The British Party System - Recent Developments

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Party politics in Britain have undergone four significant - and connected - changes since the 1987 general election.

The first is the disintegration of the Liberal-SDP Alliance. The SDP has been wound up, and the Liberal Democrats - effectively the old Liberal party plus those SDP members who wanted to merge with it - have returned to their 1960-levels of minimal support. The second change is the Labour party's remarkable electoral revival. For the first time in a quarter century, a united, confident and pragmatic Labour Party offers a credible challenge to the Conservatives as a party of government. The third is the waning influence of Thatcherism, culminating in Mrs. Thatcher's forced resignation in November 1990. As a faction in the Conservative party Thatcherism will linger on; as a force in government, it is dead. The fourth change is a replacement of two-party polarisation by a new two-party consensus. Under Neil Kinnock's leadership, the Labour party has abandoned its radical and socialist programme of the 1973-87 period. Under John Major's leadership the Conservative party has rapidly jettisoned both the style and substance of the Thatcherite 'project'. In the key policy areas of macro-economic strategy, defence, foreign policy and Europe, the Conservative and Labour parties agree on fundamentals. The next election will be fought by three centrist parties; and the stuff of party conflict will be about competence and convictions, performance not principles.

These changes in party politics prompt questions about the British party *system*. Do they mark the end of the pattern of three-party politics that began in the early 1970s? To this the answer is 'probably yes'. And do they signal a return to the old two-party pattern of the 1950s and 1960s? To this the answer is 'probably not'.

Let us consider each of the four changes in more detail.

The Collapse of the Centre

In the two elections of the 1980s, the Liberal-SDP Alliance took a quarter of the vote: 26 per cent in 1983 and 23 per cent in 1987. In by-elections and local elections their vote was even higher. Britain appeared to be moving towards something like a three-party system in England (and a four-party system in Wales and Scotland).

The term 'three party system' is not perfectly accurate. With barely more than twenty seats the prospects of the Liberal-SDP Alliance forming a government were clearly slim and certainly not equal to that of the two big parties.

Yet it was a force to be reckoned with. It contested every seat and it had a much stronger, more professional, national organisation than the old Liberals did. Moreover, even if it was a small third party in Parliament, it replaced Labour as the main challenger in the majority of Conservative seats. Thus it was not fanciful to imagine the Alliance holding the balance of power in a hung Parliament and either becoming the junior partner in a coalition government or calling the shots under a minority Conservative or Labour administration. Indeed, after 1985 it was running, or helping to run in a coalition, a substantial number of county councils, and it held the balance of power in the majority. Britain may not have had a fully-fledged three-party system; but it undoubtedly had three-party politics.

Since 1987, however, support for the centre parties collapsed following the disintergration of the Liberal-SDP Alliance immediately after the 1987 election and the split in the SDP over the issue of merger with the Liberals. It is important to emphasize just how far support for the Centre has ebbed (Table 1). The normal pattern is for the Centre, not Labour, to prosper under Conservative governments. Long before the SDP existed, the Liberals could rely on picking up the disillusioned Conservative vote and some tactical support from Labour sympathisers in mid-term, sometimes enough to triumph at by-elections. This tendency was strongly reinforced after the emergence of the SDP in 1981. In the first Thatcher administration of 1979-83 the Centre (i.e., the Liberals up to March 1981, the Liberals + SDP after) averaged 21 per cent in the polls reaching 46.5 per cent at one point and never dipping lower than 10 per cent. In the second Thatcher administration of 1983-87 the Alliance averaged 25 per cent in the polls, reached 33 per cent, and never dropped lower than 19 per cent. Since 1987, however, the combined Centre

Table 1 The Collapse of the Centre[a]

Monthly polls	1951-55	1955-59	1959-64	1970-74	1979-83	1983-87	1987-
per cent vote:							
mean	7.5	9.8	13.6	11.8	20.8	24.7	12.4
highest	10.5	19.0	25.5	25.0	46.5	33.5	20.0
lowest	2.0	5.0	7.0	6.0	10.0	18.5	7.5
By-elections							
per cent vote:	9.9	12.8	23.6	22.1	29.1	38.0	21.9
mean change since general election[b]	+0.1	+4.8	+11.1	+9.1	+19.7	+12.3	+2.8
Seats:							
no. of gains	0	1[c]	1	5	4	4	3
per cent of 1st and 2nd places	11	37	27	42	73	94	36

Notes : a ' Centre ' = Liberal party until March 1981; Liberal and SDP April 1981 - March 1982; Liberal/ SDP - Alliance April 1982 - December 1988 ; Liberal Democrat and SDP January 1989 - June 1990 ; Liberal Democrat July 1990 - .

b restricted to those by-election seats contested by the Centre at the next general election.

c In this parliament the Liberal party also lost a seat.

Sources : Pippa NORRIS, British By-Elections (Oxford: Clarendon Press, 1990), pp. 224 - 243 ; Norman WEBB and Robert WYBROW, The Gallup Report (London : Sphere Books, 1981); author's private compilations of national polls.

vote (i.e., SDP + Liberal Democrat) has averaged a mere 12 per cent, never exceeded 20 per cent and fallen to as little as 8 per cent. Moreover, the average masks a downward trend. The Centre's strongest showing was in the early months after the election, before the significance of the split in the Alliance came home to the public. By mid-term support for the Centre was not rising, as it usually does, but falling. In the June 1989 Euro-elections, for example, the Centre vote slumped from 20 per cent in 1984 to a mere 6 per cent, well behind the Greens.

The Centre's by-election performance tells a similar story. In the 1979-83 parliament the Centre gained four of the fifteen by-elections it contested, came second in seven, and won 29 per cent of the vote on average. In the 1983-87 parliament it gained (or held) five of the sixteen by-elections, came second in ten others, and won 38 per cent of the vote. Since 1987 the picture has looked very different. The Centre has come first or second in only eight of the twenty-two by-elections and won only 22 per cent of the vote. Significantly, its three by-election gains have not led to a surge in the opinion polls to compare with that produced by past by-election triumphs. After its by-election successes in the early 1960s and again in the early 1970s Liberal support in the polls rose to 25 per cent. This time the surges have never risen above 17 per cent. A scan across Table 1 suggests that the Liberal Democrats are doing no better now than the Liberals did in the 1960s and early 1970s. After the excitement of the SDP and the high hopes of the Alliance, the Centre in British politics is back to square one.

The Revival of the Labour Party

The capsizing of the Alliance is the primary, but not exclusive, reason for the extraordinary revival of the Labour party. In the 1987 election it took just 31 per cent of the vote. Since May 1989 its support in the opinion polls has topped 40 per cent and for most of 1990 was barely short of 50 per cent. From Nigel Lawson's resignation in October 1989 to Margaret Thatcher's resignation in November 1990 the opinion polls recorded a double-digit Labour lead in every month bar one. By March and April 1990, when the deeply unpopular poll tax came into force, that lead reached 20 per cent, the largest for over a quarter century.

Of course, opposition parties normally do better in mid-term polls, when voters are not choosing a government, than at general elections, when they are. But Labour has been far more popular in this mid-term than it was at the equivalent stages of the previous two Thatcher governments. For example, in the third quarter of 1990 Labour led the Conservatives by 12 per cent according to the polls; at the equivalent stage of the 1983-1987 parliament they led by 5 per cent; and at the equivalent stage of the 1979-83 parliament (just after victory in the Falklands) they trailed 12 per cent behind the Conservatives. Labour's much stronger mid-term showing this time was reflected in the May 1990 local elections, when they obtained their best results since 1971, and in the March 1990 by-election in the hitherto ultra-Conservative seat of mid-Staffordshire, which they gained on the back of the largest Conservative to Labour swing for more than half a century.

However, this does not mean that Britain has returned to the two-party politics of the 1950s. Support for the Centre has shrivelled. But support for the two major parties has not revived commensurately.

This is illustrated by the Euro-elections. When they were first held, in 1979, the Conservative and Labour parties together captured 80 per cent of the vote. In 1984 the two-party share dropped to 74 per cent and in 1989 it was again 74 per cent. It failed to profit from the collapse of the Liberal-SDP Alliance. Local elections reveal a similar pattern. Up to 1970 the smaller parties took no more than 10 per cent of the local election vote. Between 1970 and 1987 the figure rose to 18 per cent. Since 1987 it has not returned to its pre-1970 levels but, in fact, has risen further to 23 per cent.

One reason for the lack of a two-party restoration in the European and local election vote is the third important change in the electoral strength of the parties - the revival of the Scottish Nationalists and the emergence of the Greens. Both have benefitted, as the Labour party has done, from the ending of the Alliance. In Scotland support for the Nationalists and the Centre has see-sawed since 1970 because both compete for an overlapping 'anti two-party' vote. The establishment of the SDP demoted the Nationalists for fourth party status during the first two Thatcher governments. But immediately the Alliance fell apart in late 1987 the Scottish Nationalists' fortunes rose in the opinion polls. After they gained Glasgow Govan in the November 1988 by-election their opinion poll support touched 30 per cent, their

best levels since the peak of the SNP-led devolution campaign in 1977. Since the 1987 election average SNP support in the polls has almost doubled to 22 per cent, a level approaching (while not reaching) the 27 per cent it achieved in the October 1974-1979 parliament. In the four Scottish by-elections held since 1987 the Nationalists gained one and came second in the other three, a performance that compares with its golden days of the 1970s.

The Greens have existed for over a decade (first as the Ecology Party) but they failed to achieve any breakthrough until the 1979 Euro-elections when they took 15 per cent of the vote (the best Green performance in any EC country), came second in five seats, and pushed the Social and Liberal Democrats into forth place. Since then support for the Greens has slowly subsided in the national polls to a mere 2 per cent, although in local elections, they have taken about 8 per cent of the vote in the minority of seats they chose to contest.

Nonetheless, it would be premature to dismiss the Greens as a flash a pan. Unlike the defunct SDP, it might survive as a political force, albeit a small one. The Greens have two assets that the SDP, indeed the Liberal Democrats, have always lacked: a clear and distinctive political appeal and roots in a wider, popular movement - the environmental movement. There has been a groundswell of interest in green issues in recent years, as reflected in television programmes, special sections in the quality press and the mush-rooming membership of environmental groups. Of course not every rambler or birdwatcher is about to vote Green but the combined membership of environmental associations, running to many millions, does represent a sizeable pool of potential supporters and activists, ready to switch if they become disillusioned with their usual party.

The Greens are a small but probably sturdy plant, capable of surviving the first electoral frost. Their fate is to influence British politics from the sidelines. The electoral system will deny them parliamentary representation. But they may well damage one major party more than the other and affect government policies by having their best ideas stolen by the big parties (and their worst ideas hung round their neck).

Britain has reverted to something approaching a two-party system. But the resilience of the Centre in local elections, the invigoration of the Nationalists in

Scotland and the emergence of the Greens mean that Britain has not gone back to two party politics. In this sense the 1950s and 1960s have not returned. Those were decades of two party politics in a two party system. The 1980s were a period of three party politics in a three party system. The early 1990s herald something different again: a period of multi-party politics in a two-party system.

The End of Thatcherism

The decline of Thatcherism's influence in government circles can be traced back to Autumn 1985, well before Mrs. Thatcher's downfall, when the Chancellor of the Exchequer, Nigel Lawson, abandoned monetary targets as part of the medium-term economic strategy and simultaneously generated a massive credit boom through the electorally-inspired drop in interest rates and the deregulation of financial services, notably loans for house purchase. This helped the Conservatives win the 1987 election but stoked up inflationary pressures that have haunted the 1987-92 government throughout most of its existence.

Further milestones in the waning of Thatcherism included the additional credit boom (and spiralling of house prices) arising from the lowering of interest rates in the wake of the October 1987 stock exchange crash; Mrs. Thatcher's veto of the reform of house loan tax relief (in effect a huge government subsidy to house owners); and the government's failure of nerve when confronted with special interests opposed to the dismantling of their monopolies, notably barristers (i.e. lawyers with a licence to appear in court) and the brewing industry. Accompanying these policy retreats was the gradual loss of Thatcherites from the cabinet, largely through Mrs. Thatcher's own mishandling of personal relations. Norman Tebbit, the Chairman of the Conservative party fell out with Mrs. Thatcher during the campaign and retired from cabinet office in June 1987; after a long-running semi-public quarrel with Mrs. Thatcher over exchange rate policy Nigel Lawson resigned in October 1989; and in November 1990 the Deputy Prime Minister, Sir Geoffrey Howe, resigned in protest at Mrs. Thatcher's remarks about European integration.

The third Thatcher government, unlike the first two, was therefore an almost complete failure in terms of Thatcherite objectives. It failed to control the money supply, reduce public expenditure, keep inflation low or dismantle producer mo-

nopolies. Nonetheless, it would be surprising if the policies pursued by the first two Thatcher governments had not had a lasting impact.

The Social Legacy of Thatcherism

In assessing Thatcherism's legacy for the party system, we need to distinguish between ordinary voters, where the impact was limited, and the 'political classes', where it went deeper.

Thatcherism's objective was to inoculate the British people against the 'virus' of socialism by a double dose of social engineering and cultural change. A property owning democracy would replace the old welfare society and an enterprise culture would replace the old dependency syndrome.

The instrument of social engineering was so-called popular capitalism. This amounted to the extension of share ownership to the newly privatised industries, by means of discounted prices, special bonuses and very heavy advertising; and the spread of home ownership through the sale of council houses to their tenants at heavily discounted prices and the continuation of tax relief on home loans. The assumption was that popular capitalism would deliver votes to the Conservatives both in the short-term, through windfall gains in share and house prices, and in the long term, by giving more voters a personal stake in the nation's wealth.

The electoral dividends of these measures turn out to have been very modest. In 1987 first-time share owners were more than twice as likely to vote Conservative as Labour. But this was not because they were new share owners; they were already predominantly Conservative in 1983, before they bought shares.[1] It was not a case of voters becoming Conservatives because they owned shares so much as voters buying shares because they were Conservatives. Between 1983 and 1987 the electorate 'swung' by 1.8 % to Labour; among new share owners the swing was almost identical: 1.5 %.

In the case of housing the *immediate* dividends to the Conservatives were more considerable, perhaps because housepurchase represents a far more significant investment for the household. Between 1979 and 1983, when the bulk of

council house sales took place, tenants who did not buy their council houses swung by 3.5 % to the Conservatives whereas tenants who did buy their council houses swung by 8 % to the Conservatives. Nonetheless, it would be premature to assert that the privatisation of housing has permanently augmented the Conservative party's electoral base or eroded Labour's. Gratitude appears to have quickly worn thin, as home loan interest rates have risen. The Thatcherites' strategy rested on the assumption that voters would continue to regard the Conservative party as the homeowner's friend and the Labour party as their enemy. High interest rates, a depressed housing market and the increasing number of building society and bank repossessions of houses belonging to loan defaulters have put paid to all that. By 1990 Labour had become the preferred party, perhaps temporarily, both of mortgagees and outright owners.[2]

The symbol of social change in the Thatcher era was not the share certificate or title deed but the credit card. The 1980s saw a huge increase in household debt: the savings ratio (i.e. household savings as a % of household disposable income) steadily declined throughout the 1980s and went negative in 1985. In the 1970s high interest rates had negligible electoral consequences because there were more savers than debtors; today the position is very different.

The consequence for the party system is that the management of interest rates has become the electoral touchstone of government competence. Econometric models of public support for the government estimate that interest rates and inflation are the key determinants of the vote, but that interest rates are more important. Roughly speaking, for every 1 percentage point drop in inflation (assuming constant interest rates) support for the government increases by 0.2 points whereas for every 1 percentage point drop in interest rates (assuming a constant inflation rate), support for the government increases by 1.0 points.[3]

The Cultural Legacy of Thatcherism

One of the elements that distinguished the newly elected Conservative government of 1979 from previous reforming administrations was that its ambitions extended beyond a programme of institutional change. The objective was a cultural as

well as structural revolution: the old social democratic consensus was to be replaced by a new neo-liberal consensus.

The 1980s provided almost perfect conditions for creating such a new consensus. Unlike most prime ministers, Mrs. Thatcher possessed a coherent set of core principles which shaped her views on a wide range of specific subjects. Not since Gladstone had Britain been led by such an opinionated and evangelical prime minister.[4] She saw herself as economic tutor to the nation - as a cultural crusader. Moreover, she was granted more time and greater powers than most elected leaders to reshape the public consciousness. Few party leaders are elected to the helm of a centralised, unitary state for an unbroken eleven years, with no serious institutional opposition and with the following wind of an enthusiastically partisan press.

Nonetheless, the Thatcherites failed to transform attitudes or behaviour among the British public. If anything, British people edged further away from Thatcherite positions as the decade progressed. The Thatcher governments transformed the political economy, overturned the political agenda and permanently altered the social structure. But this was done without a cultural counter-revolution in the thinking of ordinary people.

This is best demonstrated by the remarkable results of an opinion poll conducted in March 1989, almost ten years after Mrs. Thatcher came to power (Table 2) In large to overwhelming proportions the public's perception of the state of Britain resembled the Thatcherite idea. Britain was perceived as a mainly capitalist society in which private interests and free enterprise prevailed, in which the creation of wealth was more highly rewarded than caring for others, in which efficiency took precedence over keeping people in work, in which individuals were encouraged to look after themselves and in which people were permitted to make and keep as much money as they could.

But this was a long way from the public's ideal. Confronted with the choice between a 'Thatcherite' and a 'socialist' society, the public opted for the Thatcherite model on only two out of five dimensions, and then by slender majorities. They preferred a free society 'which allows people to make and keep as much money as they can' (53 per cent) to an egalitarian society which 'emphasises similar incomes and rewards for everyone' (43 per cent). And they chose efficiency (50 per cent) in

Table 2 'Thatcherite' versus 'Socialist' ideals

Q. "People have different views about the ideal country. In each of the following alternatives, which comes closest to the ideal for you and your family?"

	All	Conservatives	Non-Cons
	%	%	%
A country in which private interests and a free market economy are more important	30	46	21
or			
A country in which public interests and a more managed economy are more important	62	48	69
A country which emphasises the social and collective provision of welfare	54	34	65
or			
A country where individuals are encouraged to look after themselves	37	61	25
A country which emphasises keeping people at work even if this not very profitable	59	44	67
or			
A country which emphasises increasing profitability even if this means people losing jobs	29	44	21
A country which allows people to make and keep as much money as they can	48	65	40
or			
A country which emphasises similar incomes and rewards for everyone	43	29	50
A society in which the creation of wealth is more highly rewarded	16	25	7
or			
A country in which caring for others is more highly rewarded	79	71	87

Source: First four pairs of statements: MORI poll, The Independent, 4 May 1989 (fieldwork March 1989). Fifth item: MORI, British Public Opinion, July/August 1988 p. 4.

preference to 'keeping people in work even where this is not very efficient' (42 per cent). Yet a small majority preferred 'a mainly socialist society in which public interests and a more controlled economy are most important' (49 per cent) to the 'mainly capitalist society' (43 per cent), and a larger majority opted for a society 'which emphasises the social and collective provision of welfare' (55 per cent)over one in which 'the individual is encouraged to look after himself' (40 per cent). (So much for the Thatcherite value of self-reliance.) And by a massive five to one ratio they preferred a society in which 'caring for others' (79 per cent) is more highly rewarded than 'the creation of wealth' (16 per cent). In other words: efficiency is necessary and the inequalities that accompany it are acceptable; but untrammelled free enterprise and individual acquisitiveness are not.After a decade of Thatcherism, the public remained wedded to the collectivist, welfare ethic of social democracy.

The British public's refusal to embrace broad Thatcherite values was parallelled by a growing rejection of more specific Thatcherite positions. For example, at regular intervals the Gallup poll has asked people whether, if forced to choose, they would prefer tax cuts - even at the cost of some reduction in government services such as health, education and welfare - or the extension of these services, even if this means some tax increases. In May 1979 there were equal numbers of tax cutters and service extenders. By 1983 there were twice as many service-extenders as tax-cutters; by 1987 six times as many; by October 1989 seven times as many.

Public attitudes to trade unions provide a second example. The Employment Acts of the 1980s stripped unions of many of their legal immunities and disruptive powers and aimed to shift power within unions from leaders to members. These changes were overwhelmingly supported by the public, including trade union members. But Thatcherism failed in its more ambitious aim of persuading the electorate that trade unions are undesirable or unnecessary institutions. The most straightforward evidence is provided by Gallup's annual question of thirty years' standing: "generally speaking, and thinking of Britain as a whole, do you think that trade unions are a good thing or a bad thing?". Throughout the decade a majority has always answered positively, despite the sharp decline in trade union membership, and that majority has increased since 1985. The electorate's response to Thatcherite policies on trade unions was entirely pragmatic. It welcomed the elimination of obvious abuses without embracing any principled objection to the collectivism of trade unions.

Privatisation provides a third example. The Thatcher governments expended a considerable advertising budget and much political energy in trying to persuade the public of the virtues of privatisation in terms of consumer choice and the spread of property ownership; but to little avail. Mrs. Thatcher came to power when the public was firmly in favour of privatisation: between 1979 and 1983 the majority prefering privatisation to nationalisation hovered around 20 per cent. By 1987, the majority was a mere 4 per cent and the proportion believing that nationalised industries are less efficient than private companies steadily declined during the Thatcher decade.[5] Once again, Thatcherism appears to have paid the price of its own achievement: as loss-making nationalised industries become almost a thing of the past, the negative connotations of public ownership faded from the public mind.

But public opinion is only part, and the less important part, of the larger picture. Among opinion formers rather than opinion followers, the crumbling of the social democratic consensus in the face of Thatcherism's neo-liberal onslaught seems much more evident. The intellectual vitality of the Right and stagnation of the Left - as reflected in the rise of right-wing think tanks and magazines and the decline of their left-wing counterparts - is one particle of evidence. More telling still is the rapid, massive and continuing shift to the Right taken by the opposition parties.

The most dramatic example is the Labour party's 1989 Policy Review, which is a wholesale abandonment of its 1983 and 1987 programmes and the least socialist policy statement ever to be published by the party. The policy changes marked by the Policy Review are summarised in Chart 1 (Following pages). They include 180-degree reversals on most major policy areas, including the discarding of price and import controls; the dropping of the wealth tax; the commitment not to return to penal rates of personal taxation; the refusal to restore the trade unions' former legal immunities; the embracing of the European Exchange Rate mechanism and, most spectacular of all, the rejection of unilateral nuclear disarmament.

A few additional points are worth emphasising here. First, the shifts of policy are accompanied by shifts of language. The 'working class' has been replaced by 'ordinary people', 'workers' by 'consumers' or 'users' or 'citizens'. Socialism does make an appearance but in a brand new guise. "Socialism", the Policy Review says, "is about diffusing power and giving people more control over their lives". This

Chart 1
How Labour Policy has changed

1983 and 1987	1989 Policy Review
Defense	
Non-nuclear defence policy in lifetime of Parliament.	No timetable for non-nuclear policy.
Removal of all nuclear weapons (incl. Cruise) from British soil.	Retention of nuclear weapons until negotiated away in multilateral talks.
Close down U.S. nuclear bases within lifetime of Parliament.	No plan to close down U.S. bases. Reliance on U.S. nuclear umbrella once British nuclear arms scrapped.
Cancel TRIDENT submarine programme.	Retain three of the four commissioned TRIDENT submarines.
Increase spending on conventional forces (1987 only).	Cut spending on conventional forces.
Economic strategy	
" Massive programme of expansion. "	Public spending to be limited to what Britain can afford.
Import controls.	No import controls.
Price controls.	No price controls.
Job subsidies (1983). Reduce unemployment by 1 million in two years (1987).	No commitment about unemployment levels: " there is no reason to believe that it will fall. "
Europe	
Withdrawal from EC within lifetime of Parliament (1983 only).	Seek closer European cooperation and more decisions at EC level.
Stay in EC but reject EC interference in Labour's programme for national recovery.	Full membership of European Monetary System. Acceptance of Social Charter.

Industrial Recovery	
1983 : Compulsory planning agreements with companies, involving state control of prices, credit and investment.	Public-private collaboration and partnership.
Creation of new companies and science - based industries.	Revamp DTI to improve climate for enterprise. Establish British Technology Enterprise to invest in advanced technologies.
Radical expansion of industrial democracy.	Promotion of co-determination and information disclosure.
Public ownership	
1983 Buy back assets privatised by Conservatives; limited compensation to owners.	No re-nationalisation requiring "substantial resources."
Take significant public stake in electronics, pharmaceuticals and building materials industries.	Privatised utilities to be converted into public interest companies through tougher regulation and government purchase of 'golden share' at market rates. No limit on dividends.
1987 : 'Social ownership' of basic public utilities by converting private shares into new securities with guaranteed returns or dividends.	Government stake in British Telecom to increase from 49 to 51%.
Taxation	
Shift tax burden to better off.	'Fair tax' policy. No return to " the high marginal rates of the past."
Wealth tax on richest 100 000.	No wealth tax.
Reverse Conservative tax cuts, using extra revenue for job creation.	More tax bands, starting at a 20% rate, rising to maximum of 50%.

Trade Unions

1983 : Repeal all Conservative employment laws.	No commitment to return to pre-1979 position. Switch of emphasis from collective to individual rights.
1987 : Replace Conservative laws with new laws to strengthen legal rights of representation and bargaining.	Restoration of limited secondary action; unions no longer to be subject to *ex parte* injunctions or sequestration of funds.
Keep ballots before strikes and for election of union executives.	Keep ballots before strikes and for election of union executives.

definition is so diluted of any substantive meaning that Thatcherites (and Liberal Democrats) would be happy to adopt it as their slogan.

Secondly, the Policy Review ignores the Labour party's constitutional commitment to public ownership to the point of contradicting it. The celebrated Clause 4 of the party constitution defines the party's purpose as the "common ownerhsip of the means of production, distribution and exchange" and is printed on every party member's card. But the Policy Review rules out any form of re-nationalisation requiring "substantial resources which might be applied to other purposes", which effectively means any public ownership involving the purchase of more than a small number of shares. Gaitskell's proposal to scrap Clause 4, which caused such bitter divisions in the early 1960s, has been quietly accepted on the nod. Finally, the Policy Review acknowledges the advantages of markets in an unprecedented way. There are references to the "strengths" and "vital role" of free markets qualified only by the need for the state to correct abuses and failures. "The economic role of modern government", the Review says,

> "is to help make the market system work properly where it can, will and should and to replace it *or strengthen it* where it can't, won't or shouldn't" (my italics).

In other words, what is being proposed is not market socialism in which the state and planning agencies provide the main economic lever and markets are supplementary, but a social market economy in which the market is the motor of the economy and state supplies the oil and does the tuning up.

Does the Policy Review, then, mark the triumph of Thatcherite ideas, the emergence of a new consensus *among the political classes?* Not quite. It does fulfil Mrs. Thatcher's publicly stated ambition to "kill socialism" (and it may vindicate her sly prediction on the eve of the 1983 election that "the Labour party will never die"); but it does not embrace Thatcherite values. In fact it constitutes a return to the optimistic, technocratic corporatism of the 1960s, but with more realism about international economic forces and more emphasis on the consumer and user rather than producer - what one might call 'corporatism with a human face'. Its short-term solution to most problems is to create a new government ministry or agency: it is a choc-a-bloc with codes of best practice, audits, inspectorates and regulatory agencies. Its long-term solution is almost invariably better education and research; in-

deed it has transferred that old socialist accolade 'the commanding heights of the economy' from heavy industry to education. Much of this has the familiar ring of the Wilson and Callaghan governments about it, the main exception being the rejection of any form of incomes policy.

Post - Thatcherism

The Labour party's sharp return to the ideological centre would not have guaranteed the restoration of consensus politics if Mrs. Thatcher had continued to lead the Conservatives. Wide party differences would have remained over the poll tax (the flat-rate per capita tax for local services), a range of social policies and, probably, Europe.

John Major was Mrs. Thatcher's preferred choice as successor and received the support of most Thatcherites. But he is not 'son of Thatcher' as his opponents initially claimed and Thatcherites hoped.

For one thing, his personal background and early political experience are quite different his predecessor's. Mrs. Thatcher grew up in a religious and political family with a secure, petit bourgeois, place in the clearly delineated class order of an inter-war, provincial small twon - the ideal breeding ground for ideological certainties. Her political apprenticeship was student politics at Oxford. John Major, by contrast, grew up in an economically insecure, declasse, family with no deep religious or political convictions, in socially fluid, multi-ethnic, post-war London - the ideal breeding ground for pragmatic flexibility. His political apprenticeship was served on the housing committee of a racially mixed, poor, inner London borough.

Under John Major's leadership, the Conservative party too has vacated the doctrinal Right for the pragmatic Centre. He shares a belief in sound money with Thatcherites, but little else. The flat-rate poll tax has been replaced by a less regressive 'council tax' based primarily on the value of the household's property. A succession of measures in the social field - more funds for the homeless, action to reduce repossessions, the scotching of plans for education vouchers, extra compensation for haemophiliacs - signal a softer approach. None of his cabinet's senior positions have gone to committed Thatcherites. In style he is as different from Mrs. Thatcher

as imaginable. She was a visionary, abrasive and confrontational; he is a manager, emollient and disarming.

Thus, while it is too soon to be certain, the straws in the wind hint at a return to two-party consensus. But the consensus is not the old postwar settlement of welfare Keynesianism within the Atlantic Alliance. It is a new post-Thatcherite settlement of the 'social market' within the European Community, in which the state's role is limited to the supply side of the economy (education, infrastructure, new technology etc) and selective, targeted, welfare.

Implications for the 1992 General Elections

Party systems provide the framework within which elections are contested; the actual result depends on unpredictable short-term factors, especially the state of the economy, and the credibility of the parties' claims to govern effectively.

However, the changes outlined in this article do have implications for the next election. The following seem the most important:

1. Labour's move to the ideological centre, and its new-found unity, have undoubtedly improved its chances of winning. It is now the Labour party that has donned the mantle of moderation and consensus - ironically the new consensus brought about Mrs. Thatcher.

2. The centre party vote will probably fall at the next election. Which of the two parties will profit more, in terms of the popular vote, cannot be predicted. Probably they will gain equally.

3. The probable emergence of a 'post-Thatcher settlement' will make it difficult for voters to discern major policy differences between the Conservative and Labour parties. Voters are therefore likely to judge the parties by their past or prospective performance, not their policies or, for that matter, their leaders. 'Performance' boils down to management of the economy coupled with the provision of adequate public services. An election synchronised with the economic upturn should

deliver a fourth term to John Major; but an election overtaken by recession would place no obstacles against Neil Kinnock.

4. Britain's deepening integration with the world economy, and its membership of the Exchange Rate Mechanism, makes its economy even more dependent on international economic forces and confidence than before. To an increasing extent the result of the election is out of the hands of any agency or person in Britain, including the government and prime minister.

Notes:

* Parts of this article are revisions of extracts from two earlier articles : The policy agenda : a new Thatcherite consensus ?, Contemporary Record, 3, Febr. 1990. pp.2-7; and : Has the two party system returned ?, Contemporary Record, 4, April 1991, pp.12 - 17.

[1] See Anthony HEATH et al: Understanding Political Change, Oxford 1991, S. 123 - 126.

[2] According to opinion polls in March 1990, the swing to Labour since the 1987 general election was 18 per cent among mortgagees compared with 14.5 per cent among council tenants. See Ivor CREWE: Centre of attraction, in: Marxism Today, May 1990, S. 14 - 17.

[3] See David SANDERS: Government Popularity and the Next General Election, in: Political Quarterly, 62, April-June 1991, S. 235 - 61, bes. S. 248.

[4] See Anthony KING: Margaret Thatcher: the Style of a Prime Minister, in: Anthony King (ed.), The British Prime Minister (2nd edition), London 1985.

[5] Market & Opinion Research International, British Public Opinion, October 1987.