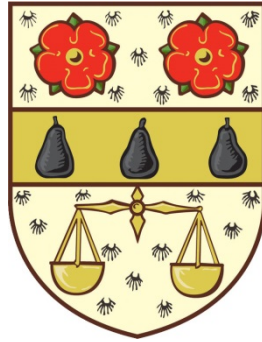


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The Coalition and the Labour Party

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19 THE COALITION AND THE LABOUR PARTY

GUY LODGE AND ILLIAS THOMS

Introduction

Ed Miliband believed that the global financial crash provided an opportunity for a ‘progressive moment’ in British politics, to rival the generational shifts that took place in 1906, 1945 and 1979. The crisis and the deep recession it precipitated, he argued, undermined the core economic orthodoxy of the last thirty years that self-regulated market economies can be relied upon to deliver prosperity for the nation as a whole. His solution was a more ‘responsible capitalism’¹ – a rewiring of Britain’s political economy with growth directed at boosting the living standards of the majority, not lining the pockets of a privileged elite. It was a highly ambitious agenda, both economically and politically, but one which, he believed, chimed with the times of twenty-first-century Britain.

Whether or not it actually did is open to debate. What is beyond doubt, however, is that during five years of opposition to a largely unpopular coalition government, Ed Miliband struggled to convince the British electorate that the Labour Party was the appropriate agent to bring about this far-reaching change. The double-digit lead Labour had over the Conservatives started to melt away in the final stages of the

¹ ‘Responsible capitalism’ expressed in numerous speeches including Ed Miliband’s speech at Google’s Big Tent event on 22 May 2013 (accessed at www.theguardian.com/commentisfree/2013/may/22/google-corporate-responsibility-ed-miliband-speech, 4 December 2014).

parliament, with most experts anticipating a very tight race and the almost guarantee of another hung parliament.² Partly, this is because Labour did not do enough to persuade sufficient numbers of voters it was ready to govern again – in particular, the party was not trusted to run the economy.³ Moreover, Labour misjudged the public mood: anger over the financial crisis did not manifest itself in support for the conventional centre-left party but was instead channelled into rising support for populist parties – UKIP in England and the SNP in Scotland – who capitalized on the widespread sense of disaffection with the political mainstream at large. Consequently, it is far more likely that the government elected in 2015 will look and feel more like the fragile and ultimately politically weak Wilson/Callaghan governments of the 1970s, with the real prospect of Labour or the Conservatives ruling as a minority government,⁴ than the transformational premierships of Attlee and Thatcher. As the 2015 election approached it became clear that whilst Labour could win, they could not do so convincingly; if victory was to come, it would do so with the party crawling over the finishing line, aided and abetted by the distortions of the first-past-the-post electoral system and the haemorrhaging of the Tory vote to UKIP.⁵ If British politics is to be refashioned, as it surely must, it may well fall not to David Cameron or Ed Miliband, the politicians of the interlude, but to the next generation.

The story of Labour under the Coalition is one of anaemic recovery from its catastrophic electoral position in 2010, when it secured just 29 per cent of the vote, its second worst result since 1918. While its revival over the course of the parliament enabled it to compete for power in 2015, in the end, this arguably had less to do with the efforts of the Labour leadership and more to do with the political circumstances of the time. Most obviously, Labour's improvement on

² John Curtice, 'World in motion: How globalisation is reshaping the party system', *Juncture*, 12:3 (2014), pp. 201–14.

³ Tom Clark, 'Voters trust Cameron-Osborne most with the economy, poll finds', *The Guardian*, 6 October 2014.

⁴ The Wilson/Callaghan governments had to cope first as a minority government, then surviving with a wafer-thin majority which was subsequently lost, prompting Callaghan to organize a pact with the Liberals. See Anatole Kaletsky, 'Why Britain's days as a haven of political, economic stability are numbered', *Reuters*, 21 November 2014 (accessed at <http://blogs.reuters.com/anatole-kaletsky/2014/11/21/britain-may-turn-into-europes-most-politically-unpredictable-country>, 5 December 2014).

⁵ See chapter twenty-one, this volume.

its 2010 result was based almost entirely on the transfer to Labour of disaffected former Liberal Democrat voters who felt betrayed by the party's decision to enter into a coalition with the Conservatives.⁶ True, these left-leaning voters felt sufficiently reassured by Miliband's efforts to jettison the more divisive elements of the New Labour years to convert to the Labour cause; Miliband had made a direct appeal to former Liberal Democrats during his leadership election bid.⁷ And more significantly, without the degree of party unity achieved by Miliband during these years, a relatively impressive accomplishment for a party with a history of endemic factionalism, Labour would not have been taken seriously as a credible alternative party of government. Nevertheless, the basic fact remains that a significant number of these former Liberal Democrat voters became Labour almost by default (a clear sign of a coalition *effect*). Labour's failure to extend its electoral appeal beyond a precarious alliance of this group and its heartlands (what critics dubbed 'the 35 per cent strategy') is striking: indeed, once the Liberal Democrat 'bonus' is discounted it is possible that Labour's core vote across the parliament may have fallen below the nadir of 2010 (a clear sign of both UKIP's incursion into Labour's traditional blue-collar base and the profound naivety of not trying to reach out to other parts of the electorate).⁸ As its poll lead across the parliament shrivelled, so the lofty rhetoric of building 'One Nation Labour' was quietly dropped from the party's narrative.⁹

This chapter explores the different factors that help explain why Labour's progress during 2010–15 was so limited. Inevitably it focuses on the leadership of Ed Miliband, the central figure in the story. Tellingly for the son of an academic, it is a story where actions needed to speak louder than words. In broad terms Miliband realized from early on the path that Labour would need to tread if it was to renew itself, but for a

⁶ The Liberal Democrats received 23 per cent of the vote in the 2010 general election. Lord Ashcroft said that the Lib Dems would lose 71 per cent of their 2010 voters, and of those 71 per cent, 29 per cent would vote Labour or Green (<http://lordashcrofthpolls.com/2013/03/what-are-the-liberal-democrats-for>, accessed 4 December 2014).

⁷ Ed Miliband, 'Dear Lib Dem voter', *The Guardian*, 23 August 2010.

⁸ 'The Lib Dems have lost 7 in 10 of their voters. Where have they gone?', *New Statesman*, 3 November 2014.

⁹ 'One nation' was mentioned forty-six times in Miliband's Manchester conference speech of 2012, but only 6 times in his 2013 Brighton speech (www.psa.ac.uk/insight-plus/blog/ed-miliband's-conference-speech-should-be-understood-part-narrative-reorientation, accessed 4 December 2014).

variety of reasons he failed to put in place the measures needed to revitalize the Labour cause. In short, Miliband began to articulate a credible post-crash reform agenda for social democracy, but he failed to convert this into a political *project* around which he could mobilize the country.

Inheritance and context

Historical assessments of Labour under Miliband have to start with an appreciation of the state of the party he inherited and the prevailing political and economic circumstances at the time. The picture is, unsurprisingly, quite mixed.

In electoral terms the scale and nature of Labour's defeat in the 2010 general election undoubtedly put them firmly on the back foot. The 29 per cent share of the vote not only marked fatigue with the Labour Party, but also completed the reversal of the inroads into 'middle England' it had first made during New Labour's landslide in 1997.¹⁰ Between 1997 and 2010 Labour lost nearly five million votes, with its share of the vote declining across three successive general elections (2001, 2005 and 2010).¹¹ Labour found itself pinned back into its heartlands in the north of England, Scotland and Wales. Another fortress was inner London, but across the rest of the south of England, Labour was all but annihilated (it held 12 seats out of a possible 210).¹² The Labour vote was reduced to its core; however, there were worrying signs that its support among its base was fragile too. IPSOS Mori noted a big swing to the Conservatives from Labour among poorer voters (so-called C2DEs).¹³ Perhaps the biggest challenge facing Labour was the toll the election took on its reputation. In their authoritative study, Kavanagh and Cowley show how the 2010 election revealed that many voters believed that Labour were more interested in helping immigrants and those on welfare benefits than 'hard-working families'.¹⁴ This was all a far cry from Tony Blair's desire that Labour become the party of the aspirational classes.

¹⁰ In 1997 Labour won 418 seats and 43.2 per cent of the vote. In 2010 it was reduced to 258 seats on 29 per cent of the vote.

¹¹ Dennis Kavanagh and Philip Cowley, *The British General Election of 2010* (London: Palgrave, 2010), p. 340.

¹² <http://news.bbc.co.uk/1/shared/election2010/results/>.

¹³ Kavanagh and Cowley, *British General Election of 2010*, p. 340. ¹⁴ *Ibid.*, p. 341.

Miliband's inheritance was also tarnished by the reputation of the much-derided Brown government, which suffered the humiliation of being in power when the economy went into freefall. Despite his immense contribution to saving the banking system during the 2008–9 global financial crisis, Brown could not escape the blame for the major recession that followed in its wake, especially given his hubristic claim to have ended 'boom and bust'.¹⁵ As output collapsed and Britain's deficit soared, Brown's reluctance, in particular, to talk about how public spending could be brought under control did his and Labour's reputation irreparable damage.¹⁶ Late in the day Alistair Darling set out a plan to halve the deficit across the parliament, but by then it was too late to reverse the collapse in public confidence. Labour was once again confronted by the blunt political truth that it is much easier to lose reputations for economic competence than to gain them.¹⁷ The situation was made all the more perilous in the first few months of the coalition, as the Conservatives and Liberal Democrats mounted a coordinated and devastating attack on Labour's economic record. While the Labour Party was busy inwardly focusing on choosing its new leader, through an epic four-month-long campaign, the coalition partners were able to travel around the country tirelessly repeating the mantra that they were a government formed in the 'national interest' to fix 'the economic mess the Labour Party left us in'.¹⁸ The failure of the Labour Party to respond adequately to these highly effective assaults left them exposed on an issue that would help define the next five years of British political life.

Three factors were regularly identified in the post-election analysis for why Labour took such a drubbing: the unpopularity of Gordon Brown; being blamed for crashing the economy; and perceived failures to address immigration, which was becoming an increasingly salient issue in British politics, and one on which Labour looked out

¹⁵ Gordon Brown, Pre-Budget Report, 9 November 1999: 'Under this Government, Britain will not return to the boom and bust of the past.'

¹⁶ Anthony Seldon and Guy Lodge, *Brown at 10* (London: Biteback, 2010): see introduction and epilogue.

¹⁷ Previous examples of Labour's economic credentials being damaged include devaluation in 1967 and the 'winter of discontent' from 1978.

¹⁸ This phrase was frequently quoted by figures within the government, including the Prime Minister.

of touch (epitomized during the campaign by Gordon Brown calling Mrs Duffy a bigot).¹⁹ More generally there was the basic fact that after thirteen long years in power, the country had become bored and disillusioned with Labour. The many achievements of the 1997–2010 era had faded from view: instead the lingering memories of the Labour government were of unedifying factionalism and the bitter civil war waged between the Blairites and Brownites, economic catastrophe and the long shadow cast by Iraq. Early on, the most significant challenge Ed Miliband faced was to get his party listened to again, which was particularly difficult given that all eyes were focused firmly on the novelty of Britain's first peacetime coalition since the 1930s.

History suggests that it takes time for a party recently rejected from office to get a hearing from the public. This perhaps explains why so few parties return to office after one term out of power: only once since 1945 has a party achieved this feat, Harold Wilson in February 1974, and then only as a minority government.²⁰ We have to go back ninety years, to 1924 and the fall of the first Labour government, and thus fairly exceptional circumstances, to find the last time a party – Stanley Baldwin's Conservatives – returned to office with a majority after one stint in opposition.²¹ The path back to power can be especially challenging for parties that experience a long spell in government: this was the case for the Conservatives following the Thatcher/Major years, where the party lost three consecutive elections. Wilson's one-term interregnum came on the back of just six years in Downing Street (1964–70); Ed Miliband, by contrast, was attempting to catapult Labour

¹⁹ See Kavanagh and Cowley, *The British General Election of 2010*; Dominic Wring, Roger Mortimore and Simon Atkinson (eds.), *Political Communication in Britain: The Leader Debates, the Campaign and the Media in the 2010 General Election* (London: Palgrave Macmillan, 2011). See also G. Evans and K. Chzen, 'Explaining voters' defection from Labour over the 2005–10 electoral cycle: Leadership, economics and the rising importance of immigration', *Political Studies*, 61(Suppl. S1) (2013), who argue that immigration best explains why people were reluctant to vote Labour.

²⁰ Wilson held another election in October 1974, when he managed to secure a wafer-thin majority of three seats. See Ben Pimlott, *Harold Wilson* (London: HarperCollins, 1992).

²¹ Looked at from the point of view of the governing party, then, the corresponding explanation for why they tend to win a second term (of some sort) is the advantage of incumbency. Only Heath failed to secure a second term in the post-war period.

back to power following more than a decade in office and to do so on the back of Labour's abysmal electoral performance.

The very fact that Labour was even able to challenge for power might seem impressive when judged against these historic parallels. Yet in other important respects the contemporary political and economic conditions in 2010–15 favoured the left. The deepest recession since the 1930s created an opportunity for Labour to be the party of choice for the large swathes of the country caught in the trap of falling living standards and rising economic insecurity. In electoral terms, as noted above, Labour benefited almost immediately from the transfer of a large number of Liberal Democrat voters who felt betrayed by their party's decision to enter into a coalition with the Conservatives (especially after the party did its infamous U-turn on university tuition fees).²² The psephologist John Curtice estimates that this boosted Labour's poll rating by around seven points, which almost wholly accounts for the advance Labour made from 2010.²³

Nor did Labour have to compete against a formidable Tory opponent. Indeed for much of the parliament the Tory party looked as if it was ungovernable, characterized as it was by splits and defections. Miliband's critics would lament his failure to land more blows against such a dysfunctional governing party. In stark contrast Labour remained relatively united. Whatever else might be said about Ed Miliband's leadership, history will record that he bucked Labour's pathological tendency for civil war. The famously fissiparous party split badly on falling from power in 1931, 1951 and 1979, leaving it stranded on the opposition benches for nine, thirteen and eighteen years respectively. Of course there were divisions on strategic direction – most significantly over the direction of economic policy, with Ed Balls reluctant to embrace the Miliband agenda (discussed below) – and on big policy decisions and tactics (examples of the former include the decision over whether to back an in-or-out referendum on Europe and examples of the latter included whether or not to come out so strongly against the Murdoch press after the Hackgate affair), but on the whole the party pointed in the same direction. There were no significant ideological differences to rival the battles of the 1980s. Nor were there the factional and personal splits that so disfigured the Blair–Brown years.

²² See chapter 18, this volume.

²³ Curtice, 'World in motion'.

Critics would, however, argue that party unity came at the expense of strategic political positioning, especially on the deficit.

The prevailing economic and political conditions, in other words, provided an opportunity for Labour's revival. Against this favourable background, even the claim of achieving party unity, can be questioned. It would take skill not to be able to unite the left in the face of falling living standards and George Osborne's austerity programme. Besides, Miliband did not have to contend with the pressures that Neil Kinnock faced in the 1980s – with Militant on his left flank, and the SDP assault coming from the right. And of course Miliband benefited from the disunity on the right, marked by the surge in support for UKIP.

However, while the UKIP threat initially appeared of greatest immediate significance to the Conservatives (no less than seven in ten of 2010 Tory voters who defected went to UKIP), as the parliament progressed it became clearer that UKIP also posed a serious threat to the Labour Party. UKIP's hard line on immigration and its message of a Westminster elite out of touch with the country as a whole resonated with traditional Labour voters; the cultural politics of the contemporary British working class erupted during the Rochester and Strood by-election, when then Shadow Attorney General Emily Thornberry was sacked by Miliband for tweeting a picture apparently mocking a home bedecked with English flags.²⁴ Miliband's overreaction to Thornberry's tweet highlighted the extent to which the success of UKIP against Labour had rattled the leader's cage, notably with Farage's party nearly capturing Heywood and Middleton near Manchester in another by-election despite having few resources available to campaign. UKIP also made significant council gains in Labour constituencies, most notably in Rotherham, and began to target Labour seats as well as Tory ones. The longer-term danger to Labour from UKIP – mobilizing those voters in hitherto safe seats who felt 'left behind' by the politics of Blairism and 'triangulation' – represented a significant challenge to the party's electoral interests.

Less conspicuously, Labour also began to lose votes to the Greens, an anti-austerity party who styled themselves as the authentic voice on the left, and who benefited from Labour's increasingly tough

²⁴ Rowena Mason, 'Emily Thornberry resigns from shadow cabinet over Rochester tweet', *The Guardian*, 20 November 2014.

rhetoric on immigration in 2014.²⁵ In a very tight race, the lift in the Green vote, if sustained, could hurt Labour. However, a far more fundamental challenge to Labour's electoral prospects emerged in Scotland.

Despite the victory for unionism in the Scottish independence referendum in September 2014, the campaign revealed the depths of Labour's problems north of the border, particularly among its working-class base. Organizationally the party was in disarray, but more profoundly it didn't appear to have a vision for Scotland in a devolved union. It was heavily divided over extending powers for Holyrood, whereas public opinion overwhelmingly backed the case for a stronger Scottish Parliament. Many in Labour's ranks resented the idea of giving the nationalists a 'consolation prize', and moreover feared that further powers would open up the Pandora's box of the West Lothian question, and the possibility of restricting the voting rights of Labour's Scottish contingency at Westminster. The net result was that Labour appeared to be putting party interest ahead of national interest – never a sensible move.²⁶ Into the mix went the charge by the SNP that Labour were part of a Westminster elite for whom Scotland was only an afterthought. Not long after the referendum, Labour's polling in Scotland went into free-fall: an Ipsos MORI poll put the SNP on 52 per cent with the Labour party only on 23 per cent, its lowest level since 2007, and a lead that would hand the nationalists the majority of Scotland's 59 seats.²⁷ The prospects of an electoral earthquake in Scotland provoked the resignation of its leader, Johann Lamont. As Labour nosedived, the SNP's membership tripled to more than 80,000.²⁸ The key result of this new electoral geography in Scotland was that the SNP's inroads into Labour territory in Scotland had much the same effect as UKIP's inroads into

²⁵ Green Party membership grew throughout the 2010–15 parliament, and by a staggering 45 per cent in 2014 alone (<http://greenparty.org.uk/news/2014/10/03/green-surge-membership-of-the-green-party-up-45-in-2014-alone>, accessed 4 December 2014).

²⁶ Labour produced the weakest package of additional powers among the unionist parties in the run-up to the referendum. In the end, a more substantial offer was made through the Smith Commission and in February 2015, Jim Murphy and Gordon Brown promised even greater powers, particularly over welfare in Scotland.

²⁷ Ipsos MORI, 'SNP open up significant lead ahead of general election vote', 30 October 2014 (accessed at www.ipsos-mori.com/researchpublications/researcharchive/3469/SNP-open-up-significant-lead-ahead-of-General-Election-vote.aspx, 4 December 2014).

²⁸ 'Labour faces losing up to 20 seats in Scotland as SNP support surges', *The Guardian*, 3 November 2014.

Conservative territory in England, rendering majority rule for both major parties of British politics much harder to achieve.

Miliband faced the prospect of a General Election in 2015 under attack from nationalists in England and Scotland, both of whom were making populist overtures to his core voters. These difficulties were not confined to the UK – all mainstream parties across Europe faced similar pressures from populist movements. Nonetheless, and notwithstanding Miliband's ephemeral success with the 'cost of living crisis', Labour seemed unable to form a strategy over how best to respond to incursions into its vote.

Miliband vs Miliband

There may have been five candidates for the Labour leadership contest but it was always going to be a battle between the two Miliband brothers.²⁹ David, the elder and more experienced (he was Foreign Secretary in the Brown premiership and had co-authored the 1997 party manifesto), was the clear favourite. The chink in his armour was that he was perceived to be the Blairite candidate, which made him vulnerable in the union section of the electoral college.³⁰ Ed exploited this by putting clear red water between himself and the divisive parts of the New Labour legacy, hence his vocal opposition to tuition fees and the Iraq war.³¹ By distancing himself from Labour's past he hoped to project himself as the candidate for the future. Indeed his aides argue that Ed's main motivation for standing against his brother, with all the family tension this doubtlessly generated, was because of his clear belief that he was best placed to oversee a period of substantial revisionism which he believed was necessary for the party to rebuild itself. His campaign speeches were peppered with arguments about how New Labour's hands-off approach to economic management had failed to deliver adequate economic security for those on middle and low incomes; and how its ambivalence about runaway inequality at the top was no longer in step with public opinion. Announcing his candidacy he spoke about how 'globalisation is not simply an untameable

²⁹ The other candidates were Ed Balls, Andy Burnham and Diane Abbott.

³⁰ The Labour electoral college comprises: MPs and MEPs; party members; and affiliated members (including union members).

³¹ Patrick Wintour, 'Ed Miliband's team confident their man will win Labour's race on second votes', *The Guardian*, 5 September 2010.

force of nature to which we must adapt or die', a clear departure from New Labour's accommodation of market forces.³²

The party faithful were also told 'Ed speaks human', which was very deliberately intended to contrast his supposed down-to-earth demeanour with his brother's aloofness;³³ ultimately this was to become an unwise hostage to fortune as 'speaking human' did not prove to be a strength of the younger brother, who would repeatedly struggle to connect with ordinary voters.

The result went down to the wire. Ed Miliband was behind right until the final round of reallocations when Ed Balls' voters' second preferences were reallocated, pushing him up to 50.65 per cent.³⁴ As is well known, Ed Miliband triumphed over his brother on the back of second preference votes and by securing the overwhelming support of trade union members. In politics a win is a win, but nonetheless the nature of Ed Miliband's victory had important implications for his leadership across the parliament. Most obviously Miliband failed to secure the support of his colleagues in the Parliamentary Labour Party (PLP), raising questions about his legitimacy. He was the first choice of only 32 per cent of MPs, thus bucking a trend whereby all previous party leaders have been the preferred choice of the parliamentary party.³⁵ The truth is that large swathes of the PLP were never reconciled to his leadership, and many felt that the party had chosen the wrong Miliband. Grumblings about Miliband's leadership ability would be a constant feature of his reign, becoming most vocal during the so-called 'Bonfire plot' in the autumn of 2014 when on the back of a dismal conference speech and a spate of poor polls, especially in Scotland where support for Labour collapsed after the referendum, and a near-death experience in the Heywood and Middleton by-election, it was rumoured that twenty Labour frontbenchers were actively considering

³² <http://labourlist.org/2010/05/ed-miliband-announces-his-intention-to-stand-for-leadership-full-speech> (accessed 4 December 2014).

³³ Medhi Hassan, 'Medhi hassan on Ed Miliband's race for the Labour leadership: Ed speaks human', *New Statesman*, 26 August 2010.

³⁴ <http://archive.labour.org.uk/votes-by-round> (accessed 4 December 2014). Labour used the Alternative Vote system (AV), whereby the candidate with the lowest number of votes is eliminated and their voters' second preferences are reallocated until one candidate has more than 50 per cent of the vote.

³⁵ Peter Kellner, 'How Ed Miliband won' (accessed at <https://yougov.co.uk/news/2011/05/16/how-ed-miliband-won>, 4 December 2014).

Table 19.1 *Labour Party leadership election results, fourth round, 2010*

4th Round	MPs and		Labour Party		Affiliated		Total
	MEPs	%	Members	%	Members	%	
David Miliband	140	17.812	66,814	18.135	80,266	13.400	49.35
Ed Miliband	122	15.522	55,992	15.198	119,405	19.934	50.65
Total	262	33.333	122,806	33.333	199,671	33.333	100

Source: <http://archive.labour.org.uk/votes-by-round>

moving against him.³⁶ It came to nothing, not least because Alan Johnson – ‘the postman-across-the-water’ – turned down the offer of a coronation.³⁷ The plot was a typical Labour shambles. As with the revolts against Gordon Brown, all it served to do was illuminate the fact that the PLP had lost faith in their hapless leader.³⁸

Next he had to cope with the charge that he was in hock to the unions, given that they had played such a big part in his victory (he had 20 per cent support among trade union members, which dwarfed the lead David had in other parts of the electoral college; see Table 19.1). This was a favourite line of attack from the right-wing press, who pilloried him as ‘Red Ed’ from day one, but it resonated only with a minority of the public. Far more damage was inflicted on him because the public believed that he had ‘stabbed his brother in the back’, which is perhaps what he was best known for among the electorate. Whereas his aides believed his decision to stand against and defeat David was evidence of his steeliness and inner strength, the public did not hold this view. Nevertheless, Ed Miliband’s unquestionably difficult decision to run against his brother highlights the fact that he felt that he had something genuinely different to add to the debate and believed in a new project of transformational politics that argued that the status quo simply wasn’t working. Despite the lack of clarity at this stage, it seemed Miliband had grand ambitions for a new type of progressive Labour politics.

³⁶ Jason Goves, ‘Bonfire Night plot to oust Ed: Labour in crisis as MPs hold secret meeting and demand “Axe leader or we’ll lose the election”’, *The Daily Mail*, 6 November 2014.

³⁷ ‘Postman across the water’ is a quotation from Andrew Rawnsley, ‘Labour angst about their leader risks echoing the Tories’ jeers’, *The Observer*, 9 November 2014.

³⁸ Jason Goves, ‘Bonfire Night plot’.

What is Milibandism? Responsible capitalism and the return of political economy

As we emerge from the global economic crisis, we face a choice: we can return to business as usual or we can challenge old thinking to build a new economy.

*(Ed Miliband conference speech 2010)*³⁹

The weakest criticism levelled at Ed Miliband is that his leadership lacked a clear sense of purpose; that he was a cork adrift in a hostile sea. On the contrary, Miliband deserves credit for advancing a personal agenda for reforming contemporary capitalism, although it was undoubtedly embryonic. These ideas did manage to have some traction with a public coping with the fallout from the most significant economic crash since the depression of the 1930s, but crucially not enough.⁴⁰ There was such a thing as Milibandism, even if it was often poorly articulated and communicated. There were also flashes of brilliance, such as his proposal to freeze energy prices, when his agenda cut through to make the political weather, which can't be said of all leaders of the opposition.⁴¹

Miliband's central insight was that the financial crash had exposed the limitations of the traditional Croslandite model of social democracy, and the cruder version pioneered during the Blair and Brown years, which depended – overly depended – on tax-funded redistribution to deliver social justice.⁴² Not only did the 2008–9 crash, and new fiscal reality that followed in its wake, blow apart the centre-left's traditional statecraft, which was premised on building political coalitions on the back of sustained public spending, Miliband argued that trying to ameliorate the iniquities of advanced market economies through downstream transfers alone leaves unaddressed the root causes of inequality. Hence his relentless focus on 'the cost of living crisis' and the need to repair the severed link between growth and prosperity,

³⁹ *BBC News*, 28 September 2010 (accessed at www.bbc.co.uk/news/uk-politics-11426411, 4 December 2014).

⁴⁰ Numerous books have been published on the 2008 financial crisis, including Andrew Ross Sorkin's *Too Big to Fail* (London: Viking, 2009).

⁴¹ Ed Miliband, Party conference speech, 24 November 2013.

⁴² There was of course much more to Crosland's revisionist account of social democracy than this caricature allows for. See Anthony Crosland, *The Future of Socialism* (London: Jonathan Cape, 1956).

which had started to unravel long before the crash, manifesting itself in a decade-long fall in real wages, especially for those in the bottom half of the income distribution, but which was masked by tax credits and rising personal debt.⁴³

The immediate triggers of the 2008–9 crash were deregulation of the financial sector and an asset bubble. But for Miliband the more important observation was that these events revealed deep-rooted structural weaknesses inherent in British capitalism, which could only be addressed by a dose of radicalism. In addition to the broken link between growth and wages these included the long tail of pedestrian, low-skill and low-productivity sectors of the economy, in which millions of workers are employed on low wages, with no prospect of career advancement.⁴⁴ Then there was Britain's excessive dependence on the financial sector – representing 10 per cent of gross value added at its peak in 2009.⁴⁵ In short, Miliband argued, the British growth model was not only highly volatile, and prone to regular crises, but also generated worrying levels of inequality and stagnating living standards for the vast majority.

Miliband's response was what he termed a more 'responsible capitalism'.⁴⁶ To be more resilient and stable, he argued, the British economy needed to be rebalanced, with growth and tax revenues flowing from a broader range of sectors and firms. Central to his thinking was the need to sweep away vested interests and break down concentrations of power – by substituting rent-seeking with greater competition. Stewart Wood – one of his closest aides – talked of the need for a 'supply side revolution from the left' to strengthen the skills of workers and give them a bigger stake in their jobs. All this, he believed, would create not just a more productive economy but a fairer one too.

⁴³ Ed Miliband, Speech on the cost of living crisis, Battersea, 5 November 2013 (see www.newstatesman.com/politics/2013/11/ed-milibands-speech-cost-living-crisis-full-text, accessed 4 December 2014).

⁴⁴ Gavin Kelly and Nick Pearce, 'After the coalition: What's left?', *IPPR*, 26 September 2012 (accessed at www.ippr.org/juncture/after-the-coalition-whats-left, 4 December 2014).

⁴⁵ Lucinda Maer and Nida Broughton, 'Financial services: contribution to the UK economy', SN/EP/06193 (accessed at www.parliament.uk/briefing-papers/sno6193.pdf, 4 December 2014).

⁴⁶ Ed Miliband, 'What responsible capitalism is all about', *The Guardian*, 22 May 2013.

In policy terms this meant tackling oligopolistic practices in key economic sectors – hence his commitments to freeze energy prices and cap the market share of the five big banks. He backed a state investment bank to provide for ‘patient’ capital.⁴⁷ He sought to curb the predatory practices of firms with his attack on payday lenders and the use of zero-hours contracts. Miliband backed the roll-out of apprenticeships and vocational training – as well as models of employee ownership. He recognized that fiscal constraints inhibited the ability to boost low-to-middle income families through transfers (i.e. tax credits) and thus shifted the burden onto raising employment income. These were the origins of the push for raising the minimum wage and incentivizing firms to introduce the living wage. Miliband also emphasized the need to increase the employment rate of women and older workers to help raise household incomes.

Of course there were critics who questioned the logic of this approach. Many Blairites remained unconvinced that it was possible to win from the left; indeed Tony Blair was quoted as saying as much in December 2014 (and in fact Team Miliband agonized about this themselves). Predictably, voices on the left were uneasy with any retreat from the traditional politics of redistribution. Others provided more considered criticism. Lane Kenworthy, for instance, suggested the ‘predistribution’ school was guilty of wishful thinking: the best institutional force to counteract low wages is the trade unions, yet unionization rates, despite stabilizing recently, have fallen drastically over the last thirty years.⁴⁸ In the absence of the unions being revived, where would the pressure for boosting living standards come from?⁴⁹ Nor did Miliband adequately explain how the growing numbers of self-employed workers fitted into his schema; and he paid only lip service to the role of small businesses.

Doubtless achieving such a transformation is a formidable challenge: the cultural and institutional shift required to move British capitalism down a path of high wages and high productivity and investment are considerable. Indeed some so-called ‘Varieties of Capitalism’

⁴⁷ Ed Miliband, Speech to the British Chambers of Commerce, 14 March 2013.

⁴⁸ James Achur, ‘Trade union membership 2010’, Department for Business, Innovation and Skills, 2011.

⁴⁹ Lane Kenworthy, ‘What’s wrong with predistribution’, 20 September 2013 (accessed at www.ippr.org/juncture/whats-wrong-with-predistribution, 4 December 2014).

Table 19.2 *YouGov poll: 'Who would you trust more to run the economy?'*

	Cameron and Osborne	Miliband and Balls	Not sure
2014			
January 9–10	40	29	31
2013			
July 25–6	39	26	35
June 27–8	36	26	38
February 24–5	35	29	37
2012			
December 6–7	37	26	37
July 26–7	34	31	35
April 26–7	36	28	35
2011			
March 24–5	39	30	31

Source: YouGov, 2014.

scholars say it is almost impossible to change radically the basic political economy of a country.⁵⁰ Miliband believed that such a view was unduly defeatist. Perhaps so; yet regardless of the merits of his thinking, the political truth is that Miliband failed to convert this agenda into a project. There were various reasons why this proved to be the case. Three stand out: the failure to improve Labour's reputation for economic competence proved a major obstacle; then there were questions about Ed Miliband's standing as a potential Prime Minister; finally, the populist backlash against the established parties that had recast the political landscape in this period meant Labour were never considered the party of insurgency capable of delivering change.

The question of economic competence

It is difficult to see how Labour felt they could be considered the party to deliver far-reaching economic change, when so few people trusted them to run the economy. The Tory lead on economic competence proved unassailable throughout the parliament (see Table 19.2), despite George Osborne conspicuously failing to meet his goal of eliminating

⁵⁰ Peter A. Hall and David Soskice, *Varieties of Capitalism* (Oxford: Oxford University Press 2001).

the deficit.⁵¹ Even at the height of the government's economic problems – with GDP figures seeming to show that the country had tipped back into recession⁵² and Osborne's infamous 'omnishambles' Budget of 2012 – the public still trusted the pair of Cameron and Osborne with the economy more than they trusted Miliband and Balls; a powerful example of just how dire the levels of trust in the Labour Party's economic competence were after the debacle of 2008–9.

The Labour Party simply did not do enough to try to address deep-seated concerns amongst the electorate, who regarded cuts as undesirable but necessary, that they could again be trusted with the stewardship of the nation's finances. Few truly believed that the party had internalized the need for fiscal constraint, which the leadership signed up to. This was most graphically illustrated in the last autumn party conference before the 2015 General Election, when Miliband 'forgot' to mention the deficit in his leader's speech – a spectacular Freudian slip.⁵³ It was an astonishing omission, which inevitably drew ridicule from the coalition parties. George Osborne put it bluntly via the social media site Twitter: 'Ed Miliband didn't mention the deficit once. Extraordinary. If you can't fix the economy you can't fund the NHS.'⁵⁴

For all the talk of fiscal toughness, it was almost impossible to point to a specific piece of public spending a Labour government would cut. At one point in early 2012, Jim Murphy, then Shadow Defence Secretary, said Labour would accept £5 billion of cuts to the defence budget. He was then sacked in the next reshuffle. Ed Balls strongly resisted the idea of signing Labour up to specific cuts, believing that the party could never beat the Tories in such an auction. Doubtless there were some risks, but the obvious downside to this approach is that it looked like Labour was incapable of making tough decisions.⁵⁵ Miliband and Balls failed to learn the critical lesson from the Brown

⁵¹ See www.theguardian.com/money/2014/sep/23/osborne-deficit-reduction-target-uk-borrowing-rise (accessed 4 December 2014).

⁵² 'Economy tracker: GDP', *BBC News*, 30 September 2014 (accessed at www.bbc.co.uk/news/10613201, 4 December 2014).

⁵³ Patrick Wintour, 'Ed Miliband admits he forgot key section of Labour conference speech', *The Guardian*, 24 September 2014.

⁵⁴ George Osborne on Twitter: https://twitter.com/George_Osborne/status/5144261188-75910144.

⁵⁵ Jim Murphy, interview with Nicholas Watt, *The Guardian*, 5 January 2012.

premiership: until the party was considered credible on paying down Britain's debts, it would not get a hearing for its wider plans for economic renewal.⁵⁶

The bitter irony for Labour is that Miliband's espousal of what he wonkishly called 'predistribution' did in fact provide a direct response to the question that loomed large: what is social democracy for when there is no money to spend? The predistribution approach explicitly rejects the idea that incomes and life chances can best be improved through increasing government transfers, by emphasizing alternative policies to boost living standards, including: tackling Britain's chronically under-skilled jobs market through apprenticeships, increasing the employment rate via better access to childcare, enhancing incomes through stronger profit sharing and a higher minimum wage. This would also require a more active industrial policy, as well as fundamental structural reform to the economy to enhance competition (in, for instance, the banking and energy sectors) to give the consumer a better deal. Had he combined his vision of delivering a more responsible capitalism with a more convincing approach to public spending he might have broadened the appeal of his party (particularly to centrist voters). Contrary to the views of some on the left this would not have meant 'surrendering' to Tory austerity – it was possible to reconcile the case for measured and fairer deficit reduction, underpinned by some illustrative examples of 'Labour cuts', with the need to avoid choking demand in the economy.⁵⁷

Historians will ponder why it was that Miliband – who grasped the intellectual case – nevertheless failed to reposition his party on such a fundamental issue of public trust. One possible explanation is that Miliband chose the path of least resistance and decided to place party unity ahead of making tough decisions on public spending. Avoiding the fate of previous party civil wars was his gift to Labour, but it came at a price. No doubt a clearer position on spending would have put the party under pressure, but firm oversight from the beginning might have

⁵⁶ See Seldon and Lodge, *Brown at 10*, for a discussion of the Brown premiership.

⁵⁷ There were signs of an important shift in Labour's position after Osborne's 2014 Autumn Statement, when Miliband and Balls effectively set out a commitment to both deficit reduction and economic reform, making clear how Labour's proposals for managing the nation's finances were distinct from the excessive austerity of the Tory approach. This was precisely the sort of policy formulation Labour needed to be advocating earlier. The question is whether this position was achieved with sufficient time to convince a sceptical public ahead of the election.

worked; after all, the PLP voted for David Miliband, who had made clear the need for fiscal constraint. In the absence of such decisions the party drifted into its comfort zone.

Bad luck also played its part. Alan Johnson's resignation as Shadow Chancellor over his wife's affair paved the way for Ed Balls' promotion to this most critical of Shadow Cabinet posts. This proved to be highly problematic for Labour, not only because no one better embodied the tax-and-spend caricature of the Brown years, but because Balls had little interest in prosecuting Miliband's more radical economic reform agenda. An intellectual fault line opened up on the left during this period between those like Miliband who argued that the British economy was structurally weak and in need of radical surgery and those, like Balls, who believed that the fundamentals were sound enough and that, after a dose of Keynesian expansion, Labour should return to the *status quo ante*. Balls has had to endure much criticism in recent years, over his character and his approach to politics, but perhaps his real failing was exposed during this period of opposition, namely his profound lack of imagination.

Politically Balls' positioning also inflicted serious damage: betting the house on austerity leading to a double-dip recession left Labour vulnerable once the recovery got under way, not to mention denying them the opportunity to address early on its reputational weakness on the deficit. Economically, Balls was right that Osborne's austerity extinguished the growing economy he inherited, and no doubt it played its role in delaying the return to growth. But unfortunately for Balls the electorate did not think in terms of counterfactuals. As the economy picked up, Labour sought to reframe the public debate around the cost of living crisis; however, addressing living standards took Labour around the question of deficit reduction, not through it.

Miliband's basic instincts on the economy were right. But to reconcile the case for radical economic reform while embracing a realistic approach to the fiscal context demanded a new approach to the role of the state. If New Labour was seen as 'too hands-off with the market, too hands-on with the state', the party had to try to align its economic reform agenda with a new approach on social policy. Yet Miliband was always more at ease reforming markets than he was the state, the latter representing a lacuna in his thinking. Despite the efforts of Blue Labour figures like Jon Cruddas and Maurice Glasman, Miliband remained

wedded to a traditional account of the state, which forced Labour into defensive positions on public service and welfare reform.⁵⁸ A paradox Miliband didn't appear to want to grasp was that while the financial crash undermined core nostrums of New Right thinking, it was not matched by growing support for a more active state. His campaign to tackle concentrations of power was very rarely directed at vested interests in the state, which questioned its authenticity. (However, as we shall see later over the Falkirk crisis, he did prove willing to take on interests in the Labour Party itself, which won him rare plaudits from the Blairites.)

Miliband as a leader – potential Prime Minister?

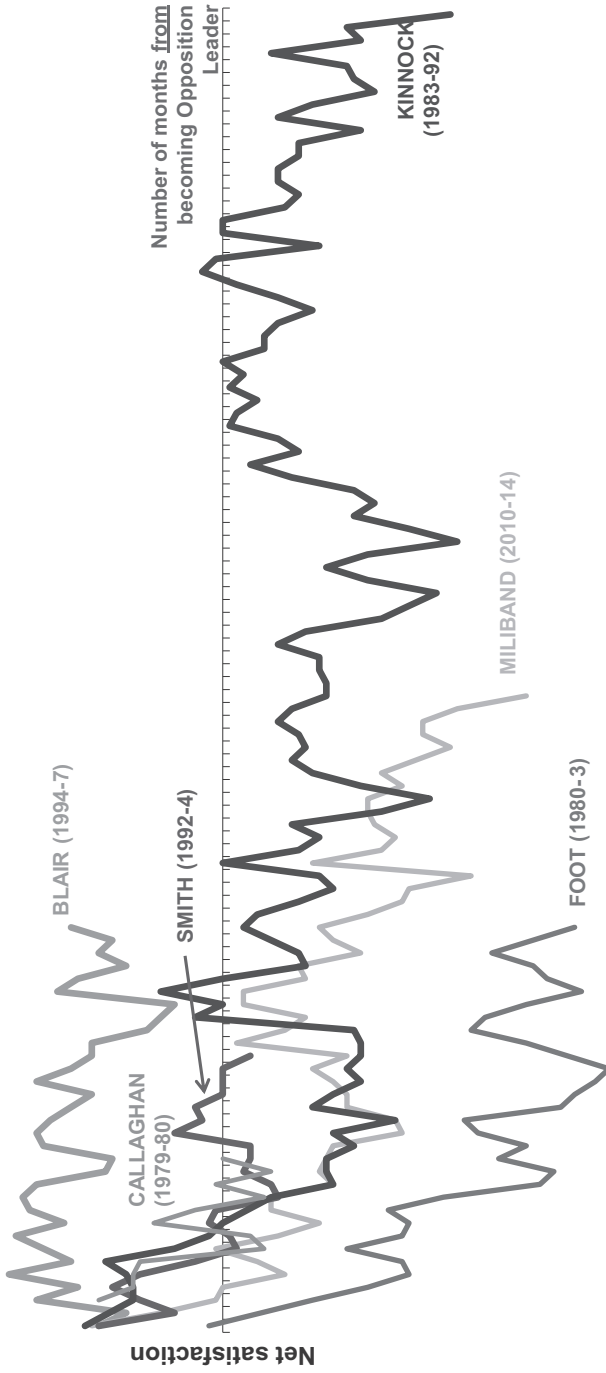
Rebuilding Labour's reputation for economic competence would have lent much-needed credibility to his endeavours to reshape British capitalism. But on its own it was insufficient. While the Labour message was sometimes popular, the messenger never was. Freezing energy prices, a mansion tax, curbing the power of landlords, defending British companies from hostile takeovers all struck a chord with voters. The problem, whether fair or not, was that the country never warmed to Miliband. His personal ratings were dire, worse than those of Hague and Kinnock and only just better than Michael Foot (see Figure 19.1).⁵⁹ 'Red Ed' was the charge levelled at him by the right-wing press, but in the public's mind it was more a case of Odd-Ed.⁶⁰ When voters closed their eyes they just couldn't imagine him standing outside 10 Downing Street or representing Britain on the world stage. Despite his best efforts to set the agenda, which he did successfully on several occasions, on the cost of living, on News International, on predatory capitalism,⁶¹ he continuously struggled to look 'prime ministerial', even to Labour supporters. The best politicians have a presence, which eluded him.

⁵⁸ See www.nextleft.org/2011/07/so-what-is-blue-labour.html (accessed 4 December 2014).

⁵⁹ Ipsos MORI, Political Monitor, November 2014.

⁶⁰ Simon Walters and Glen Owen, 'Oh brother! Red Ed Miliband beats his sibling David to be Labour's new leader', *Daily Mail*, 26 September 2010 and Toby Young, 'Ed Miliband's seven weirdest moments', *Daily Telegraph*, 7 November 2014.

⁶¹ His 'predators and producers' 2011 Party Conference speech was widely derided at the time but the basic themes endured and proved influential.



Base: c.1,000 British adults each month

Source: Ipsos MORI Political Monitor

Ipsos MORI

Note: Data collected prior to September 2008 were collected via face-to-face methodology; data collected from September 2008 were via telephone



Figure 19.1 'How satisfied or dissatisfied are you with the way ... is doing his job as leader of the ... Party?'
Source: IpsosMORI Political Monitor.



Figure 19.2 President Barack Obama drops by National Security Advisor Susan E. Rice's meeting with Opposition Leader Ed Miliband of the United Kingdom, in the National Security Advisor's West Wing Office of the White House, July 21, 2014. (Official White House Photo by Pete Souza)

Labour candidates and activists would return from the doorstep bamboozled by what to do about the 'Ed Miliband problem'. The double whammy of Alan Johnson's forced resignation was that as Miliband's deputy, as he would have become in all but name, Johnson would not only have helped on the economic side, but he would have helped to compensate for Miliband's lack of personal appeal.

Miliband faced questions about his leadership skills and prime ministerial attributes from the moment he became party leader. The combination of a slightly awkward demeanour, demonstrated in pictures of him with Barack Obama, the President of the United States, in July 2014 (see Figure 19.2), his infamous encounter with a bacon sandwich, an unusual voice and a self-acknowledged resemblance to the character Wallace, from *Wallace and Gromit*, all contributed to Miliband's struggles in appearing prime ministerial.⁶² Whether fair

⁶² Adam Withnall, 'Ed Miliband fails to look normal while eating bacon sandwich ahead of campaign tour', *The Independent*, 21 May 2014; Joe Murphy, 'Ed Miliband: I look like Wallace and don't look good eating bacon sandwiches ... but I can lead', *London Evening Standard*, 25 July 2014.

or not, it is undeniable that these presentational issues contributed to Miliband's inability to lead David Cameron on polls about leadership and suitability for the role of Prime Minister.⁶³ It is striking that despite the fact that his closet aides were all aware of his image problems from day one, Miliband and his team inexcusably did almost nothing to try and address them.

Labour would counter that they were subjected to relentless attacks from the right-wing media, who were intent, especially after Leveson, to play the man instead of the ball – going for Miliband personally, as they had with Kinnock when he was leader. Interestingly the only time the public appeared to get behind Miliband came on the back of the *Daily Mail's* attack on his father, Ralph Miliband, in September 2013, when they ran an article entitled 'The man who hated Britain'.⁶⁴ The article was widely criticized and Miliband responded vigorously, with a strongly worded criticism of *Mail* editor, Paul Dacre.⁶⁵ The dispute with the *Mail* clearly stirred Miliband's blood and presented him to the public in a passionate and sympathetic manner, something that was all too rare during the 2010–15 parliament. Miliband's calls for Rupert Murdoch's empire to be dismantled in an interview with the *Observer* in 2011 demonstrated another example of bravery and prime ministerial leadership.⁶⁶

On issues where he felt intellectually self-confident, such as on economic reform, he would be bold and decisive. In other instances, however, Miliband would prevaricate and dither. He had a number of blind spots on major areas of policy: on welfare, on public service reform, on Scotland and the union, and on foreign policy. The result was that these were largely neglected areas of his leadership. In some cases, on welfare for instance, he felt his own instincts were out of sync with the country so he shied away from it. It didn't help that he only really looked and sounded like a compelling leader when he could speak authentically. In other cases, notably education, he simply failed to form a strong view. There was also a tendency to try to shoehorn everything

⁶³ In a YouGov/*The Sun* poll from 23–4 September 2014, when asked the question, 'Which of these would make the best prime minister?', 37% said David Cameron, 21% Ed Miliband, 4% Nick Clegg and 37% didn't know.

⁶⁴ Geoffrey Levy, 'The man who hated Britain', *Daily Mail*, 28 September 2013.

⁶⁵ Ed Miliband, 'Why my father loved Britain', *MailOnline*, 1 October 2013.

⁶⁶ Toby Helm, Jamie Doward and Daniel Boffey, 'Rupert Murdoch's empire must be dismantled – Ed Miliband', *The Guardian*, 16 July 2011.

into his account of the crisis of capitalism, which meant he sometimes misjudged his response. He never properly grasped, for instance, the role of nationalism and identity in the referendum debate in Scotland. For him it was all about living standards.

Indecision was often the product of him acting more like an adviser than a leader. Intellectually brilliant, he could deconstruct issues in forensic detail, interrogating proposals from every policy and political angle. The downside was the tendency to go round in circles, with decision-making regularly a tortuous affair. As Jonathan Freedland put it:

As an analyst, Miliband is persuasive. But this is the trouble. The job he is applying for is not to describe the country's problems but to fix them. And it's in that latter regard that he does not quite convince. Miliband doesn't want to be Britain's senior tutor but its Prime Minister. With just eight months to go, he doesn't yet look the part.⁶⁷

Miliband as a radical

Not only was Miliband considered to lack the gravitas necessary to be Prime Minister, he never made a convincing radical either. Miliband saw himself as a Thatcher on the left, tackling orthodox thinking, but as far as the public were concerned he was considered an insider, not an insurgent. Amidst the rowdiness of UKIP and SNP populists, Miliband was cast as part of the political establishment. Ultimately leaders need followers and Miliband attracted very few to his cause. The so-called 'left behind', those who have lost out from globalization and a constituency Miliband targeted, headed not to Labour but to Farage's 'people's army'. As John Curtice argues, UKIP and the SNP, who challenged the hegemony of the Westminster parties in the 2010–15 period, can be seen at least in part to represent a response to the challenges posed by globalization.⁶⁸ UKIP supporters are most pessimistic about Britain's future economic prospects, while support for the Yes vote in the Scottish referendum was highest amongst the working class who are 'the losers from our current economic arrangements'.⁶⁹

⁶⁷ Jonathan Freedland, 'Ed Miliband: Coherent and together – but still not yet looking the part', *The Guardian*, 23 September 2014.

⁶⁸ Curtice, 'World in motion'. ⁶⁹ *Ibid.*

While Miliband was right to understand that the *status quo ante* was not an option after the events of 2008–9 – he realized this argument better than and ahead of any other European social democrat leader – he nevertheless failed to factor into his calculations that the financial crash did not result in an automatic swing to the left. Instead its real impact was to heighten disaffection with the ‘political class’: Miliband was, unfortunately for him, a fully paid-up member of it. In fairness Cameron and Clegg were also completely wrong-footed by rising populism and could not muster an effective response. The coalition should in theory have provided Labour with an intrinsic advantage, becoming the first port of call for voters disaffected with the government. Other than in the early phases of the parliament, however, Labour failed to capitalize on these circumstances.

Miliband could be inspirational, but not for long enough to matter. Political momentum he generated would soon dissipate – with his critics lambasting him for presiding over endless relaunches. Too often he had a tin ear for popular opinion – on immigration, on welfare, on the contempt for politics, and on the nascent politics of English nationhood. He was right to believe that the post-2008/9 world provided an opportunity for progressive politics; but there was nothing inevitable about this. It was not 1945, when Attlee, a less charismatic leader than Miliband, was swept into power on the back of organized labour and the idealism generated under wartime conditions (and a determination, as Peter Hennessy has powerfully shown, not to return to the *laissez-faire* Toryism of the 1930s).⁷⁰ It was more akin to the 1906–14 era, where the opportunity for political change was much narrower, due in part to the ferocious opposition of vested interests, but also the absence of a clearly defined electoral coalition that could be mobilized behind reform. These are similar conditions to those that prevail today. Back then it took bold and decisive leadership of the Edwardian radicals like David Lloyd George to make the best of the hand they were dealt. Alas, Ed Miliband was no Lloyd George. Still there were things that could have been done better. Basic errors were made: the party failed to reach out to the business community to try to build support behind its responsible capitalism agenda. Miliband was far better at bashing the predators than he was at wooing the wealth creators. Nor was it ever really clear what

⁷⁰ Peter Hennessy, *Never Again: Britain, 1945–1951* (London: Penguin, 2nd edition, 2006).

Labour's offer to middle England amounted to, fuelling suspicion that the party was pursuing a core vote strategy.

Syria vote and Middle Eastern foreign policy

Foreign policy has long been an area where politicians can emphasize their prime ministerial credentials. And yet, Miliband often shied away from foreign affairs, another example of a policy blind spot. He backed intervention in Libya but it was over Syria that his actions proved most significant, leading in the summer of 2013 to the first time a government had been defeated on foreign policy since 1792, which William Hague described as the 'worst moment' of his career as Foreign Secretary.⁷¹ It marked a new low point for relations between Number 10 and the opposition.⁷²

The breakdown between Number 10 and Ed Miliband's office was due to the perceived lack of clarity from Ed Miliband and his team. Miliband was accused of 'buggering around' and 'playing politics' as he had changing his position repeatedly in a manner that was 'not credible or serious'.⁷³ The criticism from the government was clear: Miliband had behaved irresponsibly, with a lack of clarity, and with too much concern for the internal party politics of a Labour Party that was still dealing with the hangover of the 2003 Iraq war. But is this fair? The government believed that they had the Labour Party's support on the evening of Wednesday 28 August, having adapted their position to accommodate talks with the Labour leadership and were therefore shocked when Miliband's office informed Number 10 that they would not enjoy the Labour Party's support. Douglas Alexander claims that the Labour team were in constant communication with Number 10 and that the failure to come to an agreement therefore lay with the government. Alexander argued, not unreasonably, that the Prime Minister had

⁷¹ BBC Radio 4, 'The Syria Vote: One Day in August', 10 November 2014.

⁷² 'Syria crisis: Cameron loses Commons vote on Syria action', *BBC News*, 30 August 2013 (accessed at <http://www.bbc.co.uk/news/uk-politics-23892783>, 4 December 2014).

⁷³ Toby Helm, 'No 10 launches bitter assault on Ed Miliband over Syria vote', www.theguardian.com/politics/2013/aug/31/syria-commons-vote-cameron-miliband (accessed 4 December 2014).

given undertakings to President Obama that he could deliver the House of Commons on an accelerated timetable and was therefore attempting to 'shoehorn a timetable for legitimacy of the British parliament into a timetable for credibility of the American president'.⁷⁴ It is difficult to tell where the failure for consensus lies but it is hard to deny the opportunity to defeat the government was very politically enticing for Miliband. His unwillingness to engage in military action in Syria came to the fore again in 2014 when it was said that the British air strikes against Islamic State (ISIS) were confined purely to Iraq, unlike the American strikes, due to the leader of the opposition's unwillingness to back action in Syria.⁷⁵

After the defeat of the government over Syria in 2013 and the refusal to support the Labour amendment, the Prime Minister declared that, 'It is very clear tonight that while the House has not passed a motion, ... the British parliament, reflecting the views of the British people, does not want to see British military action.'⁷⁶ Miliband gratefully took this cue by stating that, 'Military intervention is now off the agenda for Britain.'⁷⁷ Discerning Miliband's thinking on military intervention is difficult, but it seems to be one of extreme caution. He was prepared to intervene in Iraq in 2014 only after six tests had been passed. These were that military intervention had to: have a just cause; be a last resort; be legal; have a reasonable prospect of success; have regional support; and be proportionate. These six criteria were laid out in Miliband's speech to the Commons on 26 September 2014.⁷⁸ These criteria represent a significant clarification of Miliband's position on intervention in the Middle East since the 2013 Syria vote and whilst he appears to have indeed been inconsistent and unclear in 2013, the speech on air strikes in Iraq in 2014 added detail to his foreign policy and also credibility to his position as a potential Prime Minister-in-waiting.

⁷⁴ Douglas Alexander, speaking on BBC Radio 4, 'The Syria Vote: One Day in August', 10 November 2014.

⁷⁵ Tim Ross, 'Ed Miliband under pressure to back air strikes in Syria', 5 October 2014 (accessed at www.telegraph.co.uk/news/worldnews/islamic-state/11141395/Ed-Miliband-under-pressure-to-back-air-strikes-in-Syria.html, 4 December 2014).

⁷⁶ George Eaton, 'Syria: Ed Miliband has had a lucky escape', *New Statesman*, 30 August 2013 (accessed at www.newstatesman.com/politics/2013/08/syria-ed-miliband-has-had-lucky-escape, 4 December 2014).

⁷⁷ *Ibid.* ⁷⁸ Ed Miliband's speech to the House of Commons, 26 September 2014.

Miliband therefore did make an effort to clarify his foreign policy over the duration of the parliament. This was perhaps motivated by an understanding that it was a weak point in not only his political framework but also his efforts to appear more like a potential Prime Minister. However, as with his attacks on Murdoch and Dacre, Miliband's approach to foreign policy over the entire parliament was one of periods of success and periods of indecision.

Falkirk and party reform

“You can't touch me, I'm an MP!”

(Eric Joyce, when being arrested on 12 March 2012)⁷⁹

One area in which Miliband was able to take the initiative, and win rare plaudits from the right of his party, was in the realm of party reform. Eric Joyce's resignation from the Labour Party in March 2012 following a fracas in the House of Commons Strangers' Bar proved to be a source of major embarrassment for the party.⁸⁰ Arrested on 22 February 2012, Eric Joyce later admitted four charges of assault, was fined £3,000 by Westminster Magistrates' Court, ordered to pay £1,400 to his victims, given a weekend curfew and twelve-month community order, and the final insult, banned from entering any pubs for three months.⁸¹ Whilst the situation appeared to be taken directly from an episode of the hit BBC show *The Thick of It*, with its combination of farce, embarrassment and profanity, the long shadow cast over the Labour Party was to be over the selection of the new candidate for Joyce's constituency of Falkirk. It would also turn the spotlight once again towards the hot topic of the Labour Party's relationship with the unions and allow Ed Miliband to grasp

⁷⁹ www.telegraph.co.uk/news/uknews/crime/9135107/You-cant-touch-me-officers-Im-an-MP-said-Eric-Joyce.html (accessed 4 December 2014).

⁸⁰ Hélène Mulholland and Andrew Sparrow, 'Eric Joyce gives up Labour membership after bar brawl', *The Guardian*, 12 March 2012.

⁸¹ 'Eric Joyce fined £3,000 for assault in House of Commons bar', *The Guardian*, 9 March 2012.

this nettle with proposals for reforming the financial link between unions and the party.⁸²

Soon after Joyce's resignation, Stephen Deans – at the time, a local shop steward in Falkirk – was elected chairman of the Falkirk West Constituency Labour Party (CLP), which covered about 70 per cent of the Falkirk parliamentary constituency.⁸³ It was subsequently alleged that he started to recruit Unite members into Falkirk West CLP and pay their membership fees, which, at the time, was in line not only with Unite policy but also with Labour Party rules. These members would then be able to vote in the PPC selection process. Alongside this unfolding narrative in Falkirk, Karie Murphy, the former Chair of the Scottish Labour Party and close friend of Unite's Len McCluskey, announced her intention to be Labour's candidate in Falkirk. Into this *mélange*, the now independent Joyce began to blog about how the CLP was being flooded with new Unite members who would be able to vote in the PPC selection.

The complaints of Lorraine Kane that she and her family had been signed up to the Labour Party without their agreement triggered an investigation into malpractice that was to rumble on for months and by June 2013 ended up involving Labour Party headquarters, when they implemented 'special measures' and took direct control of candidate selection in Falkirk. The selection of the candidate in Falkirk had come to signify the wider issue of candidate selection and the Labour Party's relationship with trade unions, particularly for the right-wing press, who seized upon it with gusto.

A Labour Party spokesman said:

After an internal inquiry into the Falkirk constituency we have found there is sufficient evidence to raise concern about the legitimacy of members qualifying to participate in the selection of a Westminster candidate.⁸⁴

It was in this climate that Ed Miliband made his speech on trade union funding on 9 July 2013 in which he said, 'Every time something like

⁸² 'Ed Miliband union funding speech', 9 July 2013 (accessed at www.politics.co.uk/comment-analysis/2013/07/09/ed-miliband-union-funding-speech-in-full, 4 December 2014).

⁸³ Erik Joyce, 'Unite in Falkirk: amateur and irresponsible', *The Guardian*, 5 July 2013.

⁸⁴ 'Labour Party acts on Falkirk selection row', *BBC News* (accessed at www.bbc.co.uk/news/uk-scotland-scotland-politics-23055830, 4 December 2014).

Falkirk happens, it confirms people's worst suspicions.'⁸⁵ Despite calling for a change in the way that trade unionists are often automatically affiliated with the Labour Party, it would be a mistake to claim that Miliband's speech sought to dilute the relationship between the unions and the Labour Party. As ever, Ed Miliband was walking the tightrope of courting union support – the 'Red Ed' albatross still hanging around his neck – and reforming the party in the mould of Tony Blair. In the speech, Miliband argued that removing automatic affiliation fees would serve to strengthen, not weaken, the bond between Labour and the unions.

Miliband argued that:

In the twenty-first century, it just doesn't make sense for anyone to be affiliated to a political party unless they have chosen to do so. Men and women in Trade Unions should be able to make a more active, individual choice on whether they become part of our Party. That would be better for these individuals and better for our Party.⁸⁶

The proposals managed to gain support from unlikely bedfellows – Tony Blair and Unite general secretary Len McCluskey. Blair praised Miliband's leadership and said he wished he had made the move himself, whilst McCluskey added, 'It's not often I agree with Tony Blair but I think he is spot on.'⁸⁷ It appears that Miliband's speech achieved its purpose of galvanizing support across the Labour Party for reform. It achieved this through its appeal to the importance of the unions and their members as well as to the need for reform.

The speech did not, however, mark an end to the controversy surrounding Falkirk. On 3 November, Stephen Deans stood down as Labour chair in Falkirk West, despite having been cleared of being involved in vote-rigging earlier in the year. This was in a climate in which the *Sunday Times* claimed it had seen thousands of emails to and from Deans that proved the extent of the electoral corruption. The *Sunday Times* was also claiming that Miliband had been forced to abandon the inquiry, set up by the National Executive Committee (NEC), due to intense pressure from Unite on witnesses to withdraw

⁸⁵ 'Ed Miliband union funding speech', 9 July 2013. ⁸⁶ *Ibid.*

⁸⁷ Patrick Wintour, 'Ed Miliband's union-levy proposals gain support from Blair and McCluskey', *The Guardian*, 9 July 2013.

their evidence.⁸⁸ Tom Watson, who had already resigned from his position as Labour Party campaign coordinator on 4 July 2013 due to the mounting pressure over Falkirk, was implicated by Gregor Poynton, a former Labour Party election strategy manager, of being involved in ‘all the shenanigans’. It marked the first time Watson had been accused publicly by another party figure of wrongdoing over the Falkirk selection. Poynton also claimed that the party leadership ‘knew what was going on’ in Falkirk.⁸⁹ What all this showed was that Miliband had been right to call for a renegotiation of the relationship between the party and the unions, but also served to show just how toxic that relationship could be, especially given Miliband’s abiding personal need for union support for his leadership.

On 16 July, only four days after Miliband’s speech at the St Bride’s Foundation, the Labour national executive agreed the terms of reference for the inquiry into how the party could refashion its relationship with the trade unions. Lord Collins of Highbury, the former Labour general secretary, was asked to head the review. This review appeared in February 2014, entitled ‘Building a One Nation Labour Party: The Collins Review into Labour Party Reform’. It argued for a transitional period of five years, after which affiliation fees should only be accepted on behalf of levy payers who have consented to the payment of those fees. It mirrored Miliband’s speech in calling for closer relations with trade unionists by arguing that levy-paying trade unionists should be able to be attached to a CLP and vote in leadership elections. It also argued that the Electoral College for leadership elections should be abolished and that multiple voting in leadership elections should be ended. The ironies of these suggestions coming from an Ed Miliband-initiated report was not be lost on anyone reading the proposals. The Collins review failed to provide any sort of timetable or deadline for when the leadership election should be reformed. Finally, the review called for the NEC to have the power to ensure that the selection of the London mayoral candidate be completed by a closed primary and that the NEC set an appropriate level of spending limits for internal party selections.

⁸⁸ David Leppard, ‘Revealed: Ed Miliband’s dossier on union plot’, *The Sunday Times*, 3 November 2013.

⁸⁹ Glen Owen, ‘Tom Watson “was behind union vote rigging scandal”: Explosive accusation by Labour candidate for Falkirk seat’, *Mail on Sunday*, 2 November 2013.

The review was clearly born out of Ed Miliband's desires to reform the party, which in turn were motivated by the debacle over Falkirk. The Falkirk crisis has since become a byword for what many on the right see as the Labour Party's broken relationship with the trade unions and for many on the left as Miliband's betrayal of the union movement. In this light, the aims of the Collins review were admirable but the lack of concrete proposals, in terms of delegating future decisions to the NEC, and the lack of a timetable for many of the proposals led to scepticism.

Conclusion

It is true that unpopular leaders can sometimes win elections. Attlee defeated Churchill in 1945, Callaghan fell victim to the widely disliked Thatcher in 1979. It's also true that parties can win when they are less trusted on the economy, as Wilson proved in October 1974. Peter Kellner points out, however, that historically, no party has won when they are behind on both.⁹⁰ However, due to a fracturing of the electorate, and the rupture in particular on the right with the emergence of UKIP as a major political source, and Cameron's failure to achieve constituency boundary changes, it is possible for Labour in 2015 to defy history and win.

Lacking a decisive mandate for his agenda, he will, if Labour wins, face the prospect of governing in deeply uncertain times. Labour could scrape a majority or perhaps most likely end up the largest party in another hung parliament. The option of a strong and stable coalition might not be there for the taking this time. It is far from clear that Labour would prefer a coalition over some sort of confidence and supply arrangement, and besides, the Liberal Democrats may fail to secure enough seats to be kingmaker. The haemorrhaging of Labour support in Scotland might mean Labour needs the backing of its tartan nemesis the SNP to form a government. Such an arrangement would likely see Labour trying to govern without a majority of seats in England, which could provoke a constitutional storm over the English

⁹⁰ Peter Kellner, *The Guardian*, 14 April 2014.

Question. Moreover, the spending cuts Miliband would have to enact in the next parliament will test the unity of the country and that of the Labour Party itself. As leader of the opposition he did not prepare his party for what lies around the corner, and the ground could open up beneath him. It will be an immense test of his leadership. He has the ability to rise to the challenge, and has proved on different occasions that he has the resilience and inner strength not to be underestimated. He will desperately want to avoid the fate of the Hollande presidency in France, which in the face of economic reality had to mount a humiliating U-turn on austerity, splitting the PS (Parti Socialiste) and leaving him with the lowest poll ratings in the history of the Fifth Republic.⁹¹

If he loses in 2015, what then? Conventional wisdom suggests his career will be over. Recent precedent suggests he would resign the leadership of his party. He would still be just 45, with much left to contribute. As one of the few figures in the Labour Party who truly understood that the post-2008/9 world called for a serious change in the structure of capitalist society he would be ideally placed to continue to lead the debate on this topic. During 2010–15 no key text emerged to define Miliband's responsible capitalism agenda. There was no equivalent of Crosland's iconoclastic *The Future of Socialism*. It would be fitting if it fell to Miliband to write it. As with Crosland, it is possible that Miliband's most important contribution to the left will come from his thinking.

⁹¹ See <http://uk.reuters.com/article/2014/09/04/uk-france-politics-poll-idUKKBN0GZ24020140904> (accessed 4 December 2014).