

# THE LABOUR LEADERSHIP

How important is it that the party  
has a distinctive ideology?

With essays by Diane Abbott, Ed Balls,  
Andy Burnham, David Miliband and Ed Miliband.





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# The Labour Leadership

How important is it that the party has a distinctive ideology?

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With essays by Diane Abbott, Ed Balls,  
Andy Burnham, David Miliband and Ed Miliband



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We asked all five candidates for the Labour leadership the same main question:

*How important is it that Labour has a distinctive ideological approach? All five of the leadership candidates have talked about the importance of Labour being a political movement that is rooted in values, and of Labour's core belief in a fairer and more equal society. Yet much of the conventional wisdom of the last two decades has been that ideological commitments can weigh political parties down. Tony Blair and David Cameron's political success is often attributed to their desire to 'travel light' in ideological terms, giving them the flexibility to reach out beyond their party's natural support. As leader of the Labour Party how would you combine your values and beliefs with the party's need for electoral success?*

We then asked them five short questions which were submitted by Fabian members and contributors online:

1. *"If you become Labour Party leader, what will you do to ensure Labour becomes more open and democratic in party structure, to ensure Labour never becomes out of touch with members, movement, and the public while in office?"*
2. *"What spending cuts should Labour support?"*

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3. *“One hundred years on from the height of the Suffragette movement, it remains nothing short of scandalous that we have such unequal representation of women at the top of business and the top of politics. How will you address this once and for all and in what timeframe?”*

4. *“What steps would you take to rebalance the British economy so that manufacturing and the regions become as important to the economy as the City of London’s financial sector?”*

5. *“How would you invigorate local democracy? How much power would you devolve to local councils, and how much extra control of local taxation would you give to them?”*

Tom Hampson  
Editorial Director  
The Fabian Society

*“Labour leaders, obsessed as they were with the thought of electoral success, had come to be more convinced than ever that the essential condition for that success was to present the Labour Party as a moderate and respectable party. Never, indeed, had Labour leaders been so haunted by a composite image of the potential Labour voter as quintessentially petit-bourgeois, and therefore liable to be frightened off by a radical alternative to Conservatism.*

*But the paradox of this view was that it was both self-confirming and self-defeating: self-confirming in the sense that, the more the Labour Party geared its policies to suit ‘ordinary decent people who do not probably think a great deal about politics’ the less interest were they likely to show in the Labour Party; and self-defeating in the sense that the less interest they showed in the Labour Party, the less likely were its leaders to be electorally successful.”*

– Ralph Miliband, ‘Parliamentary Socialism: a Study in the Politics of Labour’ 1972.

**A** section of the Labour leadership has fled ideology for almost the party’s entire history. Ideology, they believe, is frightening. Ideology is difficult. Above all ideology invariably sets Labour on course for collision with the most powerful vested interests in society. So the cry for an ideology-free Labour Party is also a plea for a quiet life.

But without an ideology what exactly is the Labour Party for? It is true that, if you abandon ideology, the general public often takes years to catch up with what has happened. They may assume that, in a very general sense, the old ideological certainties still obtain. And in government it is relatively easy to keep a party together with patronage and promises of patronage. But out of office and in difficult times what is there to hold a political party together if not a shared world view? And, if there is no ideological underpinning, the general public eventually falls to saying that all politicians are the same. And those of us who were on the doorstep in the last general election know that there is nothing more chilling to the public's propensity to vote than the idea that there is no real difference between the political parties.

Without a coherent world view, political parties are inviting the public to see voting as yet another act of consumer choice. And once society succumbs to a consumer model of politics, the only relevant question for the public is 'What are they are going to get out it?'

It is hard to talk about the public's rights and responsibilities if politicians are at one and the same time encouraging the public to view politics as an entirely passive exercise where you are not required to believe in anything at all.

Without ideology shadow ministers run the risk of being just a bunch of freelance management consultants. It is unsurprising that in the closing months of the New Labour administration some former government ministers jumped ship the better to amass directorships.

In the absence of ideology management is all the same, whether you are doing it in government or in the private sector. If you do not believe in anything, there is no question of sticking with your party to rebuild it in opposition.

So, if the Labour Party does not have a distinctive ideology, the men and women in leadership quickly become just a cast of characters in search of a coalition.

The right of the Labour Party has always been hostile to ideology. And New Labour was the most right wing faction to lead the Labour Party since 1931. So it is a paradox that New Labour was in fact intensely ideological. Tony Blair's signature achievement was scrapping Clause 4. But this was not a value-free act. It in fact signalled New Labour's embrace of the market. And there was nothing pragmatic about New Labour's attitude to markets. They were its preferred method of delivering goods and services. Even when common sense suggested otherwise, New Labour clung to the view that markets knew better.

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*It was almost as if an ideological attachment to markets mattered more to New Labour than actual popularity with the public.*

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There were many examples of this. For instance one of New Labour's biggest failures was housing. On the one hand it allowed a housing bubble to grow unchecked, particularly in London. On the other it failed to launch a public sector housing drive. On the contrary, although the Government (commendably) spent billions refurbishing existing public sector housing, ministers made it clear to local authorities that they it saw it primarily as the role of the private sector and housing associations to provide new housing. Government made it financially very difficult for local authorities to build new housing, every incentive was offered in order to get them to transfer their housing stock to an ALMO (Arms Length Management Organisation). But the market was never going to be able to provide affordable family housing in areas like London. Yet,

almost until the end, New Labour stuck to its rigid ideologically determined view that the market was the best way to meet housing need.

In the same way New Labour promoted the disastrous Private Finance Initiative as a the best way to upgrade the London Underground. And ministers failed to legislate to provide sufficient regulation of bus service outside London because they were loathe to interfere with the workings of the free market. Tony Blair believed, as an article of faith, that markets could improve the delivery of healthcare even though the American experience points to all that it is problematic about that.

Above all, New Labour flatly refused to bring the railways back into public ownership. In 2004 the Labour Party Conference voted by two-to-one in favour of a Transport Salaried Staff Association motion calling on the Government to take train operating companies into public ownership. The then Transport Secretary Alistair Darling promptly ruled this out. New Labour took this rigid position: despite the fact that it could be done relatively cheaply (each franchise would be brought back into public ownership as they expired); despite the huge public subsidy to the current system; despite the manifest inefficiencies of the current arrangements; despite the fact that re-nationalisation was Labour Party policy and despite the fact that bringing the railways back into public ownership was in fact popular with the public. It was almost as if an ideological attachment to markets mattered more to New Labour than actual popularity with the public.

So, if you accept that the Labour Party should have a distinctive ideological approach and that the New Labour faction (far from being an ideology-free zone) was in fact intensely ideological, what should the Labour Party's ideological approach be going forward? Too often, questions about ideology prompt an outpouring of rhetoric about fairness, values and equality



of opportunity. But much of this would not sound inappropriate coming from the lips of Nick Clegg and David Cameron. The key to a distinctive ideological approach is not emoting about ends, but being precise about means.

One of the things that should distinguish the Labour Party is a belief in collective action. People are not just individual consumers. They are stronger and more empowered when they act together. Collective action does not just mean state action, although we should never be ashamed of believing in a strong state to protect the most marginalised and provide a voice for the voiceless. Collective action can also happen at the level of the local state. And we should give more real power to local authorities including more powers to raise money through local taxation. The mutual model is also a framework for collective action which is worth re-discovering. There is a case for turning a salvaged Northern Rock into a financial mutual. Most football clubs would probably be better run as a mutual than being at the mercy of the market and random overseas billionaires.

The other thing that should distinguish the Labour Party is a belief in the public sector and a scepticism about under-regulated free markets. We should start by saying that there are some aspects of the public sector that are too important to be left to the market. It was always wrong, for instance, to privatise prisons. In principle, taking away a man or woman's liberty should not be left to the likes of Group 4. New Labour liked to argue that markets were more efficient. But this calculation often did not take into account the extra costs which the public sector ended up shouldering. For instance, ostensibly many private sector providers of services that used to be provided by the public sector did it more cheaply. But this calculation never took into account the cost to the public purse of the tax credits that were needed to top up workers' wages. More difficult to cost, but very important, is the price

in performance an organisation pays when it moves from a stable, permanently employed workforce with reasonable terms and conditions to a casualised workforce with no long-term commitment to their employer because they believe that their employer has no commitment to them. In another example privatised railway companies often saved money by doing away with porters and station staff. But how do you calculate the cost to society of increased crime on unmanned station platforms and women frightened to use unmanned stations at night?

The Labour Party should also have a strong belief in democracy. And this should be reflected in its own internal arrangements. Years ago we used to laugh at how stage managed the Conservative Party Conference was. The Labour Party Conference has long out-done it. Conference went from being the parliament of the movement, to becoming a week-long demonstration of the talents of New Labour's spin doctors. Things got so bad that one year, when official delegates returned to their seats in the body of the conference hall after lunch on the Tuesday to listen to the Leader's speech, they found that many of their seats were filled with Labour Party staff. Staff had been deliberately shepherded onto the floor of Conference to ensure that Tony Blair got a standing ovation in his speech. Actual party members were not trusted to do that.

We need to turn the page on that type of anti-democratic manipulation. The National Policy Forum should be reformed to make it meaningful; Constituency Labour Parties should be allowed to send resolutions to Conference once again; the National Executive should have a real say in policy and Conference should be somewhere where there can be real debates about policy, even if some of them take place in closed session. Above all, the Labour Party needs to move away from the top-down presidential model which

stifled debate and democracy. We should be the people's party once again.

Contrary to what New Labour has argued for thirteen years, neither democracy, nor a belief in the public sector and in encouraging people to act collectively are actually at odds with pursuing policies which are popular with the public. The British people believe in democracy, despite everything media elites can do to disparage it. After all the horrors of the expenses scandal the public came out in numbers to vote. They were determined to punish recalcitrant MPs, but they were determined to use the democratic process to do it. One of the single most popular institutions with the public is the National Health Service. It is not the public that was calling for the hiving off chunks of it to the public sector. Similarly Middle England would rise in rebellion at any government which seriously threatened the BBC, the ultimate public sector entity.

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*Sticking to some distinctive principles is not necessarily at odds with electoral success.*

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So sticking to some distinctive principles is not necessarily at odds with electoral success. And it might have avoided some of our biggest errors like doing away with the 10p tax rate. The New Labour model of treating voters like consumers has been tested to destruction. It ends with voters unable to tell the difference between the parties because, in truth, the Labour Party had no distinctive ideological offer.

As Ralph Miliband put it, the flight from ideology is both self-confirming and self-defeating. We need to give people a reason to vote Labour again. We need to rediscover what Labour is for.

### Questions

*1. "If you become Labour Party leader, what will you do to ensure Labour becomes more open and democratic in party structure, to ensure Labour never becomes out of touch with members, movement, and the public while in office?"*

Unlike the other candidates I was a part of the Labour Party at a local level. I have worked nearly every job in the Party, from collecting subs, to being a local councillor, and an elected member of the constituency section of the National Executive Committee of the Labour Party.

Labour did become out of touch with members, the movement and the public. We did not listen and that is the biggest single mistake a party can make. This is something we need to address.

I think that Party Conference should once again become the parliament of the Labour movement. I think it is wrong that successive New Labour leaders have completely ignored decisions by conference. I would reform the policy forums to make them genuinely accountable. I would allow constituencies to put resolutions directly to Conference.

We need to make sure this leadership contest is open to all members, new and old, local and national, in order to choose the right leader for the Party.

The summer-long leadership contest is proving to be a great way of boosting membership by allowing people to join until September 8. This is a great thing as many of my supporters are far more diverse than the other leadership contenders. At recent campaign events I have attracted not just Labour Party activists, but large numbers of young people, women and ethnic minorities.

I believe I am the candidate to broaden the base of the Labour Party and reconnect it with its core values.

*2. "What spending cuts should Labour support?"*

I do not support the coalition's spending cuts because they are ideological.

It was telling in the budget speech that Tory MPs looked triumphant when George Osborne delivered his cuts. By contrast Lib Dem MPs looked miserable.

The Tory MPs were triumphant because it is a matter of ideology for them to cut back the state. Even if we were not in the middle of a financial crisis, this would be a very desirable outcome for them. They would like to take the state out of some areas of activity altogether and leave ordinary people at the mercy of charity.

Their idea of locally-run co-operatives is fine for middle income articulate people but it leaves the very poor to go to the wall.

I would be happy to see a 50-50 balance between cuts and taxation, not 80-20 as the Lib Cons have imposed.

The cuts that I would support would focus on defence issues. First and foremost I would scrap the Trident nuclear deterrent. This would save up to £100 billion. This is correct, both in principle and in practice, because, increasingly, military opinion feels that Trident is irrelevant.

I would also bring our troops home from Afghanistan and cut defence spending generally. The Labour Party that I lead would stop playing Robin to America's Batman. Instead we would use the bravery and skills of our armed forces in the framework of international war and within United Nations peace-keeping missions.

*3. "One hundred years on from the height of the Suffragette movement, it remains nothing short of scandalous that we have such unequal representation of women at the top of business and the top*

*of politics. How will you address this once and for all and in what time frame?"*

The Labour Party has a very good record on women's representation in politics; the best of all the parties. We left the Tories and Lib Dems scrambling to catch up. And the Lib Dems still do not have a single ethnic minority MP. But more does need to be done and can be done.

In politics, I would support having 50 per cent women in the shadow cabinet. I would also make the process for selecting candidates for the leadership much less restrictive, especially in terms of number of nominations that are needed and I would change the rules to apply much stricter financial caps. Currently, an individual who is standing for the leadership has four times as much money as any other candidate. This is not because his policies are four times as popular. Money should be allowed to play the role that it does currently.

The Government should use its power of appointment to ensure more women lead the 529 non governmental bodies and quangos. In business, we should follow Scandinavian countries and insist on minimum representation of women of the boards of public companies.

I hope this is the last time that I will be the only female candidate standing for leadership of the Labour Party.

*4. "What steps would you take to rebalance the British economy so that manufacturing and the regions become as important to the economy as the City of London's financial sector?"*

There are lots of steps we could take. We need to tax more and cut less public sector spending. As I have mentioned, I

would favour a 50-50 split between cuts and spending, rather than 80-20 as the Lib Cons have imposed.

What the Lib Cons haven't realised is that by cutting public services, millions of private sector jobs that depend on contracts from the public sector, are also lost. Therefore by cutting less we would in turn naturally encourage growth in areas like manufacturing.

The City is important to our economy. But we need to acknowledge that the financial crisis was not caused by Labour, but by bankers who gambled with people's money. To tackle this, I would implement a financial transactions tax and a banking tax.

Britain got a reputation among banks for 'light touch' regulation. I would break up the big financial entities to gain better control, as countries like Spain were able to. It is because Spain had better financial regulation including stricter capital adequacy rules that Spanish financial institutions like Santander survived the credit crunch better.

The Lib Con Government has frozen the funding of regional development agencies. But they play a vital role in developing regional strategy.

*5. "How would you invigorate local democracy? How much power would you devolve to local councils, and how much extra control of local taxation would you give to them?"*

I am the only candidate who was a councillor and who has experience of working and taking decisions at a local level. I was also an advisor to Ken Livingstone when he was Mayor of London. There is frustration that more could be done locally.

It is because of this that I would give over power to local councils and give them more control of local taxation. They

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are closer to the community and offer more transparency than any other ad hoc group ever can.

Giving more power to local authorities is genuine localism and protects the interests of those without the time or confidence to attend meetings. Local government understands the local issues better than national government and knows where money needs to be spent. I would also make sure that with this power comes the money. That has often been the problem in the past. We seem to have forgotten that many of the Labour Party's greatest achievements in government took place at local government level.



*“To win again we must be a tough opposition, develop a credible and radical programme for government and root our politics in the communities we serve.”*

These words from my election address sum up my leadership election campaign. I have chosen the words ‘credible’ and ‘radical’ with care. I believe it would be a profound mistake to now shy away from setting out our values and a radical vision for the future. In the face of a right wing and ideological government, core Labour values of fairness and social justice are more important than ever.

But we must show that we do not hold values for their own sake or for show. Our beliefs and principles are our reference point but we must also show what they mean in practice, how they are relevant to people’s lives in the 21st century and how they will guide our work in building a better Britain in the current economic and fiscal conditions.

That means our opposition and our vision for government must be credible as well as radical and based on our values. Because we must make clear that part of that vision is rooted in a robust and credible economic analysis – to persuade people in their heads as well as their hearts to

come home to Labour again. That is the challenge for Labour's next leader.

In my view, to suggest that a lack of ideology explains Tony Blair and David Cameron's electoral success is to misunderstand not just the values underpinning Labour's actions over the past 13 years, but the real political lesson of the 2010 election as well.

Labour won in 1997 because we did have a radical and credible programme for government combining social justice and economic efficiency: Bank of England independence went alongside a windfall tax on the excess profits of the privatised utilities; a tough competition policy to support small business went with abolishing the unfair assisted places scheme in schools.

With the national insurance rise to increase investment in the NHS, we won the argument for tax-funded health-care – the first left-of-centre government in the western world to raise taxes not because we had failed on the economy but to fund better public services.

And with the national minimum wage and tax credits, we did begin to address the challenge facing every developed country in the last twenty years – rising wage and income inequality between those with skills and power and the unskilled. While the media teased us about whether we would use the 'R' word – redistribution – reducing inequality and tackling child poverty were in fact underpinning values for the work of the Government.

Yet by 2010 the clear message from the electorate was that, while people still supported our values, they thought we were unclear about them, that we were sometimes out of touch and that we no longer championed a fair society.

The fact is that in the last election we appeared too managerial – and we let David Cameron off the hook. We didn't

do enough to champion our values, to define how our policies were rooted in our beliefs, to persuade people we were on their side and campaigning for a fairer Britain. And we did not succeed in exposing until the final days of the campaign that, behind the soft image, David Cameron's agenda was a real threat to the incomes of working families and the services they rely on.

That was in part a policy failure: for example, the wholesale – and, I believe, mistaken – embrace of the rhetoric of market mechanisms for NHS reform alienated people who should have been on our side; and, in the face of business lobbying, the failure to respond to concerns from trade unions and implement the agency workers directive or properly apply the posted workers directive, which left lower paid workers vulnerable to unfair competition.

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*By 2010, the electorate thought we were unclear about our values... and that we no longer championed a fair society.*

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But it was also a failure of communication and courage. In the desire to be credible – in the eyes of some in the press – the Government lost its radical edge. Labour remained too low key about redistribution or problems for the working poor – be it on bankers or reform of public services or the impact of migration on low paid workers. Even though we introduced the minimum wage and tax credits we didn't seem to champion fairness enough or simply seemed out of touch.

That was then. We now face Tories and Liberal Democrats claiming their cuts and austerity are unavoidable. They have seized on the deficit to provide an excuse for the programme the Conservative Party and right-of-centre liberals

have always wanted to pursue for ideological reasons: to shrink the state.

The fact is that we do have a radically different set of values and approaches to this Tory-Liberal Government. Where Margaret Thatcher promised to “roll back the frontiers of the state” and Michael Howard smeared a publicly-funded NHS as “Stalinist”, in government we recast Labour’s mission to proclaim: “by the strength of our common endeavour we achieve more than we achieve alone”.

As a matter of ideology, based on their values – whatever the Conservatives say about the responsibility we all have to act together – they will not do what is necessary to deliver social justice and opportunity for all.

It is the same old Conservative ideology of small state and spending cuts, leaving the vulnerable relying on charity. So instead of the private and voluntary sectors working alongside an empowering and enabling public sector, the involvement of charities and businesses is being boosted not to enhance public provision but to undermine it. Each new policy, fresh initiative or hasty Bill pushed through Parliament sees the state being withdrawn from support for the economy, the family and public services.

I take a different view of the importance of supporting the economy and sustaining public services and protecting those on lowest incomes as we ensure borrowing comes back down – a different view that is as important to our economic success as it is fundamental to our Labour and cooperative roots.

They have a narrow view of the role of the state – that it stifles society and economic progress. We have a wider view of the role of state – a coming together of communities through democracy to support people, to intervene where markets fail, to promote economic prosperity and opportunities.

They have a narrow view of justice – you keep what you own and whatever you earn in a free market free for all. Ours is a wider view of social justice that includes equal opportunities, and recognises that widely unequal societies are unfair and divisive.

Far from thinking that electoral success is based on the shedding or hiding of values, I believe we now need to champion those values and the importance of a fairer Britain – to show we are on people's side after all. We need a much stronger, clearer vision of the fairer Britain we will fight for – very different from the unfairness and unemployment the right wing coalition's dogma-driven cuts will cause.

The dividing line at the next election remains between progressives who believe in rights and responsibilities – strong communities, supported by enabling government with a strengthened voluntary sector guaranteeing fairness and justice for all, and Conservatives who do not accept that there is a collective responsibility and are determined to cut spending, leaving the vulnerable with less support and charities stepping in.

But it will not be enough simply to set out warm words and wishful thinking. It is not enough to wail that cuts are unfair, because if the Tories can persuade people they are unavoidable we won't win the argument.

That is why the real lesson from New Labour's political success was the importance of combining our values with economic rigour. That is why it is vital that we show that the Tory cuts are avoidable as well as unfair.

So my vision for Labour has at its heart an alternative economic plan to the devastating strategy of Tory-Lib Government; an alternative plan that is rooted in economic history and analysis as well as Labour values and principles.

Exactly as Cameron and Osborne claim now, in 1931, two years after the biggest financial crisis of the last century, Ramsay MacDonald and his chancellor Philip Snowden said spending cuts were unavoidable to slash the deficit and satisfy the markets.

Their strategy was to ease pressure on sterling and hope that downward pressure on wages would boost competitiveness and trigger a private-sector led economic recovery. When the Labour cabinet failed to back the plan, they formed a coalition national government to drive the plan through.

And the result? The promised private sector recovery failed to materialise as companies themselves sought to retrench and a Great Depression in which unemployment soared and societies were divided.

Now a new coalition again says cuts are unavoidable. When I say they are wrong – that the cuts are too deep, too fast and a political choice, not economic necessity – Cameron echoes MacDonald and calls his critics “deficit deniers”.

In 1929 it was the Liberal David Lloyd George – with Keynes’s encouragement – who stood against the tide and argued fiercely against MacDonald’s cuts. This time, the Lib Dems are on the wrong side of history. ‘Who needs Keynes?’, asks the new coalition. They enthuse about a private-sector led economic recovery; they say the governor of the Bank of England and the financial markets demand deficit reduction.

This is nonsense. First, there is no precedent to believe that, with slowing growth in our main trading partners and companies delevering, public sector retrenchment will stimulate private sector growth. The 1930s and 1980s proved the opposite. The new Office of Budget Responsibility has admitted the cuts will depress jobs in both public and private sectors, starting with the loss of jobs from cancelling over 700 new schools.

This argument is as specious as the Coalition's claim that the reason why we have a large deficit is because of Labour's spending profligacy. The truth is that Britain started the crisis with lower national debt than America, France, Germany and Japan. It was a global crisis triggered by the irresponsibility of bankers not public servants.

Second, while I respect Mervyn King, 1931's bank governor Montagu Norman also strongly advocated the "Treasury view" that cuts were necessary. Sometimes even bank governors get it wrong, especially when the political and media wind is blowing so strongly in one direction.

Third, the idea that the UK faces a financial crisis if we do not cut the deficit faster is a fiction. Outside the Eurozone and with low long-term interest rates, Britain faces no difficulty servicing its debts, and the main worry in financial markets is not in bonds but equities, as fears of a double-dip recession grow.

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*The Liberal Lloyd George argued fiercely against MacDonald's cuts in 1929. The time the Lib Dems are on the wrong side of history.*

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What matters to market credibility is not how tough politicians talk on deficit reduction, but whether their plans are deliverable. Savage cuts which hit the economy or are politically undeliverable won't in the end achieve sustainable deficit reduction or build market confidence either.

I believe a slower, steadier, fairer deficit reduction plan, which does not put jobs, growth or front line services at risk, is more likely to succeed and have market credibility too. That is why I told Gordon Brown and Alistair Darling in 2009 that – whatever the media clamour – trying to halve the deficit in four years was a mistake. The pace was too severe

to be credible. Now the Lib-Con coalition is going £40bn a year further. Instead of learning from history's mistakes, they seem hell-bent on repeating them.

Yet there are Labour voices who believe our credibility depends on hitching ourselves to the coalition's handcart. That is wrong. I believe this risks condemning Britain to a decade of deflation, unemployment and social division.

There is an alternative. Like Keynes and Lloyd George, it is Labour's responsibility to set it out. It must be a clear plan for growth, a more sensible timetable for deficit reduction, and a robust explanation of why that will better support our economy and public finances.

That more credible plan for reducing the deficit only once growth is fully secured must include tough spending cuts in some areas and fair tax rises – such as starting the top rate of tax at £100,000 – but not raising VAT or the draconian slashing of frontline services.

Let's be clear about the importance of getting this approach right. On the one hand we risk swallowing too much of the Tory Liberal view that the state is the problem, that swift cuts are inevitable, and we fail to set out distinctive values, ideas and vision for the future. But on the other hand the risk is that we talk only of our values and visions and fail to focus on the economic realities we face and persuading people.

In the 1990s the challenge for Labour was to win people's heads as well as their hearts. After 13 years in government we lost too many hearts. We have to win them back. But in the process we also have to win their heads too. We need a credible and radical programme for government. That's how I believe we combine our values and the pursuit of electoral success so we can put them into practice too.



## Questions

*1. "If you become Labour Party leader, what will you do to ensure Labour becomes more open and democratic in party structure, to ensure Labour never becomes out of touch with members, movement, and the public while in office?"*

We must seize the opportunity of this leadership contest to rebuild the Labour Party from the grassroots up. Political aims, visions and policies aren't enough unless we are a community based party, rooted in the communities we represent.

On some policy areas – Iraq, tuition fees, agency workers, housing, and fair migration – we lost touch and lost our way. That cost us the trust of voters. If we'd listened more to party members we would have avoided some of those mistakes. That's why I've said that the National Policy Forum is an unexploited asset and we should use it properly – not to manage to our Annual Conference but to reinvigorate it as the debating chamber for working people in our country.

Three million affiliated union members must be more than just a resource for the Labour Party. Properly listening to and engaging with union members is the best way for Labour to stay rooted and in touch with millions of working people who depend on us. So we need to strengthen the link between our party members and trade union members – not just nationally, but on the ground in every constituency and union branch.

I will also set up the party's first-ever Diversity Fund to help all those who are under-represented get selected, including BAME groups, disabled people and those from ordinary backgrounds. And we must put an end to undemocratic imposed selections.

Our party policymaking process cannot just involve party members – we must speak and listen to the wider public too. We must get out of our comfort zone of party seminars and organise public meetings with voters. In my constituency we did these kinds of meetings all the time during the election campaign and voters turned up in droves to discuss everything from the economy to immigration to GP services. Scores of party members, trade unionists and members of the public became trained advocates for Labour by participating in and leading debates at these meetings.

That is the best way for Labour to stay in touch with the concerns of working people who, at this election, thought we had lost our way and were no longer on their side.

### *2. "What spending cuts should Labour support?"*

The Tory-Liberal coalition is repeating the mistakes of the 1930s when politicians of that age believed reducing the deficit was the number one priority – but implemented draconian cuts which led to mass unemployment and depression. As Keynes did so powerfully back then, our task must be to expose this as economically illiterate and show that there is an alternative – that is politically deliverable and therefore credible.

So we should oppose cuts right now that will lead to higher unemployment, lower growth and a bigger deficit with the risk of a double-dip recession. And we must set out a clear plan for growth, a more sensible timetable for deficit reduction than the one we put forward before the election, and a robust explanation of why that will better support our economy and public finances.

That more credible plan for reducing the deficit only once growth is fully secured must include tough spending cuts in some areas and fair tax rises – such as starting the top rate of tax at £100,000 – but not raising VAT or the draconian slashing of frontline services.

With the rest of Europe already sliding back into recession, we must do this with urgency and passion – for the sake of jobs, our economy, and our future.

*3. “What steps would you take to rebalance the British economy so that manufacturing and the regions become as important to the economy as the City of London’s financial sector?”*

The City and the financial sector which got us into this mess are not going to get us out of it. That’s why we’ve got to invest in real jobs and sustainable growth. For me that means an active industrial policy, investing in manufacturing, new industries, green jobs and apprenticeships.

Now more than ever we need the regional development agencies, which I helped to establish, to attract investment, stimulate growth in the regions and create jobs where they are needed so we can have a more balanced economy.

The Tory-Lib Dem government seems to be doing the opposite – they’re not just slashing the public sector, but undermining the private sector just when we need to boost it to secure economic recovery. Abolishing the regional development agencies and Future Jobs Fund, cancelling the loan to Sheffield Forgemasters, axing the green investment bank and over 700 school building projects are all short-sighted decisions which will cost jobs and lead to slower growth.

*4. "One hundred years on from the height of the Suffragette movement, it remains nothing short of scandalous that we have such unequal representation of women at the top of business and the top of politics. How will you address this once and for all and in what timeframe?"*

We made some progress over the last 13 years, but not enough. The gender pay gap has narrowed, though it remains too wide. And while we've seen the first women in top jobs like Home Secretary and Foreign Secretary, women remain under-represented not just in Parliament but the boardroom too.

Labour must continue to lead by example when it comes to improving the representation of women. The number of Labour women MPs has doubled but it needs to double again. All women shortlists have allowed us to break through a culture that didn't support the selection of enough women. That culture still exists in Parliament and Harriet Harman is now leading the debate on how we address that – as we must to deliver the goal of 50 per cent women in the shadow cabinet and, over time, in the PLP too.

We need an open discussion about setting realistic milestones for reducing the gender pay gap, on the way to achieving an explicit goal of closing it altogether. As part of that I want mandatory pay audits for all organisations and we must do more to extend the right to flexible working to help parents balance work and family life.

*5. "How would you invigorate local democracy? How much power would you devolve to local councils, and how much extra control of local taxation would you give to them?"*

We must support our Labour councils and Labour councillors everywhere as they battle to sustain decent public

services and a good quality of life for their residents. And we must learn from those Labour councils that, even in these difficult times, are developing new ways of translating Labour values into positive action – for example, through promoting local co-operatives and mutuals. In this way stronger Labour local government can reinvigorate local democracy and the Labour movement. I support a written constitution which will not only introduce a democratically elected House of Lords but also enhance and protect the role of local government in our democracy.

But we face a tough time ahead. The Tory-Lib Dem coalition is already imposing immediate and severe cuts to local government spending this year – with more to follow after the spending review. This will have a devastating impact on public services, including children’s services and social care for the elderly, as well as for many thousands of local jobs.

## The Labour Leadership

The title of Labour's General Election manifesto was 'A Future Fair for All', but it was more a sense of unfairness that brought me into the Party in the 1980s. Around me I could see the effect of Thatcher's Britain: from the fathers of classmates standing on the picket line at the local colliery to my own father having to travel to Germany and Ireland for work. Even in my early teens, I knew this wasn't right.

I started going to Labour Party meetings before I was eligible to join. I know this makes me sound pious, holier than thou, but the sense of unfairness I felt needed an outlet. But I didn't want simply to rail against the injustices of the world, I wanted to change them. There is an idealist in most teenagers, but for me, that idealism has never left.

The reason I joined the Labour Party is the same reason that I want to lead it: because I believe there should a fairer spread of health, wealth and life chances. A person's life chances are still dictated by the postcode of the bed they were born in, almost as though they are pre-programmed to fly or flounder. A child born in my constituency is likely to have a far shorter, far harder life than one born in George Osborne's constituency of Tatton just 23 miles away. In a 21st century developed nation that is a travesty.

I do believe in 'A Future Fair for All', a future where people have the same opportunities to be all they can be, regardless of where they live. I believe in a future where health outcomes are the same, because there are the right services in place to make that happen. And I believe in a future where Britain speaks for the voiceless, no matter where they are in the world.

During 13 years in government, Labour did some great things. I am proud of our record, of bringing in the National Minimum Wage despite being told we couldn't, of reducing waiting times for cancer patients, of regenerating some of our cities to make them vibrant again. But there are things we got wrong, too.

To many people, Labour appeared to lose its way during those 13 years. Those who had voted Labour for the first time in 1997 – and some of those who had been voting Labour far longer – began to struggle to see what we stood for, why we were different. Anyone who went canvassing will still have the sound of a hundred voices ringing in their ears: "you're all the same."

It's a fair comment. At times Labour didn't do enough to differentiate itself, to show that we were on the side of ordinary people. Instead we seemed dazzled by power, glamour and big business. There is a fine line between celebrating success and courting elites and to many people we crossed it.

Unlike some others in the upper echelons of the Party, I do have a problem with people being filthy rich. This isn't based on some working class knee-jerk reaction. It comes back to that sense of fairness, and the contrast between my constituency and George Osborne's. Because I believe in a collectivism where everyone does their bit and everyone helps each other out.



And that is where my ideology comes in. During this leadership campaign, I am putting forward a new philosophy for the 21st century: aspirational socialism. It marries Old and New Labour to address the challenges we face in this century, while recognising that society has changed.

There are some who might baulk at the use of the S word. My aim is to rehabilitate it, to take it out of the cupboard it's been locked in for the past 16 years and to embrace it once more. Because socialism is nothing to be ashamed of. I am proud to be a socialist, not just because that's what it says on my Labour Party membership card, but because it embodies so much. It says I am for fairness and equality, for the many, not the few.

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*Labour seemed dazzled by power, glamour and big business. There is a fine line between celebrating success and courting elites.*

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Perhaps the most important word in my new philosophy, though, is aspirational. Society has changed. Home ownership and going to university are no longer reserved for the middle and upper classes. People up and down the country aspire to something more, either for themselves or their children.

Aspirational socialism is not about levelling down. It's not about creating a society where everyone has the same colour front door in a kind of post-Soviet way. Aspirational socialism is about giving people opportunities to be the best they can be. It's about levelling up.

But philosophy and ideology alone are not enough. Labour needs to bring forward big ideas that respond to the challenges of this century, just as it did in the last. These are

the things which bring people to our cause, that give our members and supporters something to believe in.

That is why, during this leadership campaign, I have been making the case for a National Care Service. Thanks in no small part to the successes of the National Health Service, people are living longer. However, we have not yet responded to the challenges this brings, not just to individuals, but to their families and to society as a whole.

Far too many people live in fear of growing old. Even the language around the debate – burden, demographic time-bomb – casts a dark shadow. This must change. I want to celebrate our ageing society, and the contribution that older people continue to make. I want to take away that fear of potentially losing everything they have worked for, simply to pay for the care they might need.

The National Care Service will be free at the point of use and will work alongside the NHS to give people the care and support they need, either in their own homes or in residential care. It will be funded by a 10 per cent levy on estates, capped at £50,000 per couple.

During the General Election campaign, the Tories mounted a vicious campaign against the NCS. They turned a policy which could positively impact on millions of people into an ideological war based on the principles of survival of the fittest – or the richest – and the small state.

They dubbed the levy a ‘death tax’, using the same tactics the Republican right utilised during the healthcare reform debate in the United States. Yet what they failed to realise is that we have the worst excesses of the US healthcare system – a system which is widely regarded, even in Tory circles, as having failed – here in the UK. What we have is a dementia tax, where people are forced to lose everything they’ve worked for simply to pay for their care.

I saw this in my own family. My grandmother was a proud Scouser who had worked all her life to give her children more than she had had. When my mother was growing up, work started on a new housing estate in Aintree, a few miles where she lived. My grandmother marched across the site and put a deposit down on one of the new houses before it was even built. That was her version of aspirational socialism.

When she grew older, though, she saw everything she had worked and strived for dwindle away. The house that she had so proudly put the deposit on had to be sold and the legacy that she wanted to pass on to her children and grandchildren went instead on paying for her care.

Her story is not unique. It's happening all over the country. But just because it's widespread doesn't make it right. People should look forward to old age, not fear it. That is why I am passionate about the NCS: because it will bring peace of mind to families across the UK – and because it is the right thing to do.

We have to do the right thing for people across the age spectrum. The last Labour Government made a real impact on early years interventions, with SureStart and setting up breakfast clubs in schools. But there are still children turning up to school who can't hold a knife and fork, who can't formulate sentences. This is more like a Dickensian snapshot than a vision of one of the most highly-developed nations in the world. We have to give support to families who are struggling. This isn't about a nanny state, it's about preparing people for parenthood, which can only benefit the wider society.

Those early years are vital for a child to fulfil his or her potential but the investment should not begin and end there. We need to support children throughout their educational

experience and we have to recognise that not everyone is suited to more traditional academic learning. That is why I listened with dread to Michael Gove's plans to reverse the strides that Labour had made in introducing more practical, vocational training into 11 to 16 education. Not only will that turn back the clock, it will turn some young people off education altogether. With joblessness looking like an inevitability under this Government, we could see another lost generation, just as we did when I joined the Party all those years ago.

As much as Labour needs an ideology with which people can identify, it also needs empathy. Labour must reconnect with its members and supporters and to do that it needs to show that it understands what they are going through. There are families across the country who are living on a financial knife-edge. Short-term contracts and a lack of access to banking facilities that the rest of us take for granted perpetuate the cycle and for many it can seem like there's no way out.

Making the poorest in society pay £5 more a month for their electricity, simply because they can't get a direct debit, is simply wrong. It gives them no way of breaking out of that stifling existence, no way of building for their future. Local credit unions do excellent work, but there are simply not enough of them. That is why I will bring forward a National Credit Union, working alongside the local credit unions, and administered and accessed via the Post Office. Not only will it give ordinary families the access to banking services they need, it will also stem the tide of doorstep lending and cruel loan sharks which target people at their most vulnerable.

These are the policies which underpin aspirational socialism. They offer a way out and a way up, without losing

sight of the values of fairness and social justice that the Labour movement was based on. They offer more than kind words and sympathy: they offer real solutions to the challenges being faced up and down the country.

At a meeting in Bristol, a Party member told me that it wasn't the Labour Party that lost sight of who we are and where we come from, it was the Labour Government. And he's right. Yes we did some brilliant things, but there *were* times when we lost sight of who we are and where we come from. That is why the people who came to us and came with us in 1997 put their cross elsewhere in 2010.

That is why we need fresh ideas for this century. We need to reconnect with those that we lost and we need to bring others to our cause, just as we did in 1997. We need the ideas that aspirational socialism brings. We need its ideology and its idealism, and we need a leader who can deliver.

## Questions

*1. "If you become Labour Party leader, what will you do to ensure Labour becomes more open and democratic in party structure, to ensure Labour never becomes out of touch with members, movement, and the public while in office?"*

First of all, we have to look again at rates of membership. £39 is too much for many people who see themselves as Labour, but simply can't afford to join the Party. The £1 rate for young members has been very successful, but I'd like to look again at associate membership, or even automatic Party membership for trade union levy payers. This will help reconnect the Labour family and make us an even stronger campaigning force.

For people wanting to change the world for the better, the Labour Party has to be their natural destination. To make sure it is, we have to revitalise how we run our Party. A new member's initiation into the Party shouldn't be a meeting where the first half hour is spent discussing the minutes of the last one. Instead, we should be engaging more with local communities, whether it's a litter pick in a local park or campaigning on services in the area. Members – new and established – will see and feel that they are part of a movement for change and, just as importantly, the local community will see the positive impact the Labour Party has locally.

I will change the way we manage our conferences too. Instead of delegates wearing a badge for five days, policy delegates will be elected by CLPs every October. They will actively engage in policy discussions within the Party up to and including Conference the following year. And at our Conferences, no more will the dead hand of stage management stifle debate. Under my leadership, the Party will trust its members to debate the issues of the day, with the decisions made by Conference being passed to the relevant minister or shadow minister for action. They will then have to report back to Conference the following year what progress has been made.

There is undoubtedly more that we can do, but we have spent too long making 'top-down' decisions. These are discussions we should have as a party, not decisions made from the centre and presented as a fait accompli. That re-engagement will be the hallmark of my leadership.

### *2. "What spending cuts should Labour support?"*

If Labour had won the General Election, we would undoubtedly have had to make some difficult decisions. However, the ConDem emphasis on cuts rather than taxa-

tion is more about ideology than paying down the deficit. While taxation hurts a little for those paying it, cuts can wreck lives, which is why I favour a 60:40 approach, taxation to cuts.

I have said throughout this campaign that I oppose the increase to the NHS budget that the ConDems are planning. Raising the budget is a political figleaf which actually has the potential of putting vulnerable people at risk. Instead, I would freeze the budget, in real terms, to help pay for the services like social care and meals on wheels upon which the NHS depends.

I will look at every proposal, every edict from the ConDems and go through it with a fine-tooth comb. I will oppose any cuts which impact frontline services, but we cannot oppose every cut and maintain credibility with the public.

*3. "What steps would you take to rebalance the British economy so that manufacturing and the regions become as important to the economy as the City of London's financial sector?"*

Many will remember that great photograph of Tony Blair, surrounded by over 100 women MPs, taken in 1997. Thirteen years later and few of them are left. We did great work in getting more women into Parliament, but we didn't do enough to support them once they were there. Instead, there was almost a 'sink or swim' policy. I would look at a formal mentoring scheme for new MPs – male and female – to offer that support. I will also institute, with immediate effect, a policy which will see the number of shadow ministerial roles given to women MPs proportionate to the number of women in the PLP. This will not use the very talented women at the top of our party but it will also nurture those who are newer to Parliament.

I would also look at the way the Commons operates. Women still tend to be the primary carers, but at the moment the Commons runs on a man's timetable. I will look at the possibility of 'remote' voting, where MPs can watch debates live at home and then vote via computer. That way, they will have some semblance of family life but still actively participate in political life too.

But it is not just in politics that women are under-represented. There are still too few women at boardroom level. Labour did a great deal to institute family-friendly policies, making it easier for men and women to combine work and caring responsibilities. However, cultural, not legislative, change is required now.

*4. "One hundred years on from the height of the Suffragette movement, it remains nothing short of scandalous that we have such unequal representation of women at the top of business and the top of politics. How will you address this once and for all and in what timeframe?"*

The dismantling of regional infrastructure, with Regional Development Agencies and now the Government Offices, by the ConDem Coalition makes 'rebalancing' far more difficult and could turn back the clock on the regeneration that Labour worked so hard for. I believe that regions should play to their strengths and that the support should be there, both centrally and regionally, to make that happen. In my own region, the north west, we have a strong bioscience base and, with the relocation of many BBC services to Salford, a growing media one. In the north east, there is expertise in green technology and manufacturing. By tapping into this, we can have the regional renaissance that the country needs.



*5. "How would you invigorate local democracy? How much power would you devolve to local councils, and how much extra control of local taxation would you give to them?"*

Councillors are often at Labour's frontline, but some of the decisions that were taken centrally made it far too difficult for them to fly the Party flag. Under my leadership the voices of local government will be listened to and their experience respected.

The current ConDem government is putting councils in an extraordinarily difficult position. By freezing council tax they are making cuts to local services not only inevitable but savage, with those in less well-off areas bearing the brunt. As leader, I will work with councillors to ensure that the public understands that it is central, not local, government which is forcing these actions.

Housing is an area where Labour did not do enough while we were in Government. It was an issue that came up time and time again on the doorstep and was used as a lever by the BNP and others to manufacture racial divisions. Under my leadership, it will be given a much higher priority.

Up and down the country, there are dilapidated terraces owned by absentee landlords who care about nothing but the Housing Benefit cheque that comes their way. I will give local authorities the opportunity to use prudential borrowing to buy those terraces compulsorily, turning them over to community apprentices to bring them up to scratch and available for local families to live in. Not only will this boost housing stocks quickly and effectively, it will give those apprentices the chance to learn a trade and bring pride back into communities.

# The Labour Leadership

**W**e are at a pivotal moment in the history of our movement. We need to engage honestly with our strengths and weaknesses so we can fashion a Labour ethic for our time that helps us define our priorities and rebuild trust with the electorate. That means not being scared of ideology, while not getting stuck in dogma – by remembering the essentially ethical basis of our Labour politics.

We confront a Government weak in principle but sure of purpose. Their goal is nothing less than a centre-right consensus in Britain aimed at consigning Labour to opposition for a long time. The Cameron vision must not be underestimated. It is to recreate in the twenty-first century the same coalition that dominated the twentieth century, between economic liberals and partisan Conservatives.

It is the task of anyone who wishes to be Labour leader, and of our movement as a whole, to understand how we find ourselves in this position, and to break its dynamics and generate a different outcome.

Our Labour values will guide us in this work. These are values which are not simply abstract universal values like freedom or equality. Distinctive Labour values are built on relationships, in practices that strengthen an ethical life.

Practices like solidarity, where we actively share our fate with other people. We need a reciprocity which combines equality and freedom; a mutualism that shares the benefits and burdens of association.

So armed with our values I want to set out how we refashion our Labour creed and reshape our relationships with the state, the market and our democratic politics.

### **A creed to unite our movement**

An absence of a shared creed, of an ideology that can unite our movement, is a problem for Labour. In the good times it matters less; in fact it can sometimes be a strength. Labour has always been a broad church – socialist and social democrats, Methodists and Marxists, idealists and revisionists. But when historic choices need to be made it is a weakness. RH Tawney's essay, 'The Choice Before the Labour Party', written as a response to the 1931 election defeat, bears close reading today. Tawney rested his argument on the idea that Labour lacked a creed that could unite the party in sustained democratic action. Tawney's definition of that creed is simplicity itself. He wrote that it is not based on "transcendental doctrines nor rigid formulae but a common view of the life proper to human beings, and of the steps required at any moment more nearly to attain it".

He argued that Labour lost its power to engage opponents and build alliances, to prioritise, because it lacked a cause. He argued that Labour was defeated "because, when it ought to have called people to a long and arduous struggle, it too often did the opposite. It courted them with hopes of cheaply won benefits, and, if it did not despise

them, sometimes addressed them as though it did. It demanded too little and offered too much.”

In 2008 and 2009, Gordon Brown and Alistair Darling did not make the mistakes of Ramsay MacDonald and Philip Snowden. They made the correct technical calls. Our savings were protected. But I believe in reciprocity all the way up, and all the way down. And we did not summon the moral power of shared responsibility to supplement the mechanical power to print the money of the Bank of England. That is how solidarity is strengthened, not

from the centre alone, but by a mutual responsibility for each other’s fate. Yet that is not a spirit that we drew on during the economic crisis, the greatest peacetime challenge to our country. And so voters – many of them our

voters – spent the election wondering whose side we were really on.

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*We improved public services but people felt like consumers and not partners in the services they received.*

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### **Too hands-off with the market, too hands-on with the state**

There is a streak in our Labour tradition that is too hands-off with the market and too hands-on with the state – and New Labour suffered from this. It is a kind of paternalist authoritarianism that manifests itself in big things and in small. We saw it in the act of devolving power to Wales and then trying to fix who its leader should be. It was expressed in a preference for procedure and policy over politics. We renewed schools and hospitals throughout the land, we improved public services but people felt like consumers and

not partners in the services they received. The workforce often felt neglected and a managerial arrogance prevailed.

There was also a confusion about economic growth that took Labour from the prawn cocktail offensive under John Smith, to a love-in with financial markets, to an election campaign in which not a single business would support our tax policy. Our inability to distinguish between financial capital, which was concerned with its short term multiplication, and manufacturing capital, which was embedded in the real economy, led to a real lack of private sector growth throughout the country.

We lacked innovation and initiative. We did not recapitalise the regions. We did not intensify the redistribution of power. We saved the City of London but we did not reform it.

Under Mrs Thatcher the public benefits of North Sea Oil were used for tax cuts. The Norwegians used theirs to build a sovereign wealth fund. But we did not learn the lesson of that history. New Labour changed the direction of travel from the Conservative years but did not change the motor, which remained the financial services sector. The benefits were not distributed to the wealthiest in society, as under Mrs Thatcher and Nigel Lawson. We helped the poorest and those on modest incomes. But we need a model of economic growth that is right for our time. The truth is that outside the south east and the London magnet, there was not enough capitalism. The banks received our money in the bail out but have not re-invested it in our country. And now there is a Conservative government that is confused on the banks, hard on the poor and threatening to growth.

## Renewing our Labour ethic

So the challenge of rebuilding our political strength is both urgent and great. And renewal will require the engagement and energy of all parts of our movement.

I believe there are five main tasks Labour must confront.

First, to reconceive our notion of fairness. In our concern with meeting peoples' needs we appeared to sever welfare from desert and this led people to think that their taxes were being wasted, that they were being used. When we said fairness, people thought it was anything but. What emerged as a tribute to solidarity – the welfare state – turned into a bitter division. Many of the 'hard working families' we wished to appeal to did not view us as their party. We achieved great things but we did not bring people with us, and our motivation appeared abstract and remote.

Second, to build our own story of political economy that embraces neither the masochism of George Osborne nor the denial of economic reality. The Conservatives will never challenge the financial sector. They do not accept its role in the crash or in the increase in our deficit and they are now assaulting the motors of growth outside the City, from loans to Sheffield Forgemasters to the RDAs. We must engage head on with the coalition if we are to win. We need to think about how we will create value and wealth and how we engage the energies of the innovators and those who have more to give. Financial and public services, on their own, are not enough. We need to rebalance our economy so there is innovation not just in financial products, but in the rest of the economy.

Third, we need to reclaim and re-enact our commitments to community. Default statism turns citizens into consumers; it

is technical managerialism. This meant that our response to the Big Society was not to engage with its weaknesses, its lack of a political economy, its refusal to allow the society to challenge the market as well as the state. This undermined our socialism. A life fit for a human being is about more than money and benefits. It's about responsibility, love, loyalty, friendship, action and victory, values that used to be engraved upon the Labour heart but which we have carried too lightly of late. We need a creed that can combine solidarity with responsibility, freedom and equality. Without community ethics, lived and upheld, it is difficult to generate the civility we value.

I take the Big Society seriously. But it is a piece of double-think – a small society maintained by voluntarism and charity alone. I want a bigger society, based on reciprocity not just kindness, and I intend to make that a Labour issue. We lost crime as a Labour issue because we too often sought simple solutions, without addressing the breakdown of community responsibility and relationships on which it so often rests. I believe in a bigger society based upon relationships forged in justice, of people holding the market and the state to account as proper partners to society.

Fourth, we have to make our internationalism work for people in this country. Our embrace of the opportunities of globalisation neglected its unequal impact. It meant that we seemed not to understand concerns about immigration. We did not appreciate the sense of confusion, loss and powerlessness that people felt about loneliness, insecurity, the sheer difficulty in holding together a family. We asked too little and promised too much and the result was an uncomprehending anger at what felt like our betrayal. I am critical of the inequalities, unsustainability and instabilities of globalisation but like Keir Hardie, I am resolutely internationalist.



That means solidarity with people around the world, including organised labour in places where workers are being exploited and unions are illegal. That means China too, and we should support the demand of striking workers there to win recognition as democratic trade unions.

Fifth, we need to make democracy our ally again, outside and inside our party. The lack of democratic discussion, the hollowing out of the party, our administrative and managerial methods meant that we were seen as a fearsome but not attractive political machine.

That was confirmed for many by the McBride emails and the ugliness of that kind of politics. We did not come to represent a new dawn, but another government whose time had passed. But it was worse, in that a concern with spin and media management, and our attempts at triangulation, led us to a sense that we did not have a creed that we would live or die for, a strong idea of a good society and a life fit for a human being for all our citizens.

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*The task before us is to renew the covenant of trust, and become, once more, the reasonable hope of reasonable people.*

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So we need to discuss both how we renew the party and also how we strengthen its relationships with local civic institutions. We need to pursue campaigns for a living wage and for local banking. We also need to give far more thought to how we support and nurture relationships between people. We need to think about how to redistribute power as well as responsibility to people so that the pursuit of a good society is their story too.

## The Labour Leadership

As Labour leader I will engage with a fundamental change in the way we do politics. I want an elected party chair because the task of leading the opposition to the coalition Government in Westminster and renewing the party and its organisation is not the job of one person alone. I welcome the culture of collegiality and mutuality that this will bring. These are our values and we should live by them. I will engage with a debate across the party on the challenges that face us.

The task before us is to renew the covenant of trust, and become, once more, the reasonable hope of reasonable people. This leadership election is the beginning of the conversation, not the end. We must go deeper still, and renew our mission to be the hope of a common life between what was previously divided, to find common purpose where there is fear and anger, and to remind people that the greatest hope we have is each other.

### Questions

*1. If you become Labour party leader, what will you do to ensure Labour becomes more open and democratic in party structure, to ensure Labour never becomes out of touch with members, movement, and the public while in office?*

Robin Cook said that Labour went from dissent in the 1980s to discipline in the 1990s, but missed out dialogue and debate in between. He was right – and the neglect of the party by the leadership has ended up costing us a heavy price.

That's why the first stage in Labour's fight back is to rebuild our party as an organised and democratic political force in communities across our country.

We need to confront the fact that we have lost far too many councillors, members and voters since 1997. Our future electoral success requires us to re-root our party in the community and rebuild as a living, breathing movement for change. I am beginning this task during the leadership election by training 1000 Future Leaders, in the best Labour tradition of community organising.

We also need to embrace a more open and plural style of politics. I want to at least double party membership by the next election, including by turning the Labour Supporters Network into a locally owned recruitment resource for CLPs and by actively recruiting more trade unionists to the party.

Finally, we need to strengthen democracy in the Party, starting with an elected Party Chair. We cannot allow decisions to be made by tiny elites, whether it's on a sofa in Westminster or by a handful of activists in a church hall. We need to be more comfortable with debate and disagreement, while balancing the need to both listen and lead.

## *2. What spending cuts should Labour support?*

There were going to have to be tough decisions on taxation and public spending whoever won the general election. Labour acknowledged that in our plan to cut the deficit in half over four years, once growth had returned. We were planning to make £15 billion of efficiency savings this year alone – and where the Government identifies genuine waste we should support action to eliminate it.

However, the Tories are peddling two major myths to justify their decision to put old fashioned conservative ideology above both economic reality and people's jobs.

First, they argue that the deficit was caused by wasteful government spending. In fact it was overwhelmingly the result of

the recession – both falling tax receipts and the emergency action Labour took to support businesses and families.

Second, they want to convince people that the Budget was ‘unavoidable’, when in fact it was a choice. The Tory-Lib Dem Government has chosen to cut further and faster – which is not just a huge economic gamble but will hit the poor hard.

If I was leader, I would make different choices on the deficit. For example, if we introduced a Mansion Tax on £2 million homes we could avoid the cuts to Housing Benefit that risk increasing homelessness. And if we doubled the Bank Levy would raise the money to avoid the cuts to capital allowances that support investment in manufacturing.

*3. One hundred years on from the height of the Suffragette movement, it remains nothing short of scandalous that we have such unequal representation of women at the top of business and the top of politics. How will you address this once and for all and in what timeframe?*

Labour has a proud record of confronting gender inequality and promoting the representation of women in politics. We changed the law to permit positive action, which has contributed to a third of the PLP now being female.

However this isn’t good enough. My goal is getting to 50-50 men and women in the PLP, and then the cabinet, by the next Parliament – to reflect the gender balance in our country. That requires a credible plan to tackle both the higher attrition rate for female MPs, get more talented women selected in winnable seats and sort out representation at the top of the party.

If elected Leader I would have at least a third of the shadow cabinet and all shadow ministerial positions as women to

reflect the gender balance in the PLP. I would raise money for a Leadership Academy to offer training, mentoring and support to talented Labour women. I would also ask the NEC to identify as soon as possible those seats that will be all-women shortlists, giving potential female candidates time to get ready to stand and succeed. At least 50 of the top 100 target seats should be all-women shortlists.

Gender inequality in politics reflects the inequality that persists in wider society – so we must address that too. Compulsory gender pay audits are a good start. But we also need to challenge patterns of work and care across society. That means extending the right to request flexible working to all employees and working towards equalising maternity and paternity rights – including a ‘use it or lose it’ period of leave for fathers.

*4. What steps would you take to rebalance the British economy so that manufacturing and the regions become as important to the economy as the City of London’s financial sector?*

The financial crisis requires us to ask fundamental questions about the type of capitalism we want. At root, it was caused by market power becoming too concentrated and too unaccountable. The response is to return to the historic task of social democracy: not to abolish markets, but to reform them in the public interest.

Over the last two decades the rates of return offered by financial services – which turned out to be illusory – sucked in capital, diverting investment from other sectors of our economy. This meant growth became unbalanced and, ultimately, unsustainable.

We need to set a different economic course, aimed at shaping a new era of shared prosperity, which reaches out across

the country and is driven by from a range of sources. This will mean dealing with the structural weaknesses of the British economy that have gone unaddressed for too long – so as to harness the ideas, imagination and hard work of all our people.

Two priorities in this task are to regulate capital so that it is put to productive use and to use government to unleash private sector wealth creation.

We need to reform the banks to protect against a future crisis. But we must also reshape the financial sector so that it serves the real economy – though investing in the productive capacity of the economy and extending credit to new businesses and those that want to grow.

We also need to fashion a modern industrial policy which recognises the positive role government can play in creating the conditions for a high value, ultra-innovative economy. This is exactly what Labour was doing with its loan to Sheffield Forgemasters, which would have brought new jobs to Yorkshire. The decision to cancel that loan is nothing short of gratuitous economic vandalism.

*5. How would you invigorate local democracy? How much power would you devolve to local councils, and how much extra control of local taxation would you give to them?*

Neither Tony nor Gordon took strengthening local government seriously enough during our time in government. We created the Scottish Parliament and Welsh Assembly, but our mission to devolve power and challenge our centralised political system ended up being a job half done.

As leader, I would seek to strengthen the democratic governance and support the economic development of towns and cities across the country. Greater control over local

finances and greater freedom over local priorities are central to this project – but I recognise these are difficult issues where progress must be made on the basis of consensus.

Beyond that, there are three specific areas where I think we should certainly be strengthening the role of local government.

First, the Future Jobs Fund showed the massive difference local government can make in supporting people back to work. I want to consider how we can put councils at the heart of reducing worklessness and poverty and boosting jobs and skills in their area.

Second, I often hear from Labour councillors how the actions of water, electricity and energy companies can cause serious disruption to local residents. The national regulators can often feel too remote – so local councillors should have the powers to subject these companies to proper scrutiny and hold them to account.

Third, we rightly focused first on renovating the stock of social housing, but should have acted quicker to increase supply. As a country, we need to find ways of meeting the demand for new social and affordable housing – and local councils must be central to that.





Without values we become managers and technocrats. It is a Labour ideology that makes us who we are. That is why I have put values at the centre of my campaign: a belief in equality, social justice, fairness at work, internationalism. But the challenge is how to apply that ideology to our time – and how to win power.

Tony Blair said in his first Conference speech in 1994 “If the world changes, and we don’t, then we become of no use to the world. Our principles cease being principles and just ossify into dogma.” Tony was right then and the lesson applies today. We should always stand up for our ideology and values but always be willing to recognise the way the world has changed.

In the early 1990s some Labour people thought of themselves as traditionalists defending the Labour cause against Tony Blair and the modernisation of New Labour. Today our danger is to defend traditionalist new Labour solutions on every issue because this will consign us to defeat. It is my rejection of this New Labour nostalgia that makes me the modernising candidate at this election.

To win next time, it is the New Labour comfort zone that we must escape: the rigidity of old formulae that have served their time, the belittling of any attempt to move on

from past verities and the belief that more of the same is the way to win.

New Labour was right to seek to build a coalition of lower and middle income support, show we can create wealth as well as distribute it and speak to people's aspirations. We need to keep doing all these things. But old-fashioned New Labour thinking about what this means today in electoral strategy, policy and style of leadership is now an obstacle to winning the next election and transforming our society.

Start with electoral politics: New Labour's proposition was simple – we need to persuade Tory voters to come to us. The task is very different now. Five million votes were lost by Labour between 1997 and 2010, but four out of the five million didn't go to the Conservatives. One third went to the Liberal Democrats, and most of the rest simply stopped voting.

It wasn't, in the main, the most affluent, professional voters that deserted Labour either. New analysis has been produced by Ipsos/Mori which shows the scale of loss among lower income groups. Between 1997 and 2010, for every one voter that Labour lost from the professional classes (so called 'ABs'), we lost three voters among the poorest, those on benefits and the low paid (DEs). You really don't need to be a Bennite to believe that this represents a crisis of working-class representation for Labour – and our electability.

Add in skilled manual workers, and the differential goes to six to one. Almost all the new Tory voters came from these social groups. Put it at its starkest, if we had enjoyed a 1997 result in 2010 just among DEs, then on a uniform swing we would have won at least 40 more seats and would still be the largest party in parliament. Seats like Stroud, Hastings & Rye, and Corby would have stayed Labour. The

core Labour vote that some thought could be taken for granted became the swing vote that went Conservative.

We also need to understand that the danger of people switching from our party to others has been joined by the danger of people simply drifting out of voting – and disproportionately among our supporters. The gap between turnout among ABs and DEs grew from 13 to 19 points between 1997 and 2010.

This is bad for democracy and particularly dangerous for us. We need to take this skewing of the electorate far more seriously than we have done in the past. As President Obama has shown in the United States, expanding the electorate is part of a winning strategy as well as winning back voters who have gone elsewhere.

We can neither win an election with a working-class vote alone – New Labour was right

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*We need, just as we did at the start of New Labour, to go back to our core values and apply them to the world in which we find ourselves.*

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about that – nor can we take it for granted. But the problem of conventional New Labour analysis applies to white collar voters too. Particularly when it comes to the South of England, we sometimes clung to an illusory picture whereby we imagined easy affluence to run wider than it did. Half of the people in work in Reading, where the Conservatives got one of their biggest swings to take Reading West, earn less than £21,000 a year. Even in Britain's more comfortable places, people increasingly feel insecure, overstretched and distant from rich elites.

Furthermore, many of the affluent voters themselves didn't go blue, they went yellow – the Conservative vote has fallen among ABs since 1997. In a number of seats, like Hornsey

and Wood Green or Manchester Withington, we lost to the Liberal Democrats because of desertion over issues such as Iraq, civil liberties and tuition fees and in many other places, the Labour vote was depressed, thereby letting the Tories in by the back door.

All this requires a refounding of Labour, as profound as New Labour in the mid-1990s. Our working-class base cannot be dismissed as a 'core vote' and taken for granted, we need to understand the real landscape of middle England to strengthen our appeal to voters right across the income scale, we need to recognise the concerns and nature of modern affluence, and we need to change our style of leadership.

To do this we need, just as we did at the start of New Labour, to go back to our core values and apply them to the world in which we find ourselves. We need to understand what our belief in equality, fairness and opportunity means in the face not just of the electoral situation, but also the economic and social condition of Britain.

This rethink is all the more important because many of the good things that happened under new Labour were possible because we used the proceeds of growth to support public services and redistribution. Given the fiscal constraints, this route to social justice is going to be much more constrained for the foreseeable future.

First, the renewal required in relation to Labour's so-called 'traditional' vote is perhaps most profound. We need to tell a story about how we can improve people's lives, starting with the way we approach the economy.

That begins by revisiting New Labour's recipe for the jobs Britain can create. A low skill, low wage economy that is over-reliant on service industries is not the future that people aspire to. Instead, we should build on the active industrial policy that we came to late in our term in office, and which

had already helped develop the beginnings of an electric vehicle industry, an offshore wind industry and a nuclear power renaissance in Britain. By supporting British business, we can create high quality manufacturing jobs, and under my leadership we would.

We also need to think again about our approach to labour markets. What became a dogmatic attraction to maximum flexibility meant poorer wages and conditions, and we need to address that. We need to learn the lesson from other countries that raising the floor in the labour market can be a more sustainable route to both better conditions and stronger growth. Creating stronger incentives for companies to invest in their workforce can have a powerful impact on productivity and provide a stronger platform for the future.

That is why I am for a living wage over £7 an hour, not just a minimum wage, so people can feel more comfortable that they will get a decent day's wage for a decent day's work. I am for greater protection for time outside work so people don't feel compelled to work harder for longer for less.

This new approach will help address the issue which Labour candidates heard so much about on the doorstep: immigration. Eastern European immigration is a class issue because it increases competition for jobs, particularly those at lower wages. It looks very different if you are an employee rather than an employer. But we refused to recognise that sufficiently. Similarly, concerns about preferential access to housing – often false – built up because we refused to prioritise the building of new social housing. If we want to win back our lost support, this can no longer be a marginal issue.

Second, we must speak to aspiration and recognise where we need change from the past in order to meet people's hopes for the future. The burden of University debt is big issue for swathes of parents – and their kids. That is why I

have proposed we scrap tuition fees and replace them with a graduate tax.

But we must recognise as New Labour sometimes didn't that aspiration is not simply about earning and owning, but also enjoying time with your family. So our economic strategy should change the culture of working time. It's not just the low paid in Britain who work the longest hours in Western Europe, don't get a chance to read to their kids, and feel stressed out.

Third, we must recognise that people, including affluent voters, care about tax but also about the sort of society we live in. I will unashamedly argue for a more equal society because I believe it harms the rich as well as the poor to live in a country which is increasingly unequal. I will argue for a society characterised by responsibility at all levels – from bankers pay to people who can work but at the moment are not doing so. I will make the case for a greener society because climate change is the greatest challenge to our way of life.

We must also be reformers of the state to make it more democratic, more open, more efficient and less overbearing. Alan Johnson's view expressed last week that "I can't think of a single issue on which Labour got the balance wrong on civil liberties" speaks to an understandable desire to defend the past, but if we don't recognise and put right our mistakes, we won't win back those who have left us.

Face it: we never convinced people of the case for ninety days of summary detention without charge, or ID cards and they spoke to a belief in an off-putting overpowerful state. I am for CCTV and measures that work, but under my leadership, we will not be casual with civil liberties. As important, we must have the courage to accept where we got things

wrong and change our approach. Without that, we will not win again.

Fourth, we need to change our style of politics. Disconnection from voters, including our working-class base, is not just a product of policy error, it is the result of the hollowing out of the movement and the party. In part, this hollowing out is a long-term trend that faces political parties in many parts of the industrialised world. But in part it happened because people left us over specific issues like Iraq and it is also a product of a particular approach to the role of the Labour Party.

A Labour party member in Cornwall, Nick, put it best when he said to me that New Labour had behaved as if “the role of the Labour leader is to protect the country from the views of the members of the Labour Party”. That may have been necessary in the

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*New Labour was pessimistic about the ability of our values to speak to a progressive majority in Britain. Contrast this with the self-confidence of the new Government.*

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1980s, but Neil Kinnock’s Conference speech about Militant took place twenty five years ago. We can’t still let ourselves be haunted by those ghosts. Unless we change this style of leadership we will never change society in the way we aspire to do because we will never have the political movement we need.

We need that movement because we can only win the arguments we need to win – both in Opposition and in government – if we have a movement that can sustain us and from which our ideas emerge. That outward looking, vibrant movement comes from high ideals and party members who recognise that we are hearing their voice. And anyone who thinks that listening to our party is somehow pandering is

doing them a great disservice. Indeed, if we had listened more to them, we would have been a better Government not a worse one: on housing, on agency workers, on tuition fees.

Of course, no leader is ever going to agree with everything their party members believe. And we need to forge a winning coalition which reaches out well beyond traditional supporters of our party. But the answer to this is to build a party which connects us to the public, and that must also include an understanding of the strength that could come from our trade union link.

The crisis of support among our working-class base shows the ground we have to make up. The relationship with the trade union movement needs to be rebuilt from the ground up. Part of the problem is that MPs are not connected locally to the trade union levy payers. As a start, each MP should be reaching out to these levy payers and hearing their voice with regular dialogue and meetings.

The final change we need as part of our future is political confidence. New Labour was ultimately quite pessimistic about the ability of our values to speak to a progressive majority in Britain. Contrast this with the self-confidence of the new coalition Government: nobody would really believe that the Conservatives won just 36 per cent of the vote at the election. While Labour often acts like squatters in government, the Tories act like they deserve to be there.

That pessimism about what is possible is now a barrier to winning again, not just to creating the kind of country we believe in. Unless we address issue of low wages, working time, inequality, we will never reach out to those people we have lost and make politics seem like it might have an impact on their lives.

New Labour nostalgia says that there is a tension between our values and our electability. But the truth is that the



opposite is the case. Whether you look at our approach to the excesses of markets, or our belief in a foreign policy based on our values, not just our alliances; the morally right and the electorally right thing to do come together. We lost because people lost a sense of who we are and what we stand for. To win again, we need to restore our clarity of purpose.

Only with a politics based on clear values can we win again. Indeed, it is by speaking openly and clearly about what we believe that we can best get back into power. Head and heart come together in a politics based on clear values, a sense of who we stand up for, and a vision of the good society.

## Questions

*1. If you become Labour Party leader, what will you do to ensure Labour becomes more open and democratic in party structure, to ensure Labour never becomes out of touch with members, movement, and the public while in office?*

This leadership campaign is a fantastic advert for the party membership having their say, and it has helped inspire thousands of new members to join. We need to build on the debates that are taking place to change the culture of our party so members don't feel like they are just asked to deliver leaflets, but instead have real input into our policy direction. As a start, I want to see an elected party chair and reforms to the way in which we take account of the views of the national Labour parties in Wales and Scotland, for example by ensuring that their leaders sit on the NEC and are part of shadow cabinet. We also need to find new ways of making the most of the union link which should be a key way of connecting with working people in Britain.

### *2. What spending cuts should Labour support?*

There is no escaping the need to make significant savings across government. But that has to be done in a way that protects the prospects for growth and protects the most vulnerable in our society. So we are right to reject the coalition's determination to shift the balance of deficit reduction towards spending cuts, effectively doubling the scale of spending reductions required over the coming four years. It is an ideological move to roll back the state.

*3. One hundred years on from the height of the Suffragette movement, it remains nothing short of scandalous that we have such unequal representation of women at the top of business and the top of politics. How will you address this once and for all and in what timeframe?*

The Labour party must be the party of equality, and that includes equality between men and women. We have made significant progress in office, but despite all women shortlists and the other innovations we introduced, at the current rate of progress, it would take some 200 years for women to reach parity in the House of Commons. Cultural change has to start at the top, which is why I want a 50-50 gender balance in the shadow cabinet.

We also need to do more to promote equality in the private sector. We need to tackle Britain's long hours culture which makes it harder to combine caring responsibilities – for children and also increasingly, for parents - with work. And we need to make sure men have more flexibility to take on caring responsibilities at home by extending the right to request flexible working.

*4. What steps would you take to rebalance the British economy so that manufacturing and the regions become as important to the economy as the City of London's financial sector?*

The New Labour model of minimally regulated markets combined with redistribution of income and wealth achieved significant progressive gains. I was part of that at the Treasury and I am proud of it. But I also take responsibility for its limits. It produced an economy too reliant on financial services and many people got stuck in low wage, long hours jobs, with stagnant living standards, with little opportunity to break out of their situation and aspire to something better for themselves and their families.

Reshaping our economy is not a project for one year or one term but is a long-term effort that we have to make.

It begins by deepening – not abandoning as the coalition is doing – the active industrial policy that we began to pursue at the end of our time in government. It is scandalous that the Government have announced the abolition of Regional Development Agencies, when it is clear that in many regions they have led the way in building the growth economies of the future. I saw that in my time as climate change secretary working with One North East to bring jobs in offshore wind manufacturing to Tyneside, for example.

Our country should be building on the success of the RDAs and a more active industrial policy with a new approach to finance. Business as usual says let's sell our stake in the banks back to the private sector as quickly as possible. But I would take the opportunity of the rationalisation of these stakes to create a new banking system which works to invest in the industries of the future and the small businesses that can be the centre of our communities. This means creating a stronger regional dimension to our bank-

ing system, potentially keeping a public stake or remutualising part of the sector.

*5. How would you invigorate local democracy? How much power would you devolve to local councils, and how much extra control of local taxation would you give to them?*

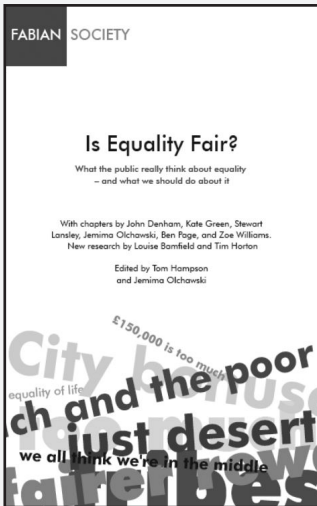
The real prize is putting councillors centre stage with oversight of all local spending. We need to sweep away the silos that plague local services. As a start, councillors should have a 'first amongst equals' role when it comes to ensuring local services work together. Local government should have oversight over local transport services, including over bus companies and other private enterprises that can provide such important services. And they should have a greater role in holding vested interests to account in the locality, whether that is energy companies or financial services.

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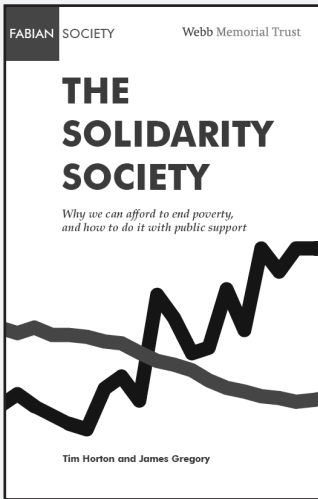
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Edited by Tom Hampson and Jemima Olchawski

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"If we ever give up on fairness and equality the centre left will have lost all meaning. The Fabian research on voter attitudes doesn't tell us to give up; it just asks us to think about how we move forward." – John Denham MP



## The Solidarity Society

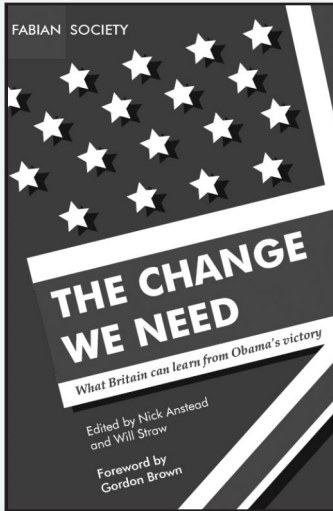
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