the then Chairman Chris Patten and myself that Central Office was completely unprepared, even under Thatcher, for fighting a general election. There was no strategy. It wholly depended upon really the Labour party failing rather than the Conservative party having a case to argue. What Central Office had to do at the beginning of 1991 was actually devise a campaign for a Conservative party to fight a general election; a campaign that would be built very much around John Major and also to find the money to fight that campaign. But what was significant was that there was no blueprint to be adapted following the change of leader. There simply was no blueprint.

Barber: You say that you 'built the campaign around Major'. How important was the impression of 'newness' to the strategy?

Woodward: Terribly important because if you look at the opinion polls during 1990 when Thatcher was still leader, what you see is that the Conservative party trails the opposition by anything between ten and twenty points. John Major was elected leader of the Conservative party and within a couple of weeks the governing party which was twenty points behind Labour was ten points ahead but with not a single change of policy. Despite the obviousness of it, we did not appreciate the significance of it for the country because it was an index of how disliked, arguably loathed, Mrs Thatcher had become and how deep seated that was, not only amongst Labour voters or Liberal voters but amongst Conservative voters. And what we didn't appreciate was that to some extent, the country actually thought there had been a general election when the leadership changed. But it was crucial to build a strategy around Major because very clearly that was the crucial asset at a time when the economy was very obviously going down hill, unemployment was rising, inflation was rising, output was falling, a

recession was clearly in sight, taxes were going up, all these things taken together plus the Poll Tax which was like an exorcet missile – it had the ability to seek out every marginal voter in the country and guarantee they wouldn't vote Conservative – that was the in-tray for John Major plus of course all the problems which came as a result of a very divisive leadership contest. So it was increasingly apparent that the election really would hang on the perception of John Major.

Barber: You mention the Poll Tax. Was that a crucial point in stepping away from the Thatcher era, being able to abandon that policy platform?

Woodward: I think everybody felt – Douglas Hurd, Michael Heseltine, John Major: the three candidates for the leadership in November of 1990 – that the Poll Tax had to go. The crucial question was, could it be got rid of by the time a general election would have to be called? And so it became the absolutely crucial focus of work for everybody in the first few months on 1991, to actually find a way of dumping it. By March of 1991, the idea of the Council Tax was up and running.[346]

The episode also demonstrates the lack of emergent strategy of the Labour opposition. Labour's strategy was now in disarray. Just as Thatcher's stepping away from consensus before it and Blair's acceptance of spending constraints was to five years later, the election of Major and his ability to scrap the Poll Tax, a policy so intently associated with his predecessor, allowed his party to step away from the 'mock auction'. From the moment John Major stepped into 10 Downing Street as Prime Minister, Labour had

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[346] Interview with Shaun Woodward, House of Commons, 6/11/02.

probably lost the election. Whilst they scored considerable tactical victories,

such as winning the Monmouth by-election, over the following seventeen

months, their strategy was lacking, still based on attacking the continuing

administration which had been in office since 1979 and the widespread

unpopularity of Margaret Thatcher. "With Major it was almost impossible for

us to win," recalls Gould, "he was the new, fresh, and decent fellow people

felt they could vote for... I knew it was all over."[347]

As soon as Major was installed in Number 10, the Conservative party's poll

rating for economic competence increased. By "April 1992 only 4 per cent of

respondents blamed [the Major government] for the recession; the remainder

divided the blame between Mrs Thatcher and the rest of the world."[348] This

perception is important. In the midst of economic slump, concerned about

their jobs, homes and savings, people saw John Major as the man capable of

managing the economy, not a man guilty of helping create the recession. To

the contrary, Neil Kinnock was not believed to be the competent pair of hands

to revive the economy. The clean slate afforded to the Tories pushed

Kinnock's stock lower. John Redwood was Minister of State at the Department

of Trade and Industry in John Major's government between 1990 and 1992:

> I think the public decided to give John Major a chance. John Major
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> had recently taken over the leadership of the Conservative Party
>
> and the Prime Ministership. He promised in the election that the
>
> Conservatives were the best chance for economic recovery, the

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[347] Philip Gould, 1998, op cit. P 106

economy wasn't doing very well at the time, and it was after all John Major who had put the country into the ERM, as Chancellor of the Exchequer. I think people felt that they wanted to see it through, he'd always said the early days might be a bit rough, well they certainly were, and they were prepared to give him and the policy a thorough test; as it turned out it all went horribly wrong of course.[349]

With Saatchi installed again as the Conservatives' campaign agency[350], an election winning strategy was rapidly drawn up in place in its basic form by early 1991. Maurice Saatchi had mused:

In retrospect, at least, 1979, 1983 and 1987 appeared very simple elections to win. The choice was clear: 'efficient but cruel' Tories versus ' caring but incompetent Labour'. The difficulty for the Conservatives in 1991 was that the recession had killed the 'efficient' tag — leaving only 'cruel'. While the Tory party had successfully blunted the 'cruel' image by replacing Margaret Thatcher with someone seen as more 'caring', Maurice did not believe that John Major should fight the election on soft 'caring' issues. Instead, it should be fought on the old economic battleground.[351]

[348] Ian Gilmour, 1998, op cit. P 354
[349] Interview with John Redwood, London Guildhall University, 22/4/02
[350] There were questions over whether this would happen following the rift which occurred between Thatcher and her party chairman, Norman Tebbit during the later stages of the 1987 campaign. See also Norman Tebbit, 1989, Upwardly Mobile, Wiedenfeld and Nicolson. P332.
[351] Reproduced in Hogg and Hill, 1995, op cit. P125.

Chancellor Norman Lamont's special advisers were tasked with costing Labour's programme[352]. Including only spending proposals of £50m and above, ignoring re-nationalisation costs, lost privatisation proceeds and additional debt relief, Bill Robinson and Warwick Lightfoot calculated a figure of £35bn. The process had actually begun under Lawson in September 1989 and continued under the Chancellorships of Major and Lamont[353]. Lightfoot believes that the costing was cautious and that "more care and caution went into them, than went into some of the numbers presented in the Government's planning documents, because of the scrutiny that they would be subjected to."[354] There may have been some tactical errors in this work such as undermining Agriculture Secretary John Gummer's attacks on Labour's plans for agriculture by not including them as a cumulative figure or that as an exercise it had been conceived as a one off with no follow up tactics[355]. It demonstrates, however, the theory that where a strategy is sound, the tactics can be relatively indifferent. Whilst, initially there appeared to be limited interest in the Conservative claims, "[i]t may have been this early, convincing set of spending challenges that provoked Labour into the consummate campaigns error of publishing their tax-raising 'Shadow budget'."[356]

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[352] Spending pledges made in statements of Labour Frontbench spokesmen in the Commons and at Conference were used as well as Labour Party documents: Opportunity Britain; Meet the Challenge, Make the Change; Looking to the Future.

[353] Warwick Lightfoot, correspondence with author 6/12/02. Lightfoot was first appointed Special Adviser to Nigel Lawson in July 1989 and tasked with "covering taxation, both revenue departments, supply-side and market issues and begin preparations for the Labour costings exercise."

[354] Ibid.

[355] Hogg and Hill, 1995, op cit. P 117

[356] Ibid.

It is believed that there was "a big row between Kinnock and Smith in the run up to the election, with Kinnock saying Labour must come clean on tax and say what they wanted to do. Smith said 'no – pull it out closer to the election', i.e. the Shadow budget."[357] Having disappeared from view to work on the document, Shadow Chancellor John Smith, presented his Shadow budget days after the 1992 general election was called, amid the oak-panelled eloquence of the Institute of Civil Engineers. Intended to look statesmanlike and competent, it "was a deliberate piece of theatre, mimicking the way real Treasury Ministers are required to disappear from the public eye."[358] Labour officials at first thought it a success. "The atmosphere was extraordinary – tense, but exciting, electric... I have never known such an atmosphere, such a sense of occasion,"[359] Philip Gould recorded in his diary. The event can be seen as one of the great errors of contemporary party strategy, however. The Shadow budget was a clear reaction to a sound critical mass strategy. Within days of the Shadow budget, the Tory strategy was revisited. 'The Price of Labour - £1,250 a Year for Every Family', read the propaganda[360]. Thanks to the fully costed programme, Smith had provided the Tories with the ammunition they required. Indeed, in his real Budget on 10th March 1992, "politically clever and economically

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[357] Patrick Wintour, 13/12/95, QMW.
[358] Andy Mc Smith, 1993, John Smith: Playing the Long Game, Verso. P194.
[359] Philip Gould, 1998, op cit. P 129

[360] The 1992 manifesto continued the theme that Labour would rob the electorate of its wealth by raising taxes. The document asked, "who will give you the personal prosperity that comes from low taxes - from your own savings, your own pension, your own home? Who will let you build up your own stake in Britain's success - and pass it on to your children?" The Best Future for Britain, Conservative Manifesto 1992

irresponsible"[361], Lamont had undermined Labour's spending programme by introducing the 20p income tax band. Expecting a cut in the basic rate, Labour was due to criticise the government and pledge to reverse the cut. A 20p band was different, though they still intended to reverse it. In the Shadow Cabinet rooms after the Budget, Gould recorded, "Everybody was drinking champagne. Everybody was happy. We thought that the Tories had messed up."[362] As he later realised, that was a serious mistake. This soon became evident, as the Shadow budget preparations had been based upon the belief that Lamont would knock a penny or more from the basic rate. Labour's plan was to temper the reversal with a reduction in National Insurance. By introducing this new band, the Tories ensured that when Smith delivered his proposals, he would either have to pledge to hit those earning below £10,000 or those earning more than £22,000[363]. It was not a choice that offered much opportunity for presenting a positive vision of life under Labour. They had failed to set the agenda. The Conservatives had been able to break from the cycle, set the agenda and force Labour to react to it. They were only able to do this by replacing Margaret Thatcher. Norman Lamont was Chancellor of the Exchequer in 1992.

Barber: How much of a strategic gift was John Smith's Shadow budget?

Lamont: Huge. It was a terrible error... John Smith basically did not understand, possibly because he represented a steel constituency in Lanarkshire, that there were hordes of people in

[361] Ian Gilmour, 1998, op cit. P 356
[362] Philip Gould, 1998, op cit. P 119

Essex and the South of England who paid National Insurance contributions over £25,000 a year. He just didn't understand that.

Barber: Your 1992 Budget itself appears, with retrospect at least, fairly central to that electoral positioning, particularly as a preemptive to Smith's Shadow budget. How interwoven was that Budget and the process of that Budget with your electoral strategy?

Lamont: Very closely. But though I say it myself, I did urge Chris Patten and the party to campaign on tax cuts from a very early stage... It was a balancing act in the Budget because on the one hand I was conscious we had a deficit, but I wanted to illustrate we were the party of tax cuts. What I did, I thought, was entirely responsible in that I had an extremely modest tax cut but which nonetheless put tax cuts in the headlines and I thought that was perfectly reconcilable with the prudent stance. I did not realise that the Budget deficit was going to increase as much as it did, though I have to in all honesty say that some Treasury officials thought it would but I did not believe them. Treasury officials were divided. I think politically that played a major part in winning the election. Of course, what was very awkward for the Labour party was that I had introduced a new reduced rate band and that sounded as though it helped the lower paid, it actually helped a lot more than the lower paid, but it was rather difficult for the Labour party to say 'we're against a tax cut which obviously does help the lower paid'. When I introduced it there was chaos between Smith and Kinnock. They didn't know whether they were for or against it and twenty-four hours after the Budget, they couldn't make up their minds.

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[363] Ibid P120

Barber: Would you categorise that as one of the most important factors that allowed you to win in 1992?

Lamont: Yes. I always say that I won the 1992 election and lost the 1997 election. So I reckon it was one-all. The '97 election I put up every tax in sight, but I had to I had no alternative as I saw it and it was very unpopular with the party and very unpopular with the country.[364]

There were fundamental flaws in Labour's strategy. In particular this centred around its spending proposals as Giles Radice accepts: "It wasn't so much the Shadow budget, it was our commitments on pensions and child benefit which we couldn't think how to pay for". [365] These flaws allowed Tory strategists to exploit and deride Labour policy. Shaun Woodward believes Labour should have followed a more sensible portfolio approach in its strategy formulation:

If you take a model for fighting general elections which I did, which was the Reagan model, which is basically the idea that you fight a general election on those subjects on which you are perceived by the country to be good at and you raise the salience of those. Very clearly for the Labour party in 1990, '91 and early '92 I would argue that they were not perceived by the country to be credible at running the economy and therefore a Budget was going to raise the salience of a negative issue for them and to spend the entire first week, ten days, of an election campaign talking about tax and spend was a very large mistake, albeit well

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[364] Interview with Norman Lamont, Park Lane, 8/1/03.

intended by the Labour party. What they should have been doing, I would argue, is raising the salience of things like the Health service, education, those areas of social, public policy on which they were deemed by the country to be credible and as a consequence, the things they were good at, they didn't talk about and the things they were deemed not good at, they did.[366]

For Woodward and Central Office, Lamont's Budget was an electoral obstacle and an electoral opportunity with economic management a secondary issue[367]. After all, if the election was lost, the measures would never have been enacted.

> Woodward: In a sense it was something we had to deal with because there had to be a Budget in March/April of that year. So the critical question was 'what could the government do that would be helpful for trying to win an election?' at a time when government finances were not going to be in a good shape because of a pending downturn and recession. So in a sense it was how could we best neutralise a problem. And I think, looking back, the Budget was too clever.
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> Barber: It was politically clever not necessarily economically clever?
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> Woodward: Well there's a rule of thumb in politics which is that clever policy works for the headlines the next day and then has a terrible habit of unravelling very badly in the following months and

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[365] Interview with Giles Radice, House of Lords, 8/1/03.
[366] Interview with Shaun Woodward, House of Commons, 6/11/02.

Lamont's Budget did unravel very badly. The good fortune was that the election came so soon after the Budget, there wasn't time for most commentators to pick up on its weaknesses. Crucially the John Smith Shadow budget actually drew attention away from the inherent weaknesses of Lamont's Budget which as again it turned out was a piece of luck for John Major rather than planning. We couldn't have anticipated the fact that the Labour party in 1992 would choose to focus on the economy in the way they did.[368]

Mood-creation stemmed not from intellectual credibility, as used by Thatcher and Blair. Indeed the Major administration's lack of dogma was in itself an attractive respite following the intensity of the Thatcher years. 'Pragmatism', a word that had almost dropped from usage by the political hacks, was restored as a description for the party's approach to politics. In those pre-election months, 'pragmatism' was as important to Major's party as actual dogma had been to Thatcher and perceived philosophy was to become for Blair.

He thought that ideology in the Conservative party was out of control. The idea, for example, that the Conservative party had reached by 1991 was that everything public was bad, everything private was good was clearly dotty. What John Major wanted to do was to get back to some practical politics and I think if you look at the way Thatcher approached Europe, which is 'everything from the EU bad, everything against the EU good', if you look at the

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[367] The relationship between the two may have been uneasy. Lamont records overhearing Woodward talking to a Financial Times journalist during the campaign, criticising the Chancellor's performance at a press conference. Norman Lamont, 1999, op cit. P 183

policy on privatisation 'all privatisation good, all public ownership bad', Major took a very different view on that, there were clearly areas where it was right to leave things in public ownership and arguably I think he would say with hindsight, pushing for Rail privatisation was a privatisation too far. So I think the right wing of his party continued to lead that charge but I think it's one you can see consistently through his Premiership, he was very often reluctant to push forward with.[369]

Scribbling notes as he returned from the Palace as Prime Minister, John Major coined the phrase he was to use before entering Number Ten. 'A nation at ease with itself', created a mood sufficient to see the party through the next eighteen months. Not only did his quiet style attract voters, but the only obvious advantage John Major offered over his rivals for the Tory leadership was that he would, at least in the short-term, unify his party. So it was that the Conservatives entered the 1992 campaign with relatively few splits.

Critical mass strategy is difficult to achieve and is dependant on an unbalanced competitive environment. To achieve critical mass, parties need the illusion of newness. They need to be perceived as more than superior managers but as believers in a cause. They must be united. Parties which have achieved critical mass have been able to break out of the cycle of 'balanced' competition forcing opponents to react to their position. As momentum is created, sustained competitive advantage is fashioned.

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[368] Interview with Shaun Woodward, House of Commons, 6/11/02.

Chapter Seven

Disorder and Strategy

And
Misdirection in Labour under Foot, the Tories under Major and Hague and how Thatcher prevailed

Order and democratic politics are not natural bedfellows. What Harold Macmillan referred to as 'events dear boy, events', characterise a healthy political system. Rows, resignations, dissent, scandals and crises seek to knock political leadership off course. The most carefully laid of strategies will be disrupted because of an event beyond the control of anyone involved. In 2001, Blair's Labour government was sailing steadily towards re-election at the national polls, long planned to take place on May 3rd to coincide with the local elections. A pre-election Budget repaid some £34bn of debt and showed a Chancellor at the height of his powers. A series of announcements were scheduled to demonstrate the success of the governing party: health, education and the economy. Then foot and mouth disease struck the countryside causing national panic. The election was delayed, the Budget became a distant memory and the announcements all occurred in the midst of an agricultural crisis. Here is a carefully planned strategy knocked off course. It shows the importance of emergent strategy. However, in such circumstances the strategy must be robust enough to endure the 'events'. In the case of 2001, the strategy was sufficiently stalwart, the administration was perceived as relatively competent and the opposition inept. While events

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[369] Interview with Shaun Woodward, House of Commons, 6/11/02.

were dire in their context, the wider strategy remained in place. Indeed, there was no long term alteration to the strategy. Events such as this involve crisis management. If a strategy is sound, events should not lead to disorder. It could be said that Callaghan's Labour government, during 1978 – 1979, was not yet in a position to be described as in disorder. Little appeared to be in the governing party's favour as the winter of discontent set in. However, the winter represents something of a crisis. It was a crisis, which the government failed to manage effectively. The distinction between 'crisis' and 'disorder' is important. In terms of what appeared as disorder to the Callaghan administration was no more than events which would be resolved or pass by. Nevertheless during those years, the "strategic posture of the Labour leadership in Parliament was wholly unacceptable to the Labour left in the party apparatus."[370] What was to become disorder[371], had roots embedded in the, undemocratic, left's gradual takeover of the party which can be traced back at least as far as the early 1970s.[372]

What is significant for this study is not only strategy put in place to handle crises but a study of strategic disorder. This chapter explores this by beginning with a discussion of the concepts derived from the management literature before describing real party behaviour in case study form.

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[370] Stephen Haseler, 1980, op cit. P 106
[371] Paul Webb argues that intra-party conflict is a natural and periodic feature of party politics. Paul Webb, 2000, op cit. Chapter six.

Strategic Disorder

Disorder in politics or elsewhere is some serious change in a party's environment where official leadership has lost the control it requires to satisfactorily implement its programme of opposition or government. While environmental difficulties might be seen as a root cause, Mintzberg argues simply, "every failure of implementation is, by definition, also a failure of formulation. If there is to be a separation between the two... the capacity to act has to be taken into consideration in the thinking process."[373] If in government, it may be that the party is failing to combat a critical mass strategy of the opposition. Here, as chapter six has suggested, critical mass may only be effective where a governing party is in the midst of its own difficulties. Disorder in politics is more ingrained into a party's fabric than a crisis, however dire. Minzberg rejects 'turbulence' as something that is always present and "nothing more than change that planning could not handle."[374] Other management theorists, notably Ansoff, disagree, suggesting the topic is of importance in understanding the strategy process[375]. Failure to build consensus in an organisation inevitably means an inability to form a strategy capable of implementation[376]. This means that there is a direct connection between disorder and disunity. Chakravarthy suggests that where organisations fail to share responsibility for the strategy, they also fail to

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[372] For a full discussion see Stephen Haseler, 1980, op cit. P120 - 136
[373] Henry Mintzberg, 1994, op cit. P 25.
[374] Ibid P 208
[375] H. Igor Ansoff, 1979, op cit. P 56
[376] Liva Markogsky, "Consensus Formation During Strategic Change", <u>Strategic Management Journal</u>, Nov 2001, Vol 22 No. 11.

diversify assets and skills[377]. This study examines parties when they can be recognised to have fallen into a state of strategic disorder.

In times of disorder, policy pursuit becomes the natural inclination of parties. However, this policy pursuit is not characterised by a desire to influence the national political debate as has been the position of the Liberal Democrats and predecessor forms since the 1920s. Policy pursuit in times of disorder can be quite different. Destructive policy pursuit can be identified. As a priority, office-seeking motives are relegated and the forthcoming electoral clash a seeming irrelevance to the strategy followed. The party's sense of mission becomes strained. Issues become only for internal consumption; that is inside the parliamentary and activist party. Certainly if the experience of Labour's difficulties in the early 1980s or indeed the Conservatives' in office after 1992 and in opposition after 1997 is a guide, there is a propensity for parties in environmental difficulties to retreat into a cocoon of destructive policy pursuit. This may have something to do with Hirschman's analysis that during times of unpopularity, parties become dominated by the activists whose political orientation tends to be more towards the extreme of opinion than that party's natural electorate. This chapter considers these periods, contrasting with the control the first Thatcher government was able to exert over potential strategic disorder.

[377] Bala Chakravarthy, "A New Strategy Framework for Coping with Turulence", Sloan

Disorder in the Labour Party 1979-1983

It is said that when Neil Kinnock assumed the leadership of the Labour party after the 1983 election, he entered the office of the Leader of the opposition in the House of Commons to find he had inherited "absolutely nothing... [no] procedures or knowledge or view of how things were done. Literally, there was nothing. The party was a shambles."[378] During the years between 1979 and 1983, Labour had become obsessed by questions of irrelevance. By 1983, Labour policy was withdrawal from Europe, unilateral nuclear disarmament, exchange controls and nationalisation[379]. The 1983 manifesto pledged an £11 billion emergency expansion, boosting employment through large scale public spending financed by heavy borrowing and eventually taxation[380]. Irrelevance, because they were questions which tore the party in two, were contrary to anything the wider electorate wanted and which, because of their inherent existence, meant that Labour would never be in a position capable of doing anything about them. In times of disorder, Downsian rationality cannot be employed to explain party behaviour.

Writing in 1983, Labour MP for Grimsby, Austin Michell noted that "When Labour governments lose, power shifts to the outside party and the focus

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Management Review, Winter 1997, Vol 38, No 2. P 8
[378] Patrica Hewitt, Kinnock's Press Secretary in 1983, reported in Philip Gould, 1998, op cit. P 41
[379] Much of the literature about Labour during this period concerns itself specifically with the inescapable rise of the left. For a greater understanding of the 'turmoil' of the party during these years, see David Kogan and Maurice Kogan, 1983, The Battle for the Labour Party, Kogan Page. This is especially good on the Wembly conference and the left in London. For analysis of the development of the left and their position by 1983 see Patrick Seyd, 1987, The Rise and Fall of the Labour Left, Macmillan.
[380] The New Hope for Britain, Labour Manifesto 1983

passes away from the parliamentary party in its backwater to the outside organisation. That natural development was now heightened by the discredit and disappointment."[381] As counter Downs as might be possible, the experience of Labour during this period reinforces Hirschman's[382] position, as power passed to activists who in turn shifted the party positioning away from the political centre. Mitchell continues by arguing that increases in party membership subscription, between 1979 and 1982 not only 'compounded' the decline in membership, but also meant that traditional working class members were replaced rapidly by an articulate left wing middle class.[383]In the party mainstream and one of Denis Healey's campaign managers for the leadership, Giles Radice recalls the situation:

Barber: Given the shock of defeat in 1979, was it inevitable that the Labour party membership should move to the extreme of its support?

Radice: I think the trouble with defeat is that it almost always produces extreme reactions particularly in a party of the left. They had probably been persuaded, when the party was in government, to hold themselves in check and swallow things they mightn't otherwise have to swallow for the sake of power but when the power is removed, particularly if it's felt that power is not being as well exercised as it might have been, all hell tends to be let loose. In this case, of course, there was a charismatic Pied Piper – Tony Benn, this was Tony Benn's great period. From the defeat in '79,

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[381] Austin Mitchell, 1983, Four Years in the Death of the Labour Party, Methuen. P 23
[382] Albert O. Hirschman, 1970, op cit. P 21
[383] Austin Mitchell, 1983, op cit. P 24. Labour's membership subscription increased steadily from £1.20 In 1979 to £5 1981 and £6 1982. Whitely also cites the membership crisis as a longer-term problem for Labour and a contributing factor to breakaway SDP. Equally important in his study are the ideological schism in the party and the shock of electoral defeat. Paul Whiteley, 1983, The Labour Party in Crisis, Methuen.

arguably until his defeat by Denis Healey for the deputy leadership, in a sense, he carried all before him. The only chance of a more sensible situation would have been if Callaghan had retired immediately after the election and the chances are that Denis Healey might have actually won, not very easily, but he would have won I think. But after eighteen months, particularly with all that was happening; things like re-selection and the changes in the constitution, MPs were getting very nervous about their bases and the left was very well organised. This made it very difficult for Denis Healey to win. Even so, he was only narrowly defeated.

Barber: You talked about the charismatic figure of Benn. From your viewpoint in the mainstream of the party, did you think that for the left, winning office was an important objective?

Radice: No, they were not interested in office, only capturing the party. Changing the constitution, capturing the party and getting a leader. That was roughly their agenda. Government was a side issue frankly.

Barber: Was it the shift to the left that led to disorder in the party?

Radice: Basically it was. I think the right lacked energy and ideas and those who had ideas, split away. Denis Healey's finest hour is usually when his back is against the wall. He didn't stir himself until after he had been defeated for the leadership. He thought he could get the leadership without doing anything. He in a sense did not have a strategy. Though his Sara Barker lecture on the defeat was a very intelligent analysis, he kept quiet after that hoping to win the leadership by default. He knew it was coming and didn't want to alienate people. Actually, the people he alienated were those who were about to leave the party, who were despairing and he proved himself a very poor leader... His campaign for the

leadership was poor. He refused to set out a strategy, he refused to write an article for *The Guardian* before the leadership election.

Barber: Of course, you were one of Healey's campaign managers. From that inside viewpoint, what were you sensing from his electorate? Did you think he could win?

Radice: We thought he might just win because he was so obviously superior; if you are interested in government he was so superior to Michael Foot. Of course, if you weren't interested in government or if you wanted a quiet life, that's the temptation, to vote for Foot. He would keep the left happy and save MPs' seats. Actually some of those who voted for him, lost their seats at the general election.[384]

The increasingly strained relationship between what had become of the Labour party and the gang of four and supporters, who formed the SDP, is instructive. Here, the Labour party as a body had not only moved too far to the left for the social democratic wing to stomach, but it had all but forsaken office seeking motives or continued to enjoy a mission which encompassed its traditional mainstream values. It is noteworthy that moves toward a party split only really emerged after the electoral defeat of 1979, whereas the strength of the left had been a factor for a decade. So long as the Labour right had control of office, it had been much less concerned with the hard line increasingly taken amongst the rank and file of the party throughout the 1970s. After all, the 1974 Labour manifesto was hardly a moderate document. Indeed by plotting parties' ideological movements on a left – right

scale using manifestos as data, Bara and Budge demonstrate that Labour was considerably more left wing in 1974 than in 1983, although in 1983 the party can be placed to the left of 1979[385]. A declaration of 'socialist aims', the manifesto called for price controls on key services and commodities, compulsorily acquisition of land for houses, schools and hospitals, a wealth tax and heavy taxation of property with a special tax for property companies. The document pledged nationalisation of oil and gas, shipbuilding, ship repairing, marine engineering, and manufacture of airframes and aero engines. Crucially, however the ambitions did not stop there:

But we shall not confine the extension of the public sector to the loss-making and subsidised industries. We shall also take over profitable sections or individual firms in those industries where a public holding is essential to enable the Government to control prices, stimulate investment, encourage exports, create employment, protect workers and consumers from the activities of irresponsible multi-national companies, and to plan the national economy in the national interest. We shall therefore include in this operation, sections of pharmaceuticals, road haulage, construction, machine tools, in addition to our proposals for North Sea and Celtic Sea oil and gas. Our decision in the field of banking, insurance and building societies is still under consideration. We shall return to

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[384] Interview with Giles Radice, House of Lords, 8/1/03. Two Labour MPs who voted for Foot and subsequently lost their seats were John Garrett Norwich and Frank White. Radice had warned both of the perils of voting for Foot.
[385] Judith Bara and Ian Budge, 2001, op cit. P 592. Categories developed by The Manifesto Research Group of the European Consortium for Political research, are used.

public ownership assets and licences hived-off by the present

government, and we shall create a powerful National Enterprise

Board.[386]

However, the Labour right, which dominated the party leadership, simply

ignored the pledges once they were in government. After defeat at the polls

in 1979, the party seemed incapable of maintaining an office seeking balance

and concentrated on the policy. The left was concerned with its own ideas

and battles, unwilling to compete effectively with the new political

environment being challenged by the Thatcher administration. It is

noteworthy that the strategy of the left was to focus upon organisational

reform of the Labour party. After all, the left's policy programme had been

formally established during the 1970s. The problem was that the Labour right

dominated structure had been able to ignore the policies when in

government. Groups such as the Campaign for Labour Party Democracy, and

the Labour Co-ordinating Committee, became the instruments through which

the left pursued constitutional reform of the party. Allowing for the

conference to choose the party leader and constituencies to deselect MPs who

disobeyed their instructions, would mean that policy would not be ignored.

These groups became increasingly powerful in opposition. Austin Mitchell

explains how the left was able to dominate so rapidly after the 1979 defeat:

The left built up an impressive charge sheet: the failure to make

planning agreements compulsory, incomes policy, cuts in

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[386] Let Us Work Together – Labour's Way Out of the Crisis, Labour Party Manifesto, February

government spending, the pact with the Liberals in 1977. It was also extending its control over the National Executive Committee. The twelve trade union representatives remained on balance amenable to the leadership but less so the women's section and the constituencies, becoming a base for the frustrated left in the PLP - Allaun, Benn, Heffer, Kinnock, Joan Lestor, Jo Richardson and the political thinker Dennis Skinner. Their leadership changed it from a nagging handmaiden to public opposition, constantly criticising the government and developing its own policies, published in 1976 as *Labour's Programme*, a radical amalgam very different from what the government was actually doing?[387]

Defeat at the 1979 poll presented a simple clutch of statistics for those on the left determined to force Labour strategy for the 1980s. The electoral swing from Labour to the Conservatives compared with 1974 was around 8%. Crucially for both left and right, however, Labour had attracted a good proportion of the middle class vote while traditional Trade Union support drifted to Thatcher's Conservatives who won a third of the vote compared with a half for Labour. Left and right interpreted this in different ways. For the left, the statistics represented a further indictment of the Callaghan administration's shift to the right and abandonment of the working class. It was evidence that Labour now needed to move significantly left to recapture its position. For the right, as Healey, recorded, the position "never explained how this would persuade workers who had just voted Tory to vote Labour

1974.

next time, or how people who had not bothered to vote at all could be inspired to man the barricades of class war."[388] The left was in ascendance however, meaning that regardless of their stature in the country, the Labour right were something of guilty men in the eyes of the activist left. Retrospectively, Labour MP and academic Dr Tony Wright observes that "one of the fatal delusions of the old ultras on the left was to believe that the behaviour of Labour in power was the problem, instead of the failure of Labour to secure power over a continuing period."[389] The social democratic wing of Labour, whilst setting out its own moderate policy agenda, was more interested in progress, participation and winning office. They left. The Labour party "was too busy at war within itself to wave goodbye."[390]

Perhaps the greatest measure of the rapidity of Labour's descent into disorder is its willingness to select Michael Foot as Leader. NOP polling in October 1980 showed 19% public support for Foot compared to 75% for Healey[391]. Yet it was Foot the Labour party elected, before even the new rules extending the franchise could be implemented. According to Healey, Foot "was distrusted both on the Right and the Left of the Party, and lacked both the personal authority and the political grip to impose his will. He was a natural rebel, and found leadership uncongenial; moreover, though a brilliant orator, he had no administrative experience or executive ability. For all these reasons he was unable to give the Party a sense of direction, either in Parliament or

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[387] Austin Mitchell, 1983, op cit. P17
[388] Denis Healey, 1990, op cit. P 467
[389] Tony Wright, 1996, op cit. P2
[390] Austin Mitchell, 1983, op cit. P 79
[391] The Observer, 19/10/80

outside."[392]   This lack of direction from the official leadership provided

charismatic leadership of the Bennites a free hand in its desire to drag policy

to the left. "Since Nye Bevan was gone, the Left ceased to exert a major

influence on the Party for twenty years. After the defeat of 1979 Tony Benn

emerged as at once the leader and the tool of the new Left."[393] With

seemingly no comprehension for what an opposition needed to do if it wished

to be a contender for office, Labour generated issues over which to argue,

the leadership itself being one of the most potent. This did not represent a

positive strategy for achieving objectives out of office; it was an almost

systematic undermining of the party organisation. It seems that the polling

agencies were not the only ones conducting polls about Foot's leadership.

Dale Campbell-Savours MP for Workington, conducted a poll of 117 members

of the Parliamentary party, finding 96 believing Foot should go. A similar poll

was conducted by West Midlands' MPs.[394] Foot was far from immune to the

grumbling of his party in the press, many of whom had voted for him.

Mitchell claims that 'rising frontbenchers' Jack Straw, Jeff Rooker and Phillip

Whitehead met regularly to voice their discontent and brief the press non-

attributably.[395] In a sense, they had a point. In an era increasingly of

personality politics and television campaigning, Foot contrasted poorly with

his rivals. A man seemingly unaware of his appearance, representations to

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[392] Denis Healey, 1989, op cit. P 481. Healey is inaccurate in his view of Foot. After all, Foot had gained administrative experience as a Cabinet Minister between 1974-79 when he was successively Employment Secretary and Lord President of the Council and Leader of the House of Commons. He had also been acting editor of the Evening Standard in 1942 as well as managing director (1945-74) and editor (1948-52) of Tribune. His view that Foot had no executive ability might also be seen as uncharitable given that as Leader of the House, he showed himself effective in managing government business without a working majority.
[393] Ibid P 470
[394] Austin Mitchell, 1983, op cit P 98-99.
[395] Ibid P 98

Mrs Foot "improved his appearance by a new haircut and suit. The week after both I sat next to him on the front bench and looked down to see odd socks."[396] Compared to the polish and telegenic elegance of his rivals – Thatcher, Jenkins, Owen and Steel – Labour was disadvantaged. Combined with the disorder, the party might not have survived at all. Giles Radice recalls the strategic ineptitude of the Foot leadership:

Barber: Did the official leadership under Michael Foot have a strategy?

Radice: No. Foot was just not a leader. Charming man... I constantly used to go to Foot and say, 'you mustn't do this', 'your position on the Common Market is suicidal', 'you've got to deal with the Trots', and so on. Pathetic he was, very slow to move and showed no leadership whatsoever. Typical of him was that he didn't give his view on what should happen on the composition of the electoral college at that Wembley conference, until after the vote had been take. That says all you need to know about Michael Foot.

Barber: Was the reason there was no strategy, purely a leadership question: There was no direction?

Radice: No direction. What was Foot to do? To be fair to him, he wanted to keep the party intact. He didn't want more people to leave and, like Healey, he had no idea these guys were about to break away and form a new party. I remember trying to tell him this was about to happen and he was amazed. And, of course, he wanted to tame the wilder outrages of Tony Benn.

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[396] Ibid P 53.

Barber: Given those 'wilder outrages' of people like Benn, could any official leadership have hoped to implement a coherent strategy during those years?

Radice: I think there would have had to have been some kind of war. But I would prefer to go to bat under Denis Healey than under Michael Foot.[397]

During this time, the battle for the Labour party intensified. After the dual shock of defeat at the national polls and formal break in its ranks, Labour became an undisciplined, uncohesive, irrelevant party displaying poor leadership and backward looking policies. Labour argued over a plethora of issues from defence to Europe to the party constitution. "It now added to its problems by failing to develop an election strategy. The campaign committee did not meet until November 1982 and then it concerned itself primarily with organisational matters. The political leadership of the party was pre-occupied with drafting the (misnamed) Campaign Document so it never considered what basic issues and messages the Labour Party needed to present."[398] The tragedy of the period was the lack of effective opposition to a generally unpopular and disunited government, itself on the brink of disorder. That the Tory party was able to remain in power for eighteen years, firstly under Thatcher and later under Major, can in some part be explained by this period of Labour's history. The period provided the bedrock of the Conservative critical mass strategy implemented with such effect in 1992.

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[397] Interview with Giles Radice, House of Lords, 8/1/03.
[398] Austin Mitchell, 1983, op cit. P 108.

Disorder in the Conservative Party 1992-1997

The 1992 general election victory was the high point in John Major's leadership of the Conservative party[399]. Having been returned with a relatively small majority of just twenty-one, Major's new administration faced crisis just months into its existence. The position of Sterling within the European Exchange Rate Mechanism (ERM) was becoming vulnerable. Major had been the architect of the policy while Chancellor, much to the disagreement of Thatcher[400] who acquiesced given the increasing weakness of her position following Nigel Lawson's departure from the Treasury in 1989. The crisis was dealt with badly: there was no exit strategy. The Chancellor, Norman Lamont, repeatedly demanded of the Germans that interest rates be cut. Major and his Chancellor staked their personal reputations on Britain's position within the ERM without any real prospect of the Pound's security, repeatedly rejecting calls for the currency to devalue. Interest rates rose rapidly, hitting 15% at one point, purely to sustain the position of the pound. On 16th September 1992, Sterling was ejected from the Mechanism. Interest rates fell. Relations with Europe were marred. The government's political credibility was damaged. Economic policy lay in tatters. Major later recorded: "I went to bed half-convinced my days as Prime Minister were drawing to a close... We had suffered a great defeat and I was not sure

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[399] Some attention has been paid to John Major's leadership of the Conservative party and his administration although literature is thin where comparison is made with books about Thatcher or Blair. Not cited elsewhere, Anthony Seldon, 1997, Major: a Political Life, Weidenfeld and Nicolson, is as near to an authorised biography as is possible and is frequently contradicted by Lamont, 1999, op cit. Also see Denis Kavanagh and Anthony Seldon, 1994, The Major Effect, Papermac.
[400] Margaret Thatcher, 1993, op cit. P 721. John Major, 1999, op cit. P 142.

whether Norman and I could reconstruct economic policy."[401] As Chancellor,

Norman Lamont was the figure to attract most criticism for Britain's exit from

the mechanism. In this exchange, he describes the effect the event had on

Conservative strategy during the 1992-97 Parliament.

Barber: How did the ERM before and after the 16th September, affect party strategy?

Lamont: I was very surprised that in the 1997 election, John Major made no attempt to explain, justify, defend his decision to join the ERM[402]. I find it mysterious. It was his decision not mine, but I think the argument that the ERM did the country some good is perfectly sustainable... I was amazed that the Conservative party simply ran away from it. If you look in the Campaign Guide, the guide to all candidates, the ERM is hardly mentioned. Even if it was a defensive line, you would think your candidates needed to know what to say. So I think there was no strategy in a political sense, for arguing about it and I think Major's reputation has suffered from making no attempt to explain or defend himself. I was quite struck, when we had the tenth anniversary of the ERM exit, I did a lot of radio and television, Major didn't put in an appearance, I don't know if he knew the Currie thing was coming or what but he just didn't appear. I very nearly wrote to him to say, 'I don't know why you don't defend yourself because I think you've got something to say'.

Barber: From when John Major became Chancellor, one of the strategic objectives or at least a process of reaching that strategic objective, was being tied in with the ERM and of course after the

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[401] John Major, 1999, op cit. P 334
[402] See for instance, You can only be Sure with the Conservatives, Conservative Manifesto 1997

16th September, the economic policies were not tied in with the ERM and it also affected other elements of policy.

Lamont: I was not in any way – people never believe this – part of the decision to join the ERM. I knew nothing about it until Major, a few days before we did it, asked me whether I had any objection and I didn't really have any objection although I wasn't very keen. I think the reasons Major joined the ERM were: 1. Pressure, the whole country wanted it, 2. A desire to be in the mainstream of Europe, 3. A belief, which I think was entirely right, that it would get inflation down and stabilise the economy. In my opinion that is what it did and we've had the benefits of it ever since. Where the Conservative party made a terrible mistake in the 1997 election and post 1997 is in not claiming credit for what Labour inherited, in a more convincing way. It seemed to me perfectly possible to say, 'look, we've got the best of all worlds. We got inflation down and just when the policy was becoming too tight, the tools we were using disintegrated and that's a happy accident and we've ended up with the best of all worlds'. You couldn't claim the credit for that but that things worked out very well I think is self evident.

Barber: Essentially, that was a strategy which emerged from the 17th of September.

Lamont: Yes. Which is why I had grown more and more disenchanted with the ERM – although all the stuff about 'singing in the bath' is all nonsense and not true – the newspapers, as always, divined that I didn't think that this was entirely a disaster and that there were good aspects to it.

Barber: Both you and Major tied yourselves tightly to the policy, understandably as otherwise there could not have been confidence

in the markets. Should there have been an 'exit strategy' in the event of Britain falling out of the ERM?

Lamont: I don't think anybody foresaw it happening. That may be a criticism that is justified. When you say 'strategy', remember there is a mechanism within the ERM for supporting each other's currencies and that was followed to the letter. Any suggestion the Germans did not behave according to the rules is not right, maybe they could have helped us beyond the rules but the series of rules were followed. I'm not sure what other strategy there could have been. I think it is true, being forced out was not something I had anticipated. I had thought we may be forced to devalue, but to be forced out entirely, I don't think crossed my mind.[403]

Here Lamont, inadvertently, describes what could have been the government's exit strategy had it not considered Britain's ejection from the mechanism as inconceivable. To have left the system voluntarily, citing irreconcilable differences with the European institutions and partners would have pleased the Eurosceptic backbenches and press even if it undermined the Prime Minister's desire to be 'at the heart of Europe'. Major was not without critics in his Cabinet. The most prominent of these was John Redwood.

Barber: The Conservative party in 1992 was hungry for victory. Its strategy following victory appears to have been one of economics – the controlling of inflation within the ERM – Did the party have a strategy on the 17th September?

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[403] Interview with Norman Lamont, Park Lane, 8/1/03.

Redwood: No, I think it would have been better if we had. I had been a quiet dissenter over the whole matter of the Exchange Rate Mechanism, before I joined the government I had written a pamphlet explaining why I thought it couldn't work and could be very damaging. During my period as a government minister I had been constantly urging those who would listen for us to come out earlier or to release the tensions by lowering the interest rates. I was ignored throughout that period, I felt that we'd made a huge error, and the error became quite obvious when we were forced out of the ERM at considerable expense, and if you want to understand the politics of the last decade I think all you have to do is to understand what an important event our expulsion from the ERM was, it became everybody's image of what had gone wrong and although the trouble had been building up for a couple of years before, it was the expulsion from the ERM which made people realise that the whole strategy had been wrong, the costs had been incurred for very little purpose other than bringing inflation down, and they were then hungry for something else; and from that day onwards the Conservative Party struggled to attract votes.[404]

From this crisis on, the Conservative party in government fell into a state of strategic disorder. "The Eurosceptic wing of the party and their allies in Fleet Street derived a massive uplift in confidence which underpinned the civil war into which they were plunging the Conservatives with increasing bitterness,"[405] followed the assessment of President of the Board of Trade, Michael Heseltine. The Prime Minister drew historical parallels: "The Tory party had begun to imitate the structural defects of old Labour, and was to

[404] Interview with John Redwood, London Guildhall University, 22/4/02
[405] Michael Heseltine, 2000, op cit. P 432

pay the ultimate price for it."[406] No longer capable of the office seeking instincts, which had led to the election of John Major as leader, the Tories increasingly and destructively, pursued policy to the detriment of any impulse for survival. In terms of its mission, this meant that many of the party's stakeholders found it increasingly difficult to identify worthwhile reasons for continued support of the collective. If the Ashridge model is considered as linear (*Values>Purpose>Strategy>Behaviour*), as is suggested in chapter four, constructive strategic behaviour is difficult because there is a limited shared sense of values and purpose. It is this sentiment that Heseltine may have been reflecting when he assessed: "When the dice roll against you, there is little you can do. Even powerful governments... are impotent to divert a sustained flood of adverse events, all breaking against a background of economic uncertainty and national frustration."[407] At a time when the opposition Labour party was gaining in confidence and addressing the issues directly which were playing in the media and in the country, the Conservative party turned on itself arguing over Europe and leadership. In turn, this led to a widespread perception of weak leadership, no doubt exaggerated by comparisons with the 'iron will' of Major's immediate predecessor. Broughton suggests that one "obvious way in which Major might have been able to mitigate his perceived weaknesses among the electorate was to lead a successful administration able to point to a series of achievements for which he could duly claim the credit. Yet, despite the election victory of April 1992 against the odds, the lasting impression of the Major premiership for many is

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[406] John Major, 1999, op cit. P 347
[407] Michael Heseltine 2000, op cit. P 497

one of drift and indecision."[408] Major's leadership undoubtedly amplified disorder in the Tory party if for no other reason than the administration failed to please either the Thatcherite right of the party who had once thought him 'one of us' and the lady's natural successor, or the one nation left who felt dismayed by the 'drifting with dogma' to borrow Gilmour's famous phrase. There was no obvious strategic direction. The Major government's dangerously small and ever diminishing majority offered discontents from both wings the ability to disrupt the administration's actions. Since the Europhile big beasts dominated Cabinet, most significantly, this ability was to be exploited by the Euro-phobic right.

Parliamentary 'rebels', who had long disliked Britain's relationship with the European Union, revolted against the treaty signed at Maastricht[409] before the election, taking the "government to the brink of collapse."[410] Major's successor, William Hague, joined other prominent Tories, speaking with refreshing candour to the journalist Graham Turner. Hague believes that Major's "trouble was trying to push through Maastricht on the slim majority. No amount of being strong was going to remove that difficulty. ' The alternative would have been not to ratify it, but that was almost impossible because it was he who had negotiated it."[411] One of the leading rebels was Iain Duncan Smith, then a Backbencher. Ironically, as Turner reports, Duncan Smith's future rival and party chairman, David Davis was one of the

[408] David Broughton, "The Limitations of Likeability: the Major Premiership and Public Opinion", in Peter Dorey (ed), 1999, The Major Premiership, Macmillan, P 207
[409] See D Baker, A Gamble, S Ludlam, "Whips or Scorpions? The Maastricht Vote and the Conservative Party", in Parliamentary Affairs, April 1993, Vol 46, No 2, PP 151-166
[410] John Major, 1999, op cit. P 342.

Whips who attempted to cajole him through the Aye lobby. Duncan Smith recalled: "David... told me that, if I chose to abstain or vote against the treaty, it would be a career-bending move. 'It'll affect your future,' he said."[412] Backbench rebellions over Europe led eventually to the removal of the Party whip from eight backbenchers who refused to support the government in a vote of confidence over the European Budget, creating considerable ill feeling in the party[413]. This, despite the fact that Major had pacified Cabinet colleagues with his famous 'opt out' from the social chapter and single currency elements of the Maastricht Treaty, keeping his European counterparts up all night in discussions. Indeed, later leadership challenger John Redwood, continues to believe that "John Major's great contribution was to negotiate the opt out. Most of the advice he was getting from Heseltine and Hurd was that the opt out would not be possible."[414]

The Prime Minister's woes did not end there. John Major was caught on tape, during a private chat with ITN political editor, Michael Brunson, denouncing three of his Cabinet colleagues (un-named) as 'bastards'[415]. The Prime Minister's leadership increasingly became strained, with attacks from both wings of the party. Junior Minister Tim Yeo believes part of the problem was Major's style. "He didn't have a clear strategy... He was very nervous about

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[411] Quoted in Graham Turner, "How we imploded: senior Tories finally speak out", The Telegraph, 7/10/02
[412] Ibid.
[413] One of the rebels wrote a fairly trivial account of the anti-Maastricht rebellion in the Parliamentary Conservative party after the 1992 election. Teresa Gorman, 1993, The Bastards, Pan. Major was forced twice to make his government's European policy a matter of confidence. While he removed the whip from eight in 1995, a ninth, Sir Richard Body, voluntarily resigned the whip.
[414] John Redwood speaking at London Guildhall University, 22/4/02
[415] The conversation was reproduced in The Mirror, 27/7/93.

what to do. He'd duck one way and then the other. His style positively encouraged intrigue. There was no vicious instinct in him, but decency alone is not a sufficient guarantor of success."[416] Cabinet heavyweights were despatched to defend the leadership. In February 1994, Michael Heseltine was forced to respond to MP David Wilshire's assertion that the state of the party was "right across the spectre from total paranoia and panic, on the one hand, to a sort of genteel resignation and acceptance on the other."[417] Heseltine's response was instructive for a study of strategy and disorder, though of little comfort given the circumstances: "You get the bad moments, you get the good moments. You must not be in a position where you run your government on a day to day basis, you've got to have a strategy."[418]

The question might well be asked, 'was there a strategy?' The government appeared to be short on both strategy and tactics after September 1992 right up until it lost the 1997 general election. Appearances suggest the Conservative party in government existed in an atmosphere of perpetual day to day crisis management. Whilst this is surely the perception, the reality of those years shows the appearance to be marginally unfair.

Barber: Was Heseltine wrong to suggest that he had a strategy?

Redwood: Oh I think the government developed a strategy, and I remember talking to Sarah Hogg and others immediately after we were thrown out of the ERM, because I saw it as a great

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[416] Quoted in Graham Turner, "How we imploded: senior Tories finally speak out", The Telegraph, 7/10/02.
[417] Speaking on, "On the Record", BBC1, 6/2/94
[418] Ibid.

opportunity, I was very unhappy about what had happened but I was delighted we were out because I knew that we had to be out in order to rebuild our economic strength and get back in contact with the British people. And I was urging the government to cut interest rates much more rapidly, and to make a virtue out of the problem, and to tell people that now we did have a strategy as it turned out we then did have a strategy, we had a strategy of lower interest rates and easier money which started to turn the economy round.

Barber: Of course the Conservative Party didn't take any credit for it.

Redwood: Well I think it tried to, but I think the public were rather reluctant to give the Conservatives credit for getting it right, because they felt the Conservatives should be blamed for getting it wrong in the first place. And in a way they'd given us some credit in 1992 by hoping that it was still going to work, so by the time it came to 1997 they felt it was time for retribution.[419]

This last point is important. The economic legacy of Thatcher was electorally visited on the Tory party in 1997 not in 1992. The ERM destroyed the benefits of 1992 critical mass strategy and turned the party against itself and its leader. When the pressure got too much, the Prime Minister felt it necessary to resign as party leader to 'stand against himself', daring anyone to challenge his authority. Major did not expect a challenge and indeed, did not appoint a campaign manager. Upon realising that the Prime Minister might have overlooked it, leader of the Lords, Viscount Cranborne, arrived at

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[419] Interview with John Redwood, London Guildhall University, 22/4/02

Downing Street early one morning, woke Major and offered his services.[420]

Not content with merely pushing Major into this unprecedented step, his party continued to augment the state of disorder by finding a candidate sufficiently senior to challenge. Welsh Secretary, John Redwood was the only member of the government to pledge no more than tepid support for Major. Appearing on *On the Record* that Sunday, Major appeared surprised anyone might challenge his authority, conceding only that "if there is a challenge, so be it, that's what elections are for."[421] Major was soon challenged by Redwood.

Barber: The circumstances which allowed you to challenge John Major for the leadership were pretty extraordinary. By this point, had the party put policy and principle ahead of acting as an electoral machine as it had done in 1990 when it elected John Major?

Redwood: Well John Major decided that there were too many noises off and I hasten to add they were not mine, I was not mentioned in the newspapers prior to 1995 as a challenger for the leadership for the simple and good reason that I wasn't. But when John Major decided to resign the leadership and to say that he wanted to have an argument. I was prepared to come forward because I genuinely believed that we needed to change tack. I felt we needed quite a few changes in what we were doing, everything from stopping the closure of small hospitals, which people like the hospitals but didn't like the closures, through to sorting out the tax problems, I thought we put the tax burden up too much in the aftermath of the ERM and that if he felt we needed a debate – let's

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[420] Graham Turner, "How we imploded: senior Tories finally speak out", <u>The Telegraph</u>, 7/10/02.

have a debate. I didn't know whether we would change anything, I thought it was unlikely that I would win the leadership; I thought it was possible I would change policy. I think the only good thing that came out of it from my point of view, and I hope many in the country see it like this, was that it did lead on to a promise of a referendum on the euro which in turn led on to the promise of a referendum from Labour which turned out to be crucial, because without that development we would probably be in the euro today.[422]

In the contest that followed, Redwood was able to secure 89 votes to the Prime Minister's 218 (there were 22 abstentions or spoiled papers)[423]. Major survived, and closed the prospect of a challenge before the general election, but the episode was damaging for the party concerned with its own squabbling rather than the outside world. Labour's Philip Gould mused: "The election had promised change but delivered the status quo, and the impact was almost all bad for the government."[424] This very sentiment appears to have been reflected in Redwood's own campaign literature:

Barber: Your campaign leaflet read, 'No Change, No Chance'. Did that have any bearing on the party's subsequent fortunes?

Redwood: I think I was describing a truth which subsequently thence proved to be true. Not enough of my parliamentary colleagues accepted it at the time, probably more of them might agree today. And as I stressed to them in those hectic days of

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[421] Speaking on, "On the Record", BBC1, 25/6/95.
[422] Interview with John Redwood, London Guildhall University, 22/4/02
[423] See Hogg and Hill, 1995, op cit. PP 264-283 and Major, 1999, op cit. P617-647, for insider accounts of the episode.
[424] Philip Gould 1998, op cit. P 246

campaigning, I was not insisting on one particular type of change but I was absolutely sure that we needed pretty thorough going change, maybe of men, maybe of measures, maybe of both. I didn't really mind which it was, I'd have been delighted if John Major had turned around and said what you are saying about policy makes a lot of sense, help me fashion it and knew I'd have been very happy to do that, but it didn't work out like that and so we went down to a very predictable defeat.

Barber: If you had won, would the party have been more disciplined?

Redwood: Oh I doubt if it would have been more disciplined but I don't think discipline was the problem, indeed I would have wanted the party to be freer as I think people do have a right to dissent in certain circumstances and I think it would have been quite wrong of me to say otherwise given what we'd just been through. So no I don't think it would have necessarily been more disciplined but what I would have tried to have given the party was a greater sense of purpose and movement in a certain direction. I think we were rather becalmed and if you're becalmed then every little ediant current can make a difference to the way you're pointing.

Barber: Part of what I'm getting at there is that the party at that time was becoming in something of a disorder. Was that something systematic or was it something that a change in direction would have halted and given the party a strategy?

Redwood: Well I think more sense of direction would've helped and if the more sense of direction had been reflected in any rise in the polls then definitely things would've improved because one of the reasons there was so much dissension was that quite a lot of parliamentarians on the Conservative side thought that they were

going to lose their seats, so they felt they had nothing to lose from dissociating themselves from the general position. The leadership of course thought that made it far worse, you can see both sides of the argument. So if one had been at all successful, sense of purpose leading on to more support, that would have helped certainly. In the leadership election itself we did actually rise a little in the polls during the challenge and we fell back immediately after the result.[425]

Redwood is surely right to argue that division was not the root of the Conservative's problems. The Tory party has often divided over quite important issues which have not always led to the disorder this chapter has described. Lack of clarity over who or what is responsible for party direction is intrinsically interwoven into disorder. Division, in that sense, seems to follow what might be a shock event about which the official leadership is incapable of managing. The 1995 Tory leadership episode is reminiscent, in some respect, of Labour Leader Michael Foot's need to confirm his own leadership during the 1983 election campaign. In both cases it is possible to identify a party so hopelessly divided, it has little prospect of convincing the electorate to return it to office. However, the division in each case represents far more than differences over policy.

The Tory disorder can trace its roots back to Sterling's ejection from the ERM and can be identified clearly as the event which pushed the party into this state. It is significant that while economic policy was all but destroyed, the reconstructed economic policies, ultimately led by Chancellor Kenneth Clarke,

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[425] Interview with John Redwood, London Guildhall University, 22/4/02

proved relatively successful. The disorder rather than the event led to defeat at the polls in 1997. The party whilst in government conducted a very public and debilitating debate over Europe. "Major's authority was repeatedly questioned, and his instincts remained those of a whip, solid on tactics but with only underdeveloped ideas on overall strategy."[426] The party failed to agree on a strategy for fighting the election.[427] The Major government contented itself with day-to-day firefighting, fully aware that the party's disorder prevented the implementation of any sustainable strategy. Damian Green, then in the Number Ten policy unit, describes how "the policy was to get through the week ahead. You couldn't frame long-term policies when you didn't know whether the government would still be there by the end of the month."[428] It was this that characterised the strategy in disorder of the Major Conservative party in government.

Disorder in the Conservative Party 1997-2001

After the 1997 defeat for the Tories the destructive policy pursuit became more defined and as a comparison with the previous five years', more illuminating in testing the disorder hypothesis described above. Speaking before the 2001 general election, journalist and commentator Jonathan Freedland described what he saw happening within the Conservative party:

[426] David Broughton, in Peter Dorey (ed), 1999, op cit. P 216
[427] "Into the valley of Death", Badghot column, The Economist, 20/4/96
[428] Quoted in Graham Turner, "How we imploded: senior Tories finally speak out", The Telegraph, 7/10/02.

There is a divide between social, cultural Conservatives – so called

rockers – and modernisers who are socially in some ways liberal –

so called mods. And that mods v rockers split... was not just the

trauma of the election, I think it's absolutely there. And I think

they do a very good job of not giving it the formal battle lines that

Labour's battles in the '80s had – you don't have a Tony Benn

challenge for the deputy leadership – an overt split. But, actually,

that split goes to the heart of whether they can win an election

again.[429]

There has always been a wide spread of opinion in the Conservative party.

After all, this is the party which happily accommodated the views of Harold

Macmillan and Enoch Powell; Willie Whitelaw and Keith Joseph. There has

always been a commonality within the party verging on pragmatic methods of

managing government. There has been a belief that Tories are uniquely

qualified to manage government and the economy in particular. This was an

important strategic resource. It may well be 'the stupid party', but given the

history of the twentieth century its claim to be 'the natural party of

government'[430] should not be dismissed without some contemplation.

Given the party's history, that there is a continuing divide in the Tory party

into the twenty-first century is not in itself especially noteworthy. What

makes the fact interesting for the study of strategy is its inward looking

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[429] Jonathan Freedland, speaking on, "Talking Politics", Radio Four, 21/4/01
[430] John Dunn, 2001, The Cunning of Unreason, Harper Collins. P 143; John Ramsden, 1998, An Appetite for Power: A History of the Conservative Party Since 1830, Harper Collins.

nature after 1992. The large dose of dogma, fed to the party by Margaret Thatcher during the 1980s not only undermined the tradition of pragmatism which enabled left and right of the party to sit side by side in Cabinet, it also changed cross-party debate in Britain. To some significant degree, Thatcherism is accepted by Britain's major parties. Rarely are there arguments across the House of Commons about nationalisation versus privatisation, Union power or in any genuine sense taxation.

It is all the more significant, therefore, that the Conservative fall out after 1997 was so pronounced. There is evidence to suggest that whilst Major had reconciled himself to defeat[431] many of his Ministers expected to win, or at least believed that Labour would barely scrape in. Tim Yeo was a member of a Tory dining club which met two months before the election: "we all put into a sealed envelope the number of seats we thought we would win, together with a £10 note. The winner was the one who got closest. I guessed 240 seats, and I'm ashamed to say I won. Several of the 14 members, including two Cabinet Ministers and one junior minister, had put 345, and quite a lot were clustered around 300. In fact of course, we only won 166."[432] Any trauma such as the loss of power is bound to lead to a period of contemplation and reassessment. Re-adjusting to opposition after a political generation in power is also likely to be difficult. Just as successful oppositions take time to move out of the mindset of opposing, once in government, vanquished governments find the role of opposition uncomfortable. William

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[431] John Major, 1999, op cit P 690.
[432] Quoted in Graham Turner, "How we imploded: senior Tories finally speak out", The Telegraph, 7/10/02. The dining club was called *Third Term*.

Hague was elected leader of the Conservative party in 1997 in favour of the more experienced Kenneth Clarke. This inexperience showed in the strategy and communication of the party. Hague's first party chairman, by contrast the highly experienced Lord Parkinson, believed that his lot was not an enviable one and that despite this, he was able to achieve some element of a strategy:

> He inherited a nightmare of a party. Major had blown £28 million on the election and we had our record expenditure and our worst ever vote ... So we had less than no money, we had a big overdraft which we were committed to reducing, a lot of disaffected donors who had given huge sums and seen it all go down the drain. We had a tiny rump of a Parliamentary party and what was even worse was the voluntary party was totally at war with the Parliamentary party, both sides were blaming the other and everybody was blaming Central Office... William took on the most impossible job. What William was determined to do, and whether people huff and puff about it now he did it, he was determined to make it a democratic party, he was determined to give us a constitution and determined to have a board which ran the party organisation on which the voluntary side and Central Office and the Parliamentary party were all represented. In the past, the Chairman would take a decision, the voluntary party would be unhappy; the Parliamentary party would be critical. This way there would be big decisions we would all take together and we would all be bound by

them.... I said to William that I would go back for two years or two party conferences, whichever was the shorter, during which I would get the party reforms through and we got it through quite quickly, we got it through in a year... I was very impressed with him. He's very able, very resilient. I enjoyed it but it was very different. The first time I went there it was with a view to winning an election. The next time, a couple of weeks after an election, to try to help him pick up the pieces and they were scattered.... William handed over to Iain a party in a much better financial state, money in the bank, a much better organisation, a constitution, three thousand more councillors... I think he handed over to Iain a party in much better shape than the one he had taken over.[433]

Whilst he may have been able to push through some sensible structural changes in the party, Hague, the former management consultant, was unable to form a successful electoral or party strategy. Two of Hague's shadow cabinet members were critical of his style for the revealing articles produced by Graham Turner. Tim Yeo, shadowed environment under Hague: "Communication in the shadow cabinet was not particularly good... [Hague] wasn't, I thought, a natural team manager and, when things started to go badly, there was a bit of a bunker mentality."[434] Former party chairman Sir Brain Mawhinney, supports this view, reporting that, "William was poor at

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[433] Interview with Cecil Parkinson, House of Lords, 11/11/02.
[434] Quoted in Graham Turner, "Can the Conservative Party recover?", The Telegraph, 8/10/02.

relating to the shadow cabinet. He had an odd form of leadership. There would be a debate, he'd sum up and you'd come out not knowing whether it was going to make any difference. I met a member of the shadow cabinet who hadn't talked to him for a year."[435] The poor strategic leadership is reflected in the nature of the party during those years. The experience of the Conservatives throughout the 1997 Parliament was consistently inward looking, scoring tactical victories but boasting limited longer-term strategy. Given that the Conservatives lost many 'safe' seats to Labour in 1997 on the Kent coast and in Essex, raising asylum and immigration issues in 2001 and before can be seen as a rational, if distasteful[436], tactic to win back seats. It was not a tactic to win a majority in Parliament, or indeed, one that was executed successfully. The tactic appealed to the core support that had left the party at the previous poll as well as basic prejudice. It formed little part of a rounded strategy.

It was not always like that. Hague's leadership underwent a rapid change in response to unease in the party. As Richard Kelly's analysis shows, "Conservatism under Hague has been on something of an odyssey, starting out with an emphasis on freedom and individuality, but ending up with an emphasis on authority and restraint... this odyssey points not simply to

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[435] Quoted in Graham Turner, "Can the Conservative Party recover?", The Telegraph, 8/10/02.

[436] 'distasteful' is used deliberately here as immigration is an issue which could have been raised to the Tories advantage in 1997 but was deliberately avoided. John Major had approached Liberal Democrat leader Paddy Ashdown less than two months before the poll to ask him to appeal to Labour leader, Tony Blair not to raise the subject (specifically the Primary Purpose rule) for fear of how his own supporters would use the issue. See Ashdown, 2000, op cit. P 537.

opportunism, but to a serious flaw at the heart of modern Conservatism."[437] During the first two years of his leadership, the approach taken by Hague was an essentially modern, if personally embarrassing, libertarian stand, as Hague and his fiancé were observed visiting the Notting Hill Carnival and wearing baseball caps. "At that stage, we just needed to be visible. In retrospect it might have been better not to do those things,"[438] Hague explained. However, this rapidly changed into the self-styled 'Common Sense Conservatism[439] characterised by anti-asylum, zero tolerance and opposition to the repeal of Section 28 forbidding the 'promotion' of homosexuality in schools. This was the issue over which former Conservative Director of Communications and MP Shaun Woodward became Labour's most high profile defector:

> The consequence of the huge defeat the Conservative party
> suffered in '97 and therefore the change in leadership following
> Major's resignation, immediately set in train what at first appeared
> to be different policies but very quickly and increasingly over that
> first year under Hague became not just a change of policy but a
> change of principle. So that, for example, privatisation of the NHS
> was suddenly something being actively considered; Hague's
> fundamental change of policy on European issues so that the
> Conservative party actually had a ballot to fundamentally change

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[437] Richard Kelly, Conservatism Under Hague: The Fatal Dilemma, <u>Political Quarterly</u>, Vol 72 No 2 April –June 2001, P 197.
[438] Quoted in Graham Turner, "Can the Conservative Party recover?", <u>The Telegraph</u>, 8/10/02.
[439] See the Conservative Party publication, <u>Believing in Britain</u>, 2000.

the party's policy on Europe which became effectively not one of engagement but one of withdrawal. These were seismic changes in Conservative party policy and principle which very quickly began to threaten the values of the Conservative party so that you ended up after two or three years – and after three years I had already left the party – actually rather than being a pragmatic party, became an only right wing ideologically driven party. It would find, for example, every opportunity to pick on minority groups as a way of arguing either for family values or nationalism and the step between that and picking on asylum seekers was a very short one for Hague to make.[440]

It was to be this limited strategy that the Tories pursued into the election, with increasing emphasis on asylum, mixing the issue willingly with that of immigration. John Redwood was a member of Hague's front bench team early on in the Parliament, returning later as Head of the Parliamentary Campaigns Unit:

I think what William decided that the public and the party weren't ready for the freer more liberal conservatism that he set out in his first year, and that the task was far more difficult than he'd hoped because people were still very unhappy with the Conservatives throughout most of that period. So he decided he needed to buttress his core support by having more traditional messages to

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[440] Interview with Shaun Woodward, House of Commons, 6/11/02.

make sure the core supporters voted. And I can see why he did that, I'm not a critic of William, I think it's very difficult position he was in and I do think if he'd not buttressed the core support he would have had a worse result than he did have. And remember the background was the realisation in certainly the latter two years of that Parliament that the public was getting very disenchanted with the whole political process. There are all these floating voters that you traditionally try and woo, were unlikely to vote for anybody and I think William picked up from the polling, his conversations, that he had a real task on his hands simply to get people who voted Conservative in '97 to vote Conservative again. Remember the election result showed that Mr. Blair lost three million of the votes he had in 1997 because turnout was so down.[441]

Nevertheless, the Conservative's approach to the issue imploded during the early stages of the campaign. Perhaps because the tactic formed no part of an encompassing strategy, the party argued the issue internally[442]. The retiring Conservative MP for Yorkshire East, John Townend launched an outspoken attack on "coloured immigration" which "undermined the homogenous Anglo-Saxon society of Britain."[443] Many other Parliamentary Candidates in the party refused to sign up to the Commission for Racial Equality pledge not to play the race card during the campaign causing further

[441] Interview with John Redwood, London Guildhall University, 22/4/02
[442] See James Hall, "Tories in Turmoil?", New Statesman, 26/4/01
[443] Reproduced in ibid.

controversy[444]. The use of the issue had become destructive policy pursuit and formed little part of the office seeking instincts which had originally led the leadership to raise it. Kelly believes that the early libertarian impulses were checked by the "Downesian tendency of modern politics, whereby politicians seek to reflect rather than shape public opinion, doubtless played a part. During Hague's first year as party leader, opinion polls were unremittingly dismal for the Conservatives, suggesting that they were even more unpopular in opposition than they had been in government. The leadership may therefore have concluded that the 'fresh Conservatism' of 1997 was simply not working forcing Hague to run for cover to more trusted Tory shibboleths."[445] Hague appears to agree with this analysis, recalling that:

We certainly had a change of tempo in 1999 partly because we didn't seem to be getting very far with the approach we had taken – trying to show we were listening, that we were more touchy-feely. Then two things happened. I said that I might as well fight for things I truly believed in. Second, there was an element of calculation. The dissatisfaction of people with the state of the public services and what Labour was doing about them wasn't very great... So I judged that it was better to talk about the issues

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[444] Including Shadow Chancellor, Michael Portillo, in a move designed to undermine Hague rather than as a demonstration against the pledge.
[445] Richard Kelly, 2001, op cit P 200.

where you could beat them. After all, you don't want to fight an election on your opponent's strong points.[446]

What is significant for this hypothesis is that after the 1997 election, it was not the issue of Europe which was the subject of the policy pursuit, as it had been for the five years of the previous Parliament. With the natural leader of Europhile Tories, Kenneth Clarke, defeated in his bid for the leadership, the sceptic wing took hold of policy. Hague's policy of 'keep the pound', caused few ructions in the party due to the fact that the party's left kept relatively quiet throughout the Parliament[447] and certainly in the run up to the campaign. Indeed, throughout the 2001 election campaign Clarke confined himself to his Rushcliffe constituency whereas Michael Heseltine, retiring from the Commons, spent much of the period abroad on a fishing holiday. The europhile left did not want to be seen as the cause of the long expected Tory defeat in 2001. Nevertheless, even with this contentious issue removed for the period, the party during this time of disorder found other issues over which it would tear itself apart.

Barber: When Hague won he installed his 'keep the pound' policy; combine that with Ken Clarke's self imposed purdah, really the European issue was calmed as a division. Why on earth then did the party start arguing about cultural versus liberal conservatism?

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[446] Quoted in Graham Turner, "Can the Conservative Party recover?", The Telegraph, 8/10/02.
[447] Clarke and Heseltine had appeared alongside Labour and Liberal Democrat leaders for the group *Britain in Europe*, to some criticism, earlier in the Parliament. However, they had maintained a lower profile after it became clear Blair would not make the same commitment to Euro entry as he expected from them.

Redwood: Well I don't accept that divisions are the reason the Conservatives lost the '97 or the '01 elections, I think we lost because of the ERM, or to put it in more popular language, we lost because too many people lost their businesses, their houses, their hopes, their jobs during the course of the early '90's and they naturally wanted to take it out on the party that had done that to them, and they've done that now in two subsequent elections to make the point. Why was there that row? Well I think there was a genuine split between William and his more traditional conservatism in the latter two years and Michael Portillo and his more liberal conservatism, and it spilled over, and it particularly spilled over in the spat over the drugs issue between Ann Widdecombe and Michael Portillo. It was one of those things, it certainly didn't help, but again I don't think it was the main reason we did badly in '01.

Barber: Would you reject the idea that it was merely a personal spat between the Widdecombe and the Portillo camp?

Redwood: I think that was what started it, yes. And it obviously overshadowed the party conference. It would've been nicer to have used that party conference as a good launching pad for the election; but I can't say to you that it would have made a huge difference if that hadn't happened, it was not helpful, but I don't think by '01 we had yet countered successfully the ill feelings people had towards the Conservative party for the mess in the early 90's. I think there is some sign it may be beginning to shift now, what normally shifts these perceptions of mess is when the incumbent party in government makes a worse one or makes one in different areas[448].

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[448] Interview with John Redwood, London Guildhall University, 22/4/02

The fact that this 'mods v rockers' argument continued to be fought throughout the Parliament into the next campaign and beyond represents more than a belief the party could not win. This was a party whose strategy was in disorder; it had little sense of mission. Its destructive policy pursuit was indiscriminate choosing an historically peculiar argument after the issue of Europe was quashed[449]. On this point it is instructive that the 2001 leadership election to follow defeat at the polls was fought between what can be described, without controversy, as a traditional left wing Conservative in the shape of Clarke and traditional right wing Conservative in Duncan Smith. The 'mods v rockers' rapidly faded into the background although began to re-emerge a year into Duncan Smith's leadership.

Emergent Lessons: the Thatcher Administration after 1979

Margaret Thatcher's 'critical mass' victory in 1979 was a triumph for the new right within the Tory party. Thatcher's robust views during that first Parliament were not views necessarily shared by either her backbench or Cabinet colleagues[450]. It is widely accepted that as Prime Minister, she was in a minority in her Cabinet until the significant reshuffle after the summer of 1981. Furthermore, restive colleagues uncomfortable with the increasingly right wing direction of her administration would have observed the seemingly

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[449] For a discussion of the Tory split over Europe, see Hugo Young, 1998, This Blessed Plot: Britain and Europe from Churchill to Blair, Macmillan.

[450] Thatcher's premiership and leadership of the Tory party is one of the most written about among the politics literature. A selection not cited elsewhere includes: Eric J. Evans, 1997, Thatcher and Thatcherism, Routledge; Anthony Seldon and Daniel Collings, 2000, Britain under Thatcher, Longman; Brendan Evans, 1999, Thatcherism and British Politics 1975-1999, Sutton; Dennis Kavanagh and Anthony Seldon, 1989, The Thatcher Effect, Open University Press.

ineffectual results of her policies. Thatcher's favoured term, 'one of us' distinguished the believers in her newly discovered 'philosophy' and those colleagues who retained adherence to pragmatism and traditional one nation conservatism[451]. Those in the Parliamentary Conservative party who might have accepted the ascendancy of Thatcher as an electoral necessity, unhappy with the right wing tone of the new government, began to push for policy change as those policies pointedly failed to work. During Thatcher's first term the economy worsened and there was industrial unrest. However, Thatcher's determination, her sense of mission, not to repeat the mistakes and U-turns of the Heath government, present some basic lessons for strategists grappling with disorder or potential disorder. These are lessons those associated with the Blair government attempted to communicate during its own first term in office.

The memo penned by Phillip Gould to Blair in the spring of 2000, leaked to News International, detailed Gould's discussions with Clinton adviser Doug Sosnik. Entitled, *Controlling the Agenda in Government: How Clinton did it*, one of the more important passages is reproduced below:

> Accepting that you cannot win every day. There will be bad days,
>
> bad weeks. Rather than fighting these, use this as evidence of
>
> resolve and the fact that you are following your own agenda, not
>
> the media's. Sosnik says you can keep going against a bad press

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[451] For an examination of the relationship between Thatcherism and the Conservative party tradition see Andrew Gamble, 1994, The Free Economy and the Strong state: the Politics of Thatcherism, Macmillan.

for weeks or even months providing that you consciously implement your agenda, and that the media will eventually come round to what you have been doing. He thinks that the press demands bad periods and certainly in a four-year term you will need at least one bad year. Understanding this is key to breaking clear of the press.[452]

Gould is, as usual, obsessed with the media as the only element of party strategy worthy of effort and essentially proposes a strategy for continued governance rather than a strategy for disorder. However, this section of the memo is instructive for it reflects the determined strategy of the first Thatcher government, which operated in times of increasing disorder and erratic opposition. It is in little doubt that the administration was rescued by the occurrence of the Falklands Conflict. However, the strategic reasoning of the party during that period, chimes with Gould's discovery years later. Crewe and Searing highlight this in demonstrating the sense of purpose, and describing how "by 1979 the Thatcherites saw as their chief problem the restoration of the autonomy of the centre, the restoration, after the 'winter of discontent,' of a strong central government that would be capable of governing. They were determined that if they were to do one thing during their government, it would be to return to Westminster and Whitehall a public good – strong government and leadership."[453] Under much environmental difficulty, Thatcher's government appeared to remain on course. It was perceived to have stuck to its programme and delivered. That the rhetoric of

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[452] Reproduced in The Times, 23/01/01
[453] Ivor Crewe and Donald D. Searing, June 1988. op cit. P 364

delivery was so powerful, in contrast to the evidence of strategic failure[454], is perhaps explained by, firstly, Ron Martin's assessment that "since ideological issues [were] pushed to the forefront of policy formulation, not surprisingly debates over the impact of Thatcherism have often been as much about political ideology as about actual policy outcomes."[455] That is, the battle of the idea came to dominate the argument rather than the more straightforward assessment of the success of the policies. Secondly, as Marsh and Rhodes contend, there is a sense in which the government delivered. Irrespective of the failure of the objectives, "in most of the areas... the Thatcher government fulfilled its manifesto commitments."[456]

The environmental difficulties in implementing such a bold strategic programme were stark. Margaret Thatcher was not at that time leader of a Thatcherite Cabinet let alone Parliamentary party. Observing from the opposition benches Denis Healey noted that the strength of her ideology was not at first apparent. "In those days I used to call her 'Ted Heath in drag'. Her first Cabinet in 1979 included all of Heath's most prominent supporters".[457] For Thatcher, the memories of Heath's U-turns and lack of true conviction in his government's policies were the deficiencies which had led to the obliteration of his carefully worked out strategy. Whilst there were many converts to her cause, a powerful bloc in Cabinet including Prior, Gilmour,

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[454] See David Mash and R.A.W. Rhodes, 1992, Implementing Thatcherite Policies: Audit of an Era, OU Press.
[455] Ron Martin, "The Economy: Has the British economy been transformed? Critical reflections on the policies of the Thatcher era", in Paul Cloke (ed), 1992, Policy Change in Thatcher's Britain, Pergamon. P 136
[456] David Marsh and R.A.W. Rhodes, "The Implementation gap: Explaining policy change and continuity", in David Marsh and R.A.W. Rhodes, 1992, op cit. P 179.
[457] Denis Healey, 1990, op cit. P 488

Pym, Hailsham, Heseltine and Carrington who believed they could "impose an effective veto on her wilfulness"[458] They were eventually proved wrong by Thatcher's sheer strength of personality[459].

From before the 1979 election a debate raged at the top of the Tory party over economic policy. The long held belief in incomes policy was compounded by a belief in intervention by the wets who despaired at many industries decimated by the recession of the early 1980s. By 1981, unemployment was rising rapidly, the SDP was on the ascendant and Britain endured a summer of riots.

Economic policy was key to the Thatcher government's strategy. In a harsh break from consensus politics, which had emphasised the need to tackle unemployment, combating inflation became the chief economic objective of the government. The main tool for doing this was not to be fiscal policy, taxation and public spending, but monetary policy, the control of interest rates[460]. The 1979 manifesto had proffered that, "to master inflation, proper monetary discipline is essential, with publicly stated targets for the rate of growth of the money supply. At the same time, a gradual reduction in the size of the Government's borrowing requirement is also vital."[461] It is this that the government set out to achieve, setting strict targets to reduce money supply

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[458] Heseltine told Healey in December 1980. Ibid.
[459] Jeremy Moon, 1993, Innovative Leadership in Democracy: Policy Change Under Thatcher, Dartmouth. Moon argues that Thatcher's radical policy changes were partly possible thanks to the strength of her leadership and a capacity for policy supported by a process of learning in office.
[460] See Peter M. Jackson, "Economic Policy, in David Marsh and R.A.W. Rhodes, 1992, op cit. PP13-14. Ken Coutts and Wynne Godley, "The British Economy Under Mrs Thatcher", Political Quarterly, Vol. 60, 1989. pp 137-139.

as part of the Medium Term Financial Strategy (MTFS), unveiled in March 1980. It did not work.

Geoffrey Howe's first budget, upon becoming Chancellor in 1979, was to tighten monetary and fiscal control and floated the exchange rate. Paradoxically, the abolition of exchange controls meant that "the country lost the ability to pursue an independent monetary policy, and quantitative monetary aggregates became even less reliable as an indicator of the government's macroeconomic policy than before."[462] Nevertheless, faced with budget deficit and rising public spending, income tax was cut and VAT doubled to 15%. "All in all the first budget of the anti-inflation crusaders propelled the retail price index upwards by almost six percentage points... Yet the government's overriding economic aim was to lower inflation, and most people are fairly aware that the best way to bring inflation down is not to put prices up."[463] As part of the MTFS, the government selected the relatively wide measure of money supply, M3, as its target. This measure includes lending, credit and, crucially, savings. As the government's actions demonstrated, M3 is sensitive to interest rates though largely ineffective against inflation. As interest rates rose, tightening monetary control, savings naturally grew, leading to an expansion in the money supply M3. British companies (by this time suffering the effects of oil price rises) borrowed. A further irony was that the prospect of higher inflation meant that borrowing

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[461] 1979 Conservative Party General Election Manifesto
[462] Mica Panic, "Comment", in Jonathan Michie, 1992, The Economic Legacy 1979-1992, Academic Press. P 58.
[463] Ian Gilmour, 1992, op cit. P 21-22. Other commentators put the rise at 4%. Peter Jackson, op cit. P 17.

was short-term. Short-term high interest rates also attracted speculative flows from overseas. "International speculators not only diversified into a widely traded petro-currency; they could get 17 per cent interest as well."[464] Both of these factors led to an expansion in M3 which rapidly grew out of control[465]. The government failed to control M3 and as a measure it was largely irrelevant. Inflation continued to rise and so did unemployment. Contrary to 'naïve' Thatcherite economic theory, this did not lead to a fall in wages (other than as a result of job losses) but rather to an increase in social security payments, which in turn undermined plans to cut public expenditure[466]. Deindustrialisation set in, growth was slow or non-existent, investment in research and development declined[467]. Relative to past performance or by comparison to other countries, Britain's economic performance, as measured by all of these indicators, was indisputably poor[468].

Thatcher had neither the full support of her party nor that of the Cabinet for the economic policies she was pursuing. With talk of a stalking horse candidate to topple her leadership, the Conservative party was on the brink of disorder. The importance to the strategy of at least perceived delivery, in terms of legislating manifesto commitments, and strong leadership is illustrated by this lengthy exchange with Cecil Parkinson, one of Thatcher's closest Cabinet colleagues:

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[464] Will Hutton, 1996, op cit. P 70.
[465] Ibid. P 18-19. Ron Martin, op cit. P 132.
[466] David Marsh and R.A.W. Rhodes, 1992, op cit. P 177.
[467] Peter Senker, "Ten Years of Thatcherism: Triumph of ideology over economics", Political Quarterly, Vol. 60. 1989. P 181.
[468] Ken Coutts and Wynne Godley, op cit. P 150.

Barber: When the Conservative party formed the 1979 government, it did so in contrast with Jim Callaghan's government which was perceived to have lost control and was failing to deliver. Was it an important strategy for you to 'deliver'? You have talked about how Margaret Thatcher saw the manifesto as a programme; did she see that as a series of deliverables?

Parkinson: She did. And right from the very first day we did some things which were very radical and which we had scarcely dared to think about certainly not publicly, like abolishing exchange controls and price controls and dividend controls. These were very dramatic things... So these very fundamental things were done very early on to demonstrate we really did mean what we said about setting people free. I think it was also the feeling about trade union reforms: the trade unions had proven to the public that there should be changes and by their own actions we couldn't carry on as we were and so the mood was right for us to press on even though she didn't have a very big majority in that first parliament... That gave rise to tensions in the Cabinet because not everybody was as ideologically motivated as she was and Keith, Geoffrey and a number of people like that. There was a solid group of what I called the *nobles oblige* school of politics, the Gilmours the Pyms, who were good men who felt it was their duty to serve the nation and look after the people. They hated the increase in unemployment and so did we. The pound hardened and some people said, 'you shouldn't have allowed it to harden so much'. But you don't have a choice actually. You are either a sound money government or you are not. You can't be a partially sound money government. So once the public and the international community came to the conclusion that we really were determined to be a sound money[469] government.... the

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[469] Such a phrase might be difficult to reconcile with the government's record in failing to control the money supply. With an M3 target of 7-11 in 1980, the actual figure was 19.50; target of 6-10 in 1981, actual 12.75; target 8-12 in 1983, actual 11.25.

international community thought, 'by god they have a different attitude in Britain'... Alongside unemployment we had oil coming on stream and we became a petro-currency. That also boosted the strength of the Pound and put a lot of exporters under pressure – they had to reduce costs. Of course what North Sea oil did was to give us the resources to cushion people against the impact of being out of work during that transitional period[470].... Those early days were pretty tense and a number of the Cabinet, within eighteen months were pressing her to make the celebrated British U-turn.

Barber: You have talked about those tensions that existed in the Cabinet and of course Margaret Thatcher's Cabinet contained many Ministers who had been close to Heath and disagreed with many of her policies – especially economic policy. How close did the party come to disastrously falling out?

Parkinson: Not very close because one of the things that any winning leader gets is a honeymoon period. Christopher Soames or Francis Pym or Ian Gilmour might not like her, they might not agree with her policies but they do recognise she has won the election. So for a period, for every Prime Minister the Cabinet goes along, after all, they are only sitting there because he or she won the election. Gradually that evaporates as the prospect of the next election comes along and they think, 'oh my god, we're going to lose this'. In '81 there was almost a majority in Cabinet – probably was a majority – who didn't support the economic strategy... This was the most definitive thing Margaret did: she didn't change the policy, she changed the Cabinet. She moved out a group of Ministers who were doubters and she moved in a group of people, not 'yes' men but people who out of conviction shared her view. I

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[470] However, it should be noted that although the UK enjoyed considerable revenue benefits from North Sea Oil, these were counteracted by the corresponding decline in manufacturing caused by appreciation in the exchange rate, a direct consequence of government policy.

don't think anybody would accuse Tebbit, Lawson of being 'yes' men, or myself I hope or Janet Young of being a 'yes' woman. So she just thought, 'No. We believe in what we're doing and have to give it a chance to work. You can't turn a country round in eighteen months and if we don't win the next election, that will be very sad but we have to try do what's right and if we do, I believe that's our best chance of winning the election.' She changed the Cabinet brought in kindred spirits, got for the first time a majority of people in Cabinet who supported her willingly instead of reluctantly and I think it was probably one of the most important moments of her whole time as Prime Minister when she didn't back off in '81.

Barber: You of course entered Cabinet at that first major re-shuffle of the Thatcher years – she had an earlier, smaller, re-shuffle. She appears to have stamped her authority on the party at that point and it seems strategically very important, but she did so without creating an army of discontents. How was that possible?

Parkinson: I think it was the strength of her personality and Willie Whitelaw played quite a role here. I don't think Willie ever believed in the strategy, I don't think Willie was ever a Thatcherite, but Willie was a sort of English gent who felt the worst thing in the world you could be is a bad loser. So having lost to Margaret, he felt he must demonstrate his loyalty and I think he was, in these very difficult times, quite a lynchpin.

Barber: Across the whole party?

Parkinson: Across the whole party. In Cabinet, I watched him in action and he always would reassure the doubters and Willie would

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The tragedy of the period might be seen as the lost investment opportunity of those resources. See Peter M. Jackson, 1992, op cit. P 16.

say, 'well look I think this is right. I think the Prime Minister deserves our support'. People who were a little bit wonky were reassured and went along. I think it was just the feeling that these things had to be done. We had been in government for a long time since the war, the Heath government had caved in and if we really didn't deliver this time we could see ourselves in serious trouble with the electorate. So although they didn't agree – people like Gilmour and co – they knew the mood of the party was that they were in a tiny minority and the mood was to press on and so they didn't rock the boat.[471]

The emerging strategy was as important as the prescriptive and perhaps more so. Taken over a longer period, the Thatcher experience satisfies the concept of, "actions... taken, one by one, which converged in time in some sort of consistency or pattern."[472] Peter Riddell's 1983 assessment of the government's record highlights the limited real achievements of this period. However, he argued:

The twists and turns of the 1979-83 period have suggested to some commentators that any overall strategy had broken down well before the end of the first term. There were undoubtedly modifications in the face of recession... The record indicated only loose adherence to what was popularly thought of as monetarism and free-market approach. But much more significant than such theories has been a simpler set of prejudices and values. The

[471] Interview with Cecil Parkinson, House of Lords, 11/11/02.
[472] Henry Mintzberg, 1994, op cit. P 25. See also Henrey Mintzberg and and James Waters, "Of Strategies, Deliberate and Emergent", Susan Segal-Horn (ed), 1998, op cit. P 20

dominant vision has been that of middle-class achievement and striving, a world of Victorian values and Samuel Smiles.[473]

That the strategy had emerged since 1979, mattered not. Emergent strategy is important because it is part of what actually happens. It is not the process of a strategy being drawn into disorder but of a strategy developing in harmony with events and environment. As the management theorist Richard Whittington points out:

Strategies are often 'emergent', their coherence accruing through action and perceived in retrospect. Little of what Mrs Thatcher became famous for in British politics — patriotic defence of the Falklands, mass privatisation and resistance to Brussels — was foreshadowed in her 1979 manifesto, but when we look back on the decade we can see a consistency that we now label 'Thatcherism'. In this view, strategy only emerges as successive small steps eventually merge into patterns.[474]

Thatcher historiographer, Hugo Young, supports the Whittington view when he asserts that "strategy, as is sometimes the way in politics, was more the province of chroniclers after the event putting things together. There were plans, but was there a Big Plan? For the practitioner at the time, it was a matter of working one out on the job"[475] It would be disingenuous to suggest

[473] Peter Riddell, 1983, op cit P 231.
[474] Richard Whittington, 1993, op cit. P 26
[475] Hugo Young, 1989, op cit. P 140

that the Thatcher administration had no long term strategy at that early stage but it is a fair analysis that the policies that would later become mainstay Thatcherism had yet to develop.

This raises issues about the degree to which strategy is a process opposed to retrospective evaluation and rationalisation of otherwise unrelated events. If the actions described in an analysis of the Thatcher government's strategy were unplanned, can they be described as 'strategic'?

An observation of the management literature, in its approach to strategy case studies, is its tendency to analyse behaviour and decisions rather than to examine memorandums and meeting minutes. Similarly, this thesis is limited to viewing party behaviour through the lens of strategy. It cannot illustrate accurately the deliberate or intended outcomes of decisions. That strategy could represent a theoretical model, which can be applied to evolving behaviour with post-hoc rationalisation, is a fair criticism of the literature. The management theorists Johnson and Scholes acknowledge the difficulties associated with describing strategy retrospectively when they depict the situations in which strategic decisions are taken as possibly involving imperfect views of the future[476]. They describe the 'messiness' of organisational life where experience and organisational culture affect decisions[477]. They also contend, however, that "patterns of behaviour which may be seen as constant strategic direction can emerge because of [an

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[476] Gerry Johnson and Kevan Scholes, 2002, Exploring Corporate Strategy, Prentice Hall. P10
[477] Ibid. P22

organisation's] guiding principles or rules."[478]   These rules might be prescriptive or part of the organisational culture. Emerging strategy can, therefore, be justified in a number of self-supporting ways. Returning to Mintzberg's definitions, explored in chapter one, strategy is not only a plan but it is also both a pattern (a consistency of conduct) and a perspective (the way in which an organisation does things)[479]. This is consistent with the idea of the Ashridge Mission Model[480], which appears in chapter 4. Re-drawing the model as linear, rather than a diamond, helps to explain how actions which formed no part of an original plan, can nonetheless, be described as 'strategic'.   In the model (*Values>Purpose>Strategy>Behaviour*) strategic behaviour takes place given the mission of an organisation. A party can establish values and purpose and create a strategic direction which consequently guides emergent behaviour. It is then able to respond to what could be a changed environment. "In some respects, strategy can be thought of as a reflection of the attitudes and beliefs of those who have the most influence on the organisation."[481]   It can be seen that Thatcher, and those around her who shared her attitudes and beliefs, rapidly established dominant influence on the Conservative party. The young Thatcher government had clearly worked out its neo-liberal, new right attitude, what it was that it stood against and the issues it wanted to prioritise.

[478] Ibid. P56
[479] Henry Mintzberg et al, 1998, op cit. P9.
[480] Andrew Campbell and Kiran Tawadey, 1992, op cit. Chapter one.
[481] Johnson and Scholes, 2002, op cit. P9.

Whilst Peter Walker may have "winced"[482] at Thatcher's 'the lady's not for turning' speech at the 1980 Conservative party conference, as Prime Minister she demonstrated herself to be aware of the need for 'exit strategy'. In a sense the idea of being a conviction politician led to conviction strategy only where necessary. Her government was prepared to be flexible. While it was willing to see the steel and mining industries destroyed by market forces, the government bailed out British Leyland in the more politically sensitive Midlands. "It became clear to me fairly early on... that the steel strike was not going to bring British industry to a halt,"[483] Thatcher later recorded but that "closure of the volume car business... would not be politically acceptable to the Cabinet or the Party, at least in the short term."[484] In fact, for a pure conviction monetarist, the two problems would have necessitated similar responses. The episodes demonstrate that any strategic stance requires some flexibility and 'exit'. Nevertheless, such events are reflective of a gap between rhetoric and achievement during those years. As Marsh and Rhodes argue, the "Thatcher government may have had more radical objectives than previous governments, but they were probably no better at achieving those objectives."[485] That it was seen to have delivered on its manifesto commitments, its insistence upon the description of 'conviction government' and an enunciation of the broad ideology it asked the electorate to support, masked its willingness to adjust policy direction when it was seen to be ineffective. Ian Gilmour's assessment of economic policy was that, "the MTFS caused mayhem, but nothing like as much as it would have created if the

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[482] John Cole, 1995, op cit. P 252.
[483] Margaret Thatcher, 1993, op cit. P 111
[484] Ibid P 120

government had succeeded in adhering to it."[486] Contrary to the ambitions of the 1979 manifesto and strict monetary discipline, as M3 grew, it had been willing to adjust targets in light of circumstances[487]. In 1983 the government effectively abandoned M3, eventually favouring the more amenable measure of M0, the narrowest definition encompassing notes and coins. Further, the Treasury had switched to targeting the Public Sector Borrowing Requirement (PSBR) as early as the 1981 Budget. This Budget raised taxation by 2% of GDP. While Thatcher derided the 364 economists who voiced their concerns at the consequences of this deflationary budget announced during a deep recession, retrospectively celebrating this Thatcherite victory[488], the modest recovery to follow owed much to the subsequent exchange rate decline and an economic reflation resulting from a credit boom in 1982[489]. Indeed, reflation was just what the 364 economists recommended and was quite contrary to the instincts of the 1981 Budget. The growth in credit resulting from financial de-regulation acted as a fiscal stimulus to the economy. The borrowing may have been private, but it acted in the same way as if it had been public money.

The 1981 Conference saw popular right wing themes chime around the hall. This was the Conference at which Norman Tebbit unleashed his attack on unemployed, black Toxteth rioters by telling of how his father had once

[485] David Marsh and R.A.W. Rhodes, 1992, op cit. P 174.

[486] Ian Gilmour, 1992, op cit. P 27

[487] Jerry Coakley and Laurence Harris, "Financial Globalisation and Deregulation", in Jonathan Mitchie , 1992, op cit. P 42.

[488] Margaret Thatcher, 1993, op cit. P 138

owned a bicycle. It was the conference that Thatcher applauded the 'hang 'em' speeches of delegates and Heath's name was jeered. Thatcher had asserted her authority on the party and there would be no more serious talk of a leadership challenge for eight years. The wets still mounted internal opposition to Thatcher, but they had been defeated as a political force. Meanwhile her programme was enacted and the Falklands war presented an opportunity. She squashed internal dissent and by fighting a risky war ensured that just because three million were out of work did not mean that a landslide could not be achieved. Similarly, opposition in Parliament was gradually crushed. Margaret Thatcher was to become one of the dominant political personalities of the twentieth century. In the face of potential disorder, the Conservative party succeeded in implementing a strategy in part because it enjoyed, or suffered, strong official leadership.

Barber: As Conservative Chairman you were one of principal architects of the 1983 victory. What was your electoral strategy and presumably it began in 1981?

Parkinson: If you read the writings about that period, they say that the '83 manifesto was very anodyne[490]. My argument with the Prime Minister was that for far too long British politics had been dominated by what I called 'the search for novelty'. You had to come forward with a novel, interesting manifesto. I said, 'We're on the right lines and what we should say is more of the same'. The

[489] Edmund Dell, 1997, The Chancellors, Harper Collins. P 480. Ian Gilmour, 1992, op cit. P 34. Will Hutton, 1996, op cit. P 71.
[490] The 1983 manifesto was notable for its brevity and minimal commitments. The Challenge of our Times, Conservative Manifesto 1983. Critics suggested 'secret manifestos' lay in Thatcher's favoured Think Tanks and Treasury documents. See Peter Riddell, 1983, op cit. P 19.

novelty of our approach is that we were not going to promise to turn the country upside-down again, we think we are on the right lines, we are going to press on with the policies of cutting taxes, keeping a tight control of public expenditure, reducing the size of the public sector, selling houses and at the heart of it all was a very consistent notion that we wanted to restore to the optimum number of people the maximum amount of choice about how they disposed of their income, where they lived, how their Trade Union was governed. If you look at the changes we made, all of them were designed to cut back on the role of government and to give people more say... I said to her, 'we don't want to have all sorts of brilliant initiatives, here, there and everywhere. Let's just say we're in the business, to put it bluntly, of rooting out socialism. It's partly done, we're utterly convinced that when it's done, the country will be a better, more prosperous country'.... So my strategy was a very simple one. It was to reorganise the party and get it in shape... We did a survey of each of the one hundred marginal seats, find out where their weaknesses were and try to help them we got teams of people who had won marginal seats to go into them to talk to people about the sort of things they could do. So there was that logistical side going on and then drawing up the manifesto was motivated by this notion of continuity.

Barber: Re-reading the manifesto now, it is surprisingly cautious given what the Thatcher years achieved. Was it strategically important to win office rather than to achieve a huge enthusiasm for the philosophy?

Parkinson: I think the most important thing was to win. We took the view that having the right ideas and watching the other parties screw them up while you sat on the opposition benches was not right. So of fundamental importance was that we won. We won by explaining what we were trying to do and we were going to do

more of it. There was a little thing called the Falklands factor...
What I think the Falklands did was to establish her in the minds of
the public as a very considerable figure. That was the benefit.
When we went into the last election they weren't sure if we could
have a woman Prime Minister, not sure she would cope with the
huge range of demands but she seems to cope better than any
man we have had in recent years... It was very helpful to us
because there had been doubts and when I became chairman, we
were running third in the polls. In fact the day it became news the
Argentineans had invaded, that morning the polls showed we had
actually taken the lead for the first time. I was driving up to
Cambridge and thought, 'my god. We've just made a
breakthrough and now what is this going to do for us'. It's not
true to say it was only the Falklands, we were recovering and had
gained seven or eight points in the polls but it undoubtedly
established her. Not us as the war like party but her as a real
leader in the minds of the public.

Barber: Of course, as party chairman, you were invited into the
war cabinet. Were the electoral consequences left completely to
one side?

Parkinson: Yes. She never understood this. She always used to
say to me, 'why do they keep calling you the Chairman of the
Conservative party? You are the Paymaster General. You're in the
Cabinet as a non departmental minister.' I had been a member of
the war cabinet for some time and about three weeks into the
crisis, I was speaking at a dinner at the Carlton Club and I was
called back to Number Ten for a ten o'clock meeting of the war
cabinet. Normally, because I was based in Central Office, I had an
office in the Privy Council building in the Cabinet Office..., I used to
go into the Cabinet Office door, get my briefing from my small
staff, pick up my top secret papers, go through the connecting

door into Number Ten, come out, hand my top secret papers over to my secretary who would be waiting for me. So I knew that my top secret papers never left the Cabinet Office building because it was very dangerous to take them into Central Office. So when I went in through the front door of Number Ten, the newspaper headline the next morning was 'Margaret Thatcher Summons Party Chairman to Join War Cabinet'. Callaghan protested that it was politicising the war. We had to explain to him that I'd been in the war cabinet for the whole of the time I just hadn't gone through the front door because of the logistics.[491]

The 1983 general election was a strategic success for the Thatcher government. It represented victory against conditions that might otherwise have led to a lost majority. After achieving the landslide, the 1983-87 Parliament saw Thatcher at the height of her personal powers and able to implement a programme in line with the ideology that had built up over eight years of party leadership. It was during this Parliament that many of the elements of what is now thought of as Thatcherism were put into place. That strategy had emerged over a number of years, although the broad sweep of history shows them as a seamless series of strategy enactment. Having achieved a three figure majority, seen off the threat from the Alliance, undermined dissent within the Tory party and with still limited effectual opposition, the Thatcher government had a strong strategic hand. The switch to exchange rate stability as a macroeconomic regulator replaced the failed policy of money supply control during this term leading, eventually, to Chancellor Nigel Lawson's secret, and eventually ill-fated, policy of shadowing the Mark. The strategic emergence of the privatisation programme reflected

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[491] Interview with Cecil Parkinson, House of Lords, 11/11/02.

the desire to reduce the public sector and stimulate market forces but it also generated a further source of income[492].

The strategic implementation involved in 'delivery' is important in creating strategy for disorder. Where strategy represents achieving objectives given available resource, the establishment and pursuit of those objectives is paramount. The strategy may 'emerge', but it must do so with a degree of consistency commensurate with mission values. It is this that contrasts the early Thatcher administration with the post 1992 Major government and, to some extent, the eventual success of the reformed opposition Labour party with the William Hague-led Tories. Labour learned to deliver and in doing so, regained the confidence of the electorate. Following disorder in government, the Conservative party lost the trust of the voter in opposition where it failed to deliver on a set of defined objectives. Its strategy remained in disorder.

Labour's return as a credible party of government was a long journey beginning after the 1983 defeat and succeeding only with the election of Tony Blair as leader in 1994. Even the Smith-led party had its share of detractors, unsure of the balance between commitment to public ownership and the free market. Although by this stage the party had established a trust with the voters and compared increasingly favourably with a government in disorder. The strategic objective for Neil Kinnock and his party after 1983 was not to form the next government, but was to ensure it did not come third, behind the Alliance, at the next election. His strategy involved a review of party policy, image and media relations. It also involved stamping out the policy

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[492] David Marsh and R.A.W. Rhodes, 1992, op cit. P 178

pursuing disorder by purging the militant left from Labour's ranks. Labour's journey was one from the margin of political debate to the centre ground of popular competence. It followed the shock of loss of office, and took eighteen years to complete.

Parties can use periods of opposition for re-grouping and re-invention. In times of strategic disorder, they fail to renew and develop only a weak sense of mission. The inevitable policy pursuit becomes destructive, directed inwards rather than constructively outwards to the electorate.

Drawing on ideas in management literature, this chapter has described strategic disorder and argued that for a party to remain relevant after a major defeat, it is important that the period after defeat is used to create a new and effective strategic posture. During times of disorder, parties need to form a realistic strategy and deliver on it. To do so requires determined leadership personifying a strong party mission. This is what happened to the Tories under Thatcher. However, a party in disorder may not be capable of selecting a determined leader. The election of Hague in 1997 and Foot in 1980 demonstrates this.

The Strategy of the Centre

Launching the SDP and the Strategy for the Centre since 1981

I have the blue and red SDP logo from the Connaught Rooms above my desk.

I also have the Social and Liberal Democrats Logo from 1988. It was a

diamond shaped logo. That's in my study at home. After that I decided to

stop collecting logos of new parties

Ian Wrigglesworth[493]

To illustrate both the culmination of the aspects of strategy discussed in these pages as well as the development of strategy over a prolonged period, a substantial case study of one party's strategy is instructive. Indeed the case study chosen encompasses more than one party although pursuing the same strategic objectives as one body. The study of the strategy of the political centre is of particular relevance because not only does it allow the examination of strategy in the context of the other parties, reactive strategy in that sense, but it also charts a distinctive and unbroken strategic development over a quarter of a century. Beginning with the launch of the Social Democratic Party in 1981 it is possible to establish the strategic issues facing the centre and how they were subsequently tackled, first by the Alliance and then by the Liberal Democrats. Such an examination of strategy

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[493] Ian Wrigglesworth, 29/1/01, speaking at National Liberal Club. The Liberal Democrat History Group meeting on the twenty-fifth anniversary of the formation of the SDP included founder member speakers, Ian Wrigglesworth, Matthew Oakeshott and Roger Liddle.

is instructive on two important levels. Firstly, it illustrates the theoretical examination of strategy in an elongated context and secondly it presents a strategic history of the centre in Britain during the contemporary period. A section devoted to discussing a specific area of the management literature is not necessary here since the section is written given the accumulated knowledge of previous chapters.

The Strategy of Launching a New Party

Since the Labour party came into existence in 1900, there has been little by way of comparison in terms of new parties. Lloyd George and Ramsay Macdonald respectively, led major splits from their parties and indeed both occupied 10 Downing Street as a consequence, but neither formed a new sustainable party. Neither did Oswald Mosley for his part. The post war period in British history is remarkable for its party political stability and for consistently returning majority governments. Under such circumstances, it is difficult to imagine a new party being born let alone surviving. To this extent, part of the subject the case study addresses is something of a misnomer. Electorally successful new parties are simply not launched with any degree of regularity in Britain. In these terms, when the SDP formed in 1981, it represented an event of major historical importance. Four former Labour Cabinet Ministers, Roy Jenkins, Shirley Williams, David Owen and William Rodgers, formed the new party in a blaze of publicity and as one of the most

exciting political events of its time[494]. Like buses, another new party arrived in 1988 with the formation of the Liberal Democrats. Again, this was not so much a new party, but was the institutionalising of an already close relationship between the SDP and the Liberal party. Indeed, there was another party at that time in the shape of Dr David Owen's 'Continuing SDP'. However, as this merely came into existence with the formation of the Liberal Democrats[495], was not technically launched and soon withered, it can largely be ignored for the purposes of this study. For similar reasons, and because it never achieved Parliamentary representation, the rump of the Liberal party which refused to accept the merger can be disregarded. For that matter, so too can be the other vestiges of the campaign trail which rarely achieve more than single percentage figures at the polls. A further venture was the Pro-Euro Conservative party, launched by malcontent Tories in 1999; the organisation never reached its potential. Nevertheless, given the events surrounding its formation and its potential impact on the strategy of the Liberal Democrats, some attention will be paid to its short history.

Nevertheless, the launch of a new party is instructive for the study of strategy because it represents a clean slate. What has gone before matters to a far less significant degree than is the case with an established organisation. Strategy makers have the advantage of positioning the organisation where

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[494] The available literature is reflective of the excitement of the time with a good deal of it written during the SDP's early years. It is frequently dated, therefore and lacks the benefits of retrospect. Two notable examples are: Ian Brady, 1981, Breaking the Mould?, Martin Robertson; Hugh Stephenson, 1982, Claret and Chips: The Rise of the SDP, Michael Joseph.
[495] Ivor Crewe and Anthony King, 1995, The Birth, Life and Death of the Social Democratic Party, Oxford. P 425

they see fit and may draw up policy and strategy without the burden of evolving it from past incarnations.

There are issues to be addressed and a case study of the SDP, Liberal Democrats and the political centre facilitates an investigation of the strategic issues involved where political figures of national importance feel the incumbent party structure can no longer accommodate their position. The principles may be repeated in any such moves, less dramatic than the formation of a new party. The strategy of backbench groupings with particular causes to champion; crossing the floor; change of formal leadership. These afford a re-evaluation of strategy. However, only a new party places the issues so vividly. A strategic examination of a new party formation would consider issues of rationality and the purpose of the organisation. It would consider the leadership, structure and culture that are to evolve. It would examine the nature of the strategy drawn up; evaluate its effectiveness and shortcomings.

A study of the strategy of the centre in the context of contemporary British politics, examines the SDP, Liberal Democrats and the once hoped for prospects for a further revision. The strategy employed by centre parties will, inevitably, differ from that of a major party competing for dominance of Parliament. The strategic objectives of a centre party must therefore be a constant theme throughout this examination.

The Rationality Argument and the Formation of the SDP

The events within Labour, which preceded the social democratic break from the party in 1981, are unquestionably central to the formation of the Social Democratic Party. That the Labour party had become so openly hostile to its more moderate wing had not only alienated both leading and more obscure members, but it had a palpable effect upon the electorate. "The 1981 conference, like those of 1979 and 1980, might almost have been designed to alienate ordinary voters. It certainly had that effect."[496] In fact, the discontent with the shift occurring within Labour and a creeping desire to leave it behind had been felt, in some parts, of the party throughout the 1970s. While in government, the mainstream occupied office and appeared less concerned with the goings on of the wider party.

A rational interpretation of the emergence of the SDP would be to suggest that the breakdown of consensus politics created a rational opportunity for a party of the centre ground. With Labour, in opposition, moving to the extreme of its support on the left; and the Tories, in government, moving to theirs on the right, the mainstream of the electorate – the floating voter who should naturally fall in the centre - was left un-represented. The emergence of the SDP was, therefore, a direct consequence of this opportunity. There is some merit in this line of argument. After all, the SDP would not have come into being had Labour not shifted so decisively to the left. Also, there appears little evidence that the principal protagonists were interested in

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[496] Crewe and King, 1995, op cit. P 132

forming a new party while they occupied office in the late 1970s. By the early 1980s, those who would form the new party had noticed this opportunity:

In a period when Labour is in secular decline the Conservatives, simply by virtue of their position as the alternative major party will seem to be invincible. Yet there is little evidence that as Labour declines the Conservatives can move into the vacuum in anything other than a transitory sense.[497]

However, the fact that the Conservatives had also moved to the extremes of their support, creating space on the centre ground, quite independent of Labour, does not seem to have influenced the social democrats to any significant degree. This is evidenced, perhaps, by the lack of defections from the Conservative ranks to the newly formed SDP[498], although there were other factors in play here. While Thatcher could only attack the SDP and centrism with the gibe that, "there may be three parties but they are all divisions of socialism"[499], others were more sanguine. Drawing on Bagehot, 'wet' Conservative MP Ian Gilmour made an elegant argument for the impossibility of 'middle parties', because the constituencies "would not hear of such an unintelligible novelty"[500]. However, his defence of 'middle government' which was not only inevitable but which was not represented by the extreme of any party, goes someway to explain the left wing Tory attitude

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[497] Stephen Haseler, 1980, op cit. P 193
[498] Only one Tory MP, Christopher Brocklebank-Fowler, defected to the SDP.
[499] Hansard 26/3/81
[500] Ian Gilmour "Tories, Social Democracy and the Centre", John Mackintosh Memorial Lecture, 12/11/82. Reproduced in, The Political Quarterly, Vol 54 1983. P 258. Walter

to the SDP. Gilmour's criticism of the founders of the SDP was that the Labour party drift to the left, cited in the Limehouse Declaration, had been apparent in 1977 when he had written about social democracy but while Labour was in government. Gilmour's argument may have some contextual weight but is perhaps flawed in the reality of life in government. Shirley Williams is clear in her defence of the timing of the SDP's formation, when the point was put to her.

> Barber: The SDP was formed out of an exacerbation with the shift to the left within the Labour party. That shift had occurred before the 1979 election defeat. Why wasn't the SDP formed sooner? Should it have been formed sooner?

> Williams: First, quite directly, most of us were in government and the argument 'you can make a change since you're there' would have been very powerful. In this country there is an ethos against starting a new party if you haven't actually resigned from the Cabinet. Had we done so, the attitude would have been one of overwhelming rejection and quite rightly so. To be quite honest, when you're in the Cabinet as three of us were – Roy was President of the Commission – you just don't have time to take a distant view of what is happening and where you're going. We spent all our time in the Cabinet and for that matter in the party fighting against the very thing we became most concerned about. Incidentally, it wasn't just the move to the left it was also international affairs. Another factor which was very important and which was only confirmed in the special conference at the beginning of 1981, was the decision by the Labour party, as distinct from the government, to leave the European Community.

Bagehot had originally penned an article in 1874 entitled "Not a Middle Party but a Middle Government".

That was a very important, if not the decisive, factor. The January special conference concerned itself with the Common Market but also with the issue of one member one vote. [501].

Nevertheless, and despite this criticism, Gilmour believed "there is nothing about Social Democracy as such to provoke Tory hostility."[502] Gilmour's lecture is telling because his wing of Conservatism was clearly in some sympathy with the SDP. Disillusioned with their own party's drift to the right, left wing Tories saw the SDP, not as an opportunity to defect, but as a welcome replacement to extremism in Labour. The SDP, it appears, would be an effective voice for centrism but one which existed beyond Conservatism. The SDP would be a powerful advocate for the 'middle government' these Tories wanted without straddling themselves with a 'middle party' in which they could never feel comfortable.

Nevertheless, a pure Downsian analysis fails to explain why the other parties might have moved to the extremes of their support, abandoning the electorate that could return them to office. This is particularly germane to the position of the young Thatcher government, which clearly intended to remain in power and whose strategy was office seeking. As Crewe and Searing noted, Thatcher and her associates "self-consciously led the Conservative party away from the electoral centre. In doing so, they... confounded formal theories of ideological change that are associated with... the theories of party competition of Anthony Downs."[503] Given the electoral system and its inherent bias

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[501] Interview with Shirley Williams, House of Lords, 10/7/02
[502] Ian Gilmour, 12/11/82, op cit. P 261
[503] Ivor Crewe and Donald D. Searing, 1988 op cit. P 82.

against smaller parties, a rational assessment might have been to conclude that office seeking was impossible for the SDP. For Jenkins, the task of breaking through without proportional representation "would be difficult. But it had to be attempted because the alternative was a quiet acceptance of a rotten system."[504] Williams later asserted that leaving Labour was "like breaking out of a long lasting marriage... critics imposed much too rational a view on us."[505] This alludes to the mission of the new party, its values, behaviour and the idea that it was attractive to politicians not because of its rational benefits but because it was perceived to be worthwhile.

Motivations will have been wide ranging. What the study of strategy is interested in is the extent to which those motivations were rationally based, in the Downsian sense. Giles Radice was on the social democratic wing of the Labour party but chose to remain in the party.

> I was sceptical about the SDP. I thought it certainly would be damaging to us – very damaging – but I was sceptical if it could actually break through. I thought the Labour party had a considerable power of inertia and that eventually it would be turned round. Whether you went or stayed was in part related to your view of whether the Labour party could be pulled round. We were the optimists and they were the pessimists in a way. But I never attacked them. I understood why they went.[506]

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[504] Roy Jenkins, 1991, op cit. P 517
[505] Shirley Williams speaking on "The Wilderness Years", BBC2, 3/12/95.
[506] Interview with Giles Radice, House of Lords, 8/1/03.

For a portion of those who left the Labour party, the end of their parliamentary career appeared nigh. Changes in the party organisation had meant that Labour MPs faced mandatory re-selection during each parliament. Given the extent of extreme left infiltration local parties had experienced, many moderates held little hope of remaining the official candidate. At the 1980 Conference, traditional Labour MP Joe Ashton, rejected the policy of re-selection because it would lead to a split:

> If Roy Jenkins wanted to form a party of twenty five sacked MPs
>
> now in this Parliament, he could be in business in six months[507].

Tony Benn listened to the speech of which he wrote, "did the PLP no good at all."[508] His charismatic leadership of the Labour left was not only dividing Labour but offered little by way of comfort to those who wished to replace Thatcher. The Labour right was understandably depressed. Jenkins later wrote: "I was more disenchanted than disengaged. I had little faith in the ability of either of the big political parties to solve Britain's problems, but I continued to watch their claims to be able to do so with a detailed curiosity."[509]

The SDP was formed in part as an office seeking organisation. Its principal protagonists wanted to form a government. The argument can be made that

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[507] Joe Ashton speaking at the 1980 Labour Party Conference. Reproduced on "The Wilderness Years", BBC2, 3/12/95.
[508] Tony Benn, 1992, The End of an Era: Diaries 1980-90, Hutchinson. P32

in some respects its failure related to inefficiency in policy pursuit. Although centrist, the members of the SDP, for the most part were not used to centre party politics and perhaps viewed strategy without taking account of the differences with the new organisation and the one they had just left.

Centre parties, particularly those operating in the British electoral system, are captive to some degree by the actions of the other parties. The centre is a reactive force to the proclamations of their more powerful competitors. To some extent, this explains the oft policy pursuing position of these groups. Centre parties do not usually rationally seek office as a singular objective. To implement a strategy as such would ignore the changes in the competition. Any office seeking strategy must, therefore, be very long term or very rapid. To office seek as a singular objective would involve a highly successful and indivertible critical mass strategy that has been demonstrated to be difficult to achieve because of the shallowness of support. To office seek as a general, or even secondary, objective means deepening that support over a longer period and convincing an electorate of the merits of the policy pursuit and the values inherent in the party's mission.

Strategy in Splitting: The role of the SDA and the Search for an 'Event'

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509 Roy Jenkins, 1991, op cit. P 510

Perhaps the most difficult aspect, in a personal sense at least, of forming strategy for a new force is that of whether, how and when to split. The decision first has to be taken. This decision is in part personal and should perhaps rest outside of a strategic analysis although the implications of the decision are strategically more far reaching. While Jenkins had decided to leave, certainly, by 1979 and probably earlier, as late as August 1980 (two months after Jenkins' Press Gallery speech – a follow up to his Dimbleby lecture) the gang of three had rejected the formation of a centre party in a statement published in *The Guardian*. The three argued that such a party would "lack roots and a coherent philosophy"[510]. This was probably disingenuous as the statement also stated that its signatories believed "the argument may grow for a new democratic socialist party to establish itself as a party of conscience..."[511] The statement belies what is not an easy decision. "If it's a movement in which people invest their beliefs, like a church or a party, it's not the same as leaving a company for which you work."[512] The decision probably came finally in the minds of the three only after the divisive Labour Party Wembley Conference of 31st May 1980 and appears fairly clear by the Blackpool Conference of that September. According to Rodgers, "the SDP was not born in an emotional spasm, but emerged as the culmination of a long process of shifting allegiances."[513] The period demonstrates how personally difficult such a move is. No longer comfortable in the Labour party which had always figured in his life, Roy Jenkins contemplated the possibility

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[510] The Guardian, 1/8/80.
[511] Ibid
[512] Ian Wrigglesworth, 29/1/01, op cit
[513] William Rodgers, "The SDP and Liberal Party in Alliance", Political Quarterly, Vol 54, 1983. P355

of quietly defecting to the Liberals upon his return from Brussels in the late 1970s, but did not believe he was "going to change British politics this way."[514] Shirley Williams, outside of the House of Commons after the 1979 general election, contemplated leaving politics for an academic career[515]. Rodgers later wrote that "it is probable that a majority of Social Democrats would have left politics altogether or never joined a political party in the first place in the absence of the SDP. They would not have joined the Liberals"[516]. In other words the orchestrated break from Labour represented not only negativity in the sense that the social democratic wing no longer felt welcome in the party, but also a desire to achieve something quite ambitious in doing so. The break was a means to an end rather than just an end itself. To that, too, must be added personal ambition, for successful politicians are rarely without ambition. The extent to which this was a motivating factor is difficult to determine. However, it would be fair to comment that personal ambition alone could not have created the broad support that was to become the SDP. Furthermore, events in the years building up to the Limehouse Declaration required the involvement of many for whom the SDP would not represent a great career move. The foot soldiers of social democracy had little to gain but furthering the cause itself.

An analysis of the strategy involved in splitting from Labour must examine the historical record up until the Limehouse Declaration for it is here that (save for the obvious exit strategy should it all prove to have been a dreadful

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[514] RoyJenkins, 1991, op cit. P 526
[515] Crewe and King, 1995, op cit. P 42
[516] William Rodgers, 1983, op cit. P 356

mistake) those involved were committed to establishing a new party. The exit strategy existed in Limehouse. The gang of four were still in the Labour party. Had they received limited support for their cause, insufficient press or criticism from the 'wrong' quarters, it would have been relatively simple to withdraw into the bowels of Labour and continue their fight internally. The 1980 Labour conference was the strategic 'event' which led to the formation of the SDP. It was not the event that led to the gang of three deciding to leave Labour. That can be traced back at least as far as Wembley and in reality much further. The three needed an 'event', something that showed their colleagues and the country that what they had been trying to do for the good of the party and the country would not be possible. To explore how such an event came about, strategically, it is worth stepping back.

The Social Democratic Alliance (SDA) had been established in the mid 1970s as a London based grouping of Labour members opposed to the drift to the left in the party and to begin the process of creating a split. Contrary to Crewe and King, who assert that the SDA had contacted the Jenkinsites "following Roy Jenkins's 1979 Dimbleby lecture,"[517] the relationship was formed some years earlier. In 1975 Stephen Haseler, a Labour member of the GLC who would become Chairman of the SDA, met discreetly with Home Secretary Roy Jenkins and Minister for Overseas Development, Reg Prentice, at the latter's office and instigation, to discuss the formation of the SDA: a precursor to a new party. It was agreed to delay announcing the SDA until after the European referendum campaign which was always Jenkins' first

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[517] Crewe and King, 1995, op cit. P 528 n 22

priority.[518] Jenkins' involvement with the SDA was leaked to the *Times* in 1976. When Jenkins departed for Brussels in 1976, the SDA continued in a passive fashion, to be politically re-awakened on his return to Britain. During those years, the SDA met with Liberal leader David Steel at the House of Commons. Steel, as usual, was fully aware of events as and before they unfolded. The SDA was in discussions with Jenkins, before he delivered his Dimbleby lecture. Shortly after Dimbleby, Haseler met Jenkins at his Kensington home where it was suggested the SDA join forces with another social democratic organisation within Labour, run by Colin Phipps and Michael Barnes. There followed "a very acrimonious meeting"[519] at Phipps' home. Jenkins arrived with his wife in his Presidential limousine to meet Haseler, Eden, Barnes, Lindley and Jim Daley. It was at this meeting that Jenkins proposed delaying the launch of any new party. Phipps is reported to have told him that he was prepared to launch the party anyway.[520] Jenkins gave every impression that he was to leave Labour, with or without the gang of three. "The Jenkinsites had been building up a skeleton organisation outside of the party throughout 1980"[521] Jenkins had made the psychological step, some time before Owen, Williams and Rodgers. He was playing both his personal followers and the SDA, who had created the skeleton organisation and could have provided the 'presidential' new party, as well as the gang of three, who had yet to decide to jump.

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[518] Stephen Haseler, Kensington, 6/5/02
[519] Stephen Haseler, Kensington, 6/5/02
[520] Stephen Haseler, Kensington, 6/5/02
[521] Matthew Oakeshott, 29/1/01, National Liberal Club

Having taken the decision to abandon Labour, the gang of four (or the gang of three plus Jenkins) had a difficult period ahead. There must be a strategic build up to leaving a political organisation. It is essential that commentators are not surprised by the departure; that colleagues understand the reason for going; and sufficient numbers follow. To this end the continuance of the battle between the left and the social democrats was important only for what it represented not for change it could possibly effect.

As if to be convincing themselves, the gang of three had issued statements and made speeches in the period after the general election of 1979 and the 1980 Labour Conference. By this time the decision was taken and is demonstrable by the futility of the occasion. The demand of the gang of three and their supporters for reform of the Labour party contradicted itself in that it required the support of the very Union bloc votes the three wanted to remove. Furthermore, the demands contrasted with seeming irreconcilability to the extreme policy announcements of the now powerful left wing. With Williams replying to Benn with a ferocious lecture attacking the absurdity of his plans her speech, notable for the 'you' rather than the 'we', warned: "if you do not start to fight now, you will not have a party worth having"[522] Benn recorded that "Shirley Williams delivered a violent personal attack on my speech, and this has been in all the news bulletins, indeed took pride of place over the Conference itself on the 10 o'clock news."[523] Crewe and King report that as supporters of the three watched the news broadcast of the Conference in Williams' hotel that evening it was the first time they had

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[522] Crewe and King, 1995, op cit. P 50

discussed openly the possibility of a split from Labour.[524] The strategic analysis would suggest that the 1980 Conference represented a demonstration to the right of the Labour party, the media and the electorate that the fight for Labour was now too futile to contemplate and that the party was the property of the left.

There might have been a later 'event' which would have spelt, perhaps irreversible, disaster for the by now troubled Labour party. The 1981 battle for the Deputy Leadership of Labour was fought between Healey and Benn at the party conference. Healey only narrowly won the bitter dispute[525]. Without the victory, many more mainstream Labour MPs and party members would have defected to the SDP. Roger Liddle recounted that: "I know that many activists went to their hotel and didn't unpack until they knew Denis Healey had become Deputy Leader."[526] Benn was far from disappointed at the result of the ballot. The result did not represent a true victory of the right over the left of the Labour party, and whilst it prevented a wholesale haemorrhaging of the party, did not stop further defections to the SDP. Benn recorded in his diary that evening:

> We got within 0.8 percent of victory, and it was the best possible
> result, because if I had won by 0.8 per cent people would have
> shouted 'cheat'. It only requires four or six Labour MPs to join the

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[523] Tony Benn, 1992, op cit.P 30
[524] Crewe and King, 1995, op cit. P 50
[525] The result of the ballot gave Healey 50.426% against Benn's 49.547%
[526] Roger Liddle, 29/1/01, op cit

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SDP for Healey's majority to disappear, and he will hold the post but not have the authority.[527]

So it was that the decision to form the SDP as a substantive organisation was taken. The process maximised support within and outside of the Labour party and secured a successful start for the new venture.

Liberal Reaction and Strategic 'Alliance'

For Jenkins at least, the 'Alliance' was always an important feature of forming the SDP. At one point there was a plan for a Jenkins only almost Presidential movement supported by the Liberals, which would see Roy returning to Dover to champion the cause of the centre.[528] Steel had for some time encouraged a split from Labour[529]. A frequent visitor to Jenkins in Brussels, he knew of the elder statesman's thinking. The rather avuncular relationship between the two men, who had known and worked together in various guises over many years, was a relationship that could work in alliance. The split was not without risk for the Liberals. A new centre party threatened the very political ground for which Liberals had long fought. Richard Holme was Liberal party President in 1981 and a close adviser to David Steel:

> Holme: It was perfectly apparent that if the SDP were to go off in
> its own direction it would be very dangerous for the Liberal party
> and so from the Liberals' point of view, from day one, we

[527] Tony Benn, 1992, op cit. P 155. In the event, a further nine MPs left Labour for the SDP.
[528] Crewe and King, 1995, op cit. P 59
[529] See Peter Bartrun, 1981, David Steel: His Life in Politics, Star. P 190

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embraced it - much to Owen's fury. Part of his fury was that he knew there was a merger strategy coming from the Liberals. We called it 'convergence' at first. Owen was keen and there was a large element of the SDP who were keen, it wasn't only Owen and it was more than those who eventually went for the merger, who really were desperate in sociological terms to differentiate themselves rather than to form a common front. So, every step that led towards merger was Liberal initiated. Every joint policy declaration, every joint election fought, every joint labelling, every joint meta-entity creation, the word the 'Alliance' David Steel and I dreamt up on a walk in the Scottish borders and bounced the SDP into it. At every single point, the pressure towards 'let's get together' was Liberal led. Of the SDP, there were some who responded well to that and there were some who were desperate that their new baby was being taken away from them. They were absolutely beside themselves and as I say at that point it wasn't just Owen and a few cronies. It was a strategic dilemma for the SDP but the Liberal strategy was clear: get our arms around them. The SDP had a strategic tension, whether to respond positively or negatively to that. Whether they wanted to go for the four party system, with shifting coalitions, or to go for a three party system and so they had to resolve a strategic issue but from a strategic *demarche* produced by the Liberals and I can say that from deep personal knowledge. I know every step of the game.

Barber: What was David Steel's strategy towards the gang of four as they prepared to leave Labour?

Holme: It was to encourage a Labour split in every way he could. It was to make sure we were in close touch with the potential splitters. Even at that point it was really Roy Jenkins who made common cause, whereas I think the other three were much more concerned with the trauma of breaking away from the Labour

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party. Roy was already seeing the game of reuniting of historically separated streams. Roy was the main friend of the cause but there were all sorts of lesser members of the Labour party with whom we were in touch. I would say our information was pretty good.

Barber: How much of a risk did the formation of the SDP represent to the Liberal party?

Holme: It represented both an opportunity and a risk. The opportunity was to get our arms around the new party and form a common front. The risk was that they would compete with, overtake the place of the Liberal party. So it was a mixture of the two. The Steel strategy and I don't want to put it immodestly but in many ways I was deeply involved, you could even say the architect, was to on day one smother them with affection, kindness. 'We're together, this is a great thing for small 'l' liberalism'. What we were very concerned to do was never let any feeling of 'this is a threat to the Liberals' appear. The risk, the downside, had to be smothered by upside kindness and collegiality and common feeling. The Konigswinter compact was the seminal event at the Konigswinter conference in March of that year – the annual Anglo – German conference. Steel was there, I was there, Williams, Roper and Rodgers. Owen wasn't there and Roy wasn't there. We had lunch and walked up the Drackensberg afterwards and I wrote on the back of a napkin the four point agreement that we wouldn't fight each other in by-elections, produce a common policy envelope etc. Of course Owen went spare when he heard that because it was the strategic dilemma of the SDP – with the Libs or against the Libs – and at that point, to get Bill and Shirley on board, moved it so it wasn't just Roy Jenkins who was pro working with the Liberals but it was three out of the gang of four. For Owen this was the historic stab in the back, he saw it as an enormous threat. I thought he was strategically wrong but to the

extent he was right, it was very threatening for him. Out of that came the various policy agreements, the seat negotiations, all the paraphernalia of how, in a first part the post electoral system, do you compete as a third force... So our conscious strategy was to mark the SDP every step of the way, publicly smother them with kindness, privately negotiate very hard to get convergence.[530]

Steel's strategy to encourage the creation of a new party and to form an alliance with that body demonstrated his ambitions for his own party. By pursuing the strategy and ensuring he and his colleagues were available to aid the social democratic wing of Labour, Steel was potentially in a position to replace the traditional Liberal policy pursuit with an opportunity to effect those changes in office. The opposition to his strategy came from those within his party who had no desire to participate in government and who preferred to remain on the honourable, yet lonely, peripheries of British politics.[531] The alternative, of competing for the centre ground with a Social Democratic Party would have been to pass over this historic opportunity. In some quarters, the Liberals were pushing at an open door, as Jenkins records:

It did not occur to me that if we were to launch any effective centre movement we should begin by fighting to the death with the Liberals for the right to be the third party. This I would have regarded as a recipe for disaster. It was going to be difficult enough in any event to land on the enemy coast of the two-party

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[530] Interview with Richard Holme, St James Square, 27/11/02

system, heavily fortified as it was by the distortions of the British electoral system. To have engaged in a debilitating preliminary contest with the inhabitants of the offshore islands of the system, who in any event agreed with us on most policy objectives, would have been lunacy.[532]

Jenkins was surely right. As Bill Rodgers later recorded: "There is no way in which the realignment of British politics could be completed if two parties of the centre-left fight each other for votes."[533] For an illustration of what two competing centre parties would have achieved, or failed to achieve, it is only necessary to look at the situation in 1988 and 1989. Here, the newly merged SLD (eventually to become known as the Liberal Democrats) contested by-elections independently and bitterly against Owen's continuing SDP. Two results in particular, Epping Forest in 1988 and Richmond in 1989, should have been particularly frustrating for the moderate centre. The Conservatives retained both seats. However, in Epping Forest the combined continuing SDP/SLD vote was but 433 votes short of the Conservatives despite the bitter feuding. In Richmond a few months later, William Hague was returned to Parliament with a majority of 2,634 (somewhat lower than the 19,000 Leon Brittan had secured at the 1987 general election). Here, the combined majority of the two competing centre parties would have produced an 'Alliance' majority of some 9,000 and perhaps denied Hague his ultimate inheritance within a decade: the Tory leadership.

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[531] Cyril Smith Liberal MP for Rochdale had asserted that the 'SDP should have been strangled at birth'.
[532] Roy Jenkins, 1991, op cit. P 513

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However, Steel's Liberal party was not a high priority of most Social Democrats as Ian Wrigglesworth recalls: "The Liberal party did not feature in our minds virtually at all... This was a matter of the state of the Labour party and replacing something we had joined twenty years before."[534] While it would seem Jenkins had these visions of an almost Presidential centrist organisation, cutting across the tribalism of British politics, the gang of three were contemplating a more traditional structure with their efforts borne out of their frustration with what was left of Labour. Jenkins was, therefore, more predisposed to the Liberals than were the three. Steel, "one of the most careful listeners to the Westminster grapevine"[535], would naturally have been aware of this.

Although close to Jenkins, Steel hardly knew Williams, Owen and Rodgers at the time of the Limehouse Declaration.[536] As Rodgers freely admitted, "The Parliamentary leadership of the SDP in March 1981 had very few previous contacts with the Liberal leadership"[537]. Steel's actions during those months, therefore, represent a 'signalling' strategy as he communicated with them via speeches and the media. Most obviously, this manifested itself in an open reply, published in the *Guardian*, to the gang of three's original statement published in that same newspaper the previous week. In it, Steel argued the case for an Alliance seeing advantages only for the Conservative party if the

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[533] William Rodgers, 1983, op cit. P 357
[534] Ian Wrigglesworth, 29/1/01, op cit.
[535] Peter Bartrun, 1981, op cit. P 190
[536] Crewe and King, 1995, op cit. P 63
[537] William Rodgers, 1983, op cit. P 357

two bodies competed.[538] The major strategic problem with the Alliance was that it happened without thought of the need for an 'exit strategy'. Indeed, Jenkins may well have intended it that way, for his colleagues did not share his ambitions for a grand centre force. Owen, a sceptic of the Alliance let alone merger, believes that Jenkins forced the Alliance on the SDP with Williams support[539]. Given that the mere formation of the Alliance was made amid some disagreement, it is little wonder that the strategic issues were never to be resolved satisfactorily. The merger debate existed from the beginning. That debate was avoided because of these tensions. Indeed the debate was sat on until after the 1987 general election.

Managerialism and Organisational Culture

When the SDP was denounced by Michael Foot as 'the credit card party', the jibe was intended to wound. Instead, it illustrated the professionalism of the SDP set-up and indeed contrasted it with that of Labour in particular. The SDP was influential, consciously or not, in introducing management techniques into the running of a political party. The fact that so many people from outside of politics were attracted to the new party brought with it organisational expertise otherwise associated with business. Furthermore, the SDP "introduced electoral techniques in the UK that had never been seen... canvassing and polling techniques, computerised membership... It could be done in a new party."[540]

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[538] The Guardian, 8/8/81
[539] David Owen, 1991, Time to Declare, Michael Joseph. Chapter 23.
[540] Ian Wrigglesworth, 29/1/01, op cit.

Perhaps because of their experiences in the Labour party, the Gang of Four created a party in the SDP that was very much in the control of its creators. There was little prospect of the disorder that had become the staple diet of Labour, occurring within the SDP. Nevertheless, the control to be asserted meant that no leadership, other than the official, was to gain any significant hold on the organisation. For whilst the SDP benefited from an influx of professional members who brought commercial skills to the new body, those who had created the party displayed a fear of non-party people. They also feared what political members might eventually do to their creation.

> Two factors mitigated against the growth of unofficial groups inside the SDP. One was the culture of conformity, which was encouraged by the Gang of Four and their Lieutenants, and which fashioned deference among ordinary members... Secondly, the 1982 constitution... effectively concentrated power at the centre, specifically at Head Office and with the party leader.[541]

An example illustrating the limited extent to which the SDP came to experience 'charismatic leadership' from within the organisation, in the sense that Benn represented 'charismatic leadership' in Labour and discussed earlier, was in the shape of SDA Chair Stephen Haseler who voiced some differences with the party set up. Having been the 'splitter' on the GLC from the mid-1970s and with Jenkins' consent, by 1981 the SDP leadership was

demonstrably uneasy about Haseler and the SDA. Despite the role that the SDA had played, its leading members were excluded from the all-powerful SDP Steering Committee, selected personally by the Gang of Four and containing their coterie. The body was important, "all the major strategic decisions were made exclusively by the steering committee."[542] The committee dealt with everything from the creation of and appointments to the other committees, to negotiations with the Liberals. Instead, Haseler settled for a role on the Policy Sub-Committee with Douglas Eden sitting on the Organisational Sub-Committee. Haseler, in particular, recognised disadvantages in the Oxbridge elite that the Gang of Four and their immediate supporters represented and conducted unsuccessful negotiations to admit former Labour Deputy Prime Minister and Foreign Secretary Lord George Brown as a gang member[543]. On paper Brown had excellent credentials and for Haseler, the fact that he was not Oxbridge, indeed he did not attend a University, meant that his appeal might extend to the working vote that the four perhaps failed to reach. However, for Williams, it was never a likely possibility:

> He certainly was mooted as somebody who might well join the SDP
> and seriously thought about doing so. I think as a fifth gang
> member, that was certainly never put to me as one of the gang
> members and I don't think I would have accepted it. I think
> George, though brilliant, was far too volatile and again he was not

[541] Vincent McKee, 1996, Factionalism in the SDP, Unpublished PhD Thesis, London Guildhall (Metropolitan) University. P 141
[542] Crewe & King, 1995, op cit. P 218

somebody who ever fitted in to any kind of collective leadership. No, it would have been delightful to have had him as a prominent member but there is no way he would have been one of the gang, nor was it ever seriously discussed[544].

Brown was to assume Presidency of the SDA. In defiance of the Steering Committee, who had decided that the new party was not at that time ready to fight elections, the SDA contested the 1981 GLC elections, independently of the SDP machine although with Jenkins' prior knowledge.

The last significant act of the SDA was to support the candidature of Stephen Haseler in the first elections for party President in 1982. A "self styled 'rank-and-file' candidate"[545], Haseler stood against the two members of the Gang of Four not to contest the party leadership – Williams and Rodgers. With little chance of winning against the overwhelming choice of Williams, he came third with a respectable 14.8% of the vote. Nevertheless, despite the limited control the official leadership had over the actions of the SDA, its ability to affect the direction of the SDP demonstrates the nature of the organisational culture and the 'success' of managerialism in its structure. The constitution, drafted largely by Bob Maclennan[546], vested sovereignty in the membership, but only the executive had control over the party and only the executive could determine strategy. "Activists were denied the mischief making power."[547]

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[543] Stephen Haseler, 24/10/01, Kensington
[544] Interview with Shirley Williams, House of Lords, 10/7/02
[545] Crewe and King, 1995, op cit. P 162
[546] See Ibid Chapter 12 for an account of the drafting process.
[547] Ibid P 237

Strategic Reasoning of the SDP

It could be argued that the SDP had no real strategy given subsequent fortunes. Despite the professionalism in organisation, insufficient attention was paid to the strategy of the party. The reasons for this fall between two concurrent occurrences. The first is the pace of developments from the Limehouse declaration onwards. As Ian Wrigglesworth noted, "the launch of the Limehouse Declaration started a bandwagon that no-one was able to stop, even if they had wanted."[548] The second is the fundamental differences between the gang of four over what the strategy should be. 'Strategy' here being what the SDP wanted to achieve and how. There were great ambitions for the new party, including Haseler's vision that the "vast unanchored popular constituency that exists today not only beckons a 'new' party but one that, led intelligently and sensitively, can sweep the others off the board."[549] However, for strategists, these great ambitions may have been tempered.

The 'what' was certainly discussed before the Limehouse Declaration, but the extent to which it was developed must be questioned as in this exchange with Shirley Williams:

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[548] Ian Wrigglesworth, 29/1/01, op cit.
[549] Stephen Haseler, 1980, op cit. P227

Barber: When you formed the SDP, what was your strategy? Did you expect to win an election outright or was the strategy to gain sufficient seats to force PR?

Williams: We were more realistic than that, we thought it might take a good deal longer than just one election and certainly I remember Roy and me thinking it would probably take twenty years to actually break through although we thought we could establish the party much sooner than that. There was a wild hope, based upon the by-election results in 1981, that we might conceivably get a larger proportion of the vote than Labour. I don't think we honestly thought we could beat the Conservatives but we did think we might get at the next election a larger proportion of the vote than Labour and that would make the case for PR almost unanswerable. We nearly made it, we were just two percent shy of overtaking Labour in 1983. I think one could fairly say that was our immediate goal. Without the Falklands War, who knows what might have happened! But the long term goal was one that was more realistic than that. We knew that winning outright was unlikely and only really the by-election results and the astonishing leap in the opinion polls towards us that made us think that might just possibly occur.

Barber: Who would you have supported in the event of a hung Parliament?

Williams: Oh I think the Conservatives at that time although we would have been very hard put - we didn't like either party. But frankly we thought the Labour party was totally out of touch with reality. The Conservative party was in touch with reality but in our view pursued unnecessarily harsh economic policies from '81 to '84

and indeed I think looking back now, it is clear that the deliberate recession went further than it needed to. [550]

This last point is very important because the 'how' was never resolved. If the Alliance did not believe it could win outright, coalition with one of the other parties would have been inevitable. This would be near impossible to achieve if the coalition partner was also the party the Alliance sought to replace[551]. Indeed, the 1983 Alliance manifesto seemed to suggest (disingenuously) that the Alliance would force both of the other parties to move to the centre[552]. There existed a division in the party between what can be described simplistically as the Jenkinsites and the Owenites[553] but which in verisimilitude did not fall into such neat competing camps. One strand certainly subscribed to the Jenkins vision of centre party politics to tackle what he spoke of in his Dimbleby lecture as "excessive partisanship [which] neither convinced nor pleased the electorate... bound politicians in loveless and sterile political marriages. They often agreed with people just over the political fence far more than they did with those of the other wing of their own party."[554] It should be remembered that by the time of the Dimbleby lecture, Jenkins had been in Brussels, as President of the European Commission, for some three years and had the luxury of distance from the bitter events at home. The competing view stemmed from that more personal motivating, and indeed

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[550] Interview with Shirley Williams, House of Lords, 10/7/02
[551] Stephen Barber "The Flawed Strategy of the SDP", Journal of Liberal History, accepted 2003.
[552] The method of doing this was to be proportional representation: "The Alliance will not hesitate to use its strength in the next Parliament to ensure the introduction of a system which will strengthen the power of the voters." Working Together for Britain, Alliance Manifesto 1983.
[553] See Vincent McKee, 1996, op cit PP 146-156, for an exploration of the competing camps.
[554] Roy Jenkins, Dimbleby Lecture 22/11/79, reproduced in Jenkins 1991 op cit P 517

negative, factor that the creation of the SDP was a "reaction to events in the Labour party."[555] It is not that these competing views were necessarily mutually exclusive but rather that their differing implications were never resolved satisfactorily.

If the SDP was created out of the Labour party, it is only natural that the SDP should seek to replace the Labour party. Rodgers, for instance wanted his new party to take some 90% of the Labour vote. This was not borne merely out of rationality but out of political outlook also.[556] "We didn't want a centre party. We wanted a centre left party."[557] Roger Liddle recalls. This was in some contrast to Jenkins' ambitions for a centre alliance with the Liberals. This tension was not to be resolved, to the extent that "on the day of the Limehouse Declaration, we were not sure if Shirley [Williams] would accept the last line,"[558] which spoke of "the need for a realignment of British politics"[559]. This line, Jenkins later described as one of the two "key sentences... This gave clear notice that we were moving outside a Labour party laager. Realignment cannot be a purely internal or unilateral act. There must be somebody with whom to realign".[560] In his diary in January 1981, prior to the launch of the SDP, Tony Benn summed up this strategic dilemma:

> Those who leave the Labour Party and go with David Steel would
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> not expect to win a majority in an Election, but they might win

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[555] Ian Wrigglesworth, 29/1/01, op cit.
[556] Crewe and King, 1995, op cit. P67
[557] Roger Liddle, 29/1/01, op cit.
[558] Matthew Oakeshott, 29/1/01, op cit
[559] Williams, Jenkins, Rodgers, Owen, The Limehouse Declaration, 25/1/81
[560] Roy Jenkins, 1991, op cit. P 534-5

forty or fifty seats and they would then have a choice: to put a Labour government in power – in which case why had they resigned simply to put Labour in power again? – or to put the Tories in power. So actually the Members who leave us are on their way to becoming backbench Tory supporters, and some of them maybe to becoming Ministers in a right-wing coalition Government.[561]

This failure did not detract from, or was perhaps because of, the great success of the Limehouse Declaration and the establishment of the Council for Social Democracy. "The key thing is not what it said... but that it was said, that it was public... After that, we were swept along in a great wave of excitement."[562] The Limehouse Declaration sparked a series of events with such a pace that those involved had limited control. In the first week some eight thousand messages poured in followed by a further fifteen thousand, donations were in abundance and a torrent of telephone calls were received at the temporary headquarters in Queen Anne's Gate.

[T]hose whose imaginations had been fired by the Limehouse Declaration wanted a new political party and wanted it quickly. They were not interested in the hesitations which had led to the halfway house of a Council for Social Democracy, half in and half out of the Labour party. In response to this clear mood any vestigial doubts about whether the CSD should lead into an SDP

[561] Tony Benn, 1992, op cit. P 66

were swept away from the minds of the founders and there was no resistance to the date of the new party being brought forward...[563]

The prospects for the SDP at this time seemed great, if fantastical. Two periods in particular: the weeks between the Limehouse Declaration and the official break from Labour; and the launch of the new party through to somewhere before Jenkins return to Parliament in 1982 represent periods of identifiable, successful, critical mass strategy. As is demonstrated by Roy Jenkins' autobiography entry, after Limehouse there occurred a great rush of support from those already interested in active politics and, more importantly, those who had never involved themselves in party politics. This initial critical mass ensured a fantastic launch for the SDP and much media attention. The launch, when it came in the Connaught Rooms, was every bit the professional media event it was intended to be. The SDP was the most media conscious party of its time with even its innovative rolling conference designed to complement the news schedules. Upon launch, the SDP entered into another, wider, period of critical mass which lasted through to the Hillhead by-election in 1982. Amid such extraordinary events, the debate which divided the Jenkinsites and the Owenites was "put on ice and never resolved."[564]

> Barber: The strategic dilemma facing the SDP appears to have been whether the SDP would replace Labour or the Tories. In a sense, whether the SDP would be a centre or a centre left party. In your view, was there a failure to resolve this issue?

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[562] Matthew Oakeshott, 29/1/01, op cit.
[563] Roy Jenkins, 1991, op cit. P 536
[564] Stephen Haseler 24/10/01, Kensington

Williams: Not really. I think for a long time, almost all the early year or two the perception very clearly was that we would replace the Labour party. We were clearly a left of centre party. For example, at the very beginning we applied to the Socialist International to become members... and there was some considerable support, not least in Germany from the Schmidt government for us to be recognised as a member of the Socialist International. So, no, we saw ourselves as a social democratic party rather like the German SPD after Bad Godesberg. It was only considerably later that we began to see ourselves as possibly, not so much replacing but eating a very long way, eroding, Conservative votes and I think that was largely a phenomenon of the rise of the Liberal Democrats in the mid 19[9]0s in local government above all, where many of our major opponents turned out to be Conservative because we did much better as a whole that time in the shire counties than we did in what might be called 'Labour bastions' – Glasgow, Birmingham, that sort of thing.

Barber: But the SDP never really ate into Labour heartland seats?

Williams: Not until much later. The flag case was Liverpool where we are now thoroughly in control. But it took some time, Liverpool was a complete Labour rotten borough really and so all these things take longer than one thinks. We built the groundwork for taking over Liverpool in the 1980s...[565]

Nevertheless, the very thing that sustained the critical mass was also its strategic Achilles' heel. During those early months, the SDP was a party that lived (and could have died) by its performance in by-elections, the appearance of which were plentiful. Each win, or strong performance, re-

enforced the perception of the SDP's transducer qualities. They provided continuous impetus to the party's strategy. They offered the media a continuance of this remarkable story. As Rodgers stated in 1983, "parliamentary by-elections will be seen as the principal test for the Alliance"[566]. However, what the by-election victories demonstrate is that the parts of the electorate most likely to support the SDP/Liberal Alliance were not the 90% of Labour voters Rodgers had hoped for, but moderate Conservatives unhappy with the performance of the Thatcher administration. What this said about what existed of the strategy was that it was flawed. A party which in part believes itself to be of the left, whose direction is in part the alternative to Labour, but whose principal support comes from the centre right will inevitably find it difficult to solidify that support. "Even more problematic, the SDP required a different strategy for each by-election dependant on the nature of the major party candidate."[567]

This is borne out in an examination of SDP policy which developed little from its roots of Roy Jenkins' Dimbleby lecture. Those in the SDP paid insufficient attention to this most important aspect of any party's electoral appeal[568]. Indeed, Williams admitted as much during the Crosby by-election when she unwittingly revealed the lack of SDP policy.[569] During the Crosby by-election there was little need for detailed policy. Cole takes this one step further by

[565] Interview with Shirley Williams, House of Lords, 10/7/02
[566] William Rodgers, 1983, op cit. P362
[567] Patricia Lee Sykes, 1990, Losing From the Inside: The Cost of Conflict in the British Social Democratic Party, New Brunswick. P116
[568] For an examination of SDP economic policy, see Robin Marris, "The Politics of Rationalism: Reflections on the Economic Policy of the SDP". For constitutional policy see Wilson Finnie "The SDP's Plans for Britain's Constitution", in Political Quarterly, Vol 54 1983.
[569] Patricia Lee Sykes, 1990, op cit. P 50

suggesting that both Thatcherism and Benn represented a reaction against consensus, "I doubted whether it was possible for the Alliance to establish a new politics on the basis of a reaction against a reaction rather than on a clear programme of its own."[570] The party was riding high, the critical mass effect of the win led to stunning local election results with the party taking some two-thirds of the seats. This in turn drew five more Labour MPs across to the ranks of the new party (in fact stage managed). However, the critical mass, or momentum, could not be sustained on this basis alone. Because of this poorly defined policy profile, the immature constituency and an over reliance on the very basic attractions of image and newness, the SDP's support was derived almost exclusively from discontent with the other parties. This relationship with other parties is the lot of a centre party. Whilst the Liberals undoubtedly understood this, as is evidenced by the tactical skills of Steel, the SDP, which emerged from a party used to forming governments, perhaps did not. The strategy did not reflect this reality. Thus, when two things happened - recovery in the other parties and a row within the Alliance over seat distribution - support for the Alliance generally and the SDP specifically fell. The party's electoral offering was not just superficial but it had not been allowed to develop. As has been discussed, this is not because of Downsian rationality but rather that to have developed policy to any satisfactorily degree would have involved answering the main strategic issue of whether the SDP intended to replace Labour or the Conservatives. The Conservative party Chairman, Cecil Parkinson was relaxed about the potential threat posed by the Alliance:

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[570] John Cole, 1995, op cit. P 243

They were an unknown quantity and we felt that views would crystallise as we got nearer the election. I did quite a bit of analysis on this and we discovered that there was a central core of Conservative voters, a central core of Labour and a tiny core of Liberal / Social Democrat. They didn't take many traditional Labour voters with them because the Labour party successfully portrayed the people who had left as traitors. My own theory was that their vote, that third party vote, would be topped up by the votes of whichever party was unpopular at the time. If the Conservative party is unpopular, its people on the whole don't vote Labour they vote for the Alliance. When the Tory party regains its popularity, the doubters go back but by that time it's the Labour party who have doubters. So the Liberals, although they have a consistent vote, it's a very shifting vote which depends entirely on which of the major parties is out of favour. It seemed to me that we were not going to be the party which was out of favour and, therefore, that the Liberals were much more of a problem for the Labour party which was unpopular and divided... So the feeling I had was that if the Alliance did prosper it wouldn't do so at our expense. Not a big threat to us. But we did campaign on a slightly misleading premise in view of what I have told you that every Labour government has been elected on the back of a large third party vote.[571]

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[571] Interview with Cecil Parkinson, House of Lords, 11/11/02.

As has been established, parties exist to fight elections and the SDP was no exception. Successful in by-elections, its critical mass of support began to run out before the general election of 1983. For the strategy to have been successful, the critical mass of support had to continue until polling day. Indeed, support for the SDP began to wane before Jenkins victorious Hillhead by-election, itself just days prior to the outbreak of conflict in the Falklands. Sykes suggests that this bandwagon of support stalled because of intra-party conflict in the shape of both the arguments between the SDP and the Liberals over seat distribution and the battles within the SDP between the Jenkinsites and the Owenites over the method used to elect their first leader.[572] If intra-party, and indeed intra-Alliance, conflict was one blow, recovery in the fortunes of the governing party was another as Gilmour argues:

> Even before the Falklands crisis, the fortunes of the Conservative
> Party had started to mend. In the spring of 1982 inflation was at
> last falling. Labour had abdicated as an alternative Government,
> and the SDP was not 'interest based' and lacked a social
> constituency. An Opposition divided into two major parties, one of
> which was even more extreme than the Government, helped to
> rescue the beleaguered Conservatives.[573]

The Falklands conflict was significant to the fortunes of the SDP because of the effect it had on the Conservative party. Both inside the party and out, the

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[572] Patricia Lee Sykes, 1990, op cit. P 55

conflict helped the Tories at the expense of the SDP. Inside the party, the hope of further defections was dashed as the Conservatives once again rallied behind their leader. Outside of the organisation, those floating voters returned as Thatcher enjoyed overwhelming public support. The battle for the Falklands was undoubtedly a severe and politically debilitating setback for the SDP, as Williams recalls:

> I'm sure that Mrs Thatcher must have cheered her head off when she heard that Galtieri had taken over the South Georgia islands and then was moving on to the Falklands. Because, if you look at the polls, you'll find that they were very, very poor for the Conservatives – they were in real trouble in 1982 partly because of what I have said about the Economic recession. In fact at one point they were down to only about twenty percent something like that extremely low figures. She would have realised that nothing does as much good to a head of government as a war especially a just war which this one was. It was a wild risk and it's also worth remembering that the order to withdraw the two cruisers from the gulf between Argentina and the Falkland islands was made by the very same government that then had to fight the Falklands war. If that had not have happened then it's likely the war would not have happened either. However, they did that... and so I think she must have thought, quite rightly, this is the chance of a lifetime. So there's no question, given that we got within two percent of the

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[573] Ian Gilmour, 1998, op cit. P 318

Labour party, I think if there hadn't been the war, and she and her party had therefore been low in the polls, we would have picked up a lot of Conservative votes and in my view without any doubt got a larger proportion of the vote than Labour. So it was quite decisive[574].

An analysis of the 1983 election results shows the number of seats in which the Alliance was a close second to the Conservatives and could have reasonably expected to have won had it not been for the unifying 'Falklands factor'. Nevertheless, the Falklands alone is not the reason for the SDP's failure to break the mould of British politics[575]. From a strategic viewpoint the Falklands was the SDP's equivalent of Wilson's 'rampant omnibus' – the Great War - for the Liberals in the 1920s.[576] The sustainability of the critical mass had faltered before the outbreak of hostilities. The Falklands effectively stopped the critical mass in its tracks. The strategy was insufficiently robust to cope with such a momentous event, in part at least because of the failure to answer the one important strategic question of whom it intended to replace.

Critical mass can also work in reverse as counter-momentum. There were seven more by-elections in 1982. The SDP failed to win any of them. The local elections on 6th May proved disastrous for the party as it failed to win

[574] Interview with Shirley Williams, House of Lords, 10/7/02
[575] This study represents a strategic analysis. There were other important factors at play in the SDP's failure to break the mould. Crewe and King, 1995, op cit. provides a broader analysis including the difficulties of a new party breaking through given the first past the post electoral system which allowed Labour time to recover. To a degree, this contradicts the experience of the SDP in that it took support largely from the Conservatives.

control of any council. Then in June 1982, Bruce Douglas Mann failed to win re-election in his own seat of Merton and Morden. The only defecting MP to resign his seat and re-submit himself for election, his failure to be returned damaged the party's prospects as well as the reputation of colleagues who shifted allegiance without facing their constituents. The decision of defecting MPs not to resubmit themselves for election had been taken by the gang of four early on[577]. A politician of unusual principle, Douglas Mann had been part of the early discussions to submit all defecting SDP MPs for re-election, occurring on the same day as a 'national by-election'. The fact that Rodgers and Owen stood to lose their seats may have prevented this. The logic of such a strategy would have been to create deeper rooted critical mass and may have been enough to have carried the SDP through the election. It would have involved a national SDP by-election across twenty or thirty seats. However, for Douglas Mann, alone in his stand, the Falklands conflict was enough to ensure he left the Commons.

Whilst Simon Hughes' victory at the Bermondsey by-election in March 1983 provided some cause for optimism, the failure to impact in Darlington a few weeks later demonstrated that the critical mass of support had truly stalled. Margaret Thatcher confidently sought a dissolution of Parliament.

The further strategic failure for the SDP was that once critical mass stalled and it was clear there would be no Alliance majority in 1983, the parties failed to create an 'emergent strategy' to cope with the changing circumstances.

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[576] Trevor Wilson, 1966, Downfall of the Liberal Party 1914-35, Collins. P 20.

Indeed the sole strategic continuance of the fiction that the Alliance would form a government was viewed with some absurdity as Roy Jenkins (or at least his supporters) maintained the pompous title of 'Prime Minister Designate'. Even as polling day approached, there was no resolution of which party the SDP intended to replace, even if the uneasy truth of which party the SDP might support in the event of a hung Parliament was. The strategic panic is reflected in the now infamous Ettrick Bridge meeting during the campaign. Here, Alliance leaders met at Steel's home in a Liberal and ultimately unsuccessful attempt to replace Jenkins with Steel as head of the Alliance[578].

Barber: By the end of 1982, it must have been clear that the critical mass that had been building up since Limehouse was beginning to wane. Why was there no obvious emergent strategy to cope with that changed environment? The party appeared to be fighting in the same way as when it had fifty percent in the polls and the illustration of this is the 'Prime Minister designate' title.

Williams: That was a mistake and I think perceived to be. I think it was simply a way of squaring the circle of the Steel / Jenkins leadership and especially after it became clear after Ettrick Bridge that David was a much better communicator than Roy on television, Roy's a great communicator in verbal speech but not on television, there was a move to make David Steel more prominent as the leader of the campaign. Roy, because he was the senior and more experienced figure had to be, in a way, given a title that represented that and so the rather heavyweight phrase 'Prime Minister designate' was invented. But when you look at the

[577] Patricia Lee Sykes, 1990, op cit. P 57

alternative, it wasn't easy. Would Roy have become the deputy to Steel? That was ludicrous. Would Roy have continued to be leader of the party? Well he was officially leader but with no title. It would have been difficult to sell David Steel to the press as the voice of the party in that case and he wasn't in the business of becoming the press officer. So, it wasn't an easy issue to solve and I think that addressed specifically the personal position of the two leaders. I think the bigger issue is whether we should have changed our strategy. By the time we began to recognise the decline in the polls which was around about Hillhead – I mean Hillhead was not as much a success as Warrington had been or for that matter Crosby – that was the moment at which we were hit by the Falklands war. It was very difficult to see how one could cope with all of these things simultaneously[579].

Although the result was the best centre party result since before the war and the Alliance came within a whisker of Labour's vote, Margaret Thatcher's Conservative Party was returned with an increased majority of one hundred and forty four. Despite achieving 25.4% of the vote, the Alliance numbered twenty three in the new Parliament, just six of whom were SDP. By contrast, Labour's 27.6% gave them two hundred and nine seats.

A closer examination of the figures shows that Alliance candidates came second in one hundred and ninety one constituencies at the 1983 poll. Forty-four of these seats were to a Labour candidate with the other one hundred and forty seven to Conservative candidates. This is illuminating as it shows immediately that the SDP could not have contemplated a genuine office

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[578] See Roy Jenkins, 1991, op cit. P 575
[579] Interview with Shirley Williams, House of Lords, 10/7/02

seeking strategy by taking Labour seats alone, as the most it might have expected to achieve would have been something like fifty seats. Towards the bottom of this list, too, it should be noted, the Alliance came a very poor second, with twenty-two of them requiring more than a further fifteen percent swing from Labour to Alliance. The Alliance did not threaten Labour in its heartland seats. Furthermore, if it is assumed that the seats achieved by the Alliance in 1983 are strategy neutral in the sense that they were achieved without resolution of the replace Labour or replace Tories issue, the possible strategic positions can be explored hypothetically and with hindsight. It can be demonstrated that should the SDP or Alliance have pursued a single-minded replace Labour strategy, a three percent swing from Labour to the Alliance would have gained a further two seats. A six percent or so swing would have generated an extra six seats, whereas a something like a ten percent swing would have produced just sixteen additional seats. Compare this with the possibilities of a successful replace the Conservatives strategy or indeed with the attenuating Falklands factor removed. Here, another three percent, from Conservative to Alliance, would equate to eight more seats; six percent, twenty-three seats; ten percent, fifty extra seats.

After the failure to break through in 1983, the SDP was "left with a 'balance of power' strategy. In retrospect, that strategy was wrong because you can never admit your position."[580] It continued to be unclear, although it perhaps no longer mattered, which party the Alliance hoped to replace or work with in government. Indeed Labour's claim that "while one of their leaders [Owen] clearly favours an arrangement to sustain a Conservative government, the other hasn't the strength to stop him"[581], was probably not that far off the mark. The strategy after 1983 became one of beating Labour "in votes (and possibly seats)"[582] and to form a government after beating the Tories only after the end of their third term. 1987 was indeed a battle for second place, but the electoral system worked in favour of Labour, giving it time to re-group. The manifesto highlighted the desperation of the Alliance case arguing that if "just 72 more people in every 700 vote for the Alliance this time, we will be the single largest party in Parliament."[583] By this time, it was too late for such critical mass visions. The strategic reasoning and processes that had been created at the birth of the SDP were swept away after 1983, altering even the collegiate organisational culture.

> Williams: Very soon after he became leader, David Owen abandoned the policy structure of the party which in its early years had been fundamentally the gang of four laying the strategy down and then gradually building up policy making structures which clearly couldn't come into being just like that, it's not a magic wand

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[580] Roger Liddle, 29/1/01, op cit

[581] Britain will win with Labour, Labour Manifesto 1987. Although there appeared some paranoia in the Alliance which claimed not to "rule out the possibility that after the next election there could be an informal 'Lab-Con' pact to keep the Alliance out". Britain United: The Time Has Come, Alliance Manifesto 1987.

[582] William Rodgers, 1983, op cit. P 356

thing. And so we had consistently and every single week, met, for a couple of hours like a little Cabinet really, together whoever was formal leader, discussed what our approach should be, talked about how we would deal with it, who would speak on it and so on. David abandoned those lunches, which had gone on every single week for the first six months before the party's existence, a year after and I think was very foolish because what immediately happened was that instead of being part of a collective leadership, he became part of a hierarchy where he was surrounded by a rather acolyte group and acolyte groups never tell you what's going wrong which is a tragedy really.

Barber: Is that how you would characterise the strategy of the SDP after 1983?

Williams: It became very much a David Owen strategy and he dominated it. He was brilliant in the House. I give him full credit. He kept the party's name before the public, he got huge amounts of publicity which was totally unjustified on the basis of three MPs, and it was a tremendous tour de force. But underneath that brilliant front the structure of carefully thinking through the party's policies over the whole range essentially lost out because he simply would not consult with anybody except people who were his subordinates. I think one of the important things about David is that he was trained in a discipline, in neurological surgery, which is a discipline where you accept orders without question or you give orders and they are not questioned. It's a very bad training for politics. He was simply not in the habit of consulting with people of equal weight to himself[584].

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[583] Britain United: The Time Has Come, Alliance Manifesto 1987.
[584] Interview with Shirley Williams, House of Lords, 10/7/02

With Owen at the helm, the party had some successes during the 1983-87 Parliament. Again, by-elections proved promising. A highly successful Party Political broadcast presented by John Cleese led to a surge in support for electoral reform. Despite the uneasy relationship between Owen and Steel, the Alliance held although by the time of the 1987 election, the strains were building up trouble for the rows which were to occur in the aftermath of electoral reality. Richard Holme recalls:

> I think if Owen had had any sense – and he didn't have any sense –if we had gone into the '87 election saying, 'we are engaged and we're going to get married', in my view we would have done three or four percent better. I think for the great majority of the SDP, if their leadership had said 'that's the way to go', there would have been no problem about it. On the ground our relationships were generally quite good... But the fact that it wasn't okay with the doctor meant that one of the games for journalists in that election became to find splits between Steel and Owen... There were clear tensions between them. David Steel is a pretty tough cookie but he was incredibly patient. It was like having a seriously bad marriage: moods, temper tantrums, storming out of meetings, going on all the time. So the story you were telling the electorate is 'here we are, band of brothers, great mission to liberate Britain'. When actually there were tensions in the real relationship... The tensions were a reflection not just of personalities but of strategy and it seriously impaired our ability to get that extra two or three

points, win some seats including the one I was fighting so I feel quite strongly about that. So the tensions about the future consumed far too much energy and began to show to the public.[585]

However, whatever the events of those years, the moment had passed. Realistically the SDP had but one shot at breaking the mould and that was the 1983 election. While they came so close in many ways, ultimately the strategy was flawed. Particularly given the optimism of the gang of four at the outset of the adventure, the experience of the SDP during those years 1983 – 1987 demonstrates the strategic rules for a centre party. The SDP had learned that as a centre force its strategy must be emergent and reactive, ever at the mercy of the actions of its larger opponents.

Merger, Disorder and the Abandonment of Equidistance

The 1987 general election demonstrated with some certainty that the SDP's ambitions to break the mould of British politics would not be accomplished. Almost immediately after polling, an open and protracted row about whether to merge the Alliance partners ensued. This very public merger battle appeared all the more bitter because of the disciplined image the SDP and Alliance had projected since 1981. Sykes appears to suggest that the merger battle grew directly out of the disappointment of the 1987 general election[586]. However, the Jenkinsite – Owenite differences had been present from the

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[585] Interview with Richard Holme, St James Square, 27/11/02
[586] Patricia Lee Sykes, 1990, op cit.

very beginning of the SDP's existence[587]. Owen's autocratic leadership, and an understanding amongst the Alliance partners of the potential damage, had suppressed the debate between 1983-1987. Whether the Alliance or indeed the merger was strategic remains a matter of conjecture as Williams recalls:

This is the issue upon which David Owen essentially led the rump SDP – that part that didn't vote for merger... Quite early on, by about '82/3 some of us thought that the merger at the grassroots level – because it happened a great deal between the local parties of Liberals and Social Democrats – was a good thing. The prime example was the county I had been most associated with, Cambridgeshire, where at the local level they simply formed a common party as each invited the other to sit in during the selection of local government and even Westminster candidates. In other parts of the country – particularly on the Pennines strip – where Labour and the Liberals had fought forever there was very little cooperation. So you actually got differences in different parts of the country. Southeast and west of the country far more cooperation than the north and, therefore, it wasn't a strategic point – I mean many of us saw it as strategic in that we thought we had a much better chance as a joint party but we also thought it made sense to have a joint party. The other issue which was much more hard nosed was that we came to the conclusion by 1985 and 6, that we would actually destroy each other. There

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[587] For an exploration of factionalism in the SDP, see Vincent McKee, 1996, op cit. Esp P275

weren't enough votes in the centre/centre left to sustain two new parties only one and it made no sense for us who were so close to be battling it out. This is where I think David [Owen] made his fundamental strategic mistake by actually convincing himself that you could have not only two parties, I think he really thought you would have one, but that would mean his party would destroy the Liberal party. We thought the Liberal party was considerably tougher than that, had deep roots in certain parts of the country and in any case, broadly speaking, most of its policies we agreed with. The differences between us and the Liberals wasn't one of policies, it was one of style I suppose you would say because we saw the Liberals – not David Steel but a lot of the party – as being unrealistic about power and not too anxious to take it on. Being, if you like, an oppositionist party by psyche and sentiment. That changed and above all it changed because of the successes in local government where Liberals as such, per se before the merger, began to take over substantial positions of responsibility – chairman of education committees, chairman of planning committees and so on – at a time when local government had much more power than it does today. And through that they learned, I think, the constraints of real responsibility and they became a very different party[588].

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[588] Interview with Shirley Williams, House of Lords, 10/7/02

The surfacing of the mergerites and an assertion of David Steel's leadership of the Liberal party led rapidly to the merger memorandum drawn up by Steel and supported by Jenkins, Williams and Rodgers. To this extent, the merger pressure, when it came, was a distinct revolt against Owen's leadership, a revolt, even the carefully created autocratic organisational design and culture could not arrest. This design that had once had the control of four but which latterly became the preserve of one man. As the parties merged, eventually calling themselves the Liberal Democrats[589], Owen, alone amongst the gang of four decided to continue the SDP as a centre party directly in competition with the Liberal Democrats. "David Owen's achievement is amazing," recorded Tony Benn in September 1987, "First of all, he tries to split the Labour party and fails, then he splits the SDP, and now he has split the Liberal Party and persuaded them to go out of existence."[590] The very public process of merging demonstrated a great deal of conflict, argument and emotion. In his resignation statement, Owen went so far as to clarify: "we are now deeply and predictably split with sincerely held views on both sides."[591] The sharp differentiation of view was perhaps because Owen had become affected by the political events of the era. He "always believed that a centre party should replace Labour with a non-socialist alternative to the Tories. He [thought] that much in Mrs Thatcher's revolution is praiseworthy and should be built on."[592] With such a start it is little wonder that the centre was struggling to maintain its position. The new party was in disorder and fell to

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[589] As the third party, the Liberal Democrats have not received the academic attention of their larger opponents. Two notable, generalist, books are Chris Cook, 1992, A Short History of the Liberal Party, Macmillan; Don MacIver (ed), 1996, The Liberal Democrats, Prentice Hall.
[590] Tony Benn, 1992, op cit. P 519
[591] See The Times, 8/8/87
[592] "A loveless marriage", The Economist, 6/2/88.

just 2% in some opinion polls[593]. In the 1989 European elections, the Liberal Democrats failed to win a single seat. The early years of Paddy Ashdown's leadership were dominated by battles for prominence with 'the doctor' particularly over foreign affairs, as Owen had been vocal over the Falklands and a former Foreign Secretary. Indeed, it took the Gulf War in 1990, a region in which Ashdown had served as a Marine, for him to gain the upper hand over Owen[594]. The party which fell into a state of strategic disorder rapidly benefited from Ashdown's militaristic leadership, explains Lord Holme who was responsible for drafting the 1992 manifesto and closely associated with the party strategy.

The first strategy was a tactic which was survival. People forget now, just how grim a state the merged party was in its first days and the horrors of coming behind the Greens in the European elections, the fact that money had dried up, morale was low. Paddy was the right leader for the right time in that sense. He's used to groups of wet, dirty Marines, early in the morning, landed on some foreign shore and you've got to say, 'come on guys. Get up, we've got a long way to march today'. He was very good at that. The first strategy, if I can call it that, was survival. First, second and third was just to make it through the night.[595]

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[593] For a full account of the merger see Crewe and King, 1995, op cit. Chapter 21.
[594] The Continuing SDP disbanded in June 1990.
[595] Interview with Richard Holme, St James Square, 27/11/02

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The Liberal Democrats failed to achieve the advantage of launch critical mass that characterised the beginnings of the SDP. Indeed, the shambles of the launch on 14th January being cancelled only to be re-scheduled for the next week was compounded by the Owenites wreaking a barrage of bad publicity on the merging organs. "Had it not been for the sad events of 1987 and 1988, a greater realignment would have taken place. That was the hammer blow to the enormous prospects before us."[596] There was none of the optimism that this new party might 'break the mould', as characterised the launch of the SDP. Interestingly, Ashdown's 'first move' was to proclaim the party's strategic aim of replacing Labour as the main opposition to the Tories[597]. Eventually, however, under Ashdown's leadership, the party abandoned the position of equidistance the Liberal Democrats held in the structure of party competition and so did not repeat the strategic error which dogged the progress of the SDP a decade before. The abandonment of equidistance was, perhaps, the single most important strategic decision taken by the Liberal Democrats in its short history.

The absurd fiction, perpetuated during the 1992 general election campaign[598], that the Liberal Democrats would be equally content in coalition with Labour or the Tories, should there be a hung parliament, was not only strategically

[596] Ian Wrigglesworth, 29/1/01, op cit.
[597] "Ashdown sets out", The Economist, 6/8/88
[598] The Liberal Democrat programme avoided discussing its preferred partner despite being heavily dominated by constitutional reform with PR at the centre. The changes proposed by the party had far more in common with Labour than the governing Conservatives. Changing Britain for good, Liberal Democrat Manifesto 1992. See also It's Time to get Britain Working Again, Labour Manifesto, 1992; The Best Future for Britain, Conservative Manifesto 1992.

damaging to the party, but blatantly unrealistic[599]. The progress Labour had

made under Kinnock, returning as a party of the mainstream, had brought

them closer to the centre ground favoured by the Liberal Democrats.

Meanwhile, Thatcher's legacy had been to create a dogmatic Conservative

party, unable to forgive itself for her ousting and where the cracks of

longevity in office were there to see. Almost immediately after the 1992

election, Ashdown delivered his speech at Chard in which he challenged his

party to accept cooperation with Labour in order that the Tories might be

defeated:

> For some in the Labour party, the answer is 'one more heave'. But
>
> that is not a strategy, it is a pipe dream. Labour can no longer win
>
> on their own. They are a drag on others who fight the
>
> Conservatives. They have now lost their historic role as the sole
>
> left-of-centre party capable of winning government and defeating
>
> the Conservatives....
>
> I have little sympathy with those who say that, having won back
>
> our position in politics, we can now be satisfied with being no more
>
> than a party of local government, or a test-bed for new political
>
> ideas....
>
> What is... in both our interest and that of the country, is to work
>
> with others to assemble the ideas around which a non-socialist

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[599] It is perhaps because the stance was unbelievable that the eventual abandonment of equidistance resulted in little change of policy. Also, as the then Liberal Democrat Director of Policy suggests, the "party's campaigning and policy wings have never been terribly well integrated, so us on the policy side just set out to determine policy from first principles." Duncan Brack, correspondence with author, 17/3/03.

alternative to the Conservatives can be constructed, with the Liberal Democrats at the centre of the process and the voting system as the starting point....

It is time for us to begin the second stage in our development, in which we use our strength to lead the political debate on to ground where the Conservative Government can be defeated at the next election, and bring to our country the fundamental reforms and changes to which this Party has always been committed.[600]

The speech is notable for it reflects the Liberal Democrats' introspection of being a constructive policy pursuing party, the values around which the mission is formed and a desire to move someway towards office seeking strategies. Paddy Ashdown's own assessment of his period at the helm of the Liberal Democrats is clear: "The best thing I did as leader was to abandon the policy of equidistance... Without that we would have become irrelevant."[601] Whilst the desire to alter the party's strategic stance had been in formal contention since Chard in 1992, the announcement that the party was to abandon equidistance did not occur until May of 1995, by which time, significantly, Tony Blair had replaced John Smith as Labour leader and the relationship between the two men had cemented. The period between Chard and the announcement saw an Ashdown charm offensive on his party's organisational culture, much of which was sceptical of Labour, although not one that engaged the party in the type of democratic decision making it might

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[600] Paddy Ashdown's *Chard Speech*, The Guildhall, Chard, Somerset, 9/5/92. Reproduced in Paddy Ashdown, 2000, op cit. pp 590-594.

have expected. For all of its genuine internal democracy, when the Liberal Democrats formed it took the constitutional structures of the SDP, placing strategic control in the hands of the formal leadership. Many colleagues in the Parliamentary party disapproved strongly of the plan when it became clear what their leader desired[602]. Nevertheless, Ashdown was determined to press ahead. In a letter to colleagues on 25th May, the Liberal Democrat leader retained a feisty attitude towards Labour. Indeed, Blair, who had seen an advance copy, was disappointed as to its clarity[603]. However, a dispassionate reading leaves little doubt about the direction he intended to lead the Liberal Democrats:

> Everyone knows that a vote for the Liberal Democrats is a vote to remove this Conservative Government. So it should surprise no one when we say that if the Conservatives lost their majority in Parliament and seek our support to continue in office, they will not receive it. People must know that if they kick the Tories out through the front door, we Liberal Democrats will not allow them to sneak in through the back. But our opposition to the Conservatives does not mean cosying up to Labour... Labour may be changing. But they still fail the crucial tests to be trusted with the Government of Britain...
>
> Liberal Democrats stand for a more co-operative approach to politics... We will work with others [where we] agree and if it is in

[601] Paddy Ashdown speaking at *Politicos,* 1/11/00
[602] See for instance meeting of the PPM 10/5/95, Paddy Ashdown, 2000, op cit. P318.

the interests of those we represent. And the more [we] agree, the more we can work together.[604]

The arrival of Tony Blair as Labour leader in 1994 presented the Liberal Democrats with similar strategic choices to those faced by David Steel's Liberals upon the creation of the SDP in 1981. The difference here, however, was that the Labour party could easily have squeezed the Liberal Democrats out of contention. New Labour's desire to occupy the centre ground, appealing across the spectrum of support traditionally the preserve of not only the Liberal Democrats but the more moderate wing of the Conservatives, posed a serious threat to the party. The traditional recipient of the Tory protest vote or the disgruntled Conservative supporter, fearful of Labour, the Lib Dems might have become an irrelevance as Blair's new look party appealed directly to the middle class voters it had so long spurned. The opportunities to achieve the strategic vision set out at Chard, however, had rarely been greater. Lord Holme ran the Liberal Democrats 1997 election campaign, a responsibility he had held since 1993.

We were feeling pretty up by 1992 because we were able to play against the Labour party which still had its troubles and a Tory party beginning to be unpopular. We had to flirt with the idea of coalition. We abandoned equidistance because it was clear the

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[603] See diary entry 25/5/95. Ibid. P 321. The letter had also been leaked to Nick Jones of the BBC.
[604] Paddy Ashdown's letter to Parliamentary colleagues abandoning equidistance, 25/5/95, Reproduced in Paddy Ashdown, 2000, op cit. pp 595-597

place to be was against the Tories because of the twilight of Thatcher. It was simply incredible, given the party's left of centre positioning and good relationship with John Smith – John once said to me, 'if the price of a deal is PR, then no problem but we don't do a deal unless we have to do a deal'. So we knew where we were... Abandonment of equidistance was implicit in 1992. We had hinted at it... When Blair became leader, Paddy was quite rightly worried that this was the final consummation of Labour's re-legitimisation. The notion that we were the insurance policy because you couldn't trust Labour became a more difficult contention because it obviously didn't work. Then we moved through to the '97 election which I ran, what we were trying to build up to was the notion of 'what would you prefer, a Labour government or a Lib – Lab government'. Once Blair was firmly in the seat, he and Paddy began talking. During the 1997 election, Peter Mandelson and I spoke almost every day and we worked out the essential dynamics of the British election system which was two parties against one. One is wrong and the two are right. Although we agreed to differ on a few issues, in effect we were fighting a concerted campaign and I think we had a good campaign. The interesting thing was that we were doing in lock step in a way because the thing was to get rid of the Tories...We identified day to day what to get them on.[605]

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[605] Interview with Richard Holme, St James Square, 27/11/02

Since the war, the Liberal party has been a highly successful 'constructive policy pursuing' party. Despite its proclamations, it has not entered successive general elections as a party which lives or dies by its ability to occupy office. Indeed, leader Charles Kennedy was refreshingly candid during the 2001 campaign when he admitted that he "didn't expect the Liberal Democrats to win – sharp intake of breath."[606] A longer-term strategy it might be to reach a position from which it is possible to form a government, but the party – long anti-establishment in its instincts – has been a liberal check on the executive and a generator of progressive thinking. What occurred in the build up to 1997 is therefore important in understanding the party's strategy at that juncture. In terms of organisational culture, this was a strategy which was formed and implemented very much from the top, without reference to the wider party – despite the charm offensive. Ashdown admits he bounced his party[607]. His detailed diaries show the extent to which secret discussions directly with Blair had been occurring since before Blair became leader. Few, even of his close colleagues, knew the extent to which his conversations with the Labour leader had turned to questions of 'the project'. Indeed, Ashdown used the loyalty of his party members to follow a strategy that was contrary to the better judgement of most. That before the election Ashdown and Blair had turned to thoughts of coalition government, even with an anticipated Labour majority, meant that the Liberal Democrat strategy for that period between the abandonment of equidistance and the 1997 election was one with at least some serious office seeking, and even vote maximising,

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[606] Charles Kennedy repeated this speaking at Commonwealth Club, 11/2/02.
[607] Paddy Ashdown speaking at *Politicos*, 1/11/01

motives[608]. A close adviser to Paddy Ashdown and involved in the talks with Blair, Lord Holme gives the inside account of these ambitions.

They twice nearly formed a coalition. The first time on the morning after the 1997 election. Blair's firm expectation had been that if they had a majority of fifty or less they would form a coalition with us. We had that worked out, how to do it. He was staggered by the extent of the Labour victory and what we hadn't come entirely clean on was that if we got a lot of seats, Labour would get a lot of seats. The only way the Lib Dems would be powerful enough to be a coalitionable partner would be if Labour got a big majority and they hadn't worked that out for themselves. On the morning after the election, Tony and Paddy spoke and it was quite apparent that the Downing Street machine had closed around him... I have to say at that point, Roy, Paddy and I were talking and I said, 'I don't know how on earth you would explain to the public forming a coalition now. What possible explanation would you have with a bloody great Labour majority? What's it for?' Roy was for doing it whatever... In the event the call didn't come, it was academic. A couple of years later when we had a complete plan, we had the Jenkins commission, Tony couldn't deliver enough on PR because his colleagues wouldn't let him.[609]

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[608] See Steve Richards, "Comments on the possibility of Lib Dem Paddy Ashdown being given a post in Tony Blair's Labour cabinet", in New Statesman, 21/2/97
[609] Interview with Richard Holme, St James Square, 27/11/02.

Before the 1992 election Ashdown had proffered that his party's "long-term prospects are... better served by a fourth Labour defeat."[610] In April 1992, in the wake of the general election and that fourth Labour defeat, he drafted his regular 'Position Paper'. In it, the Liberal Democrat leader expressed his wish for a debate about the realignment of the left. As Jenkins had noted, to realign it is first necessary to have someone with whom to realign. Labour's fourth successive defeat provided the best opportunity for the centre since the Limehouse Declaration a decade before. His new strategy would include working "actively to establish... a broad intellectual front capable of producing an electable alternative to Conservatism", and, "abandon[ing] the pretence of equidistance and revert to the position we adopted during Mrs Thatcher's time in office of being specifically an anti-Tory party committed, in the first place, to their removal at the next election."[611] The result of the re-positioning and the re-uniting of the centre and centre left for the first time presented the Liberal Democrats with their best result in terms of seats (though without increasing the share of the vote compared to 1992) since 1929 [612].

Barber: You predicted the Liberal Democrat breakthrough in 1997 when Ashdown had abandoned equidistance and moved closer to Labour. Do you think the party gain as much as it could from that strategy?

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[610] Liberal Democrat Position Paper 3 January 1992, reproduced in Ashdown 2000, op cit P570

[611] Liberal Democrat Position Paper, April 1992: The Post General Election Position of the Parties, reproduced in Ibid. P 573-576. In fact, the position Ashdown described during the Thatcher years was never as pronounced as he suggests and rarely extended to a distinctly anti-Tory position in the sense that the build up to 1997 represented.

[612] Much has been written about the importance of tactical voting. See Butler and Kavanagh, 1997, op cit.

Williams: Yes I think it gained a hell of a lot from that. There was a difference between Paddy and me. I thought there was absolutely no point in our becoming coalition partners with Labour, unless Labour had a nil majority. Once it was clear what Labour's majority was going to be, I thought that was a foolish strategy because I had been in the Cabinet long enough to know that if you're a middle ranking minister, which is the most any Liberal Democrat would have been offered, you don't have a great deal of influence and above all not in a Labour government dominated entirely by two figures: Blair and Brown. So they would have been like Stephen Byers. They might have imagined they had influence; they would not have done. They might kid themselves. And I had quite a sharp difference of opinion with Paddy about that when immediately after the election he was discussing whether to, as it were, move in with Labour or not. I thought once it was clear that Labour was not going to be in any way dependent upon us – as it is in Scotland for example, it has to listen to us because it is in the end dependent on us – but it just wasn't true after '97. So we would simply have been bolted on and lost the voice and independence of the party and I'm very glad that in the end it didn't work out [613].

The strategic stance adopted in 1997[614] illustrates once again the ambitions centre party leaders hold for their organisation. It also illustrates the continuing need to react to the strategic and tactical positioning of the other main parties.

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[613] Interview with Shirley Williams, House of Lords, 10/7/02
[614] The 1997 programme is notable in that it did not repeat the 1992 position of centring on electoral reform. The policy platform complemented Labour's, yet there was not one mention of New Labour. For that matter, the Tories only received a passing comment on their 18 years of failure. make the difference, Liberal Democrat Manifesto 1997.

Constructive to Effective Opposition, Clarke and the Strategy not to Split

Labour's landslide in 1997 and mulish members of Blair's first Cabinet made coalition with the Liberal Democrats impossible[615]. Nevertheless, coalition discussions between Blair and Ashdown continued until the latter's resignation as party leader in 1999. Instead, an initially momentous but latterly ineffective Joint Cabinet Committee was formed. Ashdown's 'constructive opposition' contrasted favourably with Tory disorder and with this return of policy pursuit, many aspects of Liberal Democrat long-term policy objectives were met, including devolution, reform (of sorts) of the Upper House and electoral reform for European elections. The progress fell short of the Holy Grail for the centre, and long promised by Tony Blair, electoral reform for Westminster. As a strategy, 'constructive opposition' was only ever going to enjoy a limited shelf life. The strategy could prosper only while prospects for electoral reform and coalition held out possibilities, while the young government remained popular and delivered on the joint agenda, and while the next election seemed a distant event. By the time of the 2001 general election and the replacement of Ashdown with Charles Kennedy, Liberal Democrats interests were now best served by another Conservative defeat and the continuing wranglings within the Tory party presented an opportunity for the centre party to be perceived as the 'effective opposition'. Demonstrating a degree of 'emergent strategy', effective opposition would become a strategic stance both during the election campaign and into the

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[615] See Andrew Rawnsley, 2000, op cit. P 206

new Parliament. Kennedy had long favoured this strategy, and had proposed

it in place of 'constructive opposition' at a meeting of the Liberal Democrat

Parliamentary Party as early as July 1997.

> In the pre-lunch session Charles Kennedy said he thought the aim
> of the Party now should be to replace the Tories as Her Majesty's
> official Opposition. This statement was greeted by some cheering
> and clapping. But it is, of course, nonsense, as Charles surely
> knows. We can borrow votes and even win defectors from the
> Tories while they are being so awful. But such people will return
> home when the Tories come back to the centre ground. There will
> always be a right-wing party in Britain and it can never be the
> Liberal Democrats.[616]

The Liberal Democrats were only able to seek such a strategy because the

Conservatives in opposition had not only continued their process of disorder,

but had also been purloined by the right.

> Barber: Upon winning the leadership of the Liberal Democrats you
> rapidly altered the strategy from constructive to effective
> opposition. Was constructive opposition unsustainable over the
> course of the Parliament?

> Kennedy: No, not necessarily. The basic points of difference were
> that by the time Paddy had given up the leadership it was quite
> clear that in the final years he and Blair had signed this potential
> widening of the Joint Cabinet Committee and then, rather like the

Dangerous Dogs Act, nothing happened, and there was a terrific curfuffle about this internally but as a matter of fact it was an argument not worth having because nothing came of it. Nothing came of it because, by then, the appetite internally had substantially run out and in the absence of Blair being able to give anything more in terms of constitutional reform, when I became leader, there were one or two issues hovering in the in-tray but there were things there was not going to be much movement about, at that point: House of Lords reform second stage, looking at PR for local government and so on. Blair was quite keen for joint cooperation to continue through the JCC, but every time we looked at a potential agenda, frankly there wasn't anything to have a meeting about. Without wanting to fall out over the issue, either on a personal level or a professional level, we took the view that the easiest thing was just to park the JCC. It also enabled me, as a new leader getting my feet under the table, to slowly – and this took a year, a year and a half in terms of extended political interviews with the Dimblebys of this world. These were bedevilled by endless questions over 'is the JCC going to meet? If it is going to meet, what's it going to discuss? If it's not meeting, why is it not meeting? When did you last talk to the Prime Minister? How close are you to the Labour government this week?' And no chance to talk about the Lib Dems which is obviously what we needed to do, So it really was a product of that. I think the tone of voice in opposition remained constructive; in fact a lot of people would say that I'm a lot less antagonistic in the House, my personal manner, than probably Paddy was even when he was being at his most supportive for some of the things the government was doing. Gradually that evolved into more effective opposition and particularly as William Hague's leadership was running into more difficulty and then what has followed since, effective opposition began to take on a different hue to it because it meant that the

616 Paddy Ashdown, 2001, op cit. P71

Conservatives were not going to be effective. Those are the amalgam of reasons the transition took place.

Barber: So it is a strategy that emerged, rather than sitting down and deciding 'we're going to change the strategy for this current environment'?

Kennedy: I think it was quite clear that a new leader coming into the job and seeing the degree of unease and the approaching general election and everybody writing at that point, 'they're bound to lose half these seats they won last time round, flash in the pan', that I needed to be distinctive and that our position needed to be distinctive. But that also conformed with the way events were developing anyway so it was a bit of both if you like.

Barber: Would you have attempted that change had the Tories been in a fitter state than it is or was then and remains?

Kennedy: It's difficult to know. I suppose the only time it was put to the test before the general election was the Romsey by-election and at that point one of the salient issues was asylum and immigration and we spoke out very strongly against William at the time. A lot of people said 'this isn't going to help trying win a seat in unlikely circumstances like Romsey'. That certainly changed the mood internally because it emboldened a lot of people more down that particular route.[617]

Like so many sound strategies which appear as a seamless progression when studied as a history, the transformation from constructive to effective opposition was an emergent strategy. It was a strategy which emerged both because of the natural conclusion of joint initiatives with Labour and as a

reactive strategy to the disorder in the Conservative party, now in opposition, disunited, with a depleted parliamentary presence and shifted to the right.

To be rejected in two consecutive leadership elections, Kenneth Clarke and his followers' hopes for a return to the Conservative mainstream (specifically in relation to Europe) had been impeded. For a time it seemed possible that Clarke might lead a defection from the Tories, with the event being Europe. Like the SDP twenty years before, and for the same reasons, such a centre force would have incorporated alliance with the Liberal Democrats as part of its strategy. Dependent on one man, the break-away would have been 'office seeking' in that it is this that would have motivated Clarke personally as his last chance to reach Number Ten. In a public sense, the body would have been 'policy pursuing' in that the cause which would have bound the breakaway coalition and the 'alliance', is that of Europe. It is this that would have informed its mission.

The history of the most recent 'Liberal Tory' faction can be traced to the rightward shift in the Conservative party after 1997 and its more hostile attitude to Europe. It is also something that is not covered elsewhere in the literature. As former Conservative MP Robert Rhodes-James pointed out to Ashdown in June 1997, his wing of the Tory party had "three options: 1. To stay on and fight a 'lost cause' within the Tory Party; 2. To 'do an SDP' and start their own party; 3. To join another party, preferably the Lib Dems."[618] Significantly, two Conservative MEPs, Brendan Donnelly and John Stevens,

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[617] Interview with Charles Kennedy, House of Commons, 5/12/02

became increasingly perturbed by their party with that perturbation centring around that single issue so damaging to the Tories. Donnelly recalls:

Europe principally but I think Europe was typical of a wider movement within the Conservative party. It was clear to me that the Conservative party was manoeuvring itself into a position where the logical conclusion to its intellectual approach to the European Union was that we should leave the European Union. The obsession with national sovereignty, the effective refusal to consider joining the Euro for any foreseeable future, the brutally unfair and demagogic attacks on everything that came from Brussels...I also thought this was accompanied by a more general move to the Right which in fact found its fruition in William Hague rather than in John Major...Margaret Thatcher's endorsing of Pinochet, the flirting with racist rhetoric... seemed to me to be a renunciation of everything the Conservative party was meant to stand for in the way of an ordered society. The contradictions of Thatcherism which I always took to be the contradictions between extreme social conservatism and extreme economic liberalism to be coming home to roost towards the end of my time in the Conservative party and shortly after I left it.[619]

The pro-European left of the Tory party was certainly unhappy and the formation of a break-away group, known as the Pro-Euro Conservative party

[618] Paddy Ashdown, 2001, op cit. P 48

and led by Stevens and Donnelly, gathered a degree of momentum with MEPs, former MPs and other party members. Stevens later recorded that it "was obvious to us that the battle for the euro and for Britain as a European nation, could only be won and the victory made to stick, if the Tory party could be made to split."[620] The Pro-Euro Conservative party was formed with "encouragement from the highest quarters of pro-European Conservatism"[621]. However, it failed to attract the big names and there remains some conjecture as to whether the formation of the party if intended as an organisation for Clarke to step into, was created out of that understanding with the man himself.

Barber: When you decided to create a new party, what strategy did you form?

Donnelly: It was our hope, our belief, that in the same way as the Referendum party and its relationships with the eurosceptics in the Conservative party had been a vehicle, if you like a Trojan Horse, for disunity and the staking out of a position within the Conservative party, that we would do the same. And that essentially was our calculation; that we couldn't imagine that having seen how the Conservative party was yanked in an anti Europe direction by Redwood and his friends that Clarke and Heseltine would not be wanting to employ similar tactics to redress the balance. It was our view that though probably reluctant to tell us that until it happened but we thought that (a) it was politically appropriate for us to try and make it happen, and (b) I also thought it morally inappropriate that pro European Conservatives

[619] Interview with Brendan Donnelly, East Finchley, 16/6/02
[620] John Stevens, "Why I ditched the Tories in favour of the Lib Dems", The Reformer, Spring 2002.

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should die with a whimper rather than at least the attempt at a bang.

Barber: To what extent was the pro Euro Conservative party formed, with its strategy, as an attempt to provide a vehicle for Clarke and Heseltine?

Donnelly: It was certainly a vehicle for pro European Conservatives. It wasn't our view that everyone who was a pro European Conservative would join us. But it was our hope that there could be parallel activity in a similar way to how there had been collaboration between the eurosceptics who had remained in the Conservative party and the Referendum party.

Barber: Was Clarke involved in setting up the party?

Donnelly: He wasn't directly involved. But it is true to say that on some occasions when John [Stevens] saw him, John got the impression he was giving us a nod and a wink.... It is my assessment that if we had developed a momentum, it would have been much more likely that he should join us. Partly because he didn't join us, we didn't develop such a momentum, it was easier for him to say 'nothing to do with me guv'.[622]

Whilst Donnelly had no contact with the Liberal Democrat leadership, Stevens had. At lunch on 28th September 1997 during the Pontignano Conference in Siena, Paddy Ashdown,

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[621] Ibid.
[622] Interview with Brendan Donnelly, East Finchley, 16/6/02

had a long chat with the Tory MEP John Stevens, after which he

suggested a walk in the monastery gardens. Here he told me that

he and others wanted to launch a centre right breakaway from the

Tories. (They didn't want to join us.) I asked how would they, and

in particular Kenneth Clarke, react to an early referendum on

monetary union? He said that Clarke would, of course, join the

other pro-European Tories on the 'Yes' campaign and afterwards, if

there was PR, break away from the Tories and lead such a centre

right grouping. But he would do so only if there was PR at

Westminster, as this would guarantee their survival. I asked

Stevens specifically if he was passing on this message directly from

Clarke. He said he was.[623]

It seems unlikely that Stevens was being dishonest with Ashdown but that in

Clarke's own circles, as with Jenkins before the launch of the SDP, more than

one political game was being played. Clarke was "keeping his options

open"[624].

The scene had been gradually established. Conspicuously, Clarke had begun

speak complementarily of the Liberal Democrats. Writing in *The Guardian*,

Peter Preston quotes: "'If we still seem unelectable at the next election,' Ken

says, timbers shivering, 'people will look for an alternative government. If the

Liberal Democrats conduct themselves as a serious party of opposition and

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[623] Paddy Ashdown, 2001, op cit. P95 - 96. Ashdown footnotes: "I have since checked this with Kenneth Clarke, who categorically denies this - a truth which becomes obvious later on." P96n

we carry on drifting to the right, they will at last have a very good opportunity.'"[625] What is more, the Liberal Democrats reproduced the article on their web site. Kennedy, for his part, pronounced publicly, "Ken Clarke I like"[626], after insulting all other 2001 Tory leadership candidates. The Liberal Democrats quiet withdrawal from the Cabinet Committee Ashdown had established with Blair's government in 1997 paved the way for the 'effective opposition' strategy and would have removed a hurdle for the Clarkites.

The logic of such an alliance is immediately appealing. When the SDP Liberal Alliance was launched, it in part sought to triumph in Labour seats but found that it only really succeeded in ousting Conservatives. The Alliance, of course, consisted of a Liberal party with eleven MPs and the right wing of the Labour party. Given what the SDP Liberal Alliance can explain about the prospects of a centre force, it is easy to imagine the electoral attractiveness of a new 'Alliance'. A Liberal Democrat party with more MPs (fifty two) than at any time since the 1920s, a party that had benefited from tactical voting to remove Tory MPs in two consecutive general elections. Imagine this party in alliance with the left wing of the Conservative party, containing some of the best known and respected political figures of their generation. An alliance, also, of Clarke and Kennedy, two 'telegenic' and voter friendly politicians whose style and respective ages would make the partnership as equanimous as that between Jenkins and Steel. Such an alliance would have proven

[624] Interview with Brendan Donnelly, East Finchley, 16/6/02
[625] Peter Preston, "Kennedy for PM. The Tories could make it happen", The Guardian, 27/8/01
[626] Charles Kennedy, speaking at Centre for Reform Annual Lecture, 16/7/01, Portcullis House, London. Clarke was later to be one of only ten Tory MPs to vote for a Labour

attractive to those most likely to vote for the centre: moderate former Tory voters. The split was not to be.

> We thought Hague's approach to the euro in particular but also more generally, the rightwing shift in Conservative politics would make Clarke's position unsustainable... The thesis that Clarke's position in the Conservative party was unsustainable was tested to destruction: to some extent to his destruction, but also to some extent to our party's destruction.[627]

Speaking to Stevens in February / March 2001, Clarke indicated that he had resolved to 'back Portillo' and remain in his party[628]. The dissolution of the Pro-Euro Conservative Party in December 2001, the organisation which Clarke could have stepped into, signalled an end to the prospect many would consider fanciful. The members of the Pro-Euro Tories were welcomed enthusiastically into the Liberal Democrats,[629] a party that had shifted strategic ground subtly under Kennedy's leadership. As Donnelly points out: "It made it easier for us to join the Liberal Democrats the fact that there was clearly a cooling of the relationship between the Liberal Democrats and the Labour party."[630]

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backbench and Liberal Democrat supported amendment designed to prevent Tony Blair from committing troops to Iraq. The vote took place 18/3/03.
[627] Interview with Brendan Donnelly, East Finchley, 16/6/02
[628] Interview with Brendan Donnelly, East Finchley, 16/6/02
[629] The intention to join the Liberal Democrats was announced in a newspaper article. The Independent, 10/12/01.
[630] Interview with Brendan Donnelly, East Finchley, 16/6/02

The establishment of the 'Peel Group' within the Liberal Democrats in 2002, a body set up to woo malcontent Tories, appeared as an emergent strategy, and a signalling strategy, moving from the likelihood of a new party to one of defections. The prospect of a referendum on the Euro sharpened the instinct here with the prospect of a moderate centre 'Yes' campaign comprising of the government, Liberal Democrats and respected Tories such as Clarke and Heseltine, ranged against the Conservative front bench 'No' campaign of "the blinkered, the boring and the barking."[631] What the period since Kennedy's instillation as Liberal Democrat leader showed is that the party was receptive to office seeking opportunities[632]. The extent of its willingness to shift positions radically in order to achieve a breakthrough is questionable however as is illustrated by this exchange with Shirley Williams, latterly Baroness Williams, the Liberal Democrat leader in the House of Lords:

Barber: Charles Kennedy's strategy as leader shifted from constructive to effective opposition.

Williams: Although its not quite equidistant I think Charles would say that on a whole range of policies we would find ourselves somewhat closer to Labour and as critics, we are critics on the radical end not the conservative end. I think, however, it's quite clear that Charles does not entertain thoughts of a coalition with Labour at Westminster level. I mean he's perfectly happy, and we all are, with the Scottish and Welsh and London arrangements, but that's rather a different ball game. We are not tied to government

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[631] Charles Kennedy speaking at Commonwealth Club, 11/2/02. In the event the referendum did not occur at this time.

[632] Indeed, by 2001 the party was able to point to achievements in office in Scotland providing the plans will more weight than previously possible. Freedom, Justice, Honesty, Liberal Democrat Manifesto 2001.

policy and therefore unable to criticise it. So in some ways, he's restored the concept of a formal opposition from Paddy's opposition from the left-centre corner.

Barber: His strategy is one of eventually replacing the Tories rather than the SDP's strategy of replacing Labour?

Williams: No I don't think that's right. I think it more true to say that he believes that we are moving towards a system where the Westminster first past the post model will be so much eroded by PR in all the other substantial bodies – I mean we are going to get PR probably in every regional assembly in Britain, PR is the form in Scotland, Wales, London, European elections and probably for the House of Lords although we'll have a battle there. I think what he believes, and so do I, is that single first past the post will be eroded to the point where it simply cannot any longer be sustained and that means that actually we will be looking at something that the Lib Dems have always believed in which is a multi-party rather than a confrontational two party system. Because we've hung on this long and steadily improved our position, we've hung on against as it were, no PR, but that makes it more and more difficult to argue the case for first past the post. It's so evidently unfair when you can pick up twenty percent consistently of the electorate and I think it will go. I'll be quite honest with you since I'm quite hard nosed, it will go the minute that a government is elected with a small majority[633].

The period also demonstrates clearly that the centre is dependent on the actions of the larger parties. With a Labour party in government becoming increasingly authoritarian and a Conservative party in opposition still dominated by the right, a rational view for a libertarian party, increased in

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[633] Interview with Shirley Williams, House of Lords, 10/7/02

size in the Commons, would be to fill the role of moderate opposition. This was particularly pertinent when, in the aftermath of the 2001 election "the Tories, after another shattering defeat, had to reinvent themselves, the Lib Dems at least had a more or less credible centre-left critique of New Labour ready to roll."[634] No longer with any prospect of coalition, the Liberal Democrats pursued two strands of strategy. Effective opposition can be seen as rational, almost office seeking in its relationship with the Conservative party (where it was willing to attack them on almost anything); whilst, simultaneously, policy pursuing in its cajoling of the Labour party in government and indeed in coalition in the devolved institutions of Scotland and Wales (where it would attack only when seeking change). In the latter category, Kennedy pointed to Transport, Health, Civil Liberties and Lords Reform where his party claimed to have acted as 'effective opposition'[635]. Viewing the strategy of the centre over the period since the launch of the SDP, it remains unclear if Liberal Democrats were entirely comfortable with the logic of its strategic positioning. This is a point which was put to Kennedy:

> Barber: When the SDP was launched, it had an unrefined strategy
> of replacing Labour but eventually found its support was in Tory
> seats. When the Liberal Democrats was formed, Ashdown initially
> spoke again of replacing Labour but rapidly became closer to Blair
> and abandoned equidistance. The strategy now is clearly offensive
> to the Tories in their heartland seats. Has the party now settled on
> what will be a long-term strategy to replace Conservatives?

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[634] "Time for a little Ginger", Bagehot column, The Economist, 11/5/02
[635] Charles Kennedy speaking at Commonwealth Club, 11/2/02. It was in this speech that he set out what he meant by 'effective opposition'.

Kennedy: No, I wouldn't say so exactly. I think obviously the Conservatives are in a much more vulnerable position than they have been in most people's lifetime and that our position is significantly better but I think the strategy now is still to try and fashion an approach and an appeal for the Liberal Democrats which doesn't try to compete for x Tory votes or x Labour votes but just competes for votes. Therefore the policy positions we are taking... has its resonance with people who have voted Labour in the past and are disappointed, disenchanted with what Labour is delivering or not delivering, or people who voted Conservative but who don't see their previous party allegiance as offering a coherent form of expression in opposition politics to an over mighty government. I would keep it on a much more limited but positive basis. I'm convinced we do better, the more we spend valuable time we get on the airways talking about us than we do too much worrying about positioning relative to other parties because I'm not convinced people think in that way any longer.

Barber: That's reflective of what you have said: 'The strategic success in 2001 meant that the Liberal Democrats were able to win seats as diverse as Guildford and Chesterfield'. There is a debate, particularly in academic circles about how the party positions itself. Whether it goes left of centre to squeeze the Labour vote in Tory seats, whether it needs to occupy ground abandoned by the Conservatives or indeed whether it should attack the Labour government in the hope of attracting both disaffected votes from either party. How will you tackle that dilemma?

Kennedy: I think that these kind of considerations really are too academic for their own good in some ways because I don't think life is like that for most people and it doesn't matter whether you're in Chesterfield or Guildford, your perceptions will be largely formed

by what you see locally and what you see nationally. What you've got to try and do is give a positive communication at both levels. At a local level in Chesterfield it might mean taking on the legacy of a Labour party that had been in municipal power for a long time or in Guilford taking on the Conservatives and saying 'look there's still a lot of damage here locally on issues like the Health service, waste incineration or whatever was going on in that particular seat. But it's not so much about going for this niche or that niche because I just don't think people see themselves in niche politics. It's a buyers' market out there. We've got to be fleet of foot without compromising principles to take advantage of it.

Barber: Thinking about that strategy you have described, one that approaches the electorate rather than as a positioning, approaches by offering a distinct set of beliefs, I suppose, the centre party vote has all too often been shifting, picking up the votes of whichever of the other two parties is out of favour. How or will this prolonged strategy deepen the party's core support?

Kennedy: I think the core support is the significant factor here. I was never of the view, to the extent that Paddy was, that there is an irreducible core Conservative vote, come hell or high water, of about thirty percent. I think there might be one nearer twenty percent in line with most other Continental European countries, but not thirty percent. Equally our core vote as we speak, seems to be solidifying at about twenty percent and again if you look at the run of polls of late, it's significant the Conservatives can't really break through the thirty percent barrier much, they only got thirty two at the general election which was a disaster for them, in terms of the voting system in terms of the outcome. Equally and clearly, we would be running into a general election tomorrow on the basis of about twenty. If you have a position where there is significantly less distance between ourselves and the Conservatives than there

is between the Conservatives and Labour, that changes the rules of engagement quite considerably and that's what we could be looking at. We'll only solidify that core and extend it, if we keep on, day in day out, talking about our approach to the fire strike, our approach to top up fees, our approach to Iraq, whatever it might be, rather than wasting too much time about the other two because people will work out that plot for themselves. I think the evidence is increasingly they are.

Barber: Taking that one step further. Support is now the strongest it has been at this point in a Parliament for maybe twenty years, over the last two elections, additional seats have been won without a really significant rise in the Liberal Democrat share of the vote. As you approach to future elections, what is the strategic priority? Is it increasing numbers of seats or challenging the Conservative party on its core share of the vote?

Kennedy: I think at this stage in this parliament and this might well develop as the parliament goes on, and that will be dependant on events outside of our control, we just have to keep working at a strategy which is to increase the national share of the vote but also with it to increase the number of seats. At some point the focussed or targeted strategy, which has delivered even more seats on a declining share of the vote never mind a few more on a slightly improved share of the vote, that begins to run out. What Chris Rennard would describe as 'the ground war' has to give way to 'the air war'. Then you're more into fighting an election like the SDP or the Alliance, which is that you have an overall strategy that is a national strategy but you've got more on the ground that can deliver.[636]

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[636] Interview with Charles Kennedy, House of Commons, 5/12/02

Nevertheless, this dual strategic position, as with constructive opposition before it, was viewed as unsustainable if the party wished to effect a breakthrough. That the party accommodates opposite facing strategies particularly on a local level as MPs and Councillors fight seats against Labour and Conservative opponents respectively, does not matter so long as that party only intends to improve its position piecemeal. For Donnelly, who became responsible for policy development in the Peel Group, the Liberal Democrats remained perhaps, "more relaxed about this idea of political heterogeneity than I think you can afford to be if you want to be a leading political party in this country."[637] For some, the Liberal Democrats' strategy was not nearly aggressive enough in its attitude towards the Tory party. With the Conservatives' shift to the right and the self made anti Tory coalition still holding in the country, there had never seemed a greater opportunity to capitalise on the centre's appeal. Donnelly continues:

> We have to be able to say to those people who used to vote Conservative, 'we are occupying quite a lot of the ground that your party has abandoned'. There are a lot of people in the Liberal Democrat party who will find that quite difficult to do for various reasons, not least because quite a lot of them think of themselves as being a centre left party. I'm quite sure that as long as leading Liberal Democrats use the phrase 'centre left' to describe their party that will be an enormous block of concrete round the ability of the Liberal Democrats to replace the Conservative party... The

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[637] Interview with Brendan Donnelly, East Finchley, 16/6/02

Peel group and its members would be arguing along the lines of saying that the Liberal Democrats have gone as far as they can along the tactical line of doing well in this by-election, doing well in that council election, doing a bit better in the general election than people thought. If they are to make a breakthrough next time round, there has to be a strategic choice. We think the only strategic choice is that of presenting yourself as a centre party which is largely standing on the ground that the Conservative party has abandoned. That will require personalities and it will require a row in the Liberal Democrats that is quite clear to me. If you look at the seats that the Liberal Democrats hold, they hold them against Conservatives. And if you are really going to go beyond that tranche that you hold at the moment, you must make inroads into the fat Conservative seats like John Redwood's[638].

One further aspect to the Liberal Democrat strategy under Kennedy should not be overlooked. Kennedy's reputation as 'chat show Charlie' reaped dividends for the party during a period where the electorate was generally apathetic to the political process. By appealing, as he announced he would before the 2001 poll, to the anti-political feeling in Britain, Kennedy's Liberal Democrats became the natural recipient for those votes. Votes that in different circumstances might have found their way to Conservative candidates. The Liberal Democrats understood early on that Westminster, the favoured ground of Hague's Tories, had

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[638] Interview with Brendan Donnelly, East Finchley, 16/6/02

become marginalized in favour of the high street politics Liberals and Liberal Democrats have championed for many years.[639]

The 'post script' to this suggestion is the question over war with Iraq which gained momentum as a political issue at the beginning of 2003. As the only party leader to oppose war, at least in the absence of a clear United Nations mandate, Kennedy appealed directly to the great mass of public opinion which also opposed war. However, his reluctance to continue the campaign after hostilities commenced, led to criticism by his opponents. The political fall-out ot war, across all parties, remains to be seen.

Centre Strategy

What the experience of the SDP demonstrated to the 'centre' of British politics is that their strategy, more so than that of the two larger parties, must be flexible and have the ability to be 'emergent'. Centre party strategy is so often reactive to what one or other of the main parties is doing. Save for some exceptions, it is far more difficult for the centre to agenda set. One exception here is the Liberal Democrat handling of the 2001 general election campaign where leader Charles Kennedy successfully transformed his party's media image from the 'post script.' of the past to a positive report of what the party was saying that day. By using the reporting rules to their full advantage, the Liberal Democrats were able to pursue an agenda significantly

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[639] Peter Oborne, "There has been a paradigm shift in politics, but only the Lib Dems seem to understand the new rules", The Spectator, 2/2/02.

separate to that set by their larger rivals. Kennedy explains how this proved successful:

It was possible I think because events rather conspired in our favour on one level in that you had an assumption that it didn't look at any point as if the Labour party were about to lose the general election. I mean Blair didn't look like a loser and even if he had gone out and said 'don't vote for me,' for a month, he would probably still have had a majority of three figures. So you had a sense of something of a foregone conclusion in the overall outcome. Therefore, the sub plot becomes more interesting and the sub plot is we're assuming the Lib Dems shrink again and the Conservatives come back a bit but nowhere near enough. Although we fought the national campaign, we actually gave a great deal of focus to regional campaigning, using the regional footprint of the media. Therefore, a lot of the metropolitan journalists and commentators missed a large part of the story. We felt it was going quite good and who knows? the outcome may have been even more dramatic. In many respects, probably the next election will be different in that way but it certainly was a deliberate approach from our basis to have more regional, directed campaigning. My own travels considerably out did either William or Tony in terms of distance covered and things done. It was also taking time to keep addressing, with a central core message, the salient issues of the day as we saw them and to be more solution

based rather than just complaining about what was wrong, asking the question, 'how can we put them right?' I think there is an increasing portion of the voters who want to hear that kind of talk rather than hear the sterile talk which is turning people off and which is why voter participation has been going down and down.[640]

The party's overall strategy over the years of 1997 – 2001 altered quite drastically. The Liberal Democrats under the successive leaderships of Ashdown and Kennedy moved from 'constructive opposition' to 'effective opposition' as the fortunes of Labour and the Conservatives also altered. By contrast, the SDP's strategy, whilst potentially of greater impact, stuck rigidly to its plan despite the alterations in the political environment. The strategy lacked the important emergent elements, perhaps because it was never complete having failed to answer the important strategic question of which of its competitors it sought to replace.

The ongoing strategic dilemma for the centre is its positioning in relation to the larger parties. This dilemma, evident throughout the Alliance, partially and temporarily solved during the latter Ashdown years was one with which Charles Kennedy was faced the day he became leader of the Liberal Democrats. Any ambitious centre party maintains breaking the two party mould as a central strategic objective, whether it is in the short or very long term. To do this, one or other of the party's main competitors needs to be substantially replaced, probably realignment with another. Ashdown

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[640] Interview with Charles Kennedy, House of Commons, 5/12/02

demonstrated a clear understanding of this during his party leadership as had Jenkins in both 1983 and 1997. At other times the strategic position of close to equidistance hampers strategic process. Deciding precisely which party to replace has proven to be a difficult question to answer for at least a quarter of a century. For while the right of Labour is perhaps the most natural constituency, electoral opportunities tend to be in Conservative seats. Furthermore, attracting the liberal Tory vote in these constituencies will not guarantee election. The anti-Tory vote has proven more effective, especially during elections in 1997 and 2001. Here, squeezing the Labour vote tactically means appealing to those who may even be to the left of New Labour[641]. Without a significant alteration in the franchise, as Labour benefited from when it replaced the Liberal Party, it would seem that the centre will continue to wrestle with that dilemma for some time to come. Perhaps for the Clarkeite wing of the Tory party, the Liberal Democrats represented the same hope of 'middle government' which the SDP had represented for Ian Gilmour.

The case study reinforces the thesis by taking both the theoretical themes and narrow elements of strategy discussed during the first two parts of the study and analysing them over a prolonged period. By examining the strategy of the centre since 1981, it is possible to trace the strategic development of a party (or in this case a number of parties revolving around what was historically the Liberal party), testing concepts of rationality and office seeking or policy pursuing priorities in the context of political history.

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[641] The former Liberal Democrat Director of Policy criticises assertions that the party "should start adopting left wing / right wing / whatever policies to maximise their ability to criticise

For that matter, the case study represents an original contribution to the contemporary history of the British political centre in that a detailed strategic history of the SDP, Liberal, Alliance and Liberal Democrats is presented as a narrative to the analysis.

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Tory / Labour ? whoever. It just doesn't work that way." Duncan Brack, correspondence with author, 17/3/03.

Chapter Nine

The Temporary Demise of Strategic Thinking

And
Decline of strategy in Blair's Government and Duncan Smith's Opposition after

2001

It is evident that strategy as a concept has become increasingly important to British politics for the whole of the twentieth century. The professionalism of the Thatcher opposition was the culmination of not only decades of British experience, but influence from the Presidential US political system which was to be developed by Tony Blair's New Labour party after 1994. Parties which have traditionally rejected such processes, have recognised the need to develop a strategy.

There are times when strategy becomes difficult to identify as its importance to the organisation is diminished. If an organisation does not have a clear idea of its objectives, it cannot hope to form a sound strategy. Management theorist Michael Porter suggests where an organisation is "caught up in the race for operational effectiveness, many managers simply do not understand the need to have a strategy."[642] If an organisation appears to be functioning efficiently and indeed effectively, the strategic process may not be considered important. Conversely, an organisation which is failing to operate effectively, may prioritise effort on its operational abilities without thought to its overarching strategic objectives. Beer and Eisenstat propose 'silent killers' of strategy in an organisation. Unclear strategy, conflicting priorities and

ineffective management may all be culpable. Moreover, "managers are apt to view open discussion of silent killers as a challenge to their authority."[643]

After the 2001 general election, strategy declined in both the Labour party in government and the Conservative party in opposition. Drawing the thesis to a close, this chapter considers whether the reasons for this demise relate to different sides of the same coin: the fact that 2001 represented the first full second term of a Labour government and consequently the first full two Parliaments in opposition for the Tories in living memory. 'Temporary demise' suggests that parties can only continue for so long without a strategy. After all, general elections arrive with considerable regularity. Parties need to develop strategic objectives if they are to act cohesively. As an organisation of people, a party needs to understand what it wants to achieve and the mission values it wishes to promote.

Tony Blair's Second Term

New Labour returned the Labour party to power after eighteen years 'in the wilderness and with a majority of some one hundred and eighty. Such a formidable swing to Labour would have been beyond the dreams of Kinnock's party in the 1980s. Yet the first Blair government displayed timidity and caution in that which it sought to achieve. Its programme was only bold in areas, such as devolution, where the policy had been inherited from the

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[642] Michael E. Porter, "What is Strategy?" in Susan Segal-Horn (ed), 1998, op cit. P 94.
[643] Michael Beer and Russell A. Eisenstat, "The Silent Killers of Strategy Implementation and Learning", Sloan Management Review, Summer 2000, Vol 1, No 4. P 35.

programme under John Smith. Economic policy was competent and highly

regarded in the City of London[644], particularly when the Bank of England was

granted independence, but Chancellor Brown stuck to his Conservative

predecessor Chancellor Kenneth Clarke's spending restraints for two years

into the first term. Pledges, too, in education, health and transport sought to

make progress without being ambitious. Only in Northern Ireland, admittedly

a policy area inherited from John Major's administration, could the

government generally, and Blair specifically, be seen to accept politically risky

positions to achieve a strategic result. Elsewhere, the government continued

to duck the most pressing and perhaps important issue of its time: the

decision as to whether or when Britain should join the European single

currency.

Post 1997, Labour's strategy remained distinctly office seeking. The strategy

centred on the obsessive fact that no Labour government had ever completed

two full successive terms in office. The landslide of 1945 which returned

Attlee to Number 10 with the first majority Labour government was frittered

away so that the subsequent victory in 1950 presented such a small majority

that the administration only lasted until 1951, heralding the return of the

Conservatives who would remain for a further thirteen years. When Labour

again won a general election in 1964, Harold Wilson had such a small

majority that he went to the country once more in 1966 to achieve a more

usable mandate. After losing to Edward Heath in 1970, Wilson returned four

years later forming a minority administration in February 1974, re-affirming

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[644] Stephen Barber, "City Policy: A Matter of Trust", Securities and Investment Review, June

his government in the second election of that year in October. Each of the Labour governments had ended in either exhaustion or crisis. A tired administration for Attlee in 1951 after the long years of war and building 'New Jerusalem', fallout from Sterling's devaluation in 1970, the winter of discontent in 1979. These ghosts of Labour's history haunted the Blair administration. A strategy influenced heavily by fear of failure was the result. After all, despite the massive victory at the polls, the Labour party did not take the mandate for granted as original 'Blairite', Tony Wright explains:

Wright: It was conditional – I think people voted for it very much conditionally in 1997, being prepared to withdraw that trust afterwards which is why Blair became so preoccupied with discharging that trust in the first period of government.

Barber: To what extent did the nagging reminder that Labour had never completed two full terms of office, affect the strategy of the government after 1997? How much was the strategy of office to win a second term?

Wright: The politics of reassurance were central to the first Blair government and those people who now say, 'we should have done things differently, we shouldn't have been detained by spending restrictions', and so on, I think don't quite understand how crucial that was. It may have been a landslide victory, but it was the most fragile landslide that you could have. We had not converted people; we had just allowed them to vote for us by taking away the worst features of why they didn't vote for us. And so there was an absolute understanding, a preoccupation with, showing people we could govern so that they might vote for us again. Just

1998.

being in because people fall out of love with the Tories for just one term is the old story. We've got to be different from that and so that was central to the first term.[645]

The strategy pursued by that first Blair administration was impelled by the need to exorcise these ghosts of Labour's past. As a result, the strategy of government relied on proving competence in economic management. A feat largely achieved. The government simultaneously, and unashamedly, played to the middle England electorate which had supported New Labour in impressive numbers in the south east, to the detriment of its support in Labour heartlands of the north. The parliamentary party permitted the government its strategy with only a minority of dissent. Whilst it is not remarkable that dissenting voices were heard from the left, criticism from former standard bearer of Labour right, Roy Hattersley and Tony Wright is more noteworthy. Writing in 2000, Wright complained:

What is lacking is the sense of a central mission or purpose. There is much tacking, but not enough steering. There are policy initiatives galore, but somehow the big picture that would make sense of the various parts never comes into sharp enough focus. The obsession with presentation has come at the expense of theory and strategy. It is ironic that a government that has made presentation so central should have left people so uncertain as to what, at bottom, it is really about[646].

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[645] Interview with Tony Wright, Portcullis House, 22/10/02.
[646] Tony Wright, "I am still a Blairite, but is Blair?", New Statesman, 19/6/00

The strategic objective of the first term was to be fulfilled when in 2001[647]

Tony Blair's government was returned to office with a majority as impressive

as 1997. Blair had achieved what no other Labour leader had achieved

previously: a second full term in office. With the ghost of Labour past

irretrievably lain to rest, the government was in the enviable position of being

able to pursue a more leisurely, even introspective, strategy of policy

enactment. After all, another lesson of Labour past is that previously the

most electorally successful Labour parties had been those led by Mr Wilson.

Upon his death in 1995, Wilson was affectionately remembered for winning

elections, creating the Open University and little else. A question which must

have run through the mind of Mr Blair is, 'what is the purpose of this Labour

administration?' Yet, as the party progressed into its second term, it

demonstrated itself as reluctant to articulate a longer-term strategy. In

particular, this is illustrated in the continued reticence to enounce a strategy

on that issue of such importance in the first term – that of the euro.

That is not to suggest that the post 2001 Blair government avoided decisions

or actions in order to retain office. Blair demonstrated contra-Downs

determination in his very personal appeal to prosecute war in Iraq during

2003, despite being against public opinion and the views of many Labour

party members. Indeed the strength of feeling was reflected in the huge

Commons rebellion of Labour Backbenchers who supported an amendment

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[647] The large and glossy 2001 manifesto appears more cautious than 1997 in many ways.
Without to risking their lead, the document presents the Prime Minister and government as
competent managers of the country. Ambitions for Britain, Labour Manifesto 2001.

rejecting the Prime Minister's plans for conflict. That Blair emerged from war initially strengthened on the world stage and that the immediate perception of successful intervention could be a notable achievement of his government, helped only to obscure the limited strategic thinking of the government. Reminiscent of Porter's argument that organisations which focus only on their effectiveness can fail to develop a strategy, Blair's government was certainly effective. However it also displayed no clear strategy.

The direction of second Blair government, even more so than the first, was dictated by Downing Street. When Stephen Byers was forced to resign in 2002, the resulting reshuffle allowed Blair to take control of the Cabinet Office, in effect creating a 'Prime Minister's Department' he had been building since the general election a year before. The control Blair accumulated, tempered only by Chancellor Brown next door, provided the Prime Minister with more strategic control than any comparable predecessor. The strategic irony of Blair's second administration is the plethora of units created within Number 10 to examine and create strategy. Yet the government appeared to be without genuine strategic direction as described in these pages.

The Forward Strategy Unit, headed by the former BBC Director General John Birt, was established to report on what fashionably became known as 'blue skies thinking'. For that matter, so was the Performance and Innovation Unit, between which there appears to have been little distinction made by Number Ten. Elsewhere, the Delivery Unit was created to assist with thinking on improving public services but where the Office of Public Service Reform,

created at a similar time, would appear to have been tasked with a similar role. In June 2001, Blair merged the Policy Unit with his Private Office, which remained separate from the Political Office[648]. The House of Commons Public Administration Committee, chaired by Tony Wright, has viewed these developments with some scepticism:

> Barber: In your capacity as Chairman of the Public Administration Committee, you have been sceptical about the centralisation of power in Downing Street and the creation of what looks like a Prime Minister's department, in many ways – particularly since the 2001 election. What does that say for the strategy of the government?

> Wright: I think not critical about it, I have wanted to be open about it and to say that if we are going to have a Prime Minister's department we should argue for it and explain why we want it - seriously find out ways in which we can get more central coherence in government while making sure we get proper accountability. I have been pressing the accountability side of it a lot and I think finally this has been recognised, so that now that we have had some important moves being made by Number Ten towards recognising the importance of Parliament, symbolised by the Prime Minister's unique, historic appearance before Parliament and that is really a breakthrough.

> Barber: Do you think that Blair government has a clear sense of strategy?

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[648] The Independent's Political Editor, Andrew Grice, has investigated the proliferation of strategy units. See for instance "Clouds gather over Blair's team of 'blue sky' advisers", The Independent, 10/1/02

Wright: I think it has a clear sense of political position, I'm not sure it has a clear sense of strategy. It is probably becoming clearer now but we live in extremely uncertain times and no one quite knows whether a viable centre left politics can be made to work. So you have to look beyond this country and see what's going on elsewhere. I think there is a belief this is the area that we may be able to construct one but I don't think anyone believes there is a finished project here. The times are too uncertain for that.[649]

Blair's second administration showed itself to be attracted by the idea of strategy, or at least the word. Tired of accusations of spin, the party made some attempt to re-cast itself as a party of strategy. Indeed, Blair's formidable press spokesman, Alistair Campbell, went so far as to change his title to *Director of Communications and Strategy*. The Observer's political columnist Andrew Rawnsley, suggested that "Mr Blair births strategists like Queen Victoria bred children."[650] Yet the Blair administration continued to operate not with the steady implementation of long-term strategy that would befit a government in its second term and enjoying the luxury of a one hundred and eighty seat majority, but rather with the fire fighting technique characterised by the Major government. As a strategy, fire fighting may be essential; particularly where a government has seen its majority wiped out or is falling into a state of disorder. Both of these fates befell John Major's government after the fallout from the ERM in 1992. The Major administration lived each day almost as if it were to be its last. The precocious position in Parliament and restless backbenchers meant that each day might well have been its last. By contrast, the Blair government could be described as one of

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[649] Interview with Tony Wright, Portcullis House, 22/10/02.

the most secure administrations of the post war period, particularly if the ability to pass legislation and the personal control of the Prime Minister are taken as primary evidence. The great emphasis placed on enunciating strategy as a concept combined with the juxtaposed obsession with controlling the, press, agenda might vindicate Rawnsley's suggestion that "New Labour goes on so much about strategy because it has no strategy."[651]

Perhaps another Labour ghost remained to haunt even this secure administration. New Labour, which had been born and lived with the support of the media, feared the beast which had sustained it. New Labour in office has shown itself to be impelled by memories of its predecessor's treatment at the hands of a hostile press. Roy Greenslade's study of the press during the Kinnock years reveals the extent to which the Labour leader was subjected to "a mixture of bias, bile and blatant falsehood, showing just why Campbell has tried to protect Blair from similar treatment."[652] Kinnock enjoyed the tabloid support of only the *Mirror*, whilst the overwhelming view of the *Sun, Mail, Express, Star* and *Today* were all ranged against him. Broadsheets too, saw the *Times* gunning for Kinnock whilst the *Guardian* alone was supportive. The argument in 1992 that 'it was the Sun what won it' in relation to the anti Kinnock headlines in the run up to polling may have had some limited merit but it was surely the combined Murdoch and other press which had sought to character assassinate the Labour leader, not only during the election

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[650] Andrew Rawnsley, "They're making it up as they muddle along", The Observer, 20/1/02
[651] Ibid. 20/1/02
[652] Roy Greenslade, "Spin the beginning", The Guardian, 24/6/02. Adapted from his book, Profits from Propaganda, (Forthcoming, Macmillan).

campaign, but consistently since his election as leader in 1983, that had affected the attitudes of the electorate towards the Labour leader.

> Barber: Almost as a critique of the way the Blair government either carries out its strategy or appears to have its strategy, the media is clearly important and the role of Alistair Campbell there is clearly central. Given what happened to the party under Kinnock, how much does Labour fear the wrath of the press?

> Wright: Politicians generally, but certainly the left has been scared by its experience in the past. Certainly the government came in, and Alistair Campbell in particular came in, believing either we eat them or they eat us. So this extraordinarily tight control of the media exercised by Campbell at the top is absolutely a strategy. To say, 'if this doesn't happen, we shall be picked off', and so on. In some ways it was remarkably successful, for a while, but of course it has all begun to fall apart and the media are wanting to get their payback time. That means you are going to have to do things rather differently by being rather more confident in your general strategy and not being preoccupied with winning the daily battle of the headlines. I think that's probably the lesson that is now finally being learned.[653]

With such a secure Parliamentary position and ineffective official opposition, the sole threat to the Blair government's supremacy could be seen as the potential wrath of the press. This is compounded by the view that the press did not necessarily share a Labour approach and is supportive of Blair for little more than because of his personal popularity. The press almost as a collective has articulated its overwhelming hostility to that burning issue of

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[653] Interview with Tony Wright, Portcullis House, 22/10/02.

Britain joining the single European currency. The experience of Transport Secretary Stephen Byers who was hounded from office by the press in a fashion reminiscent of the fate of so many of John Major's Ministers, demonstrated that the press will never be the poodle of a Prime Minister even as powerful as Blair. In such circumstances, the paranoia of a government obsessed by controlling the headlines for fear that press drift would lead eventually to the hostility heaped on Kinnock's leadership, means that genuine strategy was rarely a priority. As far as any prominent strategy can be identified, it is a strategy to influence the news agenda. The administration spawned a plethora of strategic units but without a strategic will to implement their thinking lest the tabloids disagree. The second Blair administration oversaw a demise of strategy in government.

Duncan Smith's Opposition

In the sense of re-building the party's electoral fortunes, the Conservatives' period of opposition after 1997, achieved nothing in terms of seats in the House of Commons at the 2001 poll. William Hague's period at the Tory helm was perceived to be dire and can be shown as such by the failure to land a blow on an administration which had governed, not without some public grievances, for four years. The *Keep the Pound* campaign strategy[654] not only failed to arouse the interest of a generally apathetic electorate, but also only served to ensure the party's few remaining big hitters (all pro European) stayed at home. It was not that the Conservatives failed to produce any

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[654] See, *time for* common sense, Conservative Manifesto 2001.

policy, or even that their policy was unpopular. As Peter Oborne observed, "William Hague, by the end, had plenty of policies, but they were a rag-bag, and made no sense as a whole."[655] This failure was to be the inheritance of Hague's successors.

Hague resigned immediately after polling day to be replaced by the thorn in the side of the Major government[656]. Iain Duncan Smith, who inherited the Chingford seat of Norman Tebbit, was an arch Eurosceptic and natural rebel. IDS, as he became known, secured the leadership largely as a stop Portillo vote within the Commons and because the constituencies would not countenance a 'left wing' Clarke leadership[657]. Having remained on the backbenches after his election to the Commons in 1992, when he became party leader in 2001, he was the first Conservative leader not to have been a Privy Council member. At the time of the leadership campaign, John Major was at pains to confirm that,

> contrary to various reports [Duncan Smith did not] decline a post in the previous Conservative government: he was never offered one. As a first-term Member of Parliament, he voted with Labour and against his own government's European policies time after time, even though this added to the acute difficulties of a

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[655] Peter Oborne, "Iain Duncan Smith's Speech was the most important by a Tory leader since Margaret Thatcher", The Spectator, 30/3/02

[656] See for instance, John Major, 1999, op cit. P358

[657] There were five candidates: Iain Duncan Smith, Kenneth Clarke, Michael Portillo, David Davis, Michael Ancram. Under the rules, the Parliamentary party selected two candidates from which the party membership would elect one. It is widely thought that Clarke and Duncan Smith received the votes of the Parliamentary party to deny Portillo the chance to put himself before the membership.

government struggling with the slimmest of majorities.   His supporters argue that this demonstrates the strength of his convictions but, if so, it is a strength that comes with a price; for how, with any credibility, could he as leader call for loyalty from colleagues who may oppose his own policies?[658]

Given his views, it was reasonable to expect the party under IDS to harden further its anti-European line. In the event, Duncan Smith, wisely, realised the damage the issue could and had caused his party and closed down internal discussion, rarely speaking about the subject. As if that were insufficient, an outside observer might draw the conclusion that IDS closed down discussion on all issues. Save for one or two exceptions[659]the post 2001 Conservative party demonstrated itself to be ineffective and silent on most subjects, not wishing to commit to a strategic stance. A close ally of Iain Duncan Smith, John Redwood supported his leadership campaign and defends the Tory leader's actions:

Barber: Is Iain Duncan Smith's strategy really just to keep quiet, keep his head down and wait for Labour to mess up?

Redwood: No. I think Iain will do that but he'll do much more besides. I think Iain is playing a very shrewd hand, he's brought the party much more together, there is much more good will and less ill will, by giving a bit of this and a bit of that. And I think he's

[658] John Major, "Centre Forward", The Spectator, 25/8/01
[659] Theresa May at Transport (who later became the first woman Conservative party chair) and Oliver Letwin as Shadow Home Secretary remained notably active in the Shadow Cabinet. In 2003, the policy announcement to scrap university tuition fees might be seen as a beginning of policy and strategic development.

also getting some press attention which we didn't get in the same way under William; because the public mood is shifting, because they are becoming more hostile to the government and because the Conservatives are talking in more measured tones and have got more interesting things to say to the middle ground, or the more intellectual voter. I think that was a very good strategy for the first half of this parliament.[660]

There is some merit in the passive strategy mildly derided in this chapter. After all, the lesson for all parties after the 2001 election was that the apathetic electorate had all but given up on party politics. Some 40% of the electorate failed to vote, despite experimental schemes such as postal voting, introduced for the first time. George Wedd saw this as an opportunity for the Tories:

Here lies the Tory hope of long-term survival. Only 25 per cent of the electorate voted Labour, and 19 per cent Conservative... If the Conservatives can quarry another 6 per cent or 7 per cent out of that great indifferent cliff of 40 per cent of non-voters, they will be back in contention.[661]

Despite some personal squabbling[662], under Duncan Smith, it is fair to note that the Conservative party slowly began to emerge from the state of

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[660] Interview with John Redwood, London Guildhall University, 22/4/02

[661] George Wedd, "The Conservative Re-think", in Contemporary Record, August 2001.

[662] Most notably the row over the removal of Duncan Smith's rival David Davis from his post as party Chairman followed immediately by the uncomfortable acceptance of Alan Duncan as the party's first openly homosexual MP. See The Times 29/7/02; The Guardian 30/7/02. This was followed some months later by an open row between Duncan Smith and Portillo following the sacking of 'modernising' officials in Conservative Central Office. See The

strategic disorder described under Major and Hague. There were still rumblings of the mods v rockers argument that characterised the Hague years, most notably during the 2002 party conference. Furthermore, whereas Kinnock was able to draw strength from the mandate handed to him by his party membership, the electoral system which elected Duncan Smith was a source of weakness. For whilst candidate Duncan Smith took some 150,000 votes from the Tory party membership, the vagaries of the electoral system meant that he only ever commanded a third of the Parliamentary party's support. To this extent, Duncan Smith's position as leader was not as secure as a man in his position would have liked. The talk about a leadership crisis was, for once, perhaps just that. Removed from the disorder of previous years, the Conservative parliamentary party as a collective seemed to realise that it had a leader of limited abilities. On balance, however, the party had calmed down. Chief Whip David Maclean confirmed this:

> Part of my job is to make sure that, when the Today programme
>
> asks for two Tories from different sides of the argument to come
>
> and slag each other off, we stop it – and colleagues do comply.
>
> They have maintained what the military call radio silence. There
>
> was a defining moment... when Lady Thatcher published her book
>
> Statecraft. Two days before, various media outlets phoned dozens
>
> of our MPs. When they couldn't get John Major or Ken Clarke, they

Guardian 22/2/03. However, the latter row was as much about the frustration of the incumbent leadership to make any progress in the polls than it was about strategic disorder.

started going down the ranks, but not one person said a single word. At last, I thought, the Tory party is on message.[663]

However, in the place of disorder as it had been known, the leadership failed to sketch out the strategic vision for achieving its objectives. Fundamentally, the objective should have been to return the Tory party to a serious position of contention for office. The party publicly continued to grumble about the quality of the leadership.

Perhaps the Tory party had begun to gain itself a ghost or two. When William Hague became Conservative leader after the 1997 defeat, he may have comforted himself from the historic fact that during the twentieth century, Austin Chamberlain remains the only Conservative leader not to have become Prime Minister. The fact that Chamberlain had the opportunity but stood aside might have been of further comfort. Yet Mr Hague became the second Conservative leader of the twentieth century, and the first of the twenty first century, to fail to reach Downing Street. Hague's strategy failed.[664] IDS appeared to be fearful of this ghost. For while Tony Blair slain the ghost of a Labour government inability to achieve two full terms in office, by doing so the Tory party's impressive record of holding office was undermined.

Perhaps mindful that Hague attempted to create a gentler Conservative party during his early leadership, only to have retreat forced upon him by a

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[663] Quoted in Graham Turner, "Can the Conservative Party recover?", The Telegraph, 8/10/02.
[664] See Chapter Seven

naturally small 'c' conservative party membership, IDS followed a similar strategic path to that of Kinnock in the Labour party during his early years. Duncan Smith initiated a programme of listening to supporters and fact-finding missions to other European countries, reminiscent of Kinnock's 'listening to Britain' exercise in the 1980s. Like then, the Conservative party's employment of the fact finding period sought only to delay, rather than informing in any serious way, a strategic direction. The strategic problem for Duncan Smith was a Hirschmanian one. Even to a man from the right such as IDS, it must have been clear that the Conservatives needed to make some shift, even if only in attitude, towards the modern political centre, if it wished to be a serious contender for office. A friendly critic is Norman Lamont:

Barber: Why has Iain Duncan Smith shied away from presenting his party with clear strategic direction?

Lamont: I think Iain Duncan Smith has fallen victim to spin doctors and focus groups and pollsters and has become convinced that he needs to alter the perception of the Conservative party into a more lovable, likable, nice party. I think he has pursued this in a way that has destroyed the brand of Conservatism and the brand is tax cuts. 'Tax cuts' as I've put it like that sounds like a war cry but I think it is modernity, it is the future, all over the world governments are doing less and less and I think the world will become more like America, government being limited... I think against his own convictions and against the recent history of the Conservative party, Duncan Smith has argued, simply because of market research, that it is necessary to have a change of perception about the party. I think this is wrong and I think he makes a double error because in his heart of hearts he wants to

go back to the Thatcher agenda. I don't see how you pursue a different strategy saying 'we've changed' and then you suddenly say, 'well we haven't changed'. So I don't think his strategy makes sense.

Barber: Is the party so fearful of remaining in the political wilderness that it is incapable of behaving strategically?

Lamont: I think there is an element of panic in the Conservative party. I think that the public see that makes it less convincing.[665]

In terms of reputational resource, however, the Conservatives who used to be thought of as 'cruel but efficient' latterly became just 'cruel'. The blow to their economic credibility after the ERM crisis continued to be felt a decade later. Meanwhile, New Labour began establishing its own reputational resource for 'prudent' economic management. Furthermore, given that the Blair victory in 1997 was built upon a grand coalition of anti-Tory support, Hirschman's suggestion, illustrated by the experience of Labour after 1979, that the party activists who remain committed tend to inhabit the extreme wing of the party, is once again borne out by the experience of the Conservatives. When Alan Duncan came out as the first openly homosexual Tory MP, his leader and many colleagues were supportive. However, the voices of the grassroots and their parliamentary heroes were less so. Anne Widdecombe was the first to break ranks with a criticism of the party's interest in the issue. This was followed by former party chairman Norman Tebbit, the voice of reason, who talked of how "the great mass of us have no desire to emulate Mr Duncan's activities under his duvet; we do not wish to

join in; we just wish profoundly that he would not bore us with his sexual problems." He continued, "The politically retarded managers at Central Office... seem obsessed with the ethnic and sexual minorities, forgetting that those who share our values will come with us and those who don't will not. They forget that there are other minorities – far larger ones too."[666]

The Tebbit 'strategy' of appealing to base support is, of course, the very strategy that failed in 2001 when Hague sought to generate fear over immigration and asylum and a largely ignored campaign to prevent Britain joining the euro. Tebbit remained an important indicator of grass root feeling within the Conservative party and his broadside demonstrated just how difficult the implementation of an office seeking strategy is to a leader even as right wing as Duncan Smith. The paranoia of remaining out of office permanently combined with a party which removed itself from the modern world and fearful of splitting, imposed purdah on the great issue of Europe, meant that the Conservative party leadership found it difficult to implement anything other than very basic strategy. Ian Duncan Smith's leadership oversaw a demise of strategy in opposition.

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[665] Interview with Norman Lamont, Park Lane, 8/1/03.
[666] Norman Tebbit, "Who Cares what Alan Duncan does under his duvet? What the Tories need is political clout", The Spectator, 3/8/02.

Conclusion

A Strategic Examination of the Party

Drawing on the management theory literature, a definition of strategy has been proposed and applied to the behaviour of political parties in Britain during the contemporary period. Strategy is used to describe the forming of objectives and implementing the tasks necessary to achieve those objectives with a pattern of consistency over time given the limitations of available resource.

By examining strategy in the context of party politics, a multi-disciplinary, displacement theory is established. The extent to which commercial strategic theory can be displaced directly to party politics can be defined using political theory. To have accepted the classic political science text of Anthony Downs, which suggests that parties, acting rationally, exist only to win and hold power, would be to acquiesce to the broad idea that parties are organisations like any other which use shifting strategic positioning to attract votes, irrespective of the consequential effects on belief systems. To reject this idea, as this thesis has, demonstrates limitations to direct displacement theory. Strategic objectives remain, however, for a party promoting a political philosophy will exist, if not to win elections, undoubtedly to fight them. A strategic objective may fall between the definitions, borrowed from Ian Budge, of office seeking or policy pursuit. These definitions can be widened to consider party behaviour in constructive policy pursuit, that is

where it seeks to influence the policy agenda, and destructive policy pursuit, where the party argues internally to the detriment of its external position. Combined with the management concept of mission, created by the Ashridge Strategic Management Centre, a more rounded conceptual idea of party objectives can be created.

The contribution of this thesis is not only to examine party strategy in a theoretical sense, whether that is through the prism of management theory or political science. The strand of theory established to describe strategy and which runs through these pages, is drawn from existing, yet distinct, texts. The role of the thesis is to produce an examination of historic events. It is this that characterises the approach taken. As such, a strategic examination of the party is developed from an examination of contemporary British politics. The case study approach draws comparisons and parallels between episodes and periods in contemporary party history, supplemented by a series of revealing interviews with relevant political actors. To examine strategic behaviour in the party, the thesis has drawn themes around events. The result of using this layered and multi disciplinary method is a rounded study of party strategy dealing with theoretical and empirical discussions. It is by taking this approach that the original research undertaken has led to original observations of party behaviour.

It is not possible to say that the three broad themes highlighted in chapters five, six and seven, represent a comprehensive clutch of approaches to the topic. As intrinsic evaluations, these chapters take three basic strategic

models which, when applied to contemporary history, provide some principles which can be used to consider a strategic examination of the party.

Nevertheless, the themes selected as part of this project perform the task of examining party strategy by firstly considering the organisational context in which it operates and the nature of political leadership. The second and third themes describe strategic states of critical mass support and disorder. Taken together, these three chapters consider comparatively the tenets of a strategic examination of the party. That is, given similar objectives, resources and environments, parties act strategically though not necessarily uniformly. Parties facing a similar environment may act differently, but in a way in which parallels can be drawn. The culmination of these themes suggests that for a party strategy to be successful it must be capable of adaptation and emergence and it must allow for exit. Most importantly, however, it must deliver on its objectives. With its examination of the development of strategy over a prolonged period, it is this in part that the case study demonstrates. The case study is able to draw together the themes taken from the management literature as well as the models proposed in chapters five, six and seven to demonstrate their development and cohesiveness when applied to political history.

This thesis is a study of contemporary British politics. It has, nevertheless, considered the theoretical concept of strategic management and has drawn on selected debates in political science. The project uses the discussions in both fields and is designed to develop the political scientist's understanding

of the term 'strategy'. Since it has been able to demonstrate displacement abilities, the study may help to elucidate work in these fields. In extrinsic evaluation, the main advancement of this thesis is to take these concepts and apply them to the study of contemporary British politics. By doing so, the thesis contributes to the understanding of strategic party behaviour in an historical context. It suggests an approach to the study of party politics and offers original interpretations of events during the period.

Context and Future Research

By producing an analysis of strategy in British party politics, this study links to the management and political science literature it uses but will sit as a contribution to contemporary British politics and as a narrow approach to contemporary history. It may be juxtaposed with themed examinations of party behaviour, studies of party politics and contemporary historical approaches. This thesis provides one contribution to this topic and one approach. Undoubtedly, there are many other themes such as strategic intelligence, renewal or quality which could also be used to examine party strategy; other approaches, such as actor centric, party specific or parliamentary. The topic could certainly be reapplied to examine other periods, countries, systems or wider political strategy. These themes are not covered here, but may form the basis of future research, widening the subject area. Since party strategy, as defined here, is a relatively unexplored topic, this thesis is fairly ambitious in its scope and has covered a broader area than might have been the case had it contributed to a more established idea. One issue which remains unresolved, the answer to which is not an objective of

this thesis, is an analysis of the extent to which politicians deliberately use the theoretical approaches suggested in this research to build strategy for their parties. This would make an interesting and revealing piece of further research. Nevertheless, the approach taken has created a platform upon which more analysis can be undertaken. A logical next stage of research into party strategy would be to take a further series of strategic themes reflective of the management literature, some of which have been touched upon here, and relate these to contemporary British party politics. In particular, a full examination of party resources and capabilities would make a useful contribution to understanding strategic behaviour.

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