Why did Frank Field Fail?

New Labour and welfare reform, 1997-8

Andrew Connell
School of European Studies
Cardiff University
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Abstract

This thesis considers the development of welfare reform policy by the British Labour government in the period 1997-8, with a particular emphasis on the role and ideas of Frank Field, Minister of State for welfare reform from May 1997 to July 1998. It examines the significance of welfare reform to the New Labour project and the competing positions associated with Field and with (Chancellor of the Exchequer) Gordon Brown in the 1990s, with an in-depth discussion of Field's broader political philosophy and of his ministerial career, and of Brown's political philosophy with particular reference to welfare policy. .

We broadly adopt a model of structure and agency to explain the direction which welfare reform took under the first Blair government, and conclude that there are two reasons why Field's ideas did not prove to be the model for the government's welfare reform programme. The first, and lesser, reason relates to Field's performance as an actor in core executive politics. Field, we argue, misunderstood the contingent and negotiated nature of power in the core executive, and the structures which constrain capacity to act within it. The second, and ultimately more significant reason, is that Field's philosophy- in particular, his beliefs about the role of the state- was fundamentally incompatible with the discourse of New Labour, which emphasised an active state as an engine of national economic and social well-being. Brown's views, by contrast, were well-integrated with this discourse. The need for consistency with this discourse thus constrained New Labour's freedom of action in respect of welfare reform.

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Many people have helped me in the preparation of this thesis.

Chapter 1: Introduction, methodology and literature review

1.1: Introduction

The origins of this thesis

The origins of this thesis lie in contemporaneous observation of the events with which it deals. The appointment of Frank Field as Minister for Welfare Reform in May 1997 appeared to herald radical reform of the British social security system. Yet by August 1998 he had left office, leaving little of substance that could be attributed to him. While, as we shall see, considerable welfare reform measures were introduced, they appeared to owe little or nothing to Field, and, indeed, by late 2003 even the 1998 Welfare Reform Green Paper (DSS 1998), for which Field had been formally responsible, had been deleted from the website of the Department of Work and Pensions, even though the other Green Papers of the period (for example, on fraud and on pensions) remained. The stark difference between what Field's appointment had seemed to promise, and what it delivered, raised issues which appeared to merit exploration. Furthermore, Field's appointment was unusual in that he was an acknowledged expert in the area of his ministerial brief, with little other front-bench experience. This is rare in British government and therefore seemed to offer an interesting perspective on the question of what makes a successful or unsuccessful minister. These questions were the origins of this thesis and originally, therefore, it was proposed to focus principally on Field's ministerial career.

The development of the research question

However, it became clear at a comparatively early stage of the research that Field's ideas and ministerial career could not be divorced from their context of the wider development of New Labour's ideas on welfare; and that that, in turn, could not be divorced from the context of the creation and maintenance of the New Labour project in the mid 1990s. As we shall show, a commitment to welfare reform had a strong symbolic importance for New Labour in Opposition, but before May 1997 the Party had been able to maintain a careful ambiguity about what that commitment might mean in practice. Once in office, the new government had to decide the detailed

direction in which welfare reform would go. On one hand, the appointment of Field appeared to indicate endorsement of a new universalism and a revival of social insurance; on the other, the welfare-to-work (and, later, tax credit) proposals developed by Gordon Brown and his advisers, while apparently sharing some very broad common premises with Field's ideas, radically differed from those ideas in several ways, most obviously in their acceptance of means-testing. Although the fundamental inconsistencies between Field's and Brown's positions did not become apparent until quite late in this project, the research question therefore quite soon became 'why did New Labour welfare reforms take the direction they did after 1997?'

This is, broadly, a question of structure and agency, and as such it works on two levels. On one level, if Field and Brown are viewed as competitors for the overall direction of welfare reform policy in government, how (if at all) were they able, given the structures within which they worked, to affect the direction which policy took? This is an analysis of relationships within the core executive, and is mainly discussed in Chapter 6. There, we argue that Field's 'defeat' by Brown can be attributed, not only to the relative structural and individual resources which were available to each, but to Field's failure to understand the comparative value of those resources, the nature of their interplay, and the contingent nature of power in government. The crucial factor here, then, is not the narrowness of Field's policy expertise, or even the disparity of official status between a Minister of State and the Chancellor of the Exchequer, but Field's misunderstanding of the structural context and of the way in which it shaped his capacity to act. In part, we argue this may be attributed to Field's (largely self-selected) isolation from the rest of the Parliamentary Labour Party throughout much of the 1980s and 1990s.

However, this is only one aspect of the question, and it is the less important of the two. Considered alone, it would assume that despite a considerable disparity in the respective influence of Field and Brown within the Party and Government, in terms of ideas there was a free choice between the models associated with the two men; that either could comfortably have been adopted by New Labour in 1997. In fact, we argue, no such choice existed. The direction that welfare reform took was determined, not simply by the relative persuasiveness and influence of the actors

involved, but by the relationship of their ideas to the wider New Labour project. The structures of discourse which the creators of that project had brought into being (and which were of course themselves in part determined by the structures within which those creators worked) constrained the forms in which broad principles were turned into specific policies. The ideas of Gordon Brown were closely integrated into the New Labour discourse, whereas Field's ideas had been developed in isolation from that discourse and were ultimately irreconcilable with it on an ideological level (see Chapter 8). Thus, it was all but inevitable that Brown's model would 'succeed'. This model would then, of course, go on to shape structures which shaped further actions.

Structure and agency

Our analysis, then, is based on a dialectical model of structure and agency. Actors respond to and are constrained by the (real or perceived) structural contexts within which they act, but their actions in themselves often then help shape the structural context further; and that reshaped context then shapes their own, or others', subsequent actions. On the grand scale, as we shall argue, the whole New Labour project, and the subsequent development of welfare reform as a key theme within it, may be seen as an example of this. But for the moment, a more specific example will serve to illustrate the point.

In Chapter 6, we show how, after Labour entered government in 1997, a network of ministerial special advisers developed to provide additional (or alternative) channels of communication between Departments, running in parallel to ministerial and official networks. While Labour had been in Opposition, close relationships between (then shadow) ministers' advisers had developed, fostered in part by their close physical proximity to each other in Millbank Tower. When Labour formed a government, Ministers- and their advisers- were dispersed across Whitehall. However, in order to maintain connections between advisers, a decision was taken to formalise the network. Under the leadership of David Miliband, head of the No10 Policy Unit, weekly meetings of advisers were held in Downing St. The primary purpose of these meetings seems to have been simply to bring advisers together in one place; according to one participant, little of substance was formally discussed but the margins of the meetings provided opportunities for informal contact (Former

special adviser DSS). Thus the network of relationships between advisers was maintained and became part of the structure of government. It could facilitate action by, for example, providing a channel of communication between ministers of different ranks, but at the same time it could constrain the actions of those who did not have access to it (for example, Field). Thus structural factors (in this case, something as apparently simple as the allocation of shadow ministers' working space in Millbank Tower) shaped actions which created new structures of a different type (the development of close relationships between political advisers). When the wider structural context altered (on the move into government) further action was taken (the calling of regular advisers' meetings) in order to maintain and develop the structures that had arisen; and this in turn enabled that structure to shape further action.

More broadly, a number of points should be made about the model that we adopt. First, in this model, actors respond to the structures which they inhabit, and select strategies for action which, as far as possible, take account of those structures. Actors' knowledge of structures will almost always be partial and therefore their strategies will be imperfect. Thus far, the model follows Hay's notion of strategic shaping (Hay 1995).

Second, by definition, actors can only respond to structures which they believe to exist. In this context, it is the actor's belief in, and understanding of the nature of, structures which determines the actor's choice of strategies. Whether the structure actually can be said to be 'real' or not need not be relevant. For example, Hay (Finlayson et al 2004:147) argues that 'globalisation' does not necessarily require states to pursue a market-centred agenda based on competition and deregulation. If he is right, the hypothetical range of action available to social democratic parties since the 1990s is rather wider than some such parties (including New Labour) have argued. But what matters here is not what Hay believes, but what 'modernising' social democrats themselves believe to be the constraints on their actions; and New Labour, for example, did present globalisation as one of a number of 'objective' changes which rendered certain 'traditional' economic and social strategies impossible or irrelevant (see, for example, Blair & Schroeder 1999:1).

If an actor believes that structures limit his or her choice of strategies to a greater degree than other observers may believe to be the case, this does not necessarily mean that the strategy that he or she pursues will be flawed. It is possible that, although the actor does not believe it to be so, other strategies could have been pursued successfully, and some of these might have had outcomes that the actor would have preferred. But the strategy which has been chosen is still a possible one. Are there, however, circumstances where an actor pursues a strategy and finds it frustrated by factors of which he or she was not aware? The answer must surely be yes. The partial and limited nature of an actor's knowledge means that he or she may not only exaggerate the effect of structural features which he or she perceives, but may also run up against features whose existence or significance he or she has overlooked. Field's ministerial career may serve as an example of this: we argue that he overestimated the extent and the effectiveness of the Prime Minister's personal support for him, and this caused him to neglect the importance of other relationships within the key executive. He also failed to see (or at best underestimated) the importance of integrating any welfare reform scheme into the wider social, economic and political discourse of New Labour. Here were structural constraints which he had not taken into account, and which contributed to his failure to shape the direction of the welfare reform programme.

Does this, then, lead us to a 'realist' position- to the argument that structures, though perhaps unseen, have an identifiable and independent existence? Not necessarily. The structures which we are discussing do not have an existence separate from the actors who interact with them. The New Labour 'project' –the quest for political hegemony, and an ideology which emphasised the inter-relationship of active economic and social policies in the pursuit of economic efficiency and social justice- was not created without human agency, like a new island thrown up by volcanic activity. It developed as a response (led by certain key individuals) to perceived changes in social, political and economic structures- which were in turn attributable to the behaviour of other actors, whether political elites or voters and consumers. Similarly, the structures of power and influence within the New Labour government were constructs which added to inherited (but still ultimately constructed) governmental structures, patterns of relationships and distributions of resources which had developed within the Party. Thus, for example, the strength of Gordon

Brown as Chancellor can be attributed in part to the institutional strength of the Treasury within Whitehall; but as we shall see, Brown also benefited from strengthening factors such a a strong position in the party, his agreed oversight of social and economic policy, and (at least at the time with which we are concerned) his 'indispensability' to Blair, which can be clearly traced to decisions made by key actors such as Brown and Blair themselves earlier in their careers.

This is not, it must be stressed, an intentionalist argument which privileges agency (active or passive) above structures. Actors cannot achieve total mastery over structures, except perhaps to a very limited extent for limited periods, if only because the information that they have available is necessarily incomplete. As Hay (1995) reminds us, actions can have unexpected and unintended consequences, which may change the structural context. Structures in politics are shaped by the (accumulated, intended, and unintended) actions of agents, and then in turn shape further action, in a dialectical relationship. Structures acquire, develop, and maintain their significance through the interaction of agents. They are thus, as Hay argues, relational; their significance and the extent to which they constrain or enable action depends on the position of the actor (and, we might add, the information and understanding which they have at their disposal). What is important is the way in which actors respond to the structures which they believe to be present. Differing understandings of the structural context will shape different strategic approaches. Where two actors are in competition- as, I argue, Brown and Field were in 1997-8- their relative success may well depend upon the extent to which significant third parties share their understanding of structural and strategic constraints, imperatives, and opportunities. Thus, what is important about structures is not the extent to which they are 'real', but the extent to which agents perceive that they are real, and act accordingly.

The continuing relevance of Field to this research

If, then, the ultimate direction of welfare reform was in fact effectively decided even before Labour entered office in 1997, what is the continued relevance of Frank Field to the research question? Although he and his ideas are of interest in themselves, in this context, the value of placing Field in the centre of the study is the insight that that gives us into what was going on around him. First, Field's appointment provided

Labour with an apparent choice of reform models, and it is only because that apparent choice existed that it is possible to discern quite how predetermined the result of that choice actually was. We shall argue that Blair probably did not understand the full implications of Field's ideas when he gave him (apparent) responsibility for welfare reform; but nonetheless Field's appointment may be seen as an attempt to make some sort of choice about the direction of reform. By examining the reasons why that attempt did not bear fruit, we may understand the importance of New Labour's wider discourse in the development of its policies. Furthermore, Field's ministerial career remains of interest because it was highly unusual in British government. Field had almost no frontbench experience at the time of his appointment to government; he had made his name as a fairly narrow specialist in the field which he was given as a ministerial responsibility; and he was given responsibility for a complex and high profile issue, with (nominally) a great deal of access to the Prime Minister and Cabinet, yet held a subordinate position within his Department. To differing degrees, all of the reasons why Field was unusual as a minister contributed to his failure to make a lasting impression as a minister. His career in office thus throws light, by extension onto what might make a less unusual minister a more 'successful' executive actor.

The shape of the thesis

In this thesis, an historical perspective is important. The New Labour 'project' is seen as a rational response to repeated electoral defeat. By the early 1990s, changes to the Party's presentation, structures, and (to some degree) policies during the leadership of Neil Kinnock had made Labour more electorally viable, but had not, in the event, proved sufficient to win power. Therefore, we argue, after the loss of the 1992 general election, certain key actors within the Labour Party sought further changes. These changes responded to the changed socio-economic and political environment which had developed in Britain and elsewhere since 1979, but did not, we argue, represent a capitulation to neo-liberalism. Rather, they identified a number of contemporary concerns about the adverse social and economic effects of unregulated capitalism and used them to make a case for a new model of collectivism designed to appeal to an increasingly insecure middle-class. This collectivism drew not only on modern concepts such as stakeholding and communitarianism, but also

on what was presented as an earlier British progressive tradition of which both Labour and Liberals had been part. (As I show, between 1994 and 1997 an appeal to common ground with Liberal Democrats- both voters and the party leadership-constituted an important part of New Labour's 'big tent'). New Labour could thus present itself as being at once contemporary and traditional, authentically Labour yet untainted by the perceived negative associations of the party's more recent past. Crucially, the object of the 'project' was not simply to regain power once, but to establish an ideological and electoral hegemony which would enable Labour to govern for at least two successive full Parliaments- the minimum period seen as necessary for the achievement of lasting social and economic change.

Within this discourse welfare reform had enormous symbolic significance. The thesis therefore begins by examining Labour welfare policy from the Policy Review of 1989 until the report of the Commission on Social Justice (CSJ) in 1994. We argue that although the Policy Review has been seen by many as representing significant departures in many of Labour's policy positions, most of this period was marked by continuity with Labour's mainstream post-war approach to welfare. Social security and employment policy were regarded as complementary but separate streams. The purpose of social security was essentially seen as addressing poverty through cash benefits, set at as high a level as could be afforded, while Labour remained committed to an employment policy that was based on full-time, life-time employment for (usually male) breadwinners. Between them, the streams were presumed to provide for the needs of all, but there was little interaction between them, or between either and wider economic and social policy. The Policy Review did call for the removal of barriers to participation in the workforce for many who had previously been excluded from it, and did so from a combination of anti-discriminatory principles and concern about the effects of demographic change on British global competitiveness. It also began to articulate the idea of a connection between economic efficiency and social justice. Nonetheless, it made no suggestion of using the benefits and employment regimes to reinforce each other, and in this it remained firmly traditional

By contrast, we argue that the report of the CSJ represented a more significant watershed in Labour's welfare thinking. Although its proposals were not those which

Labour implemented after 1997, the report did articulate, for the first time in a document closely associated with the Labour Party, a number of themes that would be associated with New Labour. These included the extension of the primacy of paid work as a means of support to people outside the traditional workforce, an emphasis on the role of the state in helping individuals maximise their chances of employment and a belief that the interaction of claimants with the state through the benefits system provided an opportunity to do this, and a moral agenda which linked employment with participation in the wider life, and thus values, of society.

Chapter 3 discusses the development of policy between 1994 and 1997- what might properly start to be called the 'New Labour' period. During the earlier part of this period- broadly 1994-6 – Labour's 'official' welfare policy development process sought to develop the principles of the CSJ report into practical policy. Donald Dewar and Chris Smith, successive Shadow Social Security Secretaries, took an active role in this process, in which links were drawn between welfare, employment, and wider issues of social inclusion and cohesion, citizenship and economic success in what is apparently a 'New Labour' fashion. However, this process is not, we argue, one which ultimately fed the development of policy in the years either side of 1997. Although the language and values expressed were similar, it can be seen as 'pre-Blairite' in its approach. The policies it produced are essentially about proposing specific solutions to specific problems. By contrast, the more Blairite approach (the dominant strand in New Labour at the time) saw policy proposals in Opposition as symbols, emphasising Labour's general capability to address social and economic problems. Thus while the policies of 1994-6 were generally congruent with New Labour ideas, they do not really belong to the Blairite modernisation project, and, as such, ultimately had little effect.

We then discuss the aims of modernisation in some detail, and identify the crucial importance of welfare reform as a representative New Labour policy area. By committing itself to welfare reform, Labour sought both to emphasise the distance that it had put between itself and its past, and to answer questions about the compatibility of promises of new spending in other areas with fiscal restraint. But (largely) because a main purpose of the 'project' was to achieve as wide an electoral appeal as possible, by 1996 Labour was emphasising the broad principles of welfare

reform while carefully avoiding producing a mass of detailed policies. While the need to address specific social and economic problems was clearly recognised, the prime importance of the commitment to welfare reform had become its place in the presentation of Labour as a government-in-waiting which could be trusted to deliver economic and social stability in the national interest. As such, welfare policy had become firmly subordinated to Gordon Brown and the shadow Treasury team, whose importance in this area would continue to grow. Finally, very late in this period, Frank Field becomes more prominent in the Party, with an apparent endorsement of his ideas in his appointment to the internal Welfare Reform Committee. As we shall see, some commentators have seen this committee as being a symbol of commitment to welfare reform rather than a serious means to achieve it, and in retrospect Field's appointment might be seen in the same light. Nonetheless, by the 1997 general election, although Labour's welfare reform policies had deliberately not been developed in detail, it is possible to identify at least two streams of thought from which welfare reform policies might have appeared to flow.

Chapters 4 and 5 discuss those streams by looking in detail at the development of welfare-related thought in the speeches and writings of Field and Brown respectively. Both placed welfare soundly in a wider social context and regarded the freeing of individual potential as among the chief aims of any welfare system, but while Field regarded the accumulation of capital as central to this (and therefore emphasised measures such ownership of pension funds and homes), Brown emphasised the use of individuals' labour resources. This led him to favour a much stronger welfare to work process and a greater (although less advertised) emphasis on vertical redistribution of income and opportunity which accepted means-testing as a means to this end. Furthermore, Brown was committed to a strong and recurrent role for the state as an active force for both individual and national improvement, whereas Field's model of reform expressed a rather more sceptical view which can almost amount, at times, to a mistrust of the state. We conclude that while both men's ideas appeared to share much common ground (notably about the value of paid work and the importance of reciprocal responsibility), and while they were certainly closer to each other than either was to some other Labour welfare traditions, there were in fact narrow but deep divisions between the two which ultimately made

them mutually incompatible- and which, as we shall see, meant that only Brown's ideas were compatible with the discourse of New Labour.

These chapters, then, bring us to the eve of the 1997 general election. The following two chapters examine what Labour actually did about welfare reform in government, during the period up to Field's resignation as Minister of State for Welfare Reform in July 1998. Chapter 6 picks up the secondary theme of the thesis by examining Field's ministerial career. Here we argue that Field's effectiveness as a Minister was greatly limited by his misunderstanding of the locus and nature of power within government. Arguably, he owed his appointment, in part, to the distance from the official structures of the Labour Party that he had maintained since the early 1980s- a distance which enabled Blair to present him as a reformer untainted by the past. But this very distance also meant that Field had not developed the networks within the party, or the accompanying practice of negotiating alliances and bargaining for resources, that might have enabled him to make a greater impact within the core executive. We use a model developed by Hay and Richards to argue that Field did not successfully make the transition from 'outsider'- seeking to influence government, whether as campaigner or as select committee chair- to 'insider', developing and implementing policy. Instead, Field as a minister continued to rely upon the campaigning tactics that he had first developed as director of the Child Poverty Action Group in the 1970s. These were largely based on a top-down understanding of power, which emphasised access to very senior figures and assumed that once support had been gained at highest possible level, action would follow. Thus, Field placed great trust in what he believed to be Blair's support for him, and failed to recognise that this was neither unconditional, nor sufficient in itself to enable him to achieve his goals. He neglected to cultivate the resources of other ministers which he might have used to advantage, and while he did recognise that officials and advisers had resources which he needed, he did not always understand what these were and who held them. We therefore conclude that even if the wider imperatives of the New Labour discourse had not steered welfare reform policy in the directions associated with Gordon Brown, Field would not, all other things being equal, have been an effective reforming minister.

Chapter 7 looks more broadly at the policies which were developed in the first fifteen months of the Labour government, and show how, as Labour's commitment to welfare reform passed from declaration of principles to development of policy, the structural requirements of electoral and ideological hegemony continued to shape action. For the Department of Social Security, these requirements were largely constraining. Welfare policy continued to be seen as part of a wider socio-economic policy area, under the overall direction of the Treasury, while 10 Downing Street was acutely conscious of the continued importance of social security to the party's (and now government's) political credibility. Thus, the limits to acceptable reform were defined at an early stage after public protests against cuts to disability and lone parent benefits – cuts which, in the latter case at least, had been accepted with an eye to demonstrating Labour's social and financial toughness. Yet the key theme of this period was the establishment of welfare reform firmly within the context of economic and social renewal. Gordon Brown and the Treasury were enabled to develop a range of welfare-related policies, particularly around welfare to work. As I show, these policies are firmly rooted not only in the 'Brown model' of welfare reform, but in the wider New Labour discourse, and demonstrate the integral links between that discourse and Brown's understanding of welfare, social obligation, and the role of the state.

Our concluding chapter therefore draws together the relationship of Field and Brown's conceptions of the state to their perspectives on welfare reform. It emphasises that Brown's belief in the positive and supportive role of the state fits closely into the New Labour discourse of renewal- a discourse which can be more accurately described as 'neo-statist' than 'neo-liberal' (Torfing 1999). By contrast, Field's emphasis on autonomy and the role of self-governing independent institutions is, ultimately, incompatible with this discourse, because it would lead to a conscious renunciation by the state of significant powers to act. We draw on a model developed by Buckler (2007) to suggest that while Field's ideas on welfare reform were broadly consistent with the New Labour approach on a rhetorical level, and while at a theoretical level some of those ideas might conceivably fit a 'modernised' Labour Party not dissimilar to New Labour, at the integrative level of ideology there was a fundamental incompatibility which meant, ultimately, that New Labour welfare reform could not have followed Field's path.

In summary, then, this thesis demonstrates the interplay of ideas, actors, and structural imperatives and resources in relation to a period of recent policy history. It uses the example of welfare reform to provide an understanding of how the relation of these factors to one another can shape and constrain the options of an ambitious reforming party in the transition from opposition to government.

1.2 Methodologies

The main research methods for this thesis have been document analysis and elite interviews.

Document analysis

The chapter on the development of Labour's welfare thinking from 1989 to 1994 draws largely on published documents from the Labour Party, the Commission on Social Justice, and other actors, and on internal Labour Party documents held in the Labour History Archive and Study Centre, Manchester. The chapter on the development of Labour welfare ideas from 1994 to 1997 similarly draws on published documents, but also uses unpublished internal Labour Party papers relating to the Party's Working Party on Social Justice and to its shadow Social Security team. These documents were made available by a former Labour Party social security aide. The main documentary sources for the chapters on the thought of Frank Field and of Gordon Brown were the published writings, articles, and speeches of the two men, and published journalistic interviews with them. (In the case of Field, a prolific writer, these were mostly his published books and pamphlets; in the case of Brown, who has published rather fewer works, articles, press interviews and speeches predominated.) Chapter 7 draws on published documents and commentaries. Throughout the thesis, we draw on interviews with a range of former ministers, serving and retired officials, and Ministerial and shadow Ministerial aides. In 2005 we requested access to ministerial and policy papers of the period from the Department of Work and Pensions under the Freedom of Information Act, but this request was refused on the grounds that as these related to the development of policy, they were exempted from disclosure under the Act. We did, however, gain an interview informant as a result of this request (see below).

Elite interviews

Methodology- interviews:

Because this research was originally conceived as an examination of Field's period in office as an illustration of power and policy change within the core executive, elite interviews with senior officials and political actors were initially seen as central to its methodology. As we have seen, over time the research question broadened, and this wider question required a wider methodology, including a much larger element of analysis of documentary sources. Nonetheless, interviews remained important.

Goldstein (2002:669) identifies three goals for elite interviews: gathering data in order to make generalisable claims about the characteristics or decisions of the elite in question, discovering particular pieces of information or gaining access to particular documents, and informing work that uses other types of data, including the provision of 'context and colour' for research projects. (Where 'snowball' sampling is used, as it was in this case, we may add the generation of further interview leads as a subsidiary purpose which sits between the second and third of these goals.) With the exception of the first of these goals, which was not relevant to our research question, these were the purposes for which we undertook interviews. First, they provided first-hand accounts from participants, not only of events and processes, but also of ideas; although the majority of the interviews related to the core executive aspect of the research (and the first tranche were undertaken while that still appeared to be the principal focus of the work), later interviews proved particularly helpful in explaining the development of welfare reform ideas within Labour Party elites. (In two cases interviewees also directly provided access to documents which would not otherwise have been available). Second, they helped define the scope of the developing research, by illuminating, for example, the factors which participants in and close observers of the events under examination believed to be important, and suggesting further avenues for investigation. For instance, in our account of the core executive political process, the role of special advisers in facilitating communication within core executive networks only became apparent as a result of interviews. Interviewees also helped identify other potential informants (see below), and in one case provided access to copies of internal Labour Party documents which would not otherwise have been readily available. Third, interview accounts provided a sense of colour and perspective which added an extra dimension to documentary sources.

Interpretation of interview data

It is important to emphasise that we cannot regard elite interview data as an especially privileged method of gaining an insight into what 'really' happened. First, actors construct 'events' at the time of action. They will, as part of their interpretation of their situation, ascribe degrees of significance to what they understand to be the elements of that situation (actions, relationships, political imperatives, and so on). Those which are seen as significant acquire the status of 'events' (Atkinson Coffey & Delamont 2003:104), while those which are not may be overlooked. Thus, for example, when some retired senior officials stated that Field 'did not work with anybody' as a Minister (see chapter 6 below), this might be understood to mean that he did not draw upon the resources of DSS officials. However, later interviews stated that Field did in fact work reasonably closely with more junior officials and with specialist analysts. We may explain this apparent discrepancy by hypothesising that traditional senior policy officials constructed their understanding of what should constitute a minister's relationship with officials in such a way that a direct relationship with the 'wrong' officials may have been more or less invisible; working with them would simply not be thought significant.

Secondly, if, at the time of action, actors construct 'events' through the significance which they ascribe to them, they will further reconstruct them when recounting them to a researcher. These reconstructions will very possibly differ from the constructions established at the time of action. It has long been accepted, even by those who do not take an interpretist position, that interview data cannot be taken to be a simple substitute for direct observation (Dean & Whyte 1958) because different informants will recount events in different ways, and because the interview itself is a social construction whose dynamic affects what it produces. However, the social nature of the interview also means that the researcher's understanding of what the interviewee has said will itself be an interpretation. In ethnographic interviewing (which has much in common with elite interviewing) the effect of this 'double hermeneutic' on the interview has been expressed by saying that interview can produce no more than 'our own constructions of other people's constructions of what they and their compatriots are up to' (Geertz 1973 Ch 1, cited in Bevir and Rhodes 2003). We cannot, therefore, conceive of interview-based research as a search for one 'truth'.

We can, however, consider data- and interview data especially- in terms of truthfulness, of credibility and of authenticity (Atkinson Coffey and Delamont 2003:122-130). We can ask whether the information that we are given (as we understand it) makes sense in terms of the other information that we have from the informant, and of the context (again, as we understand it) in which he or she operated. In this way we may ourselves construct interpretations of how and why actors acted; and that is what we have sought to do.

Interviews: timing within the project

Interviews were conducted between December 2003 and January 2007, with a number being conducted at the very beginning of the project. Early interviews were considered desirable in order to gain access to as many potential interviewees as possible, since at that time a number of them were still actively engaged in politics, or were serving or recently retired officials. A purposive approach was taken to identification of potential interviewees, with an initial concentration on key political and official actors within the (then) Department of Social Security (DSS), Treasury, and related Departments. These were identified through standard reference works such as Dod's Parliamentary Companion and the Civil Service Yearbook. Once interviewing began, a 'snowball' approach was adopted to identifying further potential informants. Interviewees were asked for, or in some cases volunteered, suggestions of people to whom it might be useful to talk. As the research developed, new potential informants were also identified from time to time, through reading and personal inquiry; and one official volunteered to be interviewed after learning of this research from a Freedom of Information request to the Department of Work and Pensions. The decision whether or not to approach potential informants identified in these ways was based on a combination of traceability and an estimate of the likely relevance of the informant to the research.

Timing and location of interviews

Interviews followed a semi-structured format, lasted between thirty minutes and two hours, and were conducted in settings of the interviewee's choice. In most cases this was the interviewee's workplace but in others it was a public room, cafeteria, or the

interviewee's home. One interview was conducted by telephone, at the request of the interviewee. Although some researchers express reservations about telephone interviews because some non-verbal cues, and post-interview comments, are not available, these reservations are not universally held (Sturges and Hanrahan 2004) and in this case the quality of the data did not appear to have been compromised.

Interviews were tape recorded, and brief notes were also taken in order to identify points that seemed to be of particular interest, to catch responses that were not recorded (because, for example, they were made while the tape was being changed) and to note body language gestures that appeared to be significant. 'Door handle' information, provided by interviewees in conversation after the end of the interview, was noted down as soon as practicable, usually immediately after parting from the interviewee. In most cases, a short note reflecting on the interview was made later the same or following day. To encourage interviewees to speak freely, interviews were conducted on a non-attributable basis. This was explained at the beginning of each interview as meaning that observations would not be attributed to interviewees by name, and that an interviewee would be consulted if it was proposed to use data in a way that would identify the source. All interviewees accepted these terms. However, one interviewee refused a second interview on the grounds that as someone still active in politics, he did not wish to jeopardise relationships with any colleagues.

1.3 Literature review

Over the nearly 14 years since Tony Blair became leader of the Labour Party, a considerable literature has developed about the New Labour 'project' as a whole and about specific aspects of it, including welfare reform. As we shall see, much of this literature has sought to relate its subject to developments that have preceded it, or to broadly contemporaneous developments elsewhere in the world. Thus, typical questions have been 'how new is New Labour?' 'how does New Labour relate to Thatcherism/ revisionist social democracy/ developments in overseas left of centre political parties?'; or 'how do New Labour welfare reforms relate to US welfare reform/ British post-war universalism/ Conservative reforms of the 1980s and 1990s?'. Similarly, these subjects have been discussed in wider economic, conceptual, or ideological contexts- for example globalisation, communitarianism, or understandings of work, gender, or risk- or in relation to domestic economic, social and electoral factors.

In some respects, this thesis has affinities with these approaches. Its fundamental question is 'why did New Labour in government choose one model of welfare reform over another?', and more specifically, 'why were the welfare reform ideas of Frank Field not adopted?'. As such, it requires an examination of the development and significance of welfare reform as part of the New Labour 'project', and this in turn necessitates a consideration of the purpose and nature of the 'project' itself. The contextual approaches outlined above (and which are discussed in more detail below) are thus clearly relevant to this study; and there is, as noted, a substantial literature not only on New Labour, but on the welfare reform measures such as welfare to work and tax credits that it has introduced in government. However, much of that literature appears to assume that these measures, and the wider model of welfare of which they formed part, were the only form in which New Labour's commitment to welfare reform could have been put into effect. As we shall see, this thesis comes to a similar conclusion to that assumption; but it is curious that this should have been *assumed*. After all, in Field's pre-1997 proposals for welfare reform, neither welfare-to-work programmes (which he had broadly endorsed, but only really as a sort of afterthought for those temporarily reliant on social assistance benefits) nor tax credits

(to which, as an extension of means testing, he was positively hostile) had figured significantly; rather, he had argued for a revived social insurance system, run largely at arm's length from government- a proposal which was not, in the end, realised. Yet it was Field who received, in May 1997, formal responsibility for welfare reform in the new administration. This in itself suggests that it must at least have appeared, at some point, that another model of welfare reform (from the Brown/Treasury-led model which eventually prevailed) could have suited New Labour; and although we argue that this appearance was ultimately illusory, the purpose of this thesis is to examine why the Brown, rather than the Field, model was chosen.

The existing literature does not really address this question. In part, this is because although there is a fairly substantial literature on specific measures that we may associate with Brown and the Treasury, there are comparatively few commentaries on or analyses of Field's ideas. (It should also be stated that the literature on the Brown/Treasury models tends not to seek to identify a Brown welfare reform model as such; but we shall argue in this thesis that such a classification is possible.) Some of the literature on welfare reform does include more or less substantial, but usually nonetheless passing, observations on Field (for example, Deacon 2000), but overall, the academic literature on literature on Field and his ideas, especially during the period around his tenure of office, is small. This is surprising, because even if one does not hold a high opinion of the quality of Field's work, his energetic and high-profile championing of his ideas, and the favour which they appeared, for a period, to have received from government, would appear to make him a figure worth studying. Chapter 4 of this thesis, therefore, consists of a systematic exposition and analysis of Field's ideas, drawing on his published works from the early 1970s to the mid 1990s.

Little, too, has been written, from an academic perspective, about Field's career as a Minister, whether in respect of the products of that period or of his role in the core executive politics of welfare reform. The first aspect of this is easily explained: as we shall see, there is actually very little that can be attributed to the DSS-led welfare reform programme (if it can be described as such) for which Field was formally responsible. The one substantive product of that programme was the Welfare Reform Green Paper of March 1998. Again, this was discussed in the press at the time of publication but, perhaps because of the very general terms in which the published

paper was couched, the academic literature does not really extend beyond analyses of its ethos by Deacon (1998) and of some of its language by Fairclough (2000). The literature on the core executive politics- by which we mean the way in which Field operated as a minister and his relationships with other political and official actors- is also limited. There are as we shall see good journalistic accounts (for example, Timmins 2001, Rawnsley 2001) which draw extensively on interviews with key actors, and which are helpful as descriptions of 'what happened' in the sense of individuals holding and ceasing to hold offices, meetings taking place, and so on, but these have two weaknesses from the academic point of view. First, they tend to over-emphasise agency- the importance of 'good' or 'bad' relationships between individuals, and in particular between Field and Harriet Harman, his Secretary of State. This is understandable, since the poor working relationship between the two attracted considerable contemporary media attention, and many close observers agree that both the personal pairing of Field and Harman, and the decision not to give lead responsibility for welfare reform to the Secretary of State, were substantial mistakes on the part of Tony Blair. However, we suggest in this thesis that while Field and Harman certainly did not work well together, their poor relationship contributed little to Field's failure to put his stamp on the direction of welfare reform. In this sense, to concentrate, as these accounts do, on the Field-Harman nexus is a diversion: there were other, less obvious and far less spectacular, factors which had a far greater effect on Field's ministerial career.

The second weakness of these accounts is related to, and indeed explains, the first. They are not grounded in a theoretical framework. As a result, while they identify interactions and episodes, they tell us little about the broader context within which these took place, or about the role of the structures within which actors acted. It is central to the argument of this thesis that structural factors, particularly the broad discourse and ideology of New Labour, constrained the 1997 government in its choice of direction of welfare reform and effectively ruled out the adoption of a reform programme based on Field's ideas. Nevertheless, Chapter 6 does seek to provide some of the theoretical background lacking from the existing accounts of Field's ministerial career by considering his performance as a participant in core executive politics.

Having identified, then, some of the areas in which this thesis seeks to take a new and distinctive approach to the question of the early direction of New Labour welfare reform, we now turn to a more detailed discussion of the literature which we have identified in the preceding paragraphs.

Perspectives on New Labour

There is, as we have noted, an extensive literature which seeks to analyse the New Labour 'phenomenon'. Johnson and Steinberg (2004) provide a useful starting point here. While noting (2004:7) that, at least in the earlier period of the 'project' there was a strong tendency, especially on the Left, to see New Labour as essentially a rebranding of Thatcherism, they suggest that four main interpretive positions may be identified.

First, then, there is the school of thought which sees New Labour as disguised Thatcherism; or, more specifically, as a largely uncritical acceptance of the social and economic changes which happened under Conservative governments after 1979, and of the neo-liberal economic orthodoxies associated with at least the latter stages of those governments. A variant on this position is that New Labour and Thatcherism are different phases within a drive towards a neo-liberal world (2004:9). In either case, members of this school are generally critical of New Labour; while it is possible to conceive of a supporter of neo-liberalism welcoming New Labour to the fold, we have found no serious expression of such a view. Second, some commentators see New Labour as the latest stage in a long-standing Labour tradition of modernisation. In this perspective, the most recent drive to modernise is traced back to the electoral defeats of 1979-92, rather than to the accession of Blair to the Party leadership in 1994. This position can be either critical or appreciative of New Labour, but it tends to emphasise the breadth and multifariousness of traditions within the Party, and to see Blairism as the hegemonic strand in New Labour. Third, one perspective identifies New Labour as a response to social change and electoral imperatives. This strand identifies the electoral and political practicalities of the late 1980s and 1990s and argues that New Labour represents a modernisation process that was necessary to enable the Party to win elections in changed times. Johnson and Steinberg suggest that school tends to defend New Labour's 'newness' on pragmatic

grounds, but also argue (2004:11) that arguments about the necessity of modernisation see politics as about reflecting or expressing social change, rather than constructing a social order (2004:12). Change, they argue, is taken as a given, and this closes off argument about the complexity of causes and possibility of different solutions. Finally, a fourth view sees Blairism as the dominant faction within New Labour's 'broad church'. However, while it can be seen that there are other streams than Blairism in New Labour- for example, that associated with Gordon Brown- we still have to ask what this broader 'New Labour' is. We may also add to these positions other interpretations which, for example, relate New Labour to other political traditions- for example, early twentieth century 'New Liberalism' (Vincent 1998).

We suggest that only the first two of these views are mutually exclusive. Adherents of both the 'neo-Thatcherite' and 'neo-modernising' schools can (and do) ground New Labour in the need to adapt to economic, social and electoral changes. Nonetheless, we may adopt Johnson and Steinberg's typology as a useful starting point for classifying approaches to the study of New Labour.

First, then, there is the literature which represents New Labour as essentially Thatcherite or, more widely, neo-liberal. This is a position which appears to have been particularly frequently voiced in the earlier years of New Labour when, a critic might suggest, it was the rhetoric of the period around the 1997 election, rather than New Labour's record in government, that was the main material available for analysis. Hay (1997 and 1999) provides a good example of this position. New Labour had, he argued, accepted 'the neo-liberal political and economic paradigm that is the sole vision animating contemporary British politics' (1997:372). This acceptance of neo-liberalism could be traced back at least as far as the 1989 Policy Review (1999: 42), when, Hay claims, Labour had ceased effectively to be social democratic. Hay suggests that this ideological shift may be most plausibly attributed to a combination of a belief that the Party had to adapt to a perceived new stage in the development of capitalism, an acceptance of the irreversibility of much of the Thatcherite legacy, and a rejection of the feasibility or desirability of a move from capitalism to socialism (1999:53). He thus grounds Labour's modernisation in the 'new times' thesis, but nonetheless sees it as a definite acceptance of neo-liberalism.

Crouch (1997) exemplifies a variant on this position: he too sees New Labour as part of a neo-liberal consensus, characterised by the minimal government intervention in markets, low public spending and (especially redistributive and direct) taxation, and marginalised trades unions. However, he suggests that within this consensus New Labour is on the left, emphasising the role of social policy and education in smoothing the rougher edges of capitalism, and describes its position as social neo-liberalism. To some extent, over time some advocates of the 'neo-Thatcherism' thesis modify their position to suggest that New Labour's continuity with Thatcherism consists more in the acceptance of basic economic and financial assumptions than in wholesale adoption of policies: for example, Coates and Hay (2000) would argue that New Labour was consistent with Thatcherism in its understanding of labour market flexibility and the primacy of wealth creation over wealth distribution, and its acceptance of the essential justice of (regulated) labour market outcomes; but there are policy areas, notably its enthusiasm for human capital formation, which are distinctive.

We turn now to the views of those who see in New Labour a further development of a Labour tradition of modernisation. Again, within this broad grouping a variety of positions may be found. Rubinstein (2000) perhaps represents one extreme of this school, placing New Labour firmly in the tradition of Attlee and Wilson. Labour, he argues, has always had to seek cross-class alliances, and where the means that New Labour adopts to achieve its ends differ from those of its predecessors, this is simply a rational response to social and economic change. Meredith (2003) identifies much common ground between New Labour and elements of the centre-right coalition which he sees as traditionally dominating the Party; attempts to portray New Labour as a clean break with the past are largely rhetorical. Fielding (2003) similarly argues that New Labour is 'better understood to be a reworking of Labour's dominant "revisionist" tradition' (2003:xiii), and draws on an historical perspective to attribute much of the 'modernisation' to lessons drawn from the Party's experiences in the 1970s and 1980s. There are commonalities here with Pimlott (1997), who saw New Labour as 'new' only in contrast to Labour's more recent past, which, he argued, had been characterised by a failure to take account of social and economic realities. For Pimlott, New Labour was 'a party of consolidation, of a return to normalcy after years of turbulence' (1997: 329). Temple (2003) also noted Labour's tradition of

modernisation, but argues that, for instance, the rejection of Keynesianism constituted a new departure, and that New Labour would not have been recognisable to Bevin or Bevan. (Although the Callaghan government departed from Keynesianism in practice, the Party continued to be attached to variants of Keynesianism well into the 1990s- see for example Labour Party 1994). However, he also identifies Thatcherism as a key factor in the creation of New Labour, in that some of its roots lie in responses to Thatcherite reforms: as Hall (1998) says, the project 'is framed by and moving on terrain defined by Thatcherism'.

This conception of New Labour as 'post-Thatcherite' has perhaps been most notably formulated by Driver and Martell (for example, 2001). They argue that Thatcherism (by which they mean the actions of the Conservative governments after 1979, together with the wider economic and social changes of that period and associated critiques of earlier Labour models) had posed a challenge to the Left with which Labour's modernisers had engaged (2001:50). This need to respond to Thatcherism explains the real differences between the post-1997 governments and their Labour predecessors, but despite these differences- for example, the emphasis on economic freedom (which leads to neo-liberal politics) rather than political freedom (which leads to social democracy)- New Labour is still identifiably Labour. Brown's commitment to spending on public services, for example, is evidence that it is in some sense social democratic (2001:48). Bevir (2000) also sees New Labour as a development of Labour traditions- in this case, early twentieth century ethical socialism and post-war reformism- in response to Thatcherism and changed economic and social analyses. Thus, although the Keynesian Welfare State model was seen as no longer able to realise the Party's ideals, Labour values were reformulated, especially in respect to welfare policy. Thus, the competitive economy becomes important as the context for social justice: the emphasis shifts from equality to efficiency, and redistribution is only permitted if it does not damage economic competitiveness. An emphasis on choice means that inequalities arising from poor individual decisions are accepted, and welfare policies are directed towards the provision of opportunities to enable people to break free from 'dependency' on welfare rather than escape poverty as such. In this context, it is noteworthy that Bevir sees Field's ideas of self-interest and reciprocal duty as instrumental in leading New Labour to embrace welfare reform (2000:296). Vincent (1998) may, just, be placed

in the category of those who place New Labour within Labour traditions, although his analysis sees in New Labour a redrafting of some of the language and concerns of the Edwardian New Liberalism which informed the development of the Party in the early twentieth century (and to which, indeed, Blair explicitly appealed in his calls for a reunion of the British progressive tradition).

Finally, commentators such as Buckler and Dolowitz (2000) see New Labour as a genuine 'third way' between democratic socialism and neo-liberalism. They argue that while New Labour 'embraces fundamental liberal individualist assumptions but also retains a commitment to redistributive social justice.' (2000: 102), this redistribution is largely in terms of opportunity to participate in economic structures. There is a clear ideological position which may be described as 'social-liberal'.

These, then, are some examples of the literature on New Labour, chosen to give an overview of the range of perspectives that exists. As will be seen, this thesis broadly adopts the view that New Labour is post-Thatcherite (in Driver and Martell's sense) but nonetheless sits within the broad social democratic spectrum. While it is the case that New Labour does broadly accept globalised and neo-liberal markets as the context within which it must work (and we should note that while it accepts and does not challenge their existence, it does not, generally, actually endorse them) its commitment to state intervention means that it cannot, in our view, be classified as simply neo-liberal. New Labour believes that state action is required not only to mitigate the effects of the market, but to utilise the market in the wider national and social interest. Furthermore, in government, New Labour has shown a commitment to redistribution not only of opportunity but of income in favour of the poor (especially the working poor). This redistribution has not been unconditional - it has been designed to reinforce certain 'desirable' behaviours, principally paid work - but it has certainly taken place, and has been designed to reinforce a notion of the state as a supportive force in the lives of citizens. But one of the key characteristics of New Labour has been that it has had a much stronger commitment than many other Labour traditions to appealing to the middle classes. Electoral arithmetic has always meant that Labour has needed to build cross-class alliances, but New Labour has very clearly aimed principally at those who are- or who perceive themselves to be- firmly in the middle-class mainstream. This is as we shall see especially true of New

Labour in the mid-1990s, when the core of the Party's modernisation was, we will argue, an appeal to the newly-insecure middle classes who were portrayed as having been let down by free-market Conservatism. So New Labour, in our analysis, was born out of a belief that economic and social change had both rendered some former approaches (such as Keynesianism) inoperable, and had established new expectations among the electorate which had to be accommodated in electoral strategy if Labour was ever to regain power. It is for this reason, as we shall see, that welfare reform became an iconic policy area at this time.

Perspectives on welfare reform

As we have suggested, much of the literature on welfare reform and New Labour proceeds from the assumption that there is really only one model of New Labour welfare reform (and while we agree that that has in practice been so, we question the grounds for making the assumption). There is, of course, a literature on the effectiveness and normative desirability of the reform measures that have been introduced since 1997: that does not concern us here, because we are asking why a particular model of reform was adopted, not whether another model might have been preferable. Of more interest to us is the literature which seeks to place welfare reform in the context of other developments, and especially of the wider New Labour 'project'.

We have stated that much of the literature on New Labour looks at the relationship of the 'project' to other trends, and this is also true of much of the literature on welfare reform. For example, there has been considerable discussion of the role of policy transfer and overseas influences in areas such as welfare to work policy. The 'orthodox' view, if it may be so described, ascribes much influence to American models in shaping New Labour's policies in this field. Thus commentators such as King and Wickham-Jones (1999), Deacon (2000), Peck and Theodore (2001), Daguerre (2004), and Taylor-Gooby and Daguerre (2004), place policies such as the New Deals firmly in the context of policy transfer from the United States- although it must be noted that the way in which these writers conceptualise that transfer varies considerably. Deacon, for example, looks at the broader influence of the electoral strategy of Clinton's 'New Democrats', and the central place that welfare reform

held in that strategy, while highlighting the cultural and other differences between the British and American contexts which have caused British policies to diverge from US models. King and Wickham Jones similarly emphasise American influences on New Labour's campaign style and rhetoric, particularly with regard to the cultivation of a 'tough' image on matters such as welfare, crime, and the economy, and go so far as to identify the US Democrats as the main influence on New Labour's welfare to work policies. They suggest that by accepting a higher degree of conditionality, and compulsion to participate in activation programmes, New Labour moved away from the Party's main post-war traditions. While they allow that the ideas associated with the Commission on Social Justice had some influence on New Labour welfare policy, they argue that overall New Labour was strongly shaped, not only by domestic concerns, but by learning from countries such as Australia, New Zealand and the USA. The USA provided both a model for electoral success and a set of ideas which included the dependency and underclass theories associated with thinkers such as Mead and Murray.

Peck and Theodore, while noting that New Labour is much more interventionist than its Conservative predecessors, and rejects laissez-faire, also see welfare to work as primarily a transfer from the US. Daguerre sees US influence as supreme; the New Deals, she argues, entail a radical shift to a more typically American 'workfare' paradigm, prioritising 'work first' over 'human capital' approaches, and a contractual approach to promotion of opportunity which replaces any ambition to secure full employment by direct job creation or Keynesian demand management. She sees the ways in which British programmes diverge from US models- notably, by being more incremental and by focussing on the young unemployed rather than single mothers- are minor. Taylor-Gooby and Daguerre see further US influence in the sanctions regimes for the New Deals and the establishment of a unified employment and benefit service (Jobcentre Plus) after 2001, and identify the conceptual basis of the New Deals as a duty to work rather than more solidaristic and structural approaches.

These positions, then are representative of the 'US transfer' school, which has colonised much of the ground in the discussion of welfare reform. Nonetheless, other commentators do place reforms in a wider context than a simple transfer across the North Atlantic. Finn (2000:44) highlights a general trend among OECD countries

towards activation programmes and tax and benefit reforms which promote employability, incentivise and reward employment, and reduce costs and 'dependency'. Pierson (2003), in an analysis of wider connections between Labour and the Australian Labor Party in the 1990s, notes the direct influence of the Australian 'Working Nation' activation programme on the British New Deals, and connects this to the lesser degree of coercion, and more generous funding, of those programmes when compared to US models. Annesley (2003) emphasises the European, and specifically the European Union, context. While she acknowledges American influences, she points to factors such as a concern with the nature of the labour market, the belief in the interdependence of social justice and economic efficiency, and the use of the language of 'social exclusion' rather than 'underclass', as evidence of European influences on activation programmes. Although Green-Pedersen et al (2001) are directly concerned with Dutch and Danish rather than British welfare reform, they take the Blair-Schroeder manifesto (Blair and Schroeder 1999) as their starting point and argue that welfare reform is central to 'Third Way' politics across Europe. This politics, they suggest, entails a fairly coherent set of supply-side policy intentions, including active labour market policies, which are a social democratic response to conditions in which Keynesian demand management through fiscal stimulation is no longer possible. As such, 'third way' welfare reforms are more a break with policies of the 1970s than with basic social democratic principles of social justice.

Commentators such as Adler (2004), Dean (2003), and Deacon (2003) also consider welfare reform as a 'Third Way' project. Deacon sees the 'Third Way' in this context as 'an attempt to respond to conservative critiques of welfare dependency without abandoning altogether social democracy's traditional commitment to redistribution and equality' (2003:124). New Labour's commitment to ending child poverty (which became explicit shortly after the period with which this thesis deals: Blair 1999) drew on long-standing analyses, many of them American, about the cycle of disadvantage, but the 'newness' of New Labour lay in its reception of them. (As we shall see, the concept of a cycle of deprivation was not new on the Left: Field had promoted it in the 1970s. But, perhaps because the concept of transmitted disadvantage had come to be associated with Keith Joseph in Britain (see Deacon 2000:10), it had not been widely received by Labour.) New Labour's approach also

moved away from the predominantly structuralist approach common on the Left in the 1960s and 1970s to an understanding of disadvantage which was both structural and behavioural. For Adler, the 'Third Way' approach to reform is a fusion between social democracy and neo-liberalism. What makes New Labour's social security policy distinctive is the connection that it makes between activation policies, and the tax credits and in-work benefits which enable people to accept the low-paid work which is often all that is available. Dean suggests that 'Third Way' welfare emphasises activism and non-dependency; the Third Way objected to the passivity of the welfare system, whereas the New Right had objected to its very ethos. However, he criticises what he sees as its distorted ethic of responsibility, based on an assumption (which he questions) that people are indifferent to the circumstances of others. This criticism of a perceived move away from altruism is echoed by Page (2007), who while noting New Labour's belief that welfare systems should complement rather than conflict with economic imperatives, and should extend opportunities, suggests that the Party no longer believes that the welfare state should extend opportunities for selflessness, enhance social solidarity, or increase equality of outcome. (We would question whether the first of these, in particular, has ever been an avowed Labour policy aim.)

Finally, some commentators have drawn attention to New Labour's commitment to tackling (child) poverty, which became increasingly overt toward the end of its first term in office. For example, in 2001 Ruth Lister, who in October 1997 had been a chief signatory of a letter criticising the government for apparently ruling out redistribution (*Financial Times* 1/10/1997:20), noted a 'surprising' steady, real improvement in many out of work benefits, especially for families with children, and a rehabilitation after 1999 of the language of poverty. While Brown had continued to insist that policies were simply rewarding work and families rather than old-fashioned unconditional redistribution, a quietly progressive and redistributive trend could be observed by those who looked beyond a tough populist rhetoric (Lister 2001). McCormick (2001) noted substantial, although targeted, financial incentives to 'make work pay', and a degree of affluence testing (that is, withdrawal of transfers from the better off, rather than restriction of transfers to the worse off) in the tax credit system. However, the considerable level of individual assistance available had been impaired by a failure to address local job scarcities. Developments of the kind

noted by Lister and McCormick became more observable only after the period covered by this thesis. However, an essential element of our argument is that this was the direction in which welfare reform was launched in 1997-8, and our research question asks why this was so.

The welfare philosophy of Gordon Brown

There is quite a lot of biographical literature on Brown, but his biographers so far have been journalists rather than academics, and their work has largely concentrated on his background and mode of working, often with the aim of making some kind of 'behind the scenes' revelation. These of course contain elements that are relevant to our study, not least in, for example, providing accounts of his role in the development of New Labour, and of some of the influences that may be traced in his ideas; but they are not generally critical analyses of his thought. Routledge (1998) and Bower (2004) are essentially straight biographies. Routledge, who was considered to be close to Brown (Price 2005: 251) and who claimed to have had Brown's full co-operation (Naughtie 2001: 246) is unsurprisingly sympathetic, emphasising Brown's commitment to a combination of fairness, economic efficiency, and equality. Writing early in New Labour's term in office, he is unable to discuss significantly Brown's role in welfare reform once in government. However, Bower, writing rather later, does do so, and emphasises the extent to which Brown successfully took control of reform. While much of this is discussed in terms of the power play between Brown, Harman, Field and Blair, Bower does argue strongly that Brown had a distinctive vision of reform, with a strong emphasis on economic factors. Although his referencing is poor, in this discussion Bower appears to have drawn on interviews with a number of key former ministers and officials, including Field, to whom he often appears sympathetic. Naughtie (2001) takes a more psychological approach, focussing, as his title suggests, on the relationship between Brown and Blair: how their careers became linked, and how the relationship then declined into rivalry. He provides insights into the backgrounds of the two men, but says little about welfare reform.

Peston (2005) and Keegan (2003) are business and financial, rather than political, journalists, and the focus of their work reflects this (as, perhaps, does their more

analytical approach). Keegan criticises what he sees as Brown's excessive caution, but notes his 'highly activist approach to social and industrial problems (2003:117), his commitment to (covert) redistribution (2003:244), and the anti-poverty aims of welfare-to- work policy (2003: 260). He suggests that the three main influences on Brown's policy have been his own social conscience, the lesson that he drew from his study of Maxton of the futility of a strict adherence to principle that acts as a barrier to gaining power, and the loss of the 1983 General Election. Peston is broadly sympathetic to Brown, and emphasises his commitment to fighting poverty and inequality - while at the same time preserving economic stability and not alarming higher-income voters (2005:19). At the heart of this commitment, in Peston's view, is the reduction of unemployment. Peston devotes a chapter to a useful exposition of what Brown's 'progressive universalism' entails: essentially 'redistribution in an age of globalisation' (2005:249). Overall, he suggests, Brown is driven by a strong anti-poverty agenda and the 'prudence' of his early years in office should be seen as a means to find the funds for this end. The tax credit programme is designed to reward employment, to de-marginalise welfare by offering payments to the majority of workers, to bind people into the state by establishing government as a benign provider, and to redistribute income to the lower-paid in a fairly uncontroversial way.

All these biographies are reasonably sympathetic to Brown (although Bower is less so). They broadly agree in presenting him as a strong and generally principled politician, who is prepared to intervene actively to reduce poverty and promote equality. However, it is important to mention one less sympathetic analysis, by Frank Field (Field 2002). Field argues that, by concentrating exclusively on immediate effects, above all on individual incomes, Brown's welfare policies improve the material position of the poor at the expense of their freedom. A 'new serfdom' (2002:59) has been created, of people dependent on tax credit income whose income will depend on the will of politicians rather than their own efforts. (This, as we shall see, encapsulates a large element of Field's objection to income-related benefits and credits).

The ideas and career of Frank Field

There is, as we have noted, very little critical literature on Field's model of welfare reform, or on his thought in general. To this extent, the chapter in this thesis on Field's thought breaks, as far as we can tell, new ground. Much of the existing literature was written for the purposes of debate and takes the form of commentaries on specific proposals or on chapters in volumes of essays to which Field himself has contributed. In, for example, *Stakeholder Welfare* (Field 1996b) a long essay by Field is accompanied by commentaries by four academics and commentators. There, Alan Deacon (1996: 64-5) helpfully emphasises that Field's emphasis on moral agency is entirely consistent with the Christian Socialist tradition in which he sits, and thus represents an alternative both to entirely individualistic explanations of poverty, exemplified by the work of Charles Murray, and highly structuralist explanations as associated with Richard Titmuss. Melanie Phillips (1996: 102) notes the importance of moral self-improvement and self-actualisation in of Field's concept of self-interest, and expresses doubts that any government would permit the creation of such a powerful and autonomous body as Field's proposed tri-partite National Insurance Corporation: both of these, as we shall see, are points that this thesis will also make. But on the whole the commentaries in this collection reflect the content of most of the existing critical work on Field in that generally, they engage with specific aspects of Field's work such as the practicality of particular proposals *in themselves*, or the *validity* of his views on human nature and incentives, rather than presenting a critical analysis of his thought as such. This is also true of the Conservative MP and intellectual David Willetts's short essay on Field (Willetts 1996) in which he argues from an explicitly party political point of view against Field's proposals for a new welfare universalism.

The development of welfare reform, 1997-8

Our thesis discusses two aspects of the development of welfare reform in 1997-8: the core executive politics of Field's ministerial career, and the policies that were developed. There are few if any analytical accounts of the first of these aspects. As we have noted, there are comprehensive descriptive accounts of his period in office in Timmins and Rawnsley, as well as in Bower's biography of Brown; but these

principally approach the topic in terms of the personal relationships between key players, or of the Treasury's 'capture' of social security policy. Deakin and Parry (2000: 200-202) look briefly, but informatively, at the structural constraints within which Field worked, and conclude that his career in office 'illustrated the difficulty of making fundamental policy shifts on issues affecting Whitehall as a whole from outside the Treasury, without the explicit and sustained support of No10' (2000:202). However, we have not been able to identify any literature which seeks to analyse Field's own behaviour as a minister, and we therefore believe that our chapter in this thesis is the first attempt to do so.

Much of the literature on the policies which were developed during Labour's first fifteen months in office is of the kind which we have examined in our discussion of the literature on welfare reform *per se*. This is unsurprising since, as we shall show, welfare reform policies had deliberately been left rather undeveloped before May 1997. Our earlier discussion therefore covers most of this aspect of the period. Nonetheless, two other pieces of literature should be considered. First, Deacon (1998) analyses the 1998 Welfare Reform Green Paper (DSS 1998), identifying in it themes of enlightened self-interest, the exercise of authority, and moral regeneration. This analysis is discussed more fully in Chapter 7. Second, Field himself, after leaving office, has given some account of his time in government, and a critique of the direction which reform took after 1997 (Field 2000). He suggests that the credibility of the welfare reform programme was undermined early in the new government by controversy over the abolition of lone parent benefits (see Chapter 7). While Field supported this measure, he argues that it gave the impression that welfare reform would be largely about cutting expenditure (2000:3). Furthermore, he suggests that the Comprehensive Spending Review process, which he characterises as seeking short-term savings, made it difficult for him to plan for longer-term reform, and that this difficulty was compounded by the refusal of his request to be allowed to chair the reviews for his Department. Much of Field's account is taken up with a discussion of the reform programme which he would have liked to have introduced, which largely follows the pattern which he proposed in his writings before the election (Field 1995, 1996a, 1996b), and this discussion highlights two elements which are highly relevant to the argument of this thesis. First, while Field emphasises the wider implications of welfare policy, these are conceived almost

entirely in terms of individuals' moral and social behaviour (see for example 2000:ix); he does not make the connections with economic policy which, as we shall see, were so characteristic of Brown's approach. Second, it is very clear that Field saw welfare reform as an opportunity to shift control of much of the welfare system from central government to independent, mutually owned and controlled bodies- and thus, inevitably, diminish the ability of governments to use the system as a means of intervention.

Conclusion

We have seen that the literature on New Labour and on welfare reform contains much that can inform our discussion. Nonetheless, our central question concerning the place of Frank Field, as both Minister and thinker, in the development of welfare reform since 1997, remains relatively unexamined. The following chapters therefore attempt to explore this ground further and, in so doing, to develop our understanding of the place of welfare reform within New Labour discourse, and the ways in which discourse can structure action in contemporary British government.

Chapter 2: Before 'New Labour': the development of the Labour Party's welfare policies from the Policy Review until 1994.

Introduction: the importance of social security policy as symbol and sign of change in the Labour Party.

The extent to which 'New Labour' represents a departure from the past traditions of the Labour party has been contested. As Steven Fielding has observed, the very way in which the term is transcribed reflects the perspectives of commentators towards the 'newness' of the Party under Tony Blair- from 'new Labour' (cautious), 'New Labour' (assertive), ' "New Labour"' (wholly qualified) to ' "New" Labour' (sceptical) (Fielding 2003:3). In this thesis, the form New Labour will be used, without necessarily implying any position on this point, as the simplest form and that which the Party applies to itself; and one of the central themes of this thesis will be that, insofar as New Labour does represent an innovation in the development of the Labour Party, reform of the welfare state, and of social security in particular, has been key both as a component and an indicator of that innovation. This is, it will be argued, for two reasons. First, New Labour sees welfare policy as a means to realising its broader social and economic aims -greater social inclusion, higher rates of employment, and a more skilled and competitive economy. Second, welfare policies have a symbolic significance in defining the extent to which New Labour portrays itself as marking a break from the Party's past. New Labour was willing, not only to reform the operation of social security, but to rethink the very basis and purpose of this part of the welfare state. Thus, New Labour has sought to reconsider the relationship between the state, individual, and wider civil society, while challenging a key aspect of the way in which the party is seen both by itself and by the wider electorate.

This chapter, therefore, explores those fundamental assumptions. It will argue that until well into the 1990s, Labour's social security policies were based on assumptions which had been essentially unchanged since the 1950s, and which, despite some shifts of emphasis and (particularly when Labour was in government) concessions to external circumstances, were very widely shared within the Party and by sympathetic outsiders. These assumptions, it will be suggested, survived both the

policy debates of the late 1970s and early 1980s, and the Policy Review of 1987-89, relatively intact, and did not really begin to be seriously questioned until after Tony Blair became leader of the Party in May 1994.

This is not to suggest that the assumptions were questioned as a result of Blair's accession to the leadership; we will argue that although Blair at times showed a strong personal commitment to welfare reform, both Gordon Brown as shadow Chancellor of the Exchequer, and the Commission on Social Justice, were essential in starting to shape the questioning process, and both of these factors began to operate while John Smith was leader of the Party. Yet it is not entirely true to say of the 1997 Labour manifesto that 'with the partial exception of education, the biggest changes [from the 1992 manifesto] all predated Blair's arrival as leader' (Anderson and Mann 1997:47). As will be shown, at the beginning of Blair's leadership the Party was only starting to reformulate its position on social security. The ultimate direction of New Labour's social security policy did not fully begin to emerge until comparatively shortly before the 1997 election, and was not settled until after the Party had been in government for over a year.

The centrality of social security policy to Labour's self-image

To what, then, can Labour's longstanding conservatism about social security be attributed? Briefly, three reasons may be suggested. First the establishment (or, perhaps more accurately, expansion and reform, because it was not a development from scratch) of the welfare state in the 1940s was seen as one of the Party's great successes in government; an important and lasting achievement, which had brought great improvements to the financial and material security of working people, and which had, furthermore, not been seriously challenged by the Attlee governments' Conservative successors. The real success of the post-war benefits system in eliminating poverty would later be questioned by, for example, Titmuss, Townsend and Abel-Smith in the 1950s and early 1960s (Anderson and Mann (1997), 207) and Frank Field in the late 1960s and 1970s (see for example Field 1979), but it nonetheless remained an achievement of which Labour was extremely proud.

Second, the social security system could be seen both as an embodiment of some of Labour's basic values, and as a key tool for their implementation. This was particularly the case when, under the influence of Croslandite revisionism (Crosland 1956), the Party warmly embraced the achievement of social equality as one of its key aims. The social security system could be seen as at one and the same time a powerful symbol of social solidarity, and a tool for redistribution of income and 'security' in its widest sense across society (see for example Driver and Martell 1998: 80-82).

Third, Labour understood, correctly, that comprehensive welfare provision was, in itself, usually popular with the electorate as a whole. This remained the case even during the height of 'Thatcherite' influences in the mid to late 1980s; for example, successive volumes of the British Social Attitudes Survey indicated substantial support among voters of all political persuasions for maintaining or increasing spending on the welfare state (Taylor-Gooby and Bochel 1988). It is important to note that this support was not unconditional. By the late 1980s even Labour voters were showing scepticism about poverty and limited concern for the poor and unemployed when compared to pensioners (Taylor-Gooby and Bochel 1988:251; Hughes and Wintour 1990:137). Furthermore, when, as in the 1970s, economic growth alone was no longer sufficient to fund welfare services, paying for social security had become a divisive issue, with welfare becoming associated with heavy taxation and 'handouts' to some groups in society at the expense of others who were themselves only moderately well-off: 'In government, our economics of keeping spending and employment as high as possible by common sacrifice cut the real living standards of those who expected perpetual increase, and made tax a major issue' (Mitchell, 1987:391). But it was the way in which welfare was paid for, not the fact of welfare provision itself, which was the bone of contention.

Thus, social security, like welfare policy as a whole, had something of a special significance for Labour. It represented something of which the party could be proud, and which strongly appealed to the electorate. For these reasons it was, additionally, not usually the subject of contention between factions within the Party, even when the party was at its most divided. Most notably, it was not generally an area of controversy during the bitter conflicts between Left and Right of the party in the

1970s and early 1980s. There was certainly criticism, usually from the Left, of the failure of the Labour Governments of the 1960s and 1970s to achieve a more equal society through the institutions of the welfare state, but this criticism was based on assumptions about the purpose of the welfare state which were common to the critics and those whom they criticised alike. Thus, Alcock has written of 'a shared belief [across the Party in the 1980s] that welfare policy meant primarily support for the institutions of state welfare,' (Alcock 1992:139) and has identified this belief as one of the causes of the non-contentious status of welfare policy between Left and Right. As during a period of similar disagreements in the 1950s (Ellison 1997:38), belief in state welfare spending represented one factor which was common to all factions within the Labour Party. In summary, at a time when the Party was suffering from fierce internal divisions and unprecedented low electoral support, social security and broader welfare policies represented a commodity which Labour badly needed; a common record of past achievements and (albeit often unfulfilled) ambitions in which all wings of the party could take pride, which sharply differentiated the party from its Conservative opponents, and which was, furthermore, considered to command wide public support.

The Conservative governments which held office from 1979 were widely seen as presenting a serious challenge to the post-war welfare settlement (although the extent to which they actually did so has since been disputed, on the grounds that there was not any wholesale dismantling of the main institutions of the welfare state during this period). These perceived attacks had the effect, at least initially, of making the Labour Party more attached than ever to what it saw as its traditional welfare values. It can be argued that this deeply defensive attitude was part of a wider 'retreat to the core' by Labour in the face of the difficulties that it had endured in government in the 1970s, and subsequent Thatcherite radicalism (cf Mitchell 1987:391: '[Labour tried] to compensate for the disappointments of the Callaghan regime by making the party more 'socialist' and [reacted] to Thatcherite extremism by proffering our own...We saw [the party] as a machine for building a new heaven and a new earth, and the immediate job of gaining power as far less important'). But welfare values were very much part of that core, and so although the basis upon which the social security system (like much of the rest of the welfare state) operated was being questioned outside the party, this did not, at least initially, lead to any significant

reappraisal of welfare policies within the party. As Timmins was to observe, 'For more than a decade, Labour simply stopped thinking constructively about the welfare state. *It was, after all, their welfare state. It was soon clear that it was indeed under attack, and they were damn well going to defend it, warts and all- particularly against that woman*' (Timmins 1995, 368:emphasis added).

It is, then, unsurprising that this was a policy area which was not re-examined at this time. This is not to suggest that there might not have been, in substance, something that the factions within the party might have disagreed upon. As Ellison points out, even in the early 1980s voices from the 'Left of centre academic fringe' were beginning to question the traditional structures and assumptions of the welfare state, particularly with a view to increasing user empowerment, and promoting liberty rather than equality (of outcome) as a primary aim. But these ideas received little formal response from the Party (Ellison 1997:50-51); in terms of the Party's official position, it was a case of 'business as usual' as far as welfare policy was concerned.

Alcock suggests that a deeper factor underlying the lack of contention about welfare within the Party at this time was a failure, not only to understand the issues involved, but also to appreciate their wider economic and political significance (Alcock 1992:139). Of course, Labour did not see welfare policy as wholly detached from wider considerations; it recognised, for example, that welfare provision had to be paid for and, indeed, one of its key assumptions during the post-war period was that high levels of growth needed to be maintained to continue to pay for expanded welfare provision. Alcock (1992:139) has argued that this made social policy subordinate to economic policy, in that it was dependent on the continued success of economic policy to finance continued social expansion. This is true, in a sense, because when economic policy ceased to sustain that continued growth, Labour Governments had to change their social spending plans, but it is possible to argue the reverse: that economic growth was the means and redistribution, through social spending, the end. However, one of the themes of this thesis is that since 1994, and especially since 1997, Labour has come to see social security as an area of policy which is intricately bound up with, and can influence, wider economic as well as social aims. This stands, it is argued, in contrast to much of the post-war Labour tradition, which did not always draw those wider connections. Had those connections

been made in the 1970s and 1980s, it might have been expected that the divisions over more consciously 'economic' policies which were found in the party at the time would have been carried over into disagreements about social security. But this did not happen, and it is possible to conclude that, therefore, those connections were not made. The old assumptions about social security remained largely unchallenged.

The assumptions underlying post-war Labour social security policy

For much of the second half of the twentieth century, Labour regarded the social security system as primarily a mechanism for redistributing income. The principle of *horizontal* redistribution- redistributing income across individuals' life cycles to cover periods of unemployment, sickness and retirement as well as work, and between employed and unemployed workers- had been carried into the post-war system from the pre-war health and unemployment insurance programmes. The purpose of this was, broadly, to prevent poverty; but it did not entail substantial redistribution of wealth from richer to poorer members of society. *Vertical* redistribution – which did seek to redistribute wealth in this way- gradually became an aim of Labour welfare policy from the 1950s onwards but its significance should not be over-stressed. Some of Labour's long-standing social security policies- for example, earnings-related additions to Unemployment Benefit and the state retirement pension- clearly favoured higher earners. More fundamentally, because Labour remained firmly committed to universal, non-means-tested benefits, there was a limit to the extent to which benefits could be used for vertical redistribution. At times this amounted almost to a tension between the principles of egalitarianism and universalism. A survey of the attitudes of Labour MPs in the mid-1980s identified a much stronger general support for high national minimum standards of welfare services than for specifically redistributive measures, and most of those surveyed only favoured expansion of benefits for the poor as part of a general expansion of welfare services (Taylor-Gooby and Bochel 1987:253, 255). Nonetheless, throughout much of the period covered by this chapter, Labour did manage to reconcile professed commitments to both egalitarianism and a universalist approach to benefits, although when economic circumstances became pressing and required Labour governments to make hard choices about welfare spending, it was vertical redistribution which received priority. Accordingly, in the 1970s, there was a

growth in the use of means-tested benefits precisely because these were seen as providing most help to the poorest and most needy in society at minimal costs to those who benefited from them (Annesley 2000:203).

At the same period, Labour was strongly committed to the principle that the state should maintain, or create the conditions for the economy to maintain, full employment. But the concept of full employment which was embraced was in practice a limited one. 'Traditional 'Keynesian' full employment for long had meant no more than the employment of the male workforce for 40 hours a week' (Sassoon (1991:376). Furthermore, as McLaughlin has argued (McLaughlin 1994) a corollary of this definition of full employment was an assumption that the jobs in which men were 'fully' employed would in general pay a sufficient wage to support both the worker and his dependent wife and children. Therefore, women were not expected to work full-time and even part-time work would not have been seen as generally necessary to balance the family budget. It was recognised from time to time that people with disabilities might wish to work and that assistance was required for them to do so- Labour frequently, for example, made noises about enforcing the quota rules under the Disabled Persons (Employment) Act 1944- but in practice little priority appears to have been given to this.

These two approaches- a horizontally and then vertically redistributive benefits system, and management of the economy to maintain 'full' employment- would, it was hoped, between them maintain a level of financial prosperity and security for workers and non-workers alike. But it is important to note that while social security policy and labour market policy were intended to complement one another in the sense that almost everybody would be provided for by one or the other, they ran in essentially parallel but separate streams. In some ways, the importance of employment policy for social security was recognised; because the benefits system was predicated on a system of universal benefits, 'earned' by National Insurance contributions paid for by those in work on behalf of themselves and their dependants, because sustained high employment was seen as essential to prevent excess demand on the system (see for example Beveridge 1942:163) and because, from the 1950s onwards, continued economic growth, which would also ensure full employment, was to be relied upon as the means of funding increases in the amount and coverage

of benefits. But in general, benefits and employment were seen simply as alternatives to each other. Benefits were not, with the exception of Unemployment Benefit, to be conditional on availability for work, nor were claimants' interactions with the benefits system seen as opportunities for them to consider a move towards employment. Although Beveridge (1942) had proposed that the benefits system should, at times, be active in promoting employment and employability - for example, by making benefits for the longer-term unemployed effectively training allowances, conditional on participation in skills training (Beveridge 1942:58)- this had not been adopted as part of the post-war welfare settlement. There was, then, little if any connection made between social security and employment, in the sense of seeing receipt of benefits as a springboard to work.

It is fair to note that the failure to make this connection was not unreasonable- and was perhaps necessary- so long as the assumptions about employment described above continued to hold. While the Labour Party, and indeed much of society as a whole, continued to subscribe to traditional ideas of family responsibilities based on the importance of the single (male) breadwinner, and while employment for the 'breadwinner' workforce could be maintained at a high level which really eliminated any long-term unemployment, there was no apparent reason to try to bring people outside that workforce into the labour market. Indeed, to have expanded the workforce by encouraging the participation of, for example, spouses, or people with disabilities, might have imperilled the ability to maintain the levels of 'full' employment.

Interestingly, this notion of the workforce as essentially male and able-bodied was one of the first aspects of traditional Labour thinking on this subject to be challenged. At what was, in retrospect, the height of left-wing influence on Labour policy at this time, *Labour's Programme 1982* (Labour Party 1982) was firmly committed, as part of its plan for jobs, to full participation in the labour market by women. However, on closer examination, this commitment can be seen to differ from the emphasis which, for example, the Commission on Social Justice would place on the inclusion of women in the labour market. The 1982 commitment was firmly based on the principle of female participation in employment as an expression of equal rights for women (Labour Party 1982:31), although this appears to have been conceived as

something additional to full male employment. It did not foresee that when the number (although not the status) of women in work did increase, as it would by the mid-1990s, it would do so in a context of a decline not only in the number of men in work, but also in the availability of family-wage jobs of the kind that had traditionally been filled by men, with the result that the workforce would be increasingly polarised between work-rich households, with two or more earners, and workless households with no earners at all. The approach taken by the Commission on Social Justice (and subsequently taken up by New Labour), on the other hand, was a response to this polarisation, aimed at facilitating the inclusion in the labour market, not so much of women *per se*, but of potential earners in workless households.

Besides, although in the early 1980s Labour did seek to widen access to the labour market for those who wished to enter it, this can be seen as simply extending the range of options available to those who would otherwise be receiving benefits, rather than suggesting that benefit receipt was in any way inferior to paid employment. Labour did not, at this time, see benefit receipt as being in any way demeaning or creating dependence. Rather, under the influence of TH Marshall's idea of social citizenship, access to social security benefits was seen as a sign of citizenship and of full status within society. '(This) approach was linked with ideas about the universality of welfare, the need to avoid stigma, the growth of a concern with rights and the belief that benefits could contribute to a more egalitarian society' (Plant 1998:30). A moral concern about 'dependency' (or, perhaps more accurately, about the effects of isolation from the wider interactions of society as expressed in the labour market) would not emerge into the Labour mainstream until the mid-1990s.

More of the same: social security and employment policy in Labour's electoral programmes, 1979-92

An initial impression of the extent to which the basic assumptions about social security remained unchallenged within the Party can be gained by looking at the way in which this policy area was treated in Labour's successive General Election manifestoes from 1979 to 1992 (Labour Party 1979; Labour Party 1983; Labour Party 1987a; Labour Party 1992). Although there are variations in the details of

specific policies, and, indeed, in the amount of detail devoted to social security overall, some themes become apparent. First, there are some consistent policies; thus, all four manifestoes promised specific increases in retirement pensions and in Child Benefit, increased financial support for lone parents, and improvements in burial/ death grants. Additionally, the 1983, 1987 and 1992 manifestoes all promised to restore the link between pensions and average earnings, which had been broken in the first Conservative budget of 1979 (Timmins 2001:373). The first three manifestoes contained a commitment to a new disability income scheme, based on level of disability; this was absent from the 1992 manifesto, possibly because Disability Living Allowance, introduced in 1992, met some of this aim. Overall, all four manifestoes contain more or less detailed and specific promises to raise benefits for pensioners, families, and people with disabilities.

Second, the detail given to these areas of social security is in sharp contrast to the amount of attention given to benefits for unemployed people. In the 1979 and 1992 manifestoes unemployment benefits were not mentioned at all. In both the 1983 and 1987 manifestoes there were promises to make long-term unemployed people eligible for the higher rate of (means-tested) Supplementary Benefit after their entitlement to (National Insurance-based) Unemployment Benefit had expired. The 1983 manifesto also referred to improved earnings-related supplements for Unemployment Benefit, and consideration of improving unemployment benefits for longer-term unemployed people so that means-tested Supplementary Benefit would not be required on a large scale.

Third, in contrast to the limited attention given to unemployment benefits in the manifestoes, all four set out proposals for reducing unemployment through increased public and private investment, and for improving skills training which was seen as both improving economic efficiency and assisting unemployed people back to work. All of the manifestoes included specific, and increasingly detailed, proposals for - voluntary - training programmes for the longer-term unemployed.

Overall, therefore, all four manifestoes continued to demonstrate Labour's traditional sharp division between employment policy - which included provision for the registered unemployed - and benefits policy, which sought to provide for families,

children, pensioners and people with disabilities. Although there were some crossovers between the two - for example, a recognition that benefits for unemployed people needed to be improved, and references in 1983 and 1992 to making it easier for people with disabilities who wished to work to do so - the two policy areas ran in parallel rather than together. The unemployed were to be provided for by work and training; those who were outside the traditional workforce were to have their position improved by higher transfer payments. In other ways, the manifestoes reflected the changes in Labour thinking over its long period in Opposition - for example, there is a real difference between the 1983 manifesto's promises of a large programme of public investment to provide employment, and the 1992 vision of a state which facilitates a mix of public and private investment for this end - but the basic premise, that work was work and benefits were benefits, remained remarkably constant throughout.

It should be noted that the constancy of this premise is much clearer in hindsight than it necessarily was at the time. Thus for Alcock, writing shortly after the 1992 election, the proposals of the 1987-89 Policy Review (discussed below) 'represented the culmination of a gradual development of the scope of Labour's policies for welfare while in opposition' (Alcock 1992:138). Yet at this time the adoption of policies which emphasised, for example, an active labour market approach to benefits for people both within and outside the traditional labour force, and an acceptance of much greater conditionality for unemployment benefits, was some way off. It will be argued that such policies would represent a shift in the primary purpose of the social security system, away from the mere transfer of funds and towards supporting claimants in moving towards employment or at least greater employability; and, in doing so, would mark a real departure from the way in which Labour had previously considered social security. In retrospect, then, what is really striking about the social security proposals of the Policy Review and the 1992 manifesto is how traditional they were, when compared to the policies on which Labour would fight the 1997 election.

Social Security, Employment and the Policy Review

It is still a matter of debate quite how far the substance of the Policy Review represented a departure from traditional Labour thinking. Much of the rhetoric of *Meet the Challenge, Make the Change* (Labour Party 1989), the overall report of the review, did indeed challenge traditional assumptions. Thus, for example, the report not only asserted that there were limitations to the capacity of the state to intervene - which might have been simply a recognition of changes in the global economy - but went further by explicitly disclaiming any special status for the state as an institution, and identifying liberty as the main aim of state activity: 'To us the state is an instrument, no more, no less: a means, not an end. Collective action has always been designed to create opportunities and advance the freedom of the individual and, cumulatively, of the whole community.' (Labour Party 1989:6). Looking backwards, this statement echoes Hobhouse's Liberalism ('...we are justified in regarding the state as one among many forms of human association for the maintenance and improvement of life...' (Hobhouse 1964:71) and looking forward it might be seen as a distant forerunner of Blairite pragmatism.

Certainly, this position, and the associated acceptance of a role for the market, can be seen as representing radical changes to Labour's overall approach. Indeed, for Ellison they represented, specifically, 'important modifications to its traditional welfare collectivist position' (Ellison 1997:51). On one level, both of these views may well be justified. In particular, there was (and to a degree remains) a strong tradition within Labour, most obviously exemplified by the thinking of Richard Titmuss and his associates, that grounds welfare policy in altruism rather than market values and self-interest and indeed sees welfare as 'an oasis of non-market relations in a capitalist world' (Anderson and Mann 1997: 209). Clearly, in its explicit statements about the state, market and welfare, *Meet the Challenge, Make the Change* represented a new direction. But how far did this direction represent a real departure from what the Party had done, as opposed to what it had said, in the past? A case has been made (see for example Gamble 1992: 63) for the view that the acceptance of the need to work within a capitalist economy was in fact the principal tradition of the Labour Party, particularly in government, and that far from being a

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departure from the past, its reassertion in the Policy Review represented a move back towards the Party's mainstream after the shift to the Left in the early 1980s.

In welfare policy, it is true that the altruistic arguments of Titmuss had for a time become something of an orthodoxy within the Party and it can be argued that they provided part of the ideological justification, insofar as there was one, for the prioritisation of 'targeted'- that is, means-tested- benefits when economic circumstances had forced the Labour Governments of the 1960s and 1970s to limit the expansion of universal entitlements. In this context, the Policy Review's proposal for a new social insurance scheme (Labour Party 1989: 33-34) in which participation would reflect 'not altruism, but self-protection' (Labour Party 1989: 34) does appear to represent a move away from the immediate past. Since, as we will see, Frank Field, for example, would later be highly critical of altruism as a basis for social security this can again be seen as a way in which the Policy Review foreshadowed some of what New Labour would argue. But there are two caveats here. First, it can be argued that if the Policy Review really was proposing a system based on enlightened self-interest rather than altruism, then here again it was merely articulating another older Labour tradition, in this case that of the immediate post-war years when the Party had embraced such a system in the form of the National Insurance system.

Second, and perhaps more fundamentally, the extent to which the proposed social insurance system rejected altruistic principles can be questioned. The rate at which some of the benefits were to be paid would be related to earnings, and thus to previous contributions, and the possibility of allowing participants to choose to pay higher contributions in order to receive higher benefits would be considered. This clearly represents an appeal to self-interest. Yet crucially, although the principle would be that all would contribute when in work and all would benefit when out of work, 'social obligations' would mean that basic entitlement to the benefits of the system would *not* be based on an individual's contribution record, but merely on their experience of one of the conditions (for example, old age, unemployment, or disability) insured against. The implication of this is that so long as a person was experiencing one of the conditions covered, they would receive insurance-based benefits even if they had not made any contributions and, of course, without being

able to tell whether they would be able to contribute in the future. So although contributors to the scheme would be assured that participation was in their own interest, they would also be expected to be prepared to carry a certain number of beneficiaries who had not contributed to the insurance fund. Essentially, the review was attempting to produce a social security system which could command widespread support among a more consumerist and contractually-minded electorate, while at the same time offering non-stigmatising, non-means-tested universal benefits as of right to those whose circumstances had not allowed them to make the contributions upon which the system was nominally based. The proposal was therefore essentially a fudge, albeit one with the best of intentions, and the claim that it would be based on self-interest rather than altruism was a bluff. Ultimately, the scheme would have had to rely on an element of 'altruism' - on some people, in a position to contribute, being prepared, consciously or unconsciously, to make provision for others. (Since this provision would be made by way of compulsory taxation or National Insurance contributions, we may question how far it may truly be described as 'altruistic'. Nonetheless, this appears to be the kind of 'altruism' that the Policy Review claimed to reject in its proposed new system.)

So, the proposals of the Policy Review for social security and employment were much less radical than a simple reading of some of the rhetoric would lead us to expect. Indeed, the traditional separation of employment and benefits policies was reflected in the division of work between the Review's policy groups, with the review group on Economic Equality dealing with the benefits and tax systems, while employment and the labour market were principally considered by the group on People At Work.

The group on People At Work reaffirmed Labour's commitment to full employment, and in doing so did make it explicit that this was no longer to be confined to the traditional able-bodied male workforce: 'Our objective is a fully-employed economy in which *everyone of working age* has the opportunity to take paid work' (Labour Party 1989:17; emphasis added). Ostensibly, this might be seen as a departure from past assumptions but in fact, as the discussion of manifesto commitments above shows, Labour had always recognised that those outside the traditional labour market - women and people with disabilities - might want to work, and had proposed

policies to remove barriers which impeded them from doing so. In this case, the recognition appears to be based on a combination of anti-discriminatory values and a response to demographic changes; with a 25% decline in the number of school leavers forecast, the group argued, the economy would need to make greater use of groups who had been under-represented in the workforce if it was to be globally competitive (Labour Party 1989). This view was also taken by the group on the Productive and Competitive Economy: 'in a properly run economy, economic efficiency and social justice go together' (Labour Party 1989:16). So here, links are being created between economic and social policies - indeed, social policies are presented as being economically important as well as desirable in their own right - in a way which does perhaps presage much of the approach which would increasingly be taken by New Labour after 1994.

Yet importantly, the approach of the Policy Review groups was much more permissive, and much less coercive, than the later policies would prove to be. Like New Labour, they emphasised training as an important means for both the registered unemployed and others, such as partners of the unemployed and people with disabilities, to improve their employability, but crucially they rejected entirely any element of compulsion to undertake training, even for the registered unemployed. A voluntary approach was seen as ensuring that training could not be seen as a means for employers to exploit the system to get cheap labour; if there was no compulsion, it was argued, only good placements would attract participants (Labour Party 1989:20). 'Restart interviews' and Jobclubs were to be remodelled to lose any role in policing the benefit system and to concentrate solely on providing advice; to compel claimants to participate in these activities was seen as compromising their role in providing assistance (Labour Party 1989:27).

This skills-based and non-coercive approach was in line with Labour's traditional understanding of labour market policies (see, for example, the election manifestoes cited above). In the terminology which would later be used to debate 'workfare' and 'welfare-to-work' programmes, it can be characterised as a 'human capital' rather than a 'work first' approach. (Whilst both approaches seek to make work seekers more attractive to potential employers, the human capital approach does this by developing formal skills which employers are thought to need, whereas the work first

approach emphasises the acquisition of more general labour market disciplines and habits through participation in employment at any level.) In this, it presents a contrast with the welfare-to-work programmes introduced after 1997 which, while they contained elements of both approaches, have been seen by some commentators as placing a greater emphasis on 'work first'.

On social security, too, the Policy Review's proposals were ultimately conservative. The new universal social insurance system which was the centrepiece of the proposals has already been discussed; to reiterate, it was essentially an attempt to rework traditional Labour universalism, drawing on the two major Labour post-war welfare traditions of enlightened self-interest and altruism. Otherwise, despite a recognition of the problem of in-work poverty (Labour Party 1989:31), there was little that would have been out of place in any Labour manifesto of the 1970s and 1980s. For pensioners, there would be specified increases in the state retirement pension and a return to uprating it in line with earnings where this would be more beneficial to pensioners, a development of SERPS, and higher funeral payments. Child Benefit would continue to be free from means-testing and its value would be increased. People with disabilities would be able to claim benefits based on the fact of their disability, not its cause or their contribution record, and because the benefit would not be means-tested, it would support those who wished to work. Specific Conservative innovations would be reversed or amended; thus, Income Support would be made more generous, and Social Fund loans would be converted into grants. Finally, the administration of the benefits system would be improved for staff and service users alike.

It must be stated again that none of these proposals represents a significant departure from traditional Labour positions. Even the improvement of benefits administration, although couched in terms which suggested a recognition of the more consumerist values of the 1980s (aiming at 'a quality of service which matches the customer - oriented service of the best High Street retailers and financial service providers' - Labour Party 1989 :38) in fact represented no more than a restatement of a long-standing concern (c.f. Labour Party 1982: 101 'Our aim must be a service which is responsive to the wishes of its customers and is seen as a high status public service meeting the needs of the local community'). The 1989 statement clearly recognises

virtue in the commercial sector in a way which the 1982 statement does not, but the aim is much the same.

Overall, therefore, Alcock's view that 'the Policy Review Documents thus contained a wealth of new ideas on welfare policy when compared to the [manifestoes] of 1983 and....1987' (Alcock 1992: 138) is at the very least questionable. The Review did begin, in some respects, to look at the social and economic context of policies in a way which had not always happened in the past, but Labour's traditional assumptions about work and welfare - universalism, an element of (compulsory) altruism, and the essential separation of employment and benefits – remained basically unchallenged. For all the rhetoric, the welfare proposals which came out of the Review therefore remained firmly set within the Labour mainstream; in Timmins' words, 'the review had set much of the party's traditional approach in stone' (Timmins 2001 : 487).

After The Policy Review

Between the end of the Policy Review and the 1992 election, Labour did little if any further thinking about social security or employment. The Party's 1990 Social Security Information Pack (Labour Party 1990), a campaigning document published by the parliamentary front bench Social Security Team and the Party's Policy Directorate, provides a clear summary of its position. Two objectives are ascribed to the social security system: 'cheap, efficient and comprehensive insurance for working people and their families' and 'a safety net of benefits paid according to need to people without adequate insurance' (p1). Thus, there is a strong attachment to universalist insurance-based provision, and although the secondary 'safety net' benefits are to be paid according to needs, this does not necessarily mean that they are to be means-tested: the paper goes on to attack means tests for, among other things, their disincentive effect on work (p2). Benefit levels, it was recommended, should be raised, with contributory benefits rising to a sufficient level to float claimants off of means-tested benefits, and there are the by now customary proposals for raising pensions, removing harsher eligibility criteria for Unemployment Benefit and restoring earnings-related additions, widening access to National Insurance, reforming administration and using benefits to improve living standards for people with disabilities.

The following year, Michael Meacher, then Shadow Secretary of State for Social Security, published a paper (Meacher 1991) which dealt with provision for unemployed people. Although Meacher did draw attention to the effect of unemployment in exacerbating social divisions, and the financial and social cost of unemployment for employed and unemployed alike, the paper's main emphasis was again principally on raising benefit rates (including restoration of earnings-related supplements) and attacking the 'actively seeking work' tests and Restart programmes which had been introduced by the Conservative government. The paper concluded with a call for a 'programme of real training for the long-term unemployed' (p 12), again echoing established Labour responses to long-term unemployment and clearly being intended to remain within the tradition of those responses by rejecting compulsion to participate.

Labour, then, entered the 1990s with a set of policies on social security and employment which, while using much more of the language of consumerism, choice and the market, nonetheless remained firmly within the Party's traditional mainstream. The only real change was to the way in which the policies were presented. From the late 1980s onwards, Labour had sought to present itself as the party of prosperity, of sound economic management, and, in general, of success. To do so, it had to overcome two perceptions in particular; that it was a party for life's 'losers' - the poor, the unemployed, and so on - and that it would fund services and benefits for these groups at the expense of the moderately-well off majority. These perceptions had, in the view of some reformers, been typified by Labour's policies on work and benefits earlier in the 1980s: 'Our concern with unemployment looked too much as if it were no more than a desire to help a particular set of victims of Thatcherism. We made it look like there was a conflict of interest between the million people who were going to get jobs and the rest of the population who were going to pay for it' (Henry Neuberger [adviser to Brian Gould MP] in Hughes and Wintour 1990: 135). Labour now had to appeal to the majority of the electorate - those who had prospered in the 1980s, and who had increased their expectations of choice and their perceptions of themselves as influential actors in a market economy.

Thus, as part of a wider re-presentation of itself, Labour placed less public emphasis on its wider benefits and work policies. The 1992 manifesto contained less about social security than either of its two predecessors, and what it did say gave even more prominence to Child Benefit and the state retirement pension (Labour Party 1992). It is not difficult to see why these two benefits should have been so symbolically important. Both were popular with the voters. They were (and are) the most universal of all social security benefits (although neither is absolutely universal - for a number of reasons to do with contribution conditions and the rules for Income Support, both are in fact rather more likely to apply to the better off than to the very poorest), and because they relate to life stages rather than anything which could be identified as failure or misfortune. In reassuring the middle-classes of its commitment to support for families and security in retirement, Labour may have hoped that it could end the perception that social security policy meant throwing money at life's casualties, at the expense of those who were 'getting on'.

The Commission on Social Justice: the beginnings of real change in Labour's social security policies

Far more than the Policy Review, the Commission on Social Justice represents an important step in the development of the work and benefits policies which came to characterise New Labour. This is for two reasons. First, a number of its members and staff were to be involved with New Labour in government and, in particular, with its welfare reform programmes. In addition to the Commission's vice-chair Patricia Hewitt, formerly Neil Kinnock's press secretary, who become a Labour MP and minister after 1997, its secretary, David Miliband, would later head the No10 Policy Unit before entering Parliament, and the Government, after the 2001 General Election. In his role at No10 Miliband was involved in the welfare reform debates of 1997-8, alongside two of the Commission's other staff, Anna Coote and Richard Thomas (subsequently known as Richard Reeves), who had become advisers to, respectively, Harriet Harman and Frank Field at the Department of Social Security.

Second, the Commission's analysis of work and welfare, and the policy approach which flowed from this analysis, was a genuine departure from the rather disjointed traditional assumptions of the Labour Party. According to a story recounted in

several of its publications, John Smith, when leader of the Labour Party, established the Commission as a result of an encounter that he had had on the day of the general election in 1992 with a woman who was in tears because her husband had just lost his job. In consequence, she, too, would have to give up her own part-time employment because although her wage was not sufficient to support the family, it was high enough to disqualify her husband from means-tested benefits if she continued in work. The woman's distress, the story goes, moved Smith to seek ways of ensuring that such an injustice could not arise again.

Although there is no reason to doubt that this encounter did take place, insofar as it is claimed as the main basis for the establishment of the Commission on Social Justice it is, of course, a myth. Rather, the Commission was set up as a response to yet another electoral defeat. Many, both inside and outside the Party, had expected Labour to win the 1992 general election, and its failure to do so came as a profound shock to many in the Party. In these circumstances, which appeared to confirm that Labour could not appeal to the more prosperous majority by offering to support the less prosperous, Labour had to re-examine its policies once again. Timmins (2001:490) suggests that '[s]uddenly, all taboos went. Something close to panic set in' (although this interpretation is disputed by some who were close to the leadership at the time- Former social security aide, Labour Party; former senior adviser Labour Party) and social security policy, in particular, became important again. Bryan Gould, one of the leading challengers for the Party leadership after Kinnock's resignation, suggested that Labour had 'alienated one set of voters by appearing to 'cap their aspirations' while failing to impress another by the offer of higher benefits', and should instead concentrate on assisting the less well-off to create wealth, rather than simply offering benefit payments (Timmins 2001:490).

Smith, once he had become leader, responded by offering a Commission which would look at social security, including the politically difficult question of the balance between universal benefits (traditionally favoured by Labour) and selective ones (Timmins 2001: 490). The Commission, which included representatives from academia, industry, trade unions and the church, was nominally independent of the Labour Party, although it in fact there were close links between the two. Donald Dewar, then Shadow Secretary of State for Social Security, provided support and

assistance which the Commission would openly acknowledge. But this arms-length approach was politically useful for Smith, because it enabled him to take the emotive issue of re-examining social policy away from the Party, and to present any resulting changes in policy as being a response to expert advice.

So while the catalyst for the establishment of the Commission was not simply a chance meeting which struck a chord with John Smith's thirst for social justice, like most myths the story of Smith's election day encounter contains an important truth. The most important feature of the approach of the Commission on Social Justice, and the element which placed it apart from the 'sterile defence of the status quo' (Timmins 2001: 532) which had characterised Labour's welfare policy in the 1980s and early 1990s, was that it looked at employment and social security, not as the complementary but parallel streams traditional in Labour thinking, but as interconnected elements in the alleviation and prevention of poverty. A central theme of the Commission's thinking was that it was no longer sufficient or even possible to consider 'family wage' employment and benefits as the only two, mutually exclusive, alternatives available. Instead, in a radically changed industrial and economic landscape, ways needed to be found to allow individuals and, particularly, households to attain a reasonable standard of living by a combination, in whatever proportions were appropriate, of earned and benefit income. By recognising the need to adapt to changes in the availability and distribution of work that could, for example, produce a situation where the only earner in a household might be a (female) part-time worker rather than a (male) full-timer), the Commission's approach marked a significant departure from Labour's former assumptions about work and welfare.

The general approach of the Commission to its work set out clearly the scale of this departure from Labour's past, but also, crucially, distanced itself from the neo-liberal free market ideas which, it (and many other commentators at the time) suggested had become orthodox in Britain and the United States. There were, the Commission suggested, three possible futures for Britain. One (Deregulators' Britain) postulated a continuation of neo-liberal free market ideas, with further deregulation of labour markets and residualisation of the welfare state , in the interests of economic flexibility and an ability to compete internationally on cost. This course would, it was

argued, lead to greater social division, instability and poverty. It would also fail to achieve its end because a low-wage, low-skill economy which relied on its ability to undercut competitors would itself be vulnerable to undercutting. The second course (Levellers' Britain) saw continued economic decline as inevitable and sought to cushion people from the effects of that decline by increased welfare provision. However, although the Commission recognised the moral strength of this position, it suggested that this too would be unsustainable: if economic growth was slow, taxes would have to rise to fund better services and 'the practical limits to tax increases would in practice mean that both benefits and services would be cut. If those in work responded by trying to raise their earnings to make up for tax rises, inflation and unemployment could rise again. In practice, there is a fine line between the pursuit of a kinder, poorer Britain and the reality of a harsher, poorer Britain.' (Commission on Social Justice 1994: 112-3). This concept of 'Levellers' Britain' was subsequently attacked by some on the Left who saw it as a caricature or even a fiction. But it should be noted that the scenario envisaged looks very similar to that which resulted from the efforts of Labour Governments to cope with economic crises in the 1970s. Furthermore, there is evidence of this type of thinking from some commentators - for example, from Anderson and Mann who, having characterised the Leveller figure as a 'straw man' (Anderson and Mann 1997: 217), display throughout their chapter on the welfare state almost exactly the pessimistic attitudes which the Commission used the concept of Levellers' Britain to reject.

In contrast to these two - which may be very broadly characterised as New Right and Old Left - the Commission promoted the idea of 'Investors' Britain, in which the state and the market would work together to produce a society which would combine community ethics with the dynamic of a market economy. Social justice and economic prosperity would both be based on extending economic opportunity, underpinned by strong social institutions to enable individuals to adapt confidently to change: 'An economic high road of growth and opportunity must also be a social high road of opportunity and security. That is why this report constantly makes links between work and welfare...' (Commission on Social Justice 1994:97). As we shall see, this threefold analysis would later be carried over into the Welfare Reform Green Paper of March 1998.

As far as the specific issues of work and social security were concerned, the Commission's approach was largely premised upon an analysis which had been developed by, among others, Balls and Gregg (1993) and McLaughlin (1994), in papers which were produced to inform the work of the Commission. They argued that, while the 1980s had seen an increased (often part-time) participation by women in the labour market at the same time as a decrease in (often full-time) economic activity by men, the new women workers had not replaced male workers as breadwinners in single-worker households, but had generally been additional earners in households where a man was already in full-time work. There were a number of reasons for this, including traditionally gendered assumptions about breadwinner roles and a reluctance by many male workers to take what was seen as 'women's' work, but the problem had been partly exacerbated by the operations of the benefits system. As mass and long-term economic inactivity had increased, growing numbers of (male) former workers had had to rely on means-tested rather than insurance-based benefits. This had two effects. First, there was little or no incentive for the unemployed to take part-time or other 'non-standard' work unless they could be sure that it would lift them entirely off of benefit for a substantial period; otherwise, benefits would simply be withdrawn in direct proportion to the amount earned. In addition, the certainty of income which continuous receipt of full benefit provided would be disrupted, with potentially serious effects for those on low incomes. Second, there was no incentive for (usually female) partners of (usually male) unemployed workers to accept non-standard jobs, even though they might be more inclined to do so, because means testing looked at household income. Yet there was no routine assistance, let alone requirement, for members of the household other than the main claimant to improve their capacity for work. These effects also applied to single-earner households on benefit (notably those headed by lone parents), especially where the claimant was not required to be available for work.

Thus, the argument ran, employment was becoming increasingly unequally distributed between 'work-rich' and work-poor' households, with the result that social divisions were being exacerbated. A growing number of households, and of young men in particular, were becoming disconnected from the world of work, had no opportunities to improve their circumstances by their own efforts, and, importantly, were becoming disengaged from the wider behavioural norms that were

associated with employment and shared prosperity (Balls and Gregg 1994:24). For the sake of both individuals and society as a whole, therefore, the welfare state had to move on from simply paying benefits to taking an active approach to encouraging, supporting and enabling people to take advantage of whatever employment opportunities - standard or non-standard - might be available. This was expressed in the report of the Commission in several ways, some of which were to become familiar 'soundbites' used by Labour ministers in government after 1997: for example, 'we must transform the welfare state from a safety net in times of trouble to a springboard for economic opportunity' (p20), and 'a hand up, not just a hand-out' (p8).

In particular the Commission recommended that the British welfare state should draw on experiences developed in Australia and the United States with regard to welfare-to-work programmes for both the longer-term registered unemployed and for individuals, specifically lone parents, who had been outside the traditional labour market. These programmes would adopt an active labour market approach, including not only skills training but detailed advice, short-term wage subsidies for employers, and help for claimants with matters such as childcare. This recommended approach differed from that which New Labour would adopt after 1997 chiefly - and significantly - in its strong rejection of compulsion to participate in such programmes, on familiar 'Old Labour' grounds that to compel participation would compromise the quality of the schemes offered and claimants' willingness to participate. (Commission on Social Justice (1994) Chapter 5). However, by drawing work and welfare together in this way the Commission did move the debate within Labour closer to the ground which New Labour would subsequently occupy.

Thus, in the work of the Commission, a number of the themes that were to be associated with New Labour finally emerge. First, the primacy of work ('paid work for a fair wage is the most secure and sustainable way out of poverty' (p20)). This was not in itself entirely new; it had, of course, in a sense been central to all Labour thinking about work and welfare since at least 1945, but the novelty of the Commission's approach was that it took this idea beyond the traditional workforce. Thus, for example, changed patterns of family life had to be recognised; to accept that a lone parent could remain out of the workplace until her youngest child had left

school at the age of 16 did little, it was argued, for her independence in the short term, and in the longer- term made it more likely that she would have to rely on means-tested benefits in retirement. Second, and following from the primacy of work, an emphasis on the role of the state in enabling people to improve their chances of employment, and a belief that the interaction of claimants with the state through the benefits system provided an opportunity to do this. Third, a moral agenda which linked employment with participation in the wider life, and thus values, of society, and which warned of the dangers to society as a whole of allowing significant numbers of people to become excluded from participating. Finally, and overall, a sense of a 'third way' - before that term was actually used by New Labour, but evident in, for example the concept of 'Investors' Britain' - between free market capitalism and old - style Labour statism.

Conclusion

By 1994, Labour's attitudes to social security - that is, the context in which the Party's policies were set, as well as the policies themselves - had begun to undergo a process of radical change. The shape of New Labour's welfare reforms would not finally begin to emerge until very shortly before the 1997 General Election, and even after the Party's subsequent entry into government they would continue to be a matter of debate. But by the mid-1990s the Party's position on social security was looking very different from the position which it had brought into Opposition in 1979. However, the striking thing about this transformation is that it almost all happened after 1992. Until the establishment of the Commission on Social Justice, Labour's position on social security, despite changes in presentation, continued to be based on fundamental assumptions which were recognisably in the mould of the Party's post - war mainstream, with a clear division between employment and benefits, largely unchanged assumptions about gender and family roles, and a belief in higher transfer payments as the main instrument of social security policy. The proposals expressed in the report of the Commission on Social Justice are not the social security policies that New Labour would implement after 1997, but they do represent a step - change in the way in which Labour viewed social security and employment. Indeed, two years' work by the Commission, a body nominally independent of the Labour Party, contributed more to the social security policies

which Labour would carry into government after 1997, than anything and everything which the Party had done or said on the subject in 13 years between 1979 and 1992.

Chapter 3 - New Labour and Welfare Reform 1994 - 97

Claire Annesley has observed that the Commission on Social Justice is crucial in understanding New Labour's welfare policies (Annesley 2001:205). This is true, but only in a specific sense. Without doubt, the great contribution of the Commission's report to Labour welfare thinking was that it effectively ended the division between 'work' and 'welfare' which had characterised Labour's approach for at least the previous half century. The acceptance of the Commission's integrated approach to these matters marked a significant new direction in Labour welfare policy which has been broadly maintained to this day (and, incidentally, brought Labour into line with what social democratic governments in Scandinavia and Australia had already begun to do [see for example Labour Ministry 1996; Pierson 2003].) But beyond this (admittedly very important) broad shift of direction, the direct and detailed effect of the Commission on the policies which Labour would offer to the electorate in 1997 was negligible. Instead, two themes may be identified within Labour's approach to welfare between 1994 and 1997. The first is an increase in the symbolic importance of welfare reform to New Labour, going from being simply one policy area among others to attaining an iconic status for New Labour, so that by 1997 it was one of the touchstones by which the Party identified itself to the public. Thus, for example, the 1997 manifesto (Labour Party 1997) announced that 'We will be the party of welfare reform' and in his first major speech as Prime Minister Tony Blair (Blair 1997) again asserted that 'This will be the welfare-to-work government'. The second - which really becomes apparent during Labour's last year in Opposition, from about 1996 onwards - is a decline in the degree of specific and detailed policy development in the field. This may at first appear paradoxical, but in fact the decreasing emphasis placed on specific employment and social security policies can be directly related to the increasing importance of a *general* commitment to welfare reform to Labour's electoral strategy.

This chapter explores these two themes and their relation with each other, and in particular looks at the growing importance of welfare reform as the outward and visible sign of Labour's modernisation. It begins by discussing the development

of welfare policies between 1994 and 1996, but does so fairly briefly, because the deliberate adoption of a less explicitly detailed approach as the general election of 1997 approached effectively superseded the detailed developments of the earlier part of the period.

Between 1994 and 1996 the development of Labour's welfare policies can broadly be seen as an attempt to give political direction to some of the recommendations of the Commission on Social Justice. This was, for example, the remit given to the Party's Working Party on Social Justice, a mixed body of Shadow Ministers and Party officials[1] which was established in early 1995 (WPSJ minutes 23/1/95) and which included among its members several who would later be active in welfare reform in government, including Harriet Harman, David Blunkett, Keith Bradley and Harriet Harman. (Donald Dewar, Shadow Secretary of State for Social Security, was also a member of the Working Party, although not its chair.) In February and March 1995 the Working Party considered Child Benefit, pensions, what would later become known as Lifelong Learning, and the interface between work and benefits. In general, the analysis and approach taken by the Commission were endorsed, although not unconditionally; for example, the proposal that Child Benefit should be made taxable was specifically rejected on the grounds that it would cause 'practical and costly administrative problems' (WPSJ minutes 6/2/95). But overall, as perhaps might have been expected, the broad approach of the Commission was endorsed; although the Working Party's remit reflected Labour's recognition of the need to be selective in turning broad plans into practical policy, disagreements tended to be on fairly limited points of detail.

In October 1995, Dewar was succeeded as Shadow Social Security Secretary by Chris Smith. A briefing paper for Smith prepared by Phil Agulnik, tax and benefits policy officer at Labour's Policy Directorate, provides an overview of what were seen as the key social security issues at that time (Agulnik briefing

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[1] The Working Party was chaired by Brenda Etchells. Its original members were David Blunkett MP, Keith Bradley MP, Donald Dewar MP, Harriet Harman MP, Andrew Smith MP, Phil Agulnik (Labour Party Economic Secretariat), Nigel Harris, Peter Hyman (Tony Blair's Office), Emma MacLennan and Margaret Mythen (joint Secretaries to the Working Party), Richard Rosser, and John Wheatley (Donald Dewar's Office).

paper 19/10/95). In this paper, Labour's policy development is placed firmly in the context of the Commission on Social Justice's report, although the heavy spending implications of many of the report's proposals are accepted as a factor inhibiting their adoption. Labour's task is seen as providing a practical alternative to the incremental money-saving reforms of the Conservative government, without committing itself to high public spending. However, it is acknowledged that Labour's policies were at this juncture 'a bit on the thin side' and that Labour's public approach had so far been dominated by opposition to individual benefit cuts, some announcements on welfare-to-work, and the airing of various options for pension reform. Many of the specific questions that Agulnik identifies are technical points relating to the need to avoid giving the Conservatives scope to cost Labour proposals on points relating to specific benefits. Nonetheless, he draws attention to the need for Labour to develop a coherent 'story' linking its pension and wider social security issues, and suggests that one approach to this might be to look at social security, not in terms of a safety net nor of redistribution from one individual to another, but of redistribution across people's lifetimes. This, too, is firmly in line with the overall approach of the Commission on Social Justice report. But the overall picture is of social security as an area in which, with (although Agulnik does not explicitly say this) a general election potentially only a few months away, Labour still had much policy to develop. Interestingly, the ideas of Frank Field are mentioned in Agulnik's paper, but only as one of several issues upon which Labour might be expected to comment. There is no indication whatsoever at this stage that Field's ideas have any greater influence on Party policy.

Smith therefore sought to continue the development of Labour's social security policies, although during his period discussions tended to be more public; unlike Dewar, whose preference was for working through a problem in private before announcing a solution, Smith preferred to disseminate his ideas at an earlier stage and use the responses to further refine them (former social security aide Labour Party). In a major lecture sponsored by the Institute of Public Policy Research in May 1996 (Smith 1996), Smith set out his view of the principles upon which a reformed welfare system should be based. The principal themes which he identified - citizenship (with attendant recognition of rights and responsibilities),

social inclusion, and the importance of paid work as a means to inclusion - are ones which Labour would continue to emphasise, and Smith was critical of both what is characterised as right - wing indifference to exclusion and poverty, and 'the old statist Left' belief in higher spending on palliative measures. Labour's approach, by contrast, is presented as an active, dynamic commitment to reducing exclusion and poverty – and thus the level of social security spending - through promoting access to paid work and increased opportunity. Social cohesion and stability are identified as essential to economic success, and the need for security for all classes in society is emphasised. There are numerous references to Beveridge's reports on Social Insurance (1942) and on Full Employment (1944), and Labour's aim is asserted to be the protection of the freedoms that Beveridge identified by adapting them to modern economic and social conditions. In this context, the dual responsibilities of individuals and community are described as 'basic principles (which)...must remain unaltered'; individual responsibility is to be attained by an application of 'the basic insurance principle at the heart of the 1942 report' (Smith 1996:3) and the extension of means testing is treated with caution (1996:4)

Smith's IPPR lecture was soon followed by major discussion papers *Getting Welfare to Work* (Labour Party 1996a) and *Security in Retirement* (Labour Party 1996b), published as part of the 'Road to the Manifesto' process. *Getting Welfare to Work*, (written by Emma MacLennan, Smith's adviser and a long - standing actor in Labour social security policy who had served on the Commission on Social Justice) begins with the bold statement that 'Labour's benefit - to - work strategy is at the heart of our approach to welfare reform' (Labour Party 1996a:1) and sets out what this might mean in practice. Provision of flexible assistance to help people through periods of unemployment, saving public money through reducing benefit expenditure, and breaking down the barriers between benefits and work, are identified as fundamental goals for an approach which foreshadows many of the features of the 'New Deal' programmes which Labour would introduce in government. Thus, the Benefits Agency and Employment Service are seen as working together (1996a:4) to deliver personalised services modelled on the Australian JET (Jobs, Education, Training) programme but extending beyond the lone parent focus of JET to all affected by, or at risk of,

long - term unemployment (1996a:3). The construction of individual career plans, and a greater element of local discretion over service delivery, are seen as part of this plan, and there is an emphasis on matching people to suitable jobs rather than 'any job, in any circumstances' (1996a:3) which indicates that a purely 'work first' approach is not envisaged. However, the paper also accepts the principle of a 40% benefit penalty for those who refuse reasonable offers of work; this was an existing element of the benefit regime. Otherwise, the paper recommends a range of changes to the benefit rules to encourage part - time work, study, voluntary work and training, improvements to in - work benefits for people with disabilities, and the provision of employment - related advice for spouses and partners of unemployed people.

Clearly, both Smith's IPPR lecture and *Getting Welfare to Work* can be seen as forerunners of the approach which Labour would adopt in government from 1997 onwards. They do display a number of features which distinguish them from traditional Labour thinking about welfare and work. For example, their emphasis on an active role for welfare policy as an intrinsic part of (rather than a complement to) employment policy, their abandonment of the single breadwinner model to look beyond the registered unemployed, their assertion that rights are balanced by responsibilities, and their rejection of the idea that high social security spending is intrinsically desirable, are all to some extent departures from positions which Labour had previously held. Some of the language, too, which would come to be associated with Labour in government - for example, social inclusion and exclusion - is becoming evident, and Smith strongly articulates the argument that all classes derive social and economic benefits from the stability and cohesion which derive from an inclusive society. Yet it is open to question how far the arguments which Smith and Dewar developed can be seen as 'New Labour' (a term, incidentally, which Smith uses only once in his IPPR lecture, in the last paragraph).

The point here is that while these policies are certainly those of a Labour Party which had shown itself open to new ways of thinking about the relationship between individual, state, and society, and had specifically rethought positions on social security which had been largely uncontested within the Party for many

years, they are essentially 'pre - Blairite'. They are, rather, (often explicit) developments of the recommendations of the Commission on Social Justice and, as such, can be seen as policies which might well have emerged had John Smith lived and continued as Party leader after May 1994. Similarly, the link between social justice and economic prosperity, which underlies much of the approach, has been seen as dating to John Smith as a key element of Labour thinking (Former social security aide, Labour Party), although it was shared by Gordon Brown (see for example Brown 1994) and endorsed by Tony Blair (for example, Blair 1996:vi 'Social justice, the extension to all of a stake in a fair society, is the partner of economic efficiency and not its enemy. We do not have to choose between a less divided society and a more productive economy. We can and must seek both').Of course, as we have stressed, there are considerable overlaps with what New Labour in government would do, and it would be foolish to suggest that there was no reciprocal influence between the kind of thinking that these policies represent, and the Blairite modernisation of the party that took place after July 1994. Nevertheless, the defining characteristic of that modernisation in the period 1994 - 7 was, as we shall argue, the attempt to establish a coalition of support which would ensure Labour an electoral and ideological hegemony for at least the next decade. This imperative formed the framework for the approach of Blair and other key modernisers such as Mandelson and Philip Gould, and to it, increasingly, everything else was subordinated.

It is difficult to identify anything in Labour's social security policies of 1994 - 6, as expressed in, for example, *Getting Welfare to Work*, that owes very much specifically to the Blairite project. The proposals set out in that paper were, of course, designed to win public support, but, even though the paper has been described as ' very much toned down, principles' (because Smith had to accept constraints set by the Party leadership which forbade the setting out of very detailed policy) (Former social security aide, Labour Party) , they are nonetheless essentially about putting forward possible solutions to identified social and economic problems. As we will see, the more Blairite approach, by contrast, entailed an emphasis on Labour's general capability to address social and economic problems and to highlight this capability by means of a few symbolically important policies to address quite specific issues. This was, for

example, the thinking behind the 'five pledges' card of the 1997 general election campaign (see Gould, 1998: 267 - 272). Indeed, as we will illustrate, following this approach, Labour explicitly preferred broad generalities to specific proposals (other than the symbolic ones to which we have referred).

The second characteristic of the 'New Labour' approach to welfare policy, is the subordination of social security and employment to Treasury (or, in Opposition, Shadow Treasury) dominance. Again, it is arguable that this was not achieved until late 1996, with the appointment of Harriet Harman (widely seen as Brown's protégée) to the shadow social security brief. The need to avoid spending commitments was rigidly enforced by Brown and, as Agulnik's briefing paper shows, this acted as a constraint on the shadow social security team (as it did on other teams shadowing spending departments). However, both Donald Dewar and Chris Smith were substantial Labour figures in their own right, a status that Harman, despite her considerable front - bench experience (Former special adviser DSS), was perhaps not seen to share. Furthermore, although the importance of the link between social and economic affairs, and a concern with the importance of facilitating paid work as an expression of this, were characteristics of the policies that were being developed under Dewar and Smith, the 'New Deals' which would be introduced after 1997 owe their immediate origins to the work of Brown's shadow Treasury team rather than that of the shadow social security team (*The Guardian* 11 November 1995; King & Wickham - Jones 1999: 69 - 70).

Thus, although after 1994 the Labour Party was taking welfare reform (as it was not then always called) very seriously, a distinction can be drawn between the essentially policy - driven approach taken by the shadow social security team, which was broadly a continuation of the perspective that had informed the Commission on Social Justice, and the broader modernisation agenda for the party as a whole which was characterised by a search for electoral hegemony and, on a narrower scale, strong shadow Treasury dominance of social and economic policy. Within this agenda, Labour's commitment to welfare reform would be extremely significant. But important as welfare reform was in itself, its significance for New Labour would primarily derive from what a commitment to

it symbolised about the repositioning of the Party as a whole. It is that repositioning, and the place of welfare reform in it, that we discuss in the rest of this chapter.

Labour's repositioning 1994 - 97

The nature and direction of Labour's repositioning between 1994 and 1997 was fundamentally shaped by the analysis of the party's task adopted by Tony Blair with the support of other key modernisers such as Peter Mandelson and Philip Gould. Ever since Labour had begun its recovery from the electoral nadir of 1983, it had sought both to adapt itself to changing global and domestic economic and social environments, and - in part, of course, by adapting itself to a changed world - to make itself more attractive to the electorate. The closeness of the 1992 general election result appeared to indicate that this approach had almost succeeded and, after the damage inflicted on the Conservative government's credibility as an economic manager on 'Black Wednesday' in September 1992, it might have been envisaged that 'one more heave' would have allowed Labour to win the next general election with little further change. However, by the mid - 1990s Blair and some of those around him had ceased to think in terms merely of winning the next general election. As Blair told the Fabian Society in 1995, 'I am not interested in coming to power on a wave of euphoria, a magnificent edifice of expectations, which dazzles for a while before collapse' (Blair 1996:5).

The history of Labour in government until 1997 is one of short - term administrations, often operating with narrow parliamentary majorities which meant that much energy had to be expended in day to day management of parliamentary business, and often deflected from their preferred courses by serious economic problems. This history and the long period of Conservative government from 1979 with its resulting economic, social and cultural changes, convinced Blair and other modernisers that merely regaining power, once, would be insufficient to achieve any equivalent social and economic transformation. Labour would therefore have, not only to attain power, but to retain it for long enough to make a lasting difference, going beyond what previous Labour

governments had been able to achieve and gaining an intellectual and political dominance equal to or greater than the Conservative hegemony of the 1980s. Labour would thus need to secure and maintain a level of lasting support both among the electorate and in Parliament which would, in order to deliver the large and stable majorities over a comparatively long period which it would require, have to be rather more broadly - based than Labour had hitherto achieved. This is extremely significant for the development of Labour's policies, image, and positioning after 1994, because it entails the Party beginning to look beyond a single, minimal victory (such as Labour had had to accept in 1964 and 1974) to seeking to remain in government for at least two full parliaments (see for example Gould 1998:393; Mandelson and Liddle 1996:205). This imperative - to make the appeal of Labour as wide as possible, both to its own voters and to potential allies - would shape almost everything that the Party did in its remaining years in Opposition. In particular, as we intend to show, it led Labour to develop a set of positions in relation to economic, fiscal and social policy which would be encapsulated in a commitment to welfare reform. Labour's claim in 1997 to be 'the party of welfare reform' (Labour Party 1997) is thus crucially important as a summary of both the distance that Labour had travelled by 1997, and the reasons for its journey. If, in 1997, there was a real lack of detail about what welfare reform would mean under Labour, as some of the DSS officials who greeted the incoming government would observe (Former senior official 1 DSS, Former senior official 2 DSS) even this says something about the way in which New Labour worked. What was important for Labour by 1997 was not that it should have definite ideas for welfare reform - indeed, despite the work of the shadow social security team which we have delineated above, by 1996 - 7 the publication of definite ideas was, as we shall show, for the most part definitely avoided - but that it should be seen to be committed to reform; and that this commitment should be interpreted as symbolising the party's newness.

For New Labour, the attainment of ideological hegemony and continued electoral success were to be two sides of the same coin. A lengthy period in government would establish and consolidate a climate of ideas favourable to the 'progressive' values which New Labour espoused, but an initial election victory providing a secure enough majority on which to plan for the future would be dependent on

Labour having persuaded a substantial, and broadly based, section of the electorate that its ideas were those which suited the moment. Thus, New Labour had to establish itself as something very inclusive in its appeal - what has been described as 'big tent politics' (Mandelson 2002:xlix) and may be described more academically as developing its position as a catch - all party (Heath Jowell and Curtice 2001:141). In practice, this meant three things. First, Labour had to attract as much support as possible among the electorate. This would work on two levels. Labour would have to win the support of voters who had previously supported other parties - in particular, many middle class voters who might or might not have supported Labour in the past but had in any case in recent years voted Conservative - while retaining the votes of its traditional supporters. Additionally, it would have to present itself as an acceptable second choice vote for supporters of other 'progressive' parties - specifically, the Liberal Democrats - who might be persuaded to vote tactically in areas where a split opposition would otherwise allow the Conservatives to win. Second, since Labour could not be certain of a substantial outright parliamentary majority - as well, as we will show, for other reasons - it would need to make itself acceptable to other 'progressive' parties - again, in effect the Liberal Democrats - whose parliamentary support might be needed. Third, and in pursuit of the first two objectives, Labour had to ensure that it put forward a programme which offered a distinctive alternative to the Conservatives while at the same time containing as little as possible that might alienate potential new supporters. (This lack of specificity was also attractive because, as we have seen, it would not lay Labour's programme open to hostile costings by the Conservatives. Such costings, accompanied by claims that the programme would be unaffordable without considerable tax rises, were to be avoided for fear of unsettling the City as well as individual taxpayers.)

The appeal to the electorate

In seeking to widen its appeal to the electorate, New Labour thus had both to balance and to broaden its appeal. On the one hand, believing in Philip Gould's words that 'Nothing frightened the voters about New Labour at all; all that frightened them was old Labour: unions, taxes, extremism' (Gould 1999:338), it

had to present itself to those who had become accustomed to voting Conservative as something which was quite different from the Labour Party which they had rejected in the 1980s and early 1990s. On the other, it had to reassure its own members and supporters that it was an authentic development within the Labour tradition.

The appeal to the (largely middle class) voters, many of whom who had voted Conservative in previous elections, was central to New Labour's strategy. A number of elements had combined to identify these voters as a principal target. First, from the mid - 1980s onwards, the polling which had been carried out for Labour by Phillip Gould and the Shadow Communications Agency had begun to show the extent to which newly prosperous, new middle class voters, even those from traditionally Labour backgrounds, were turning away from the party and towards the Conservatives because they felt that Labour was at best irrelevant to, and at worst opposed to, their interests. These were the voters Gould described as ' aspiring, consuming, choosing what was best for themselves and their families. They had outgrown crude collectivism and left it behind in the supermarket car park' (Gould 1999:4).

Second, the successful Democratic campaign in the 1992 US Presidential election was a source from which Blair, Brown, Gould, and others drew valuable lessons. At a time when Labour had failed once more to gain power, the Clinton victory appeared to offer an example of how a (relatively) left of centre and progressive party could win office. Gould, indeed, was greatly inspired by the time that he had spent in the United States, working on and then studying the Clinton campaign (Gould 1999: 163 - 70). Gould had been greatly influenced by the arguments of the American pollster Stanley Greenberg, who had argued forcefully that the 'working middle class' constituted the broad majority of US voters and that therefore this was the group whose consciousness the Democrats should seek to reflect (1999:171). Gould believed that this analysis applied equally to the UK and sought to promote the 'Middle Class Project' to Labour. He and Patricia Hewitt later produced an article on the campaign for the journal *Renewal* in which they argued that Labour should follow Clinton's Democrats in building a 'populism of the centre' which would shed its image as the 'party of

the poor and the past' (1999: 172). In January 1993, Blair and Brown visited Clinton in Washington (Naughtie 2001:212) and thereafter the strong American connections of Gordon Brown and his team were complemented by a strong relationship between Blair and Clinton .

It has been strongly argued that US - and specifically Clintonite 'New Democrat' - policies have been highly influential on New Labour policy, particularly in the field of welfare reform (see for example King and Wickham - Jones 1999, Deacon 2000, Daguerre 2004, Peck and Theodore 2001). As we shall suggest in a later chapter, when the actual direction that welfare reform took after 1997 is discussed, this argument is contestable. Insofar as the welfare-to-work and family support programmes introduced by Gordon Brown are concerned, there is a strong case for suggesting that many reforms were actually more in line with developments in Northern Europe and perhaps Australia than with those that had developed within the very different welfare tradition of the United States. However, where American influences were certainly strong was in relation to the overall electoral strategy and presentational tactics adopted by New Labour. The importance of the appeal to the middle classes, though already suggested by polling from the mid - 1980s, was very strongly reinforced by what had been learnt from Clinton's campaign. Clinton had adopted - as would New Labour - welfare reform as a vital symbolic policy because of what it represented about the 'newness' of his party (see for example King and Wickham-Jones 1999:64) and some of the language that he used on welfare reform - for example, 'a hand up, not a hand out'- became part of New Labour's vocabulary (Peck 2001:276). The policies which Labour would pursue in office thus owed something to the US, although not as much as has often been argued. It was the analysis of what needed to be done to achieve office which was much more strongly influenced by the US experience - although again this too had strong domestic roots in the UK.

A third contribution to identifying the importance of the middle class vote had come from   influential Fabian pamphlets by Giles Radice, a senior Labour backbencher. In *Southern Discomfort* (Radice 1992) and its 1993 successor *More Southern Discomfort*, Radice had essentially reinforced what Gould's polling had said. The embourgeoisement that had taken place in the 1980s had created, he

argued, an aspirational new middle class who formed a numerically increasing and electorally important proportion of the electorate which Labour could only ignore at its peril. These voters were largely materialistic and individualistic, concerned with the interests of themselves and their families rather than more old - fashioned collective solidarity. The Labour Party's 'core supporters', by contrast, now amounted to less than a third of the electorate (Radice and Pollard 1993:3). The new middle class were identified as potential swing voters; Labour could attract their support but to do so it would have to take their interests and aspirations into account (Radice 1992:13).

Thus, by 1994, the importance for Labour of targeting the votes of the middle classes - and specifically of the aspirational, consumerist voters of 'middle England' - was being ever more strongly emphasised. In the light of this, Labour might have been expected to be led along the lines of JK Galbraith's influential analysis of the 'culture of contentment' (Galbraith 1992). Galbraith's argument was essentially that a majority of the active adult electorate - that is, not of the electorate as a whole, but of those who used their votes - was now comparatively economically and socially fortunate and would use their political power to support programmes which maintained or enhanced their own 'contentment' rather than alleviating the position of the 'functional underclass' who could not, or did not, vote. This contented class would tend to favour immediate gratification over long - term investment (1992:20), support those government interventions and services which supported them while considering those which did not as unacceptable (1992:22), and accept differences in income even when they were not in their favour for fear that redistributive taxation imposed on the very rich would open the door to heavier taxation on those who were merely comfortably off (1992:26). Because the contented class now composed a majority of those who would be likely to vote, any party seeking to implement progressive policies would have only a limited scope for manoeuvre : '... whatever their personal opinion as to the larger well - being or the longer future, they must be practical. If they want to win, they must not invade the community of contentment.' (1992:146).

At first sight, this analysis would appear to be supported by the arguments of Radice and the polling of Philip Gould. They had identified a primarily self – interested, aspirational and in a sense individualistic middle class whose priorities were the protection of their own and their families' interests over wider, but perhaps less immediate, conceptions of the collective good. There is, too, evidence to suggest that the fear that higher taxation for the rich would lead to higher taxation for the comfortably - off did affect the Labour vote in 1992 and was indeed exploited by the Conservatives at that election (Former senior adviser, Labour Party). However, although some commentators have linked the 'contentment' analysis to the development of Labour's ideas after 1992 (Anderson & Mann 1997:212) there is little to suggest that this was in fact the case. Indeed, on the contrary, by the mid-1990s influential voices within Labour's leadership were explicitly disclaiming the suggestion that the analysis could be applied to contemporary Britain. That the British middle classes were not, in Galbraith's terms, contented was recognised by, among others, Peter Mandelson (Mandelson and Liddle 1996:64) (as well, incidentally, as by the theologian Ken Leech (Leech 1997: 150), whose brand of Christian socialism was rather different from that which would come to be associated with New Labour). Instead, it was argued, the British middle class was becoming increasingly discontented and insecure, and was seeking an alternative to the unfettered free market which the Conservatives were depicted as offering. Among other factors, the recession of the early 1990s had caused middle class redundancies, the collapse of an over - inflated housing market at the same period had left many householders with significant levels of negative equity, and had led to increased numbers of house repossessions, and the mis-selling of personal pensions from the late 1980s onwards had caused many to be concerned about the adequacy of their provision for retirement (see, for example, Mandelson & Liddle 1996: Blair speeches cited below).

Outside the Labour Party, this analysis of middle-class insecurity was particularly strongly associated with the economic journalist Will Hutton. Hutton argued that the legacy of the 1980s had not been a strong and prosperous expanded middle class, but a '40:30:30' society in which, while some 40% of people (the 'privileged' - full - time workers and those in stable self - employment or part -

time work) enjoyed reasonably stable, comfortable and secure circumstances, the rest of the population was equally divided between the 'disadvantaged' (the unemployed and their partners, and those who had withdrawn from the labour market), who might be equated with the 'functional underclass' of Galbraith's analysis, and the 'marginalised and insecure' — those forced into part - time or self - employment, or full - time workers on low pay or with little job security (Hutton 1995: 105 - 109). As a result, Hutton argued, there existed a class which, although it had adopted the Conservative injunctions to seek to better itself through work, had found that that course did not necessarily lead to prosperity and was therefore potentially open to left of centre policies which might protect its own interests. He also suggested that 'privileged' voters might be open to measures to improve the position of the disadvantaged and insecure because they would recognise that growing social division and instability could threaten their position through rising crime and disorder.

It should be noted that Hutton's analysis has been questioned, both in terms of its accuracy and with regard to its consistency with the analysis proposed by Radice and others in the early 1990s. For example, Heath, Jowell and Curtice (2001) deploy survey data to suggest that despite growing inequality, the degree of insecurity and lack of confidence among middle income voters by 1997 had been overstated (2001:28). They also argue that growing support for redistributive policies in the 1990s perhaps had more to do with disillusionment with the Conservative project than with personal self - interest, although they concede that Hutton's analysis of 'privileged' alarm at growing inequality may have had some truth (2001:29). Furthermore, they draw a distinction between Radice's analysis, which they consider to have merely identified a long - standing trend of embourgeoisement (2001:27), and Hutton's view of middle class insecurity, and question whether the two are consistent with each other (2001:21). Radice's view, they suggest, is the one that is most accurately identified with New Labour.

Heath, Jowell and Curtice's assertions about middle class insecurity in the mid 1990s are themselves open to question. For example, the fieldwork for the British Election Study of 1997, upon which they rely for their view that the great majority of employed or self - employed people at that time were very or fairly

confident about the future, was conducted between May and July 1997 (2001: 170) – that is, *after* the election of the new government, when at least some of those surveyed might have changed their minds about the prospects for the future. It is, therefore, questionable how far this data can be relied upon as an indicator of middle - class security or insecurity in 1994 or 1995, when New Labour was formulating its appeal. Similarly, there is no necessary inconsistency between Radice's analysis of an aspirational and upwardly mobile new middle class and Hutton's view - especially if Radice's analysis was indeed merely a recognition of a long-standing trend. The difference is perhaps that between the Britain of the very early 1990s, still enjoying the tail end of the 'Lawson boom', and that of the mid-1990s, emerging from recession - although it should be noted that Mandelson and Liddle (1996:64) suggest that even in 1992, middle - class voters who should have fallen into Galbraith's 'contented class' rejected Labour not from contentment but from insecurity, being, for example, worried about the effect of possible higher taxation on already overstretched family budgets. Radice, indeed, also noted the insecurity of the new middle class, although he attributed their voting Conservative in 1992 to a fear that Labour would only make things worse (Radice 1992:12 - 13). In any case, it should not be assumed that Hutton's 'insecure', if such a class indeed existed, would have ceased to be aspirational. There is no reason why those who had enjoyed the expansion of consumer choice and market freedom in the 1980s should have ceased to value the elements from which they had benefited, even if they recognised that those elements alone were insufficient to provide lasting prosperity and security.

Yet in any case, even if Heath, Jowell and Curtice are correct in arguing that middle - class insecurity in the mid-1990s was largely a myth, the point is that New Labour increasingly behaved as if it was true. From quite early in Blair's leadership the insecurity of the middle classes, and the inability of the market to deliver security by itself alone, becomes a consistent and increasing prominent element of New Labour's rhetoric. Blair's speech at the 1994 Party conference is a good example of this. Throughout there is a strong presentation of Labour as 'the mainstream voice in politics today', appealing across class and political boundaries, sympathetic to aspirations and committed to a reassertion of values of community and good order. But there is a specific appeal to, among others,

'small businesses, pushed to the wall by greedy banks, employers burdened by government failure, to employees living in fear of the P45... (and) to middle and lower income Britain, suffering the biggest tax rises in peacetime history' who had been 'forgotten' and 'betrayed' by the Conservatives (Blair 1994). Again, in January 1996, Blair identified 'a new and growing anxious class' in the middle of society, marked by insecurity about jobs, fear that public services would not be available when required, difficulty in paying high mortgages, and concern about inadequate private pension provision. This class was primarily white - collar - 'bank clerks on average income, retail staff on zero - hours contracts, primary - school teachers and police officers now paying top - rate tax, young couples with negative equity, managers now facing a lay - off for the first time in their lives - all people in work, but dogged by insecurity and struggling to make ends meet' (Blair 1996: 67). In the foreword to a collection of his speeches later that year, Blair again offered a similar analysis. Whereas, he argued, in the 1980s the Conservatives had presented themselves as the party of the majority by offering people the chance to improve their lives through popular capitalism, the reality had not delivered the prosperity which it promised. While 'millions of people fulfilled their side of the bargain' by buying houses and pensions, establishing business and changing jobs, they had been let down by high taxation and mortgage interest rates and inadequate pension regulation. 'The result is a growing number of people at the bottom without work and often without hope, joined by a discontented, anxious class in the middle, insecure about the future' (Blair 1996: vii).

Similarly, early in their book *The Blair Revolution*, which was written from August 1995 onwards and described by one commentator as 'the most accurate route map of what subsequently became the course of the Blair government' (Macintyre 2000: 354), Peter Mandelson and Roger Liddle identified increasing insecurity as one of the key insights informing the New Labour approach (Mandelson and Liddle 1996:3). Much of the book, indeed, is taken up with discussion of the causes, manifestations, and remedies of social, financial, and economic insecurity. While the authors emphasise that their diagnosis and proposals apply to, and are for the benefit of, all those who were insecure or disadvantaged – indeed, one of their reasons for rejecting redistribution of

income through the benefits system is that at affordable levels this would actually do very little for those who were worst off and would contribute little or nothing to solving underlying problems (1996:121) - there is a consistent appeal throughout the book to the middle classes as well as to poorer people. Mandelson and Liddle used a number of fictional case studies (1996: 60 - 69; 110 - 123) to argue that economic insecurity, fear of crime and social disorder, and weak family and community ties, were concerns shared, in different ways, by a majority of people, including those who were apparently comfortable. Again, Labour is presented as the party of the decent, hardworking majority, and a future Labour government is warned to remember that most people wanted to consider themselves as part of the mainstream. The problems of deprived minorities could not be solved at the expense of the majority; it was to the concerns of the majority - 'job insecurity, housing worries, lack of opportunities for education and training, the breakdown of society' - that politicians should address themselves (1996:70).

Thus by the mid - 1990s, key figures in New Labour were subscribing to an analysis of the electorate's needs which represented something of a synthesis of the 'aspirational classes' model associated with Radice and the earlier polling of Philip Gould, and the 'marginalised middle' analysis of Hutton. (In this respect, Heath, Jowell and Curtice are mistaken to describe the Radice model as the 'New Labour analysis' (2001:28) in contrast to the Hutton model.) From Radice and Gould, and perhaps from the Clinton experience of 1992, Labour drew the lesson that those who had benefited from the economic and social climate of the 1980s valued and wished to maintain the greater affluence and choice which they had attained; from the analysis associated with Hutton, it drew an understanding that these same aspirational classes were now concerned that the market alone would not deliver security and prosperity in the longer term, and that this meant that together with the conventionally 'disadvantaged', they now constituted a majority who might be ready to listen to proposals for change. Thus did Labour develop a message which proclaimed a respect for individual aspirations combined with a call for a less divided and more inclusive society.

This message, then, contained a number of elements. First, Labour sought to assure voters of its ability to deliver economic prosperity, through competent management of the economy within the bounds of the market. This was not, of course, a new direction for Labour after 1994; for example, John Smith's shadow budget of 1992 had been designed to project the party, and perhaps specifically Smith as Shadow Chancellor, as prudent and steady managers, fit to be entrusted with the serious task of economic management (former senior adviser, Labour Party). It was, nonetheless, an image which Labour continued carefully to project throughout its remaining period in Opposition; and the Conservatives' loss of credibility in this respect after 'Black Wednesday' in September 1992, can only have heightened the contrast which Labour wished to draw. More specifically, Labour had to convince the electorate as a whole that it would not revert to what was perceived as its tradition of raising direct taxation in order to fund public spending. Again, the experience of the 1992 election provided a warning. Although Labour had been careful to limit its proposals for tax increases to what might be considered as higher earners, the very fact of any proposed rise in direct taxation allowed the Conservatives to trade on fears among the electorate as a whole - including lower earners - that a Labour government would mean higher taxes for all (former senior adviser, Labour Party).

Thus, Gordon Brown's announcements as the General Election approached that direct taxes would not be increased in the first parliament of a Labour government, and that Labour would adhere to Conservative spending plans for its first two years in office, were designed to ensure that the 'tax and spend' image could not be credibly resurrected by the Conservatives. However, these announcements were not simply important electorally. By providing a set of tight financial constraints within which a new Labour government would have to work, they both circumscribed the way in which Labour would be able to implement its policies, and influenced which policy areas would be seen as important. This was particularly the case in respect of welfare reform. After 1997, the financial discipline to which Labour had subjected itself would be important in defining the bounds within which welfare could be reformed; but before 1997, the commitment to existing spending plans meant that money to increase funding in other areas - notably health and education - would have to be

found within other areas' budgets. The size and unpredictability of the social security budget meant, inevitably, that it would be seen as the chief potential source of money which might be reassigned (Former senior official 1 DSS; former senior official 2 DSS; former official, 10 Downing St Policy Unit). Once Labour's self - denying ordinances on tax and spending had been made, it was therefore almost inevitable that, if only for practical reasons, welfare reforms of some kind would have to be pursued. Of course, as we have seen, Labour's shadow social security and employment teams devoted much effort after 1994 to developing proposals for a reformed welfare system. Yet those proposals were in a sense freestanding; they were developed to address problems with the current systems and their economic and social effects. These problems were genuine ones and continued to be recognised, but the point here is that the tax and spending limits to which Labour had committed itself in order to establish its credentials as a party of fiscal moderation and prudence provided an additional, entirely separate, and perhaps, ultimately more powerful imperative for the adoption of a money - saving (or at least cost - containing) welfare reform programme. Those limits, in turn, stemmed from Labour's recognition of the need to attract a wide electoral base.

An appeal to social stability was the second key element of Labour's message. After 1994 a strong theme of collective enterprise, patriotism, and social unity becomes particularly apparent in Labour's discourses. The influence of communitarian writers such as Etzioni on New Labour, and of the philosophy of John MacMurray on Blair in particular, has been extensively discussed elsewhere (for example, Driver and Martell 1998:27, Heron & Dwyer 1999, Hale 2002), but it is relevant here simply to note that under Blair, the Labour Party is increasingly portrayed as a party of the national interest rather than of any sectional interest, and the interdependence of all in society is emphasised (see, for example, Blair 1994; Blair 1996 passim; Blair 1997). The family is stressed as both an essential element of, and a model for, strong, mutually beneficial, relationships in the wider community (Blair 1994; Mandelson and Liddle 1996:20; and see Fairclough 2000:43). Paid work is also presented as an important route to social inclusion, because it allows individuals to fulfil their potential and to improve the material circumstances of themselves and their families, and also because it

socialises workers into communal values. Overall, paid employment is seen as providing workers with a stake in society (see for example Smith 1996:1 - 2; Blair 1996: 68) - so much so that, as Raymond Plant has argued, employment almost become synonymous with citizenship at this period (Plant 1998). By 1997 Labour was thus strongly emphasising interdependence and mutual obligation, although it is important to note that this differs from 'Old Labour' socialist or social democratic collectivism. Blair described it as 'social-ism', based on 'the understanding that the individual does best in a strong and decent community of people...with common aims and values....We are the party of the individual because we are the party of community.' (Blair 1994)

There are three particular points that should be noted about this conception of the relationship between the individual and wider society. The first is that the relationship is between the individual and society, not between the individual and the state. Nowhere in New Labour's discourse in the mid-1990s is there any suggestion that the state is qualitatively different from any other human institution, except perhaps in its wider responsibility and greater potential power. Rather, the state is seen as one institution among many, which is responsible for enabling things to happen but which may or may not do them itself (see for example the statement in the 1997 manifesto (Labour Party 1997) 'what counts is what works' (and see Blair 1998: 4,16). This, incidentally, actually legitimises the intervention of the state as an actor in specific fields if it can be argued that state action is the most effective way of achieving an objective; thus the view of the state is separated not only from what was seen as a statist, Fabian model of socialism, but also from the mistrust of the state which characterised the New Right ideas of the 1980s. The second is that the relationship is founded upon mutual obligation - that is, upon rights and responsibilities. This was to become a major theme in New Labour's model of citizenship (Mandelson and Liddle 1996: 17, 19; Blair 1997; Heron and Dwyer 1999) and as such, when applied to the field of welfare, was at odds with the Marshallian 'social citizenship' model which had dominated the Left's welfare thinking from the 1960s to the 1980s (Plant 1998).

The third is that this analysis of the individual and the state, while presented as a new departure in the *recent* history of the Labour Party, was not, in the longer historical perspective, new to Labour, and could therefore be presented as a development of an authentically Labour tradition. From a comparatively early stage in his leadership, Blair began to emphasise the values which, in his view, had characterised Labour in the period before 1918. The essential argument here is that the values which characterised the early Labour Party derived from traditions of self-help and mutual improvement which had been manifested in autonomous working - class (and perhaps lower middle class) organisations such as trade unions and friendly societies; traditions which emphasised mutual responsibility and assistance as a framework within which the individual could develop as a free and, importantly, moral actor. In the New Labour analysis, the Party Constitution of 1918 represented a triumph for an alternative view, characterised as a Fabian one, which emphasised the role of the state as the vehicle for progress and excluded, or was even hostile to, the non - statist tradition. This, it was argued, had in the long run proved to be a mistake, since it had associated Labour with a single and inflexible model of socialism (see for example Blair 1996:2 - 3 and *passim*; Gould 1999:396 - 7). It was, indeed, the desire to move away from the inflexibility of that model which, in Blair's own account, underlay his campaign to revise Clause IV of the Party's constitution. In revising Clause IV, the basis of the party was, he claimed, established as an ethical not an economic one, and that basis was the assertion that individuals flourish best when they recognise their interdependence (Blair 1996: 12 - 13).

This appeal to what were depicted as the values of Labour before 1918 had the advantage, then, of offering to those who were not traditional Labour voters an alternative to Conservative individualism which was not associated with Labour's immediate past, while presenting Labour's existing supporters with something that could be justified as authentically Labour. It also, because it looked back to a time when Labour and the Liberal Party had worked more closely together, and because it prized values which were very close to those of pre - 1914 progressive 'New Liberals', allowed Labour to appeal to Liberal Democrats both in Parliament and in the country as a whole.

The appeal to the Liberal Democrats

As we have previously suggested, because Labour could not be certain of winning the forthcoming election, and could be even less certain of remaining in power long enough to establish an ideological hegemony similar to that of the free market Conservative ideas of the 1980s, modernisers such as Blair and Mandelson argued that the party would have to seek the support of other 'progressives' - in effect, of Liberal Democrats - at the polling booths and, potentially, in Parliament. The narrow Conservative victory in 1992 had been a painful reminder not only that election results could be close, but that a government with a very small minority could easily find its energies diverted into parliamentary management in order to stay in office; and the 1994 European Elections suggested that the Liberal Democrats had proved far more popular than Labour as a home for former Conservative voters (Heath, Jowell and Curtice 2001:103).

This strategy, then, worked on two levels. First, the Labour leadership began to make overtures to the Liberal Democrat leadership with a view to establishing a basis on which the two parliamentary parties might formally collaborate in government. These approaches were very much at an elite level; both leaders, and in particular Blair, operated for a long time without the knowledge of many senior colleagues in their respective parties (Ashdown 2000). Again, though, this was not simply to enable Labour to remain in power for one parliament. The immediate aim was to secure the basis upon which a working majority might be assembled if required but the wider theme of reuniting the 'progressive' tradition was also emphasised, at least by Blair. In the analysis promoted by Blair, Mandelson, and Gould it was not only since 1979, but since 1918, that divisions between 'progressive' parties had enabled the Conservatives to govern much more strongly and frequently than their support among the electorate would have justified (see for example Blair 1996:9, Gould 1999:27). In this analysis, the divergence between the Labour and Liberal traditions after 1918 - a divergence which Blair attributed to the adoption of Fabian socialism in Labour's 1918 constitution (Blair 1996:12) - had not only left progressives divided where their opponents had been united, but had wasted the talents of radical figures such as

Lloyd George by denying them the opportunity to be in government. Second, Labour needed to be able to present itself to Liberal Democrat voters in the country as an acceptable recipient of tactical votes in constituencies where a division of the 'progressive' vote might otherwise allow the Conservatives to win.

The understanding of the relationship between the individual, the state, and wider society, which we have outlined above, provided a basis for asserting that Labour and the Liberal Democrats could potentially work together, and that Liberal Democrats could vote Labour with good conscience. The appeal back to what were presented as the Labour values of the first decades of the twentieth century was also an appeal to the 'New Liberal' values of the period, with which they had much in common. Andrew Vincent has summarised these values as a rejection of negative conceptions of liberty, laissez - faire, and atomised individualism, and an embrace of the idea of the necessity of a social context for self - development, entailing modifications to market economics and a greater role for the state (Vincent 1998:50). These are distinctly the values underpinning much of New Labour's recasting of ethical collectivist politics, and indeed, Vincent has suggested that 'what is called New Labour is a redrafting of components of the new liberalism which has, in fact, recovered some of the pre - 1914 'new liberal' language, notably in the greater importance attached to markets and production over redistribution, the more limited and enabling role of the state, and the emphasis on the moral discourse' (Vincent 1998:57). What all this meant in practice was that for a period between 1994 and 1997, Labour, and Blair in particular, began to place a great deal of emphasis on what was seen as its pre - 1918 common heritage with the Liberals. Whether or not the positive references that Blair made to Liberalism at this period were sincerely meant is perhaps a matter of conjecture. It has been suggested that they were a matter of electoral tactics, designed to secure support from the Liberal Democrats if needed, rather than a serious attempt to rethink British social democracy on explicitly Liberal lines (Former senior adviser, Labour Party). Certainly, after Labour had secured its overwhelming parliamentary majority in May 1997, less was heard of Labour's common heritage with Liberalism. Even once the election had been won, Blair, in a conversation with Ashdown, appeared to leave the door open for

Liberal Democrat participation in government, but did so in terms which in retrospect appear very imprecise and ambiguous (Ashdown 2000:559). However, this does not mean that the values to which New Labour appealed were not (small 'l') liberal, developed as they had been to provide an alternative to free market Conservatism which was collectivist but not socialist, and which combined a supportive and active state with support for individual development. Indeed, in 1998 Blair would claim that the reunion of democratic socialism and liberalism was an important element of the Third Way (Blair 1998:1).

The symbolic importance of welfare reform

It was these values which, by 1997, underlay New Labour's thinking on welfare reform. By then, welfare reform had become perhaps the most symbolically significant New Labour policy area. The reasons for this can be divided into the symbolic and the practical. First, it is perhaps worth restating the enormous symbolic significance of welfare provision to any social democratic party. As Julian Le Grand has suggested, 'the welfare state lies at the core of social democracy' and a reassessment of it is a necessary part of any attempt to rethink social democracy (Le Grand 1999: 142). We have suggested in Chapter 2 that the centrality of Labour's commitment to welfare ensured that this area of policy was left unscathed during the conflicts between the Left and Right of the party in the 1970s and 1980s. In the 1990s, it was this very centrality that made it inevitable that remodelling the Labour Party would entail remodelling Labour's welfare policy. By demonstrating its willingness to challenge former orthodoxies on welfare (orthodoxies which had broadly been shared by Left and Right in the party), New Labour was demonstrating that nothing in its past was immune to reform. This may be called the negative symbolic reason for reform. If Labour wished to show the electorate, and other political actors, that it was changing, then changes to its understanding of the welfare state would form an essential part of that message and a public measure of how far it had changed. This message would be reinforced, both before and after Labour came to power, by a number of actions which were, perhaps, calculated as much or more for their symbolic impact as for the effect that they were likely to have on policy and provision. For example, the appointment of Frank Field first to Labour's Welfare

Reform Committee in Opposition, and then as Minister of State for Welfare Reform, and the decision to implement Conservative plans for changes to lone parent benefits, have both been seen as falling into this category (former Minister 1, DSS; former senior official 2, DSS). In particular, a commitment to welfare reform with an emphasis on work, conditionality and reciprocal responsibility would help Labour to try to shed its image, believed to be held by key sections of the electorate (Gould 1999:121), of being associated with 'losers' and of being a 'soft touch', willing to tax the majority heavily in order to spend money on the 'undeserving' poor and 'underclass'.

A related, but perhaps more positive point, is that because welfare policy can have a very close and direct effect on the lives of large numbers of people, it provides an especially powerful vehicle for the expression of a government or party's beliefs on a wide range of social matters. Welfare policy - and specifically social security - is about who the state supports, to what extent, and on what terms; it therefore says a lot about the family structures and patterns of economic activity which the state considers desirable, as well as about the relationships between citizens that the state wishes to foster, and the balance of responsibilities between individuals the state and other institutions that it wishes to promote. Many major developments in welfare policy, from the New Poor Law onwards, can be seen in this light; thus, for example, Beveridge's emphasis on citizenship through contract (Harris 1996), the growth of targeting of benefits on those considered to be most in need as a response to the economic crises of the 1970s, and the strong support for personal and non-state provision articulated by Conservative governments of the 1980s, all had an explicit moral content which went beyond merely pragmatic considerations.

In practical terms, too, there were good reasons for Labour to advocate welfare reform. These reasons relate to the nature of social security as both a tool and a resource for government. First, in view of the emphasis placed by New Labour upon paid work as a source of social inclusion and cohesion, as well as the practical and moral benefits of employment, the new understanding of social security and employment policies as interdependent and mutually reinforcing, as outlined in the previous chapter, highlighted the possibilities of using social

security for economically inactive claimants as a means to encourage a return to the labour market and to reward economic participation. This approach strongly underpinned the thinking of Gordon Brown and his advisers in the shadow Treasury team, but was in a different form shared by Frank Field and, indeed, by many commentators on welfare in the mid 1990s including the Commission on Social Justice. Early in this period a new generation of economists, such as Paul Gregg, had begun to attract the attention of the Labour leadership. Unlike the neo - Keynesian macro - economists such as John Eatwell, who had been strongly influential on Labour under Kinnock, the new economists were more focussed on micro - economic approaches and outcomes such as poverty, opportunity and social mobility (Economic adviser HM Treasury). For Brown, and those close to him, using the social security system to underpin a rise in employment presented clear economic benefits not only for individuals, as a means of escaping poverty, but for the nation, in terms of creating a flexible and skilled labour force (a theme consistently voiced by Brown: see Chapter 5 below). The need to develop the workforce to increase and maintain international competitiveness had been a consistent if minor theme in Labour's economic and employment policies since at least the 1980s (Labour Party 1987b: Straw and Blair 1991; Smith J 1992). However, while Labour had continued to think largely of employment and social security as complementary but separate streams, and had continued to hanker after large-scale neo-Keynesian solutions (Labour party 1994) it lacked, it may be argued, a means to address these issues which was as sensitive and as flexible as the workforce which it hoped to create. Once Labour began to think in terms of addressing employment issues at an individual level, changes to the social security system - the point, after all, at which government already interacted directly with very large numbers of people who were either economically inactive or in low paid work - became an obvious part of the means of doing so.

The second sense in which welfare reform appeared to make good practical sense to Labour in this period was related to the size of the social security budget. As we have seen, while Labour wished to be able to spend more in symbolically important fields such as health and education, it had to ensure that accusations of 'tax and spend' could not credibly be levelled at it by the Conservatives. Certainly, once Gordon Brown had announced that direct taxes would not be

raised in Labour's first term in office, the logical consequence of this was that money would have to be redirected from existing spending. Again, there was also a symbolic importance to this approach. Social security budgets had tended to rise in ways that were not forecast (former senior official 2, DSS), and so if a new government could bring this area of spending under control it would augur well for the government's ability to manage the public finances as a whole, while enhancing its wider claims to economic competence in the eyes of the voters. Furthermore, proposals to reduce spending on social security could be defended and even advanced as evidence of the government's progressive qualities. Blair, in particular, began to speak in terms of 'good' and 'bad' public spending, with 'good' spending being that which advanced the nation's economic and social wellbeing, and 'bad' spending being the cost of failing to promote that wellbeing (former official, 10 Downing St Policy Unit; Blair 1996: 22,45)

This represented a significant departure for Labour, which goes beyond rhetoric. In general, the British Left - inside and outside the Labour Party - had regarded social security spending positively, as evidence of government commitment to eliminating poverty and increasing equality. Labour was now arguing, officially, that the size of social security spending was a matter, not for pride but for shame (for example Smith C 1996) and although the suggestion that high social security spending might not necessarily be a sign of a 'successful' welfare state was not an original one (see, for example, Esping-Andersen 1990:20), the necessary implication of this in New Labour terms was that it would be better if people were able to maintain themselves with as little help from the state as possible. This did not amount to support for a residual, safety-net model of social security; indeed, such a model was explicitly rejected by Labour both in Opposition and in Government (Smith 1996: Department of Social Security 1998:19). However, it did emphasise the view that what the 'Titmuss paradigm' (Deacon 2000:9) saw as the non-market, altruistic model of society exemplified by a generous social security system should be superseded by a model based on economic activity by individuals who were expected to take as much responsibility as possible for themselves and their dependents. As we suggest elsewhere, this view of individual responsibility and the preferability of economic activity over receipt of benefits was certainly a central element of New Labour's approach to welfare

reform, but what distinguished New Labour both from the 'old Left' and the New Right was a belief that the welfare state, including social security, should support and facilitate individuals' own provision.

Symbolic and practical considerations, then, combined to make welfare reform attractive to New Labour after 1994. But it should be noted that these considerations did not necessarily sit comfortably with each other; in fact, there was a latent tension between them which would affect the direction which welfare reform would take after 1997. Welfare reform did not necessarily imply immediate reductions in social security spending, although there was certainly a hope and expectation eventually spending could fall as fewer people needed to rely on benefits (for example, Blair 1996:45). In itself, welfare reform as advanced by New Labour in the mid 1990s might be more about why and how money should be spent, than about how much should be spent. Indeed, the ideas of Frank Field, for example, actually implied a considerable increase in spending in the short term in order to save in the longer term. It appears that his was not fully appreciated by, for example, Blair at the time. Both before and after entering government, Labour denied that welfare reform was principally driven by a desire to make cuts (for example, DSS 1998:iv), and this is true at least insofar as that the aim was not to cut expenditure for its own sake. Indeed, although immediately after 1997 spending on social security fell, both in real terms and as a percentage of GDP, after 1999 it would rise considerably (Brewer, Clark & Wakefield 2002: 508, 509). Yet it is clear that Blair, at least, did expect that short - term cuts in expenditure would and could be achieved, and did not appreciate the political and, for benefit recipients, practical consequences of such savings (former Minister1 DSS, former Ministerial adviser 2 DSS). Some observers have concluded that it was when it became clear that Field's model of a social security system based on universalism and a revived system of social insurance would require substantial initial increases in spending that that model became finally and irrevocably doomed (former official 10 Downing Street Policy Unit, former senior official 2 DSS).

Nonetheless, overall the enormous size and scope of the social security budget meant that a commitment to welfare reform could be used 'as a shorthand for a

huge number of messages about Labour's reformed positions on matters such as the role of the state, economic, financial and fiscal responsibility, the proper relationship between the state, the individual and wider society, and the general basis upon which a good society should be built.

New Labour's position on welfare reform in May 1997

It must, however, be reiterated that by 1997 Labour's advocacy of welfare reform, despite the work undertaken by the shadow social security team, was primarily a matter of expressions of principle rather than concrete proposals. There were a number of reasons for this. At one level, the technical complexity of welfare policy had drawn Blair to the conclusion - a conclusion similar to that reached by Dewar when he was shadow Social Security Secretary (Former social security aide Labour Party) – that simple answers were unobtainable, at least in Opposition. Blair therefore concluded that the resources of government, and probably a Royal Commission, would be necessary to tackle the problem of welfare reform (Ashdown 2000:424). More broadly, however, New Labour increasingly developed and presented new policy in terms of principle rather than detail. The reasons for this principally related to the repositioning of the Party for maximum electoral appeal.

As we have suggested, at least since 1992 Labour had recognised that specific, costable proposals with public spending implications - even when presented as soberly as in the 1992 shadow budget - could be the basis for the Conservatives to raise the spectre of the 'tax and spend' tradition. As Shadow Chancellor Brown firmly opposed - in all cases save one, his own New Deal - the adoption of policies with specific cost implications. (In passing, it should be noted that if this was in response to the way that previous proposals had been turned against Labour, it was perhaps a case of Brown learning from his own experience. As Shadow Chief Secretary in the late 1980s and early 1990s he had not pursued this line: the first move away from specifying costs came under his successor in that post, Margaret Beckett, who introduced the 'as resources allow' formula; former senior adviser, Labour Party). More generally, it was recognised that the less detail was developed, the less there would be for anyone - whether current or

potential Labour supporters - to disagree with. The enunciation of broad - brush principles rather than potentially controversial detail could thus provide a wide appeal; detail could be worked out in government (see also Ashdown 2000: 424; Jones 1998:22). This was true of welfare reform as of other policy areas.

Thus, by 1997, New Labour had a very high profile commitment to welfare reform, although without much detail worked out. There were, however, elements within Labour which were thinking about welfare reform in more detail. First, John Denham, later to be Pensions Minister at DSS, was doing some work on pensions which would lead to the pensions review of 1997 - 98 (Denham, Former special adviser DSS). Secondly, and rather more significantly, the shadow Treasury team under Gordon Brown were developing ideas on social security and employment, combining an active labour market policy towards benefit claimants with measures to increase incentives by 'making work pay'. These ideas would lead, after 1997, to the 'New Deals' - welfare-to-work programmes for various disadvantaged groups - mentioned above and to an increasingly wide - ranging programme of targeted tax credits to subsidise lower - paid workers. Arguably, these measures could be characterised as primarily economic, rather than social, policy, but they were to prove extremely influential in shaping Labour's welfare reform policies in office.

Third, Frank Field becomes increasingly relevant to Labour's commitment to welfare reform. It is unclear quite how much influence the details of Field's ideas actually had on Labour's policy development; some observers suggest that, if nothing else, he made welfare reform an issue about which Labour had to think seriously and radically (former minister 3 DSS, Senior official, HM Treasury), although others dispute this (Former social security aide, Labour Party and Former senior adviser, Labour Party). There is, however, no doubt that, at the very least, the idea that the Party was officially associating itself with him was projected as an important sign of its newness. Field's career and ideas, and Brown's, will be discussed in the next two chapters, but it is perhaps possible to say that only within a Party which was officially committed to challenging the orthodoxies of the past could Field have been given the prominent position that, at least officially, he held in 1997 and 1998. Certainly, Field had Blair's ear in

Opposition; it has been suggested that Field went out of his way to promote his ideas to Blair (Timmins 2001: 542) although another account has the initial approach coming from Blair to Field (former Minister 1, DSS). In any case, Field's ideas fitted the times. Although he did not serve as a front - bench spokesman in opposition, Field was 'brought on board' by Labour - and in particular by Tony Blair - in the period before the 1997 election. A Welfare Reform Committee was established, on which Field served, and once Labour entered government, he was appointed Minister for Welfare Reform at the DSS. (Many accounts suggest that Blair had intended to make him Secretary of State, despite his lack of front - bench experience, and Macintyre suggests that this was Blair's intention right up to the 1997 election - Macintyre 2000: 384.) It is, however, fair to point out that the establishment of the Welfare Reform Committee in Opposition, and Field's appointment to it, have been seen by many as primarily symbolic of the intention to reform welfare. The committee itself appears to have produced little in the way of work. (Former Minister 1, DSS).

Conclusion

Thus, by May 1997, Labour had developed a strong and high - profile commitment to welfare reform. It had built on the analysis of the interdependence of work and welfare promoted by the Commission on Social Justice, and added to it its own view of the relationship between the state, individual, and wider society, which had been developed in response to the economic and social changes that had taken place by the mid-1990s.

It had deliberately refrained from developing these principles into a comprehensive range of firm policies, but in Field and in Brown (and his team) the Party had within it at least two considerable streams of thinking which could take policy forward in government. While, as we shall show, distinct differences and even tensions existed between these two strands of thought, at this stage their common beliefs such as the importance of paid work and the reciprocal nature of rights and responsibilities perhaps appeared more important. We shall examine Field and Brown, their ideas and careers until 1997, in detail in the next two

chapters, in order subsequently to explain why Brown's approach prevailed over Field's in shaping New Labour's welfare reform programme in government.

Chapter 4: The ideas and career of Frank Field until May 1997

As we have seen in the previous chapter, in October 1995 an incoming Shadow Social Security Secretary could be told that Frank Field's ideas were simply one of a number of current issues upon which he might be required to comment. Yet a little over eighteen months later, Field had been appointed Minister of State for Welfare Reform in the new Labour government. Field's rapid, although perhaps temporary, rise to favour in this period is, in its own way, as interesting as his subsequent fall from office. By the time of his appointment to Labour's Welfare Reform Committee in 1996, Field had been an MP for 17 years, and had first stood as a Labour Parliamentary candidate as far back as 1966 (Field 1981:2) In the 1970s, he had served as a Labour councillor in Hounslow (Field 1981:2) and, as Director of the Child Poverty Action Group, had developed excellent contacts within the Parliamentary Labour Party (as well as in other parties: see Field 1982, Chapter 4). Yet, apart from a brief period as an education spokesman in the early 1980s, he had never served on the Party's Front Bench and his Parliamentary career had developed almost entirely outside the structures of the official Opposition. Only in the mid 1990s did Field achieve an official position within these structures, and this appears to be largely a direct result of the personal support of Tony Blair.

This chapter seeks to explore Field's rise. It does so by tracing the development of Field's career and ideas until the mid 1990s, principally through his published works, and proposes a number of reasons why his ideas might have been seen as timely in Labour's last year or two in Opposition. These proposals can only be tentative; to establish with certainty the impact of Field's ideas upon Blair, for example, requires access to sources such as Blair himself, which are not currently available. Nonetheless, very clear affinities can be traced between the ideas which Field proposed - in some cases as far back as the early 1980s - and those which New Labour would espouse in the mid-1990s. These affinities can be identified particularly strongly in respect of an overall policy approach emphasising community, cohesion, and individual responsibility, and also in respect of a belief in the broad electoral strategy which Labour should adopt. At least one of those who has worked closely with Field over many years has attributed something of a prophetic capacity to him: 'I always think that whatever Frank says, 5 years later he's

proved right' (Former Ministerial adviser 1 DSS) In this respect, Field can be seen as something of a prophet of New Labour, in that even before Tony Blair entered Parliament, he was articulating positions that would become the official received wisdom of the Party some 15 years later. As we show below, in some cases this even entailed the use by Field of language very similar to that which Blair would later adopt.

It is, however, important to note that Field's direct influence on Labour policy in the period immediately before the 1997 election is much harder to trace. We shall argue that Field's proposals for welfare reform were not, in themselves, of great importance either to Blair or to New Labour more generally. Rather, it was what Field stood for - his overall approach and worldview, which did show affinities with much of what Blair and New Labour were articulating, and his ability to secure himself a high public profile as an unfettered thinker on welfare matters - that was important. We discuss Field's overall approach to politics, and his promotional abilities, later in this chapter. For the moment, however, it is worth noting that two reasons can be identified for the relative lack of importance of Field's detailed policy proposals.

The first reason is that, as we noted in the previous chapter, Labour deliberately abstained from proposing definite, detailed policies on welfare reform (with the exception of the New Deal for Young People and some pensions proposals) at this time. It did this partly because it did not want to make spending commitments that could be used against it in an election campaign, and also because broad statements of principle were seen as more conducive to building a wide coalition than detailed commitments which might foster disagreements. Furthermore, welfare reform, in particular, was seen as a subject whose complexity required the resources of government (rather than those of an Opposition) to be brought to bear upon it. In 1995 and 1996, Field produced a trilogy of books which were intended, together, to put forward fairly detailed plans for welfare reform in specific spheres (Field 1995a, 1995b, 1996), but the electoral imperative meant that, even if these proposals had been privately approved by Blair or by the Labour leadership as a whole, they would not have been publicly adopted in advance of an electoral victory.

This reason would have applied even if Field's proposals had been read in detail and approved. Yet there is no evidence that this in fact happened. Rather, it is likely that Blair, at least, did not consider the details of what Field was proposing. This is certainly the interpretation that Field, in retrospect, placed on a conversation in which Blair had assured him that he agreed with practically everything that he'd written (Rawnsley 2001:107; former Minister 1 DSS) . 'Practically', Field suggested, meant that Blair was allowing himself space to disagree on specifics; but more fundamentally, Field believed with hindsight that Blair had probably been too busy to read any of his detailed proposals. Nonetheless, Field believed that Blair did recognise the overall shape of his thinking and that this was consistent with Blair's essential ideas about the form that society should take (Former Minister 1 DSS). However, a year or so before the 1997 election, David Willetts, then a junior minister in the Conservative government, suggested another reason why Field's arguments might not have been considered in detail (Willetts 1996). In an explicitly partisan examination of thinkers whom he considered to be particularly influential on Blair, Willetts argued that Blair, like many others (including some Conservatives), was attracted to Field, not only despite but actually because of his failure to examine Field's ideas in depth. Field, Willetts argued, had established such a position for himself as a radical, knowledgeable and committed thinker on welfare matters that few people troubled to examine what he as saying; most were simply content to take his arguments on trust, relying on (and, it might be added, identifying themselves with) his reputation and his moral stature as an opponent of poverty (Willetts 1996:31, 37.) Field's ideas, in this analysis, were less important than their provenance; it was not what Field proposed, but the fact that it was Field that proposed it, that was attractive to Blair.

The notion that Field's appointment, first to the Labour Opposition's Welfare Reform Committee and subsequently to the Department of Social Security, can be seen as having a primarily symbolic importance is one that is shared by other observers (Former ministerial adviser 2 DSS) and in hindsight by Field himself (Former Minister 1 DSS). As we have shown elsewhere, New Labour regarded a commitment to welfare reform as a symbol of its commitment to address a wide range of social and economic issues, as a test of its fiscal and governmental probity, and as an encapsulation of its wider values. Indeed, Field himself argued that a

programme of welfare reform should be seen in this light (Field 1993:117; Field 1996a:7, 13). There is a case to be argued that Field's appointment was, in turn, used by New Labour to symbolise its commitment to welfare reform. Field may have been expected to produce a welfare reform programme; his appointment was certainly expected - correctly, for a time - to make a powerful statement that Labour was serious that such a programme should be produced. To understand Field's significance in this respect, it is helpful to give an outline of his career and ideas until 1997.

From the early 1970s onwards, Field had been a prolific writer and lecturer, almost without exception on topics pertaining to poverty and to welfare. As might be expected over a period of 25 years, the specific proposals which Field advanced changed from time to time. In the earlier part of this period, most of Field's publications were on behalf of the Child Poverty Action Group (CPAG, of which he had been Director since 1969) and the Low Pay Unit (of which he had concurrently been Director from 1974). These works, which drew heavily on statistics and on social research, were largely concerned with revealing the extent and effects of material deprivation. Some were aimed at informing and shaping general debate about poverty, but others were more specifically targeted at policy makers; thus, for example, CPAG produced annual pre - budget submissions to the Chancellor of the Exchequer, setting out cases for specific benefits - related measures to improve the position of those on lowest incomes. Taking Field's publications from the 1970s and early 1980s as a whole, some discrete themes can be identified.

First, a number of the publications with which Field was associated (for example Poverty: 1974, 1975b, 1977) not only provided evidence of the extent of deprivation but offered an argument about the social effects of deprivation. As might be expected, the CPAG publications looked in particular at family poverty, and Field made strong arguments about the effect of material deprivation on the life chances of those born into poor families, and the consequent transmission of poverty from one generation to the next. Field identified a cycle of poverty, in which children who survived the higher chances of infant mortality affecting poor families were more likely to suffer poor health, less likely to do well at school, less likely to attain well - paying and continuous employment, and more likely to suffer poverty in old age

(Field 1974, Field 1975b; see also Field 1989: 19 and Field 1993:64 - 66 for an identification of the persistence of this cycle in the changed economic climate of the 1980s and 1990s). Field was emphatic that this cycle was not the result of any shortcomings on the part of the poor, but of the material circumstances in which they found themselves; external social and economic factors prevented individuals and families from achieving their potential - an argument which, it may be noted, had close affinities to the opportunity agenda which would be promoted by New Labour, and especially Gordon Brown, in the late 1990s (see, for example, Gould 1998:218; Brown 1997).

Field built on this analysis of cyclical deprivation to argue for redistribution of income and, especially, wealth, in the interests of greater social equality. But it is important to recognise that what Field was calling for was not equality for its own sake; and it was not simply redistribution from rich to poor, but also from men to women, and across the lifecycle from more to less prosperous periods in individuals' lives (for example Field 1976, 1981a:15, 214; 1981b:5). For Field, greater material equality was important because, and really only because, it leads to a more equal distribution of freedom (see for example 1981a:14; 1987b: 260). It is for this reason that Field at this stage - and indeed later - came to place a strong emphasis on redistribution of wealth as opposed to simply income. Wealth and property, Field believed, were the key to power; and an unequal distribution of wealth meant an unequal distribution of power also. More than once (Field 1979:2, 1981a:154) Field cited with approval LT Hobhouse's analysis of the two functions of property: 'the control of things, which gives freedom and security, and the control of persons through things, which gives power to the owner' (Hobhouse 1913:10). Field believed that the first type of property, embodied in for example home ownership, pensions, and individual savings, enhanced freedom because it made its possessors less subject to the chances of life, less dependent on the favour of others, and more able to take risks and opportunities to improve their position (for example 1981:13). This was, for example, the thinking behind his early call for the Left to consider the case for transferring ownership of council housing to its occupants (Field 1975c). Such a move would, he argued, both transfer capital to council tenants, and allow them to exercise control over themselves rather than be controlled by those (in this case councils) who owned the property that they needed.

For Field, freedom was thus a key theme at this stage (as it would be later on): 'For me, the main goals of public policy are the extension of human freedom while at the same time creating a more equal society' (Field 1975c:2). But he would later differentiate his call for greater equality in the interest of greater freedom, from what he characterises as the classical egalitarianism of the Croslandite revisionist tradition. One of Crosland's great successes, Field argued, had been the 'intellectual hijacking' of the Labour Party so as to cause it to consider equality as an end in itself, rather than as simply a means to an end. In contrast, Field appealed to what he described as 'those older traditions of the Left which espouse freedom as the main objective, and greater equality as a means to that end' (1981a:14; 1987b:259). He gave a qualified endorsement to the distinction, drawn by David Marquand, between measures which may result in an increase in both equality and freedom - for example, redistribution of cash resources - and those which might result in greater equality but would not increase freedom - for example, redistribution through delivery of services over which the recipients have no say or control. (Field 1981a:15). Although at this stage Field recognised that in some areas, such as education, redistribution through services was still legitimate, the emphasis on freedom and control is one that remains constant through Field's later writing, and would over time come to be applied even to cash transfers - for example, in his advocacy of mutual and co - operative models for benefit delivery (see below) and his later call for the replacement of the specific Housing Benefit with an unhypothecated cash payment to tenants (former Minister 1 DSS). Equality was bound up with freedom, but it was nothing if it did not enable people to exercise greater autonomy.

Field's emphasis on autonomy - autonomy in terms not only of the ability of people to make decisions for themselves, but also of the control by people of the resources required to make those decisions possible - points us to a key theme in his overall political thought, which remains constant throughout his published works and speeches. Field thinks in terms of individuals rather than classes. This is true even in the works of the 1970s (for example, 1975c:16) which stress the ways in which the structured inequalities in society place those at the bottom of the income scale in a position of perpetual and cyclical disadvantage, and in his work of the late 1980s on the 'underclass', which takes a similarly structural approach to what would later

become known as social exclusion (Field 1989). In the early 1990s, he would call for Labour to return to what he described as its early twentieth century ethical tradition, one of whose strands was the opening up of opportunities for individuals to develop and use their talents to the full - and he makes it clear that he is referring to individuals, not classes (Field 1993:20). In many of Field's works the language of class is certainly used (see for example 1981b:5), and in the 1970s and early 1980s, especially, there is a clear identification of what Field sees as the unfair and harmful effect of existing social and (especially) economic hierarchies (for example 1979:2; 1981: 159). There are also, in some of Field's earlier works, hints that inequality might lead to class unrest (1974:62, 1976:1); by 1989 he was explicitly disclaiming such a suggestion (Field 1989:155), but by the early 1990s, this concern had resurfaced (1993: 56, 141).

Nonetheless, Field consistently emphasises that an unequal distribution of wealth and property is wrong, not in some abstract sense, but because it prevents individuals in disadvantaged groups from attaining what he regards as decent living standards (1975b) and from achieving what they would otherwise be capable of. Indeed, throughout his work, and especially in his later work, Field's use of individual case studies and anecdote to support his arguments points to this concern with individuals. But it must be stressed that Field's position here is explicitly not what he described as 'the distorted view Mrs Thatcher held of the aggressive, self - assertive side of human nature' (Field 1996a:16). Field's emphasis on the individual is highly ethical, not only in the limited sense of condemning artificial fetters upon the abilities of individuals to better their position, but because he sees self - improvement as having a moral as well as a material aspect. For Field, it is not enough that individuals should be materially better - off; they should also have greater control of their own lives and this can only be consistently attained if it is not achieved at the expense of the autonomy of others: 'To stress mankind's self - interest to the exclusion of all attributes ensures that self - interest tumbles into selfishness; and selfishness itself can all too readily collapse into greed' (Field 1996a:16). Thatcherism, by contrast, had 'thrown out of gear the balance between liberty and fraternity and, in so doing, [had] proved the greatest threat to individual freedom' (Field 1987b:9).

Field's political position, then, is based on his ethical views about what it means to be human; and these in turn are derived from his strongly - held Christian beliefs. In this respect, the doctrine of free will - the belief that human beings are endowed by God with the ability to choose how to act - is central to Field's thought, and has a number of consequences. First, it causes Field to emphasise the importance of individual actions, beliefs and attitudes to the direction which society as a whole takes (see, for example, Field 1981b:11; Field 1987a:137; 1995:124-128). Second, it causes him to reject deterministic analyses of poverty and behaviour. Individuals may not be responsible for their economic circumstances but they are responsible for the ways in which they respond to those circumstances and for the decisions which they make. In later years, this leads Field to argue for a strong line against benefit fraud and anti - social behaviour which, crucially, includes not only detection and punishment of those who behave badly, but a social and systemic restructuring to remove incentives to behave badly. Third, this emphasis upon the constant moral choices with which individuals are faced means that Field does not accept that people will always behave in a positive or unselfish way. Specifically, in relation to the organisation of social security, it means that while Field acknowledges and applauds the altruistic impulse which he believes is present in most of us (see, for example 1995:130), he does not believe that altruism alone is a satisfactory basis for a welfare system. The 'wider canvas of human motivation' (1995:130) includes both altruism and self - interest, and to over - emphasise one element above the other will cause the system to work against, rather than with, human nature. But policy - makers must 'wrestle with the angel and the serpent in each of us' (Field 1997:30 - 31). Altruism is important, and is an essential element of any system, but it is not in itself sufficient. It is here, for example, that Field sees himself as being most distanced from thinkers such as Titmuss, and from what he characterised as traditional Labour thinking, which, he argued, had fundamentally misunderstood human nature by ignoring and suppressing the importance of self - interest (Field 1993:20). For Field, a belief that free will is a defining quality of the human condition -   that 'one characteristic which separates men and women from the rest of creation is our ability to make moral judgements' (Field 1995:129) - implies at once both that it is always open to individuals to behave in a way that is morally praiseworthy, and that in practice we cannot rely upon their doing so. It is therefore the duty of those who are able to influence the circumstances in which people make their decisions to ensure

that so far as possible, those circumstances make it easier for people to behave 'well' - that is, in a way that strikes a proper balance between self-interest and the common good - and offer as few incentives as possible to behave 'badly'- that is, selfishly, greedily and irresponsibly.

It is this position which would, by the late 1980s, underlie Field's passionate opposition to means-tested benefits. Opposition to means testing, and a consequent advocacy of universal benefits, emerges as a central theme of Field's work from this time onwards. In the 1970s, he had had comparatively little to say on the moral effects of such benefits, preferring instead to attack the inadequacy of the financial support that they offered and their low take-up rate (Field 1973; Field & Townsend 1974; Field 1975b:40; Lister & Field 1978). However, by the late 1980s, there had been a considerable growth in the proportion of the claimant population (and their dependents) relying on such benefits, as opposed to non - means-tested National Insurance benefits, and Field became concerned at what he believed were the seriously deleterious effects of such a widespread use of means - testing. Tight financial eligibility rules, he argued, increased dependence on the state because they penalised saving and employment. On one level this was essentially a matter of arithmetic. With the insurance-based retirement pension below the level of the principal means-tested benefit maintenance benefit (Supplementary Benefit until 1988; Income Support thereafter), and most other income deducted pound for pound from SB/IS entitlement, those who had made savings for their retirement from low incomes, or had occupational pensions, saw little or no benefit from them (1995:33). For those of working age, the calculation of eligibility on a household basis meant that once the household's main earner had to apply for means-tested benefits, there was often an incentive for any other member of the household (usually a spouse) in part - time or low paid employment to give up work because of the effect of their earnings on the household's benefit entitlement.

It should be noted that neither of these arguments was entirely original. In 1890, Sidney Webb had attacked means - tested Poor Law relief for those past working age because it made any retirement savings below the level of Poor Law maintenance not worth having (McBriar 1987:115.). More contemporaneously, and perhaps ironically in view of the disagreements between Field and Gordon Brown that would emerge

after 1997, the connection between benefit rules and household worklessness was in the early 1990s being identified by, among others, Ed Balls and Paul Gregg, both of whom would go on to work closely with Brown before and after 1997 (see Chapter 1). Indeed, by 1994 Field and Gregg had jointly published a paper on employment (Field 1995:101). Thus far, then, Field was merely restating ideas about means testing which, if not quite accepted wisdom, were nonetheless part of the established currency of debate about welfare. These arguments, furthermore, were not merely financial. For Brown and those around him, paid work, in particular, had definite social and moral value, in promoting social integration and self-worth; and again, these views - particularly about the value of work in instilling self - respect - had long largely been shared by Field (see for example Field 1977: ix; Field 1993: 21, 118). But for Field, there were additional dimensions to the moral objections to means - testing, that were related to his understanding of human nature.

Field argued that means-tested benefits were essentially harmful because they worked against the grain of human nature, in that they operated against the self - interest which, he believed, was in most people 'the most immediate and powerful of our urges' (Field 1995:129. The strength of self-interest, in Field's view, was such that means testing did not simply prevent claimants from taking steps which would materially improve their position; rather, by denying any legitimate outlet for self - interest, it diverted it into illegitimate courses. Thus, for example, it was not usually possible for a claimant or a member of their household to improve their position by legitimate casual work, because almost all of any earnings would be deducted from benefit entitlement. A claimant therefore had to choose between restraining their impulse for self - improvement - an expression of their natural and indeed good self - love (Field 1987: 42) - , and committing social security fraud; and Field argued that it was unreasonable to expect many people not to choose the latter. Means testing, therefore, fostered a culture of dishonesty and deceit which was in turn part of a wider breakdown of ethical values in society.

So for Field, means-tested benefits were objectionable on a number of levels. Simply as a means of helping poor people materially, they were inefficient because they delivered a very low level of financial support, and had a comparatively low take-up

rate which meant that the small support which they did provide was not always taken up by those who needed it most. Thus, it could be argued, they failed in their social purpose. On another level, they did not reward those who had made their own provision for retirement or sickness, unless they had been able to afford to make provision which took them substantially above means-tested benefit levels, and they discouraged claimants of working age, and members of their households, from taking advantage of opportunities of paid work, again unless the income from that work would take them substantially above benefit levels. This could be seen as a failure of economic purpose - or rather, perhaps, a failure to embrace an economic purpose. But for Field, there was yet another level still of objection which, while based on the detrimental effect of benefits of this kind on thrift and initiative, went beyond a mere consideration that they left the thrifty unrewarded and condemned people to economic inactivity. Means-tested benefits, he argued, were fundamentally unsound because they were based on a failure to take account of human nature. They did nothing to embrace the motive of self - interest which Field believed was basic to human nature, and created a structure within which very often that motive could only be realised illicitly, so that a whole culture developed in which dishonesty and deception became, for many, the norm. On a practical level this was socially undesirable, undermining the trust and responsibility upon which healthy societies depend (1996a:30); but Field adds to this a moral objection which is not entirely limited to concern about the breakdown of social capital. Rather, taking account of Field's beliefs about human nature and free will, we are pointed to the implicit conclusion that Field believes that structures which deny a legitimate outlet for a force as strong as Field believes self - interest to be, are theologically objectionable because they inhibit human beings from exercising their God - given free will in a way that is compatible with their basic nature. Field, we may suggest, objected to means - tested benefits not simply because he believed that they were inefficient and inadequate, that they failed to reward personal responsibility and initiative, and that they were conducive to dishonesty and a breakdown of trust. We may conclude that he objected to them, perhaps above all, because he believed that they prevented human beings from using what God had given them and from becoming what God intended them to be.

The high place which is accorded to moral, and even theological, considerations is a distinctive element of Field's thought. The particular questions to which the considerations are addressed changes over time. Thus, as we have shown above, in the 1970s and early 1980s, Field strongly emphasised individual freedom in the face of social and economic structures which, he argued, denied freedom to the poorer and less skilled by giving them a disproportionately low share of income and, crucially, wealth. This was, for example, the context of his call in 1975 for the Left to consider whether the ownership of council housing should be transferred to individual tenants. Transfer, Field argued, would give tenants a much greater degree of security in and control over their own homes, allow greater geographical mobility, and at the same time transfer to people who in general had little wealth a substantial capital asset. Therefore, although a closer examination of the costs and benefits of transfer might lead to the conclusion that it would not, on balance, be economically beneficial, it was something to which the Left, with its commitment to the interest of the poorest members of society, should give some thought (1975c). At this period Field did, from time to time, acknowledge that claimants sometimes defrauded the system (for example 1979:52, 1975a) and in the early 1970s, he criticised denial of benefit to people who are not considered to be trying to find work as having led to an increase in crime, prostitution, and illicit cohabitation (1975b:22). Otherwise, though, there is very little in Field's earlier writing about the effects of the welfare system on individual morality. Lone parents, for example, were considered almost entirely in the context of their economic situation (for example 1974b, 1981:190), rather than the effect that they might have on society.

By contrast, from the late 1980s, and especially by the mid-1990s, Field places much more emphasis on the morality of individual behaviour. Thus, by 1995, Field is writing of 'the new barbarism' (this is the title of the first chapter of Field 1995) characterised by an overall decline in honesty, a rise in crime and drug abuse, and increasing numbers of never - married young mothers. Ostensibly, this might appear to be a change of direction towards a more punitive and authoritarian position, perhaps in line with some of the communitarian ideas which were then becoming fashionable in some circles – notably, of course, those around Tony Blair (Timmins 2001:533). But to see Field's move away from the very strong emphasis on the distribution of wealth, power, and income which characterises his early work as

evidence of a fundamental change in his thinking is, we would argue, mistaken. Rather, the change of emphasis is a response to changed social conditions - including the rise of large - scale permanent unemployment which, Field considered, was 'the most effective recruiting sergeant for Britain's underclass' (Field 1995: 13), and to changes in social and family structures and values from the 1980s onwards. But the emerging emphasis on personal behaviour is underlain by substantially the same beliefs about the nature and potential of humanity that informed Field's earlier arguments about structures of inequality.

So from the 1970s onwards, Field's writings display a set of beliefs about what it is to be human that remain, broadly, remarkably consistent until the late 1990s (and, indeed, beyond). It is in the context of these beliefs that Field's arguments must be understood. 'The importance of individual freedom stems, for me, from a belief that every one of us is a unique part of God's creation. Yet none of us is born to live in splendid isolation. Herein lies the importance of societies, from the family through to the nation...' (Field 1987b:9). For Field, human beings are endowed by God with free will, which is both a privilege in that it allows them to develop their capacities to the full, and a responsibility in that it means that they are accountable for their actions. Furthermore, human beings are interdependent; all have responsibilities both to their own immediate dependents and to members of wider society, and the interaction of these responsibilities means that it is in the context of society that human beings can most fully achieve their potential.

There is thus an important social morality here too. Society needs a structure of order, based on moral principles, not only to allow its members collectively to maintain themselves against external circumstances, but to bring 'order and sense to an individual's personal life' (1995:128). The morality which should govern private life must, therefore, also govern the public sphere, and public decisions must be informed by a full consideration of the likely consequences - moral as well as practical - that will ensue from them. Social relations and institutions must be structured in a way that enables and encourages people to attain the best of which they are capable - that is, to be most fully human in the highest sense. If society does not do this, it diminishes the humanity of its members and thus actually works against the intentions of God for humankind. (Thus, for instance, Field would later

criticise the unequal distribution of power, wealth, and privilege by comparing 'God-made differences' – of height, IQ, and so on, where the difference between the most and the least might, at most, be threefold - with man-made differences of pay and wealth where the variation might be measured in thousands [Field 1993:82].)

To discuss social security structures in terms of the extent to which they promote the realisation of God's will for mankind may appear, at the very least, a little high - flown, but the conclusion to be drawn from Field's writings is that this is ultimately the test which he applies to social policy. Certainly, he would later describe his welfare reform proposals of the mid-1990s as 'about placing a Christian understanding of mankind centre-stage' (Field 2000:46), but of particular relevance here is his most explicitly theological book, *The Politics of Paradise* (Field 1987a). This is a work of social theology which is concerned with the meaning of, and bringing about of, the Kingdom of God. Field explores the concept and proposes that it should be seen in an earthly context which is both individual and social. Having traced the idea through the Old and New Testaments, he argues that although the Kingdom is not built by human beings it 'is extended as people, both as individuals and as groups, accept the invitation God offers to become a certain kind of character' (1987:37). This character is marked by love for oneself, one's neighbour, and God (1987:42). In interpreting Christ's saying 'Blessed are the peacemakers' Field argues that 'peace' entails a sense of individual fulfilment, happiness and contentment, and harmonious relationships between the individual and his or her fellow human beings (1987:47). From this, he draws the conclusion both that Christian morality requires a certain type of behaviour from individuals, and, crucially, that the moral law of the Kingdom pertains not only to individuals, but to society as a whole (1987:48). Later he refers approvingly to a tradition dating back to both the Old and New Testaments which 'is concerned with establishing a society which works in accordance with God's will' (1987:93). The key to this was the way in which individuals exercised their free will (1987: 137).

So the model of society which Field's social policy seeks to create is strongly founded in his understanding of Christianity, and is characterised by a belief both that society as a whole must be a moral enterprise and that the character of society is formed by the individuals within it. Structures, policies, and systems are good or bad

insofar as they promote or hinder social harmony and the moral advancement of individuals within society - and, although redistributing material goods can promote moral advancement, it does not necessarily do so, and may actually work against it. Thus, as we have seen, Field therefore made it perfectly clear that he did not seek greater material equality for its own sake, and attacked the Croslandite position which had, he argued, placed this at the heart of Labour's objectives. In the 1970s and early 1980s, Field attacked inequality and argued for a vertical redistribution of wealth and income because, he believed, the unequal distribution of resources created and enshrined an unequal distribution of power and therefore of freedom. Material inequality was wrong, not simply because it gave some people fewer material goods than others, but because those people with a smaller share of wealth and income were denied the means to develop their capacity as active, moral, responsible, social beings. In the later 1980s and 1990s, Field attacked means-tested benefits for, essentially, the same reason. The arguments against means-testing on the grounds of inefficiency and low take-up which he had advanced in the 1970s and early 1980s were not abandoned, but in the growing reliance of the social security system on means-tested benefits, Field saw a new challenge to human liberty and fulfilment - with the difference that this was a challenge for which the state was much more directly responsible.

Furthermore, Field argued, whereas the negative effect of the uneven distribution of wealth, income and power in the earlier period had principally been to prevent less well-off individuals from taking action to attain their potential, the economic and welfare structures which were established and extended under Thatcherism actually encouraged individuals - at all levels of society - to act in a way which undermined their moral status. They did so because they disconnected what Field regarded as individuals' natural and potentially positive instinct for material self - improvement from the moral context of a mutually responsible society. In the case of benefit recipients, this was an effect of means testing, which, as we have seen, Field saw as making it impossible for claimants who might have an occasional opportunity of paid work to reconcile the more immediate urge to material self - improvement with the more abstract, but nonetheless essential, need to maintain an ethos of honesty and obedience to the common rules of society. Similarly, those who might make some small provision for their own incapacity retirement would be likely to see their

foresight go unrewarded as a result of income tests for benefits. Benefit rules which, in addition, made it relatively less favourable in financial terms for couples, including those with children, to live together than to live apart again created powerfully negative effects because, in Field's view, they worked against the establishment of the family, which he saw as an essential context in which social virtues of responsibility and co - operation were learnt and taught. (This view of the crucial formative role of the family was, as we have seen, shared by leading figures in New Labour: see, for example, Blair 1994; Mandelson 2002:125). Those who did maintain a cohabiting family and claimed benefit accordingly would thus receive less financial support than those who live apart; those who cohabited covertly, while claiming benefit as single claimants, were vulnerable to discovery or denunciation and additionally would, by definition, not be able to develop their family as a moral unit of the most desirable kind because their financial position was built on deception. In all these cases, children would grow up with the practical lesson that honesty and legality were not regarded and that those who sought to take some responsibility for the material welfare of themselves and their dependents did so, at best with no encouragement from, and at worst in opposition to, the legal structures of society. In this context, it is perhaps worth emphasising that although Field did, and does, condemn benefit fraud, and is unapologetic about using the term in relation to the sort of comparatively low - level activity which, he believed, the means-tested benefits rules encouraged (see for example 1995:94), his strongest condemnation was for those who commit fraud on an organised scale (see for example 1995:93). He does draw some distinction between those whose dishonesty is primarily driven by a desire to make comparatively modest improvements in already low standards of living, and those such as criminal gangs and fraudulent landlords who do so for profit. Field sees the former as people who have made a rational - although still undesirable - economic choice in the face of difficult circumstances, and argues that they, too, are often vulnerable because, for example, those who illegally combine work and benefits often do so with the collusion or encouragement of employers who can exploit their workers' illicit position to deny them proper employment protection (1995:95). Thus, although he condemns their behaviour, he believes that it is better addressed by changing the system of incentives and disincentives to which they are subject, in the light of what he considers to be a better understanding of human nature.

But for Field, the moral ill - effects of Thatcherism were not limited to the poor and those on benefits. Rather, he clearly identifies the rise of morally undesirable behaviour among all classes, and asserts that this also arises from a disconnection of personal morality and self - interest from its social context. The rise in the use of means - tested benefits had, he asserted, coincided with 'a marked increase in dishonesty which is apparent in most areas of life' (1995:114), and this decline of honesty had affected both the behaviour of individuals at all levels of society, and the cohesion of society itself. Field argued that this change in public morality had originated long before 1979, in a growth of moral relativism among 'liberal' elites (1989:156; 1996a:12) which had led to morality becoming 'privatised'. Yet as a result, the individualised, privatised morality which Thatcher espoused, and which effectively excluded economic appetites from subjection to moral authority, had prevailed because no alternative public morality was seriously on offer (Field 1995: 128-9). This had effectively meant that despite the moralistic rhetoric associated with Thatcherism, the concept of society as a moral enterprise, conceived for a moral purpose and governed by moral norms, had been abandoned, with results that were profoundly divisive for society. First, self-interest and the pursuit of individual material advancement were placed above social responsibilities - but this only applied to those who were not directly dependent on the state for their incomes, because at the same time the expansion of means testing meant that, in Field's analysis, an entirely opposite order of priorities was being expected of benefit claimants. Thus a clear, albeit largely implicit, double standard was being applied, setting the growing number of claimants of means - tested benefits apart from the rest of society. Second, and perhaps more explicitly, after 1979 the state had reversed the 'gentle trend towards greater equality in income' (Field 1989:69) that had characterised part of the post - war period. Field had always argued that inequality had not, in fact, substantially decreased between 1945 and the mid - 1970s (for example Field 1974; 1981b:5) but he did also assert that, nonetheless, it had at the very least been intended that rising living standards should apply to all and that overall this had actually been achieved for almost all groups of the population (Field 1981b:6). This, Field argued, was part of a longer term process by which the advantages enjoyed by the more privileged members of society had spread down the social scale. Field was sceptical of TH Marshall's analysis of the gradual extension

of civil, political and social rights, arguing that talk of rights was inappropriate in the context of the British polity, and that it was more accurate to speak of the sporadic extension of privileges (Field 1993:60 - 61). Nonetheless, the practical result was similar; social and material progress had, in fits and starts, been extended to all levels of society.

After 1979, Field argued, this had ceased to be the case: 'Four centuries of English politics dominated by extending the comprehensiveness of civil society have now been shattered.' (Field 1995:41) Whereas post - war governments had, however ineffectively at times, subscribed to the idea that equality should be increased, the post-1979 Conservative governments had explicitly adopted a policy of encouraging inequality (Field 1989:67). This had been intended to allow individuals the opportunity to advance themselves at their own pace, rather than to separate those least able to advance from the rest of society, but, Field argued, such a separation was, if not intended, nonetheless both inevitable and entirely foreseeable (Field 1989: 3, 67). Thus, by 1989, Field was able to argue that an underclass had developed in British society (Field 1989). It is important to note here that in using this term - a relatively early usage in the British context, possibly antedating the popularisation of Charles Murray's ideas by the Sunday Times (Lister 1996:1) - Field is describing what might a few years later have been described as social exclusion. He explicitly rejects the analysis that ascribes 'underclass' development to pathologies of individual behaviour by members of less advantaged social groups. Indeed, he resisted even describing the 'underclass' in terms of the behaviour allegedly exhibited by its members, for fear of encouraging such an analysis -and in this he differentiated himself from Ralf Dahrendorf, another early and left - of - centre analyst of the 'underclass' (Field 1989:6-7). Rather, he emphasised structural social and economic factors, flowing from conscious political decisions, as having created a class which was deeply separated from the rest of society - including the majority of the working class - and which could not share in social and economic advancement (Field 1989:4). Government policy, Field argued, had, perhaps not intentionally but foreseeably and consciously, created a situation which excluded the long term unemployed, poor pensioners, and lone parents (Field 1989:4) from the growing prosperity of the rest of society; and had accepted that exclusion as a price to be paid for removing limits to the advancement of others. The concept of an interdependent

and mutually responsible society had been discarded in order to allow privileged individuals to pursue private advancement; and the fact that even a majority of members of society were able to advance their own interests did not detract from the wrongness - and dangerousness - of denying others the ability to advance at all.

Field's growing concern with individual behaviour - or more accurately, with the negative effects of welfare structures on individual behaviour - can thus be seen, not as a departure from his approach in the 1970s and early 1980s, but as an application to changed circumstances of his fundamental moral beliefs about the nature of humanity and social relations. When, by the middle of the 1990s, he discussed what he viewed as the breakdown of decent social values in many deprived communities, and the development of a 'ghetto' culture (Field 1995:6 - 7), he made it clear that the behaviours which he cited as evidence of breakdown were rooted in the economic and social dislocation which had followed the acceptance of long - term unemployment and institutionalised social division between the poorest and the rest of society (for example Field 1995: 6 - 19). For Field, this did not excuse the choices made by the individuals involved, but it did explain them and emphasised again their social context. The answer, therefore, was to be sought in new welfare, social and economic policies which provide both genuine incentives for responsible behaviour and a renewed sense of common purpose. This common purpose should be expressed, not only in a revived sense of mutual responsibility between members of deprived communities, but in a reconnection of the excluded class to the rest of society.

What, in practice, might this mean? A number of themes can be identified as having emerged by the mid-1990s. First, and as a precondition to being able to bring about change, Labour (being in Field's view the only political force which could present an alternative) had to become electable. Out of power, Labour could do nothing to help the very poor (Field 1989:16). Field had been highly critical of the direction in which Labour had moved after 1979, arguing that it had suffered a 'severe mental breakdown' in the early 1980s (1993:37), had failed to take the initiative from the Thatcher government (1993:16), and had for a long time lacked the coherent policies and organisation which were required to gain the trust of the electorate (1989:156). (He had also, as far back as the early 1980s, advocated an electoral alliance between

Labour and the (then) SDP - Liberal Alliance if that were necessary to gain power:
The Guardian 19 July 1984). In order to be elected, Labour had not only to present
itself as a credible and disciplined alternative government, but had to make itself
attractive to as wide a section of the electorate as possible. In part, this would require
it to emulate the Thatcherite achievement by creating a dominant politico -
intellectual climate (Field 1993:34) attuned to ethical, rather than ideological, values.
Field advocated the adoption of a new Clause IV of the party constitution which
would encapsulate a vision of a society where self - interest would be balanced by
fellowship, and the poorest would have the same opportunities for self - development
as the richest (Field 1993:40). This is remarkably similar to the new Clause IV
finally adopted in 1995, which is said to have been written by Blair himself: 'the
Labour party...believes that by the strength of our common endeavour we achieve
more than we achieve alone, so as to create for all of us the means to realise our true
potential and for all of us a community ...where we live together freely, in a spirit of
solidarity, tolerance and respect'(Gould 1998:229)

The need for an appeal to voters who had not previously supported Labour - a theme
which Field identifies as early as 1981 (1981:223 - 4) - was not solely based on
electoral arithmetic. Labour had to recognise that the poor and the working class
were no longer synonymous (1989:16), and that social trends since the early 1950s
had meant that even an appeal to the working class would no longer be sufficient to
win power. From the late 1970s, the Conservatives had built electoral success on an
appeal to the most privileged 80% or so of society (1989:16), and Labour, to be
successful, would have to follow suit. Yet, as always with Field, there is also a moral
dimension. Field had always argued that the question of poverty and the interest of
the poor could not be regarded separately from the wider concerns of society. Thus,
for example, he criticised the Church of England's 1985 report *Faith in the City* -
whose position he on the whole supported - on the grounds that it looked at poverty
in isolation from affluence - which meant, indeed, that it could not consider
questions of redistribution (Field 1987:117). In his early works, he had quoted
Tawney's remark that 'what thoughtful rich people call the problem of poverty,
thoughtful poor people call the problem of riches' (e.g. 1979:1), and hence he argued
that in seeking solutions to poverty, the influence and 'sharp elbows' (1996a:ii) of

the middle classes needed to be used in the interests of the poor. By the early 1990s, this position had altered to the argument that it was in the interests of all that society should be reunited, not least because without recasting welfare to underpin general living standards (so that it appealed to the self - interest of the majority of voters) it would be impossible to gain political support for a programme which would enable poor people to improve their position. The concentration of welfare on the poorest had reinforced their separation from the living standards of wider society, and had separated welfare from the aspirations and values - and thus the support - of the majority of citizens. At the same time it had restricted the freedom of the poor by placing them in a position of 'being done good to' rather than supporting them in 'carving out (their) own well-being' (1996a:5-6). So for Field, solutions to poverty could only be achieved by policies which had an appeal beyond the poor, and this was a matter of principle as much as of electoral reality.

Second, Field had clear ideas about the form that a reformed welfare system should take. In his last major publication before the 1997 General Election, *How To Pay For The Future* (Field 1996a) these are presented as sixteen distinct reforms affecting retirement pensions, the funding of care, unemployment insurance and social assistance (Field 1996a:121-124), but three distinct themes can be identified which underlie these detailed proposals and were also present in much of his earlier work. The first of these themes is a powerful opposition to means - testing and an advocacy of social insurance. For the reasons which we have discussed above, Field argues consistently that welfare benefits should be based on social insurance, payable as of right to those who have made or been credited with sufficient contributions, and who meet other eligibility conditions such as unemployment or retirement, regardless of other income. By 1996 Field is at pains to argue that he is not simply proposing a return to the post - war National Insurance model. From the 1970s onwards, he had criticised the inflexibility of traditional National Insurance contribution conditions, and in particular their disadvantageous effect on women and those whose working careers had been interrupted (1975b; 1977 ch 3). By the mid-1990s, Field was proposing a reformed contributory system, with much simpler and more flexible contribution conditions for Unemployment Benefit, in order to encourage risk - taking in seeking employment, and a more generous system of crediting contributions for those whose working lives had been interrupted. This more

generous system of insurance credits had much in common with Labour's proposals for a new insurance system after the 1989 Policy Review (described in Chapter 1), although Field insisted - incidentally, in contrast to the language of the 1989 proposal - that redistribution of income through credits should be overt and transparent (1995: 138). Nor, despite his consistent criticism in the 1970s and 1980s of insurance benefit rates for being below social assistance rates, was he simply embracing the long - standing call of many on the Left for insurance benefit rates to be raised sufficiently to float claimants off of social assistance (1995:134 - 5); this, he argued, was far too costly and ignored the essential role of human nature in any welfare system.

The second theme is that social insurance should be run at arm's length from government. By 1995, Field was proposing a tripartite social insurance corporation (1995: 139), consisting of representatives of the three groups upon whose contributions insurance rested – that is, employers, employees, and the Treasury (1995:139). By 1996 this proposal had been amended slightly, to encompass a National Pensions Corporation, governed by elected delegates of pension funds, the government, private pension holders, and members of lifetime savings accounts (1996:101), and a National Insurance Corporation on the 1995 tripartite basis, initially responsible for unemployment benefits and a new care pension (1996:101 - 2). There are two reasons why Field argued for the principle of distance from government. The first was to ensure that insurance contributions and payments were not simply treated by government as additional streams of revenue and spending which could be adjusted at will. As Field pointed out, despite claims to the contrary by defenders of the existing National Insurance system, the insurance nature of benefits had never really protected them from government interference and cuts, and in support of this argument, he cited examples going back as far as the 1931 reductions in Unemployment Benefit (for example 1978:63 - 4). He had also, like several other Labour figures (see for example Smith 1996; Mandelson 2002:144), drawn lessons from the unilateral reductions in the value of SERPS pensions enacted by the Conservative governments of the 1980s (Field 1993:84).

Perhaps more fundamentally, the proposal that social insurance should be placed at a distance from state control was an expression of Field's beliefs about individual

freedom and autonomy, and mutual responsibility. These beliefs led him to favour structures which maximised opportunities for contributors to insurance funds to participate in their governance and to exercise control over their application (for example, Field 1989:180; 1996a:100). This is clearly a departure from the statist model associated with the Labour Party throughout much of its history, but Field emphasises the model's Labour credentials by referring back to the autonomous welfare provision created by working class organisations such as friendly societies and Trade Unions before the First World War (Field 2000:6). Field argued that Labour had much to learn by rediscovering the mutual principle upon which such provision had been based and which was, he argued, a genuine and unjustly neglected part of the Labour tradition. Mutual organisations had the advantage over state structures that they provided a sphere in which individuals could exercise self-government in order to advance interests that were at the same time both individual and common; the interdependence inherent in the mutual principle meant that members were reminded of their responsibilities both to support fellow members in need, and to ensure that the common funds were not defrauded (Field 1995: 115 - 116). Centralised state bodies could not do this. Current private pension structures, on the other hand, were an affront to human dignity because, by placing control over funds in the hands of trustees rather than contributors and beneficiaries, they by implication characterised scheme members as irresponsible (Owen and Field 1993: 14). Field therefore argued for what was effectively something very similar to the system of approved societies established (for health insurance rather than pensions) under the original Edwardian National Insurance scheme. (Interestingly, he also argued that one of the attractions of such a proposal was that providers would be able to compete by offering different levels of benefits. This is further evidence of a distinct move away from the 'ration book' uniformity of the post-war welfare settlement: in 1942 Beveridge had identified the existence of different levels of benefit as a disadvantage of the approved society model as it then stood: Beveridge 1942: paras 63 - 63). Friendly societies, trade unions and similar bodies should be allowed to participate in running parts of the social insurance scheme for their members; this would, additionally, provide a new and important role for Trade Unions at a time when their position in industrial relations had been greatly diminished (Field 1989:180), and would encourage the renaissance and development of the mutual sector as a vehicle for the additional, personal savings and insurance

which Field sought to encourage and, later, to require (1996a: 60, 66). By 1996, his proposals for friendly society participation appear to relate principally to his proposed second pensions savings scheme, participation in which would be compulsory for employees earning over £100 a week and their employers. This does not, however, detract from the strength of his belief in the moral and practical benefits of the mutual model.

Despite his enthusiasm for social insurance and non - state models of provision, Field recognised that it would not be possible, at least in the foreseeable future, to do without some form of non - contributory social assistance for those without other sources of income. Therefore the third principle underlying his proposals for reform was that while such provision would have to continue, the agency responsible for its administration should be converted from a passive payer out of money to a proactive body supporting claimants to move towards financial autonomy. To this end, claimants below pensions age would be able to transform their benefit payments into education and training allowances and would be expected to draw up career plans and work towards their attainment (1996a:123).

Thus, by the mid - 1990s, several themes can be discerned in Field's thinking which go some way to explaining his political attractiveness to Tony Blair. (It should again be emphasised that others central to the New Labour project, notably Mandelson and Brown, continued to have reservations either about Field's ideas (Timmins 2001:560) or about his suitability for high office [Rawnsley 2001: 106; Macintyre 2000:384]). Field's reservations about the attribution of a superior status to the state, and his advocacy of non - statist yet collectivist solutions; his concerns about community cohesion and willingness to voice overt disapproval of behaviour which he believed was anti - social; his beliefs about character, responsibility, and the moral nature of society; and his advocacy of an appeal to the interests of a wider coalition of voters, all chimed powerfully with the positions which New Labour was seeking to adopt. Field championed ethics above ideology (see, for example, 1981b:12; 1993:20; and 1989:156, where Field differentiates ethical socialism - 'at heart a political expression of common decencies' - from Marxism). In rejecting both the Leftish positions of the 1970s and 1980s, and much of the post - war social democratic agenda, he referred back to what he asserted was an earlier (and by

implication purer) Labour tradition. Both of these positions occupied common ground with Blair by this time. Economically, although in the earlier stages of his career he had advocated substantial macro - economic remedies to unemployment (see, for example, Field 1977 Chapter 10), by the late 1980s Field was advocating what were essentially micro - level interventions and a supply side approach (1989:162) which explicitly moved away from the demand - led proposals of the early 1980s. These sat comfortably with the move away from Keynesianism and towards a similarly micro - economic approach which was being promoted by Labour's economic advisers (Economic adviser HM Treasury).

However, it was not only Field's ideas that were attractive to Blair and consistent with the New Labour project. It is possible to suggest that elements of Field's personal qualities, history and reputation can be seen as adding to his appeal. On the surface, one such element may appear to have been religion. Certainly, Field's Anglo - Catholic Christianity may well have been seen by Blair as providing common ground, but this may be overstated. Although, as we have seen, the understanding of humanity and society which underpins Field's social thinking is deeply rooted in his Christian faith, the political approach which emerges from that thinking is not exclusively Christian and that is also true of the New Labour approach. How important Christianity may have been in the development of New Labour is an interesting question. Blair's Anglicanism, and Brown's Presbyterianism, are well known but Philip Gould also acknowledges the contribution of his parents' Christianity to his moral outlook (Gould 1999:1), and Peter Mandelson, as a young man, was for a time strongly influenced by the Christian social tradition associated with Archbishop Trevor Huddleston (Macintyre 2000). Nonetheless, if it is possible to conceive of New Labour developing in the way that it did under a leadership which was not so affected by Christian ideas, it is likely that Field's ideas about, for example, responsibility or community would still have been attractive to it, because they offered a response to the political imperatives which bore upon Labour at the time.

Perhaps more important to a Party leadership seeking to distance itself from the past - and, as we have seen in an earlier chapter, recognising the symbolic importance of welfare reform in doing so - may have been Field's reputation as a figure outside the

recent Labour mainstream. This had a number of facets. First, even before he entered Parliament, Field had on occasion - as with his call for the Left to consider the transfer of council houses to their tenants - been willing to make proposals that sat outside the usual bounds of Labour thinking. As Director of CPAG in the late 1960s and again in the 1970s, he had not allowed his personal support for Labour to inhibit him from attacking, where he thought it justified, Labour governments' record on poverty (Timmins 2001: 276), and he had gone so far as to call the paper on unemployment which he and Ruth Lister had written in 1978 *'Wasted Labour'* (Lister & Field 1978). In many of his writings he had been highly critical of much Labour thinking and practice, both about welfare and about the party's approach to government more widely. In the 1970s he had criticised Labour for traditionally being more interested in achieving power than on thinking about what it wished to achieve once power had been attained (Field 1979:2). He had, as we have seen, strongly criticised both the dominant Left of the early 1980s, and the Croslandite social democratic tradition - two traditions within Labour whose only common characteristic, perhaps, was that they could both be presented as being in some way 'Old Labour'. Furthermore, he had challenged what he characterised as a longstanding Labour belief that high levels of welfare spending were to be applauded: for Field, they were, rather, a sign of failure, and Labour's ultimate aim should be to reduce the welfare budget by enabling more people to support themselves (for example Field 1993:105). This foreshadowed criticisms which, as we have seen, were made both by Blair and by Chris Smith, in a similar way and in very similar words, in the mid-1990s (Smith 1996; Blair 1996). Thus, not only had Field been happy to challenge welfare orthodoxies - of the old Left and of the New Right - he was also distanced from, and openly critical of, much of the party's recent history. Field simply could not be associated with the aspects of 'Old Labour' of which the New Labour leadership believed the public to be fearful.

It may, indeed, be that Field's appeal went even further than this, in that he could be presented almost as a non - party figure. Field had argued that the achievement of a good society - in his terms, the Kingdom of God - could not be 'encompassed within the programme of any political party' (Field 1987:137 - incidentally, a point at which he placed himself at a distance from one strand of Christian Socialist thought), and had been happy to support Conservative measures where they seemed

to him to be sensible. By making his House of Commons career, not on the Opposition front bench, but as Chairman of the Social Security Select Committee, he might be seen as having worked successfully with members of other parties. Even while a serving Labour MP, he had served on the Dahrendorf Commission on Wealth Creation and Social Cohesion in a Free Society established by the Liberal Democrats in the first half of the 1990s (Field 1996b:112), and he was, as David Willetts was to admit, 'many Conservatives' favourite Labour politician' (Willetts 1996:31). That Field did appeal across party lines is undoubted; the extent to which this made him particularly attractive to Blair is speculation. But, as we have shown in the previous chapter, by the mid-1990s, Blair was consciously seeking to present himself as a 'unity' leader appealing to the national interest across party boundaries, was privately pursuing links with the Liberal Democrats, and was speaking, again in private, of a Royal Commission as the means to address the particular question of welfare reform. In these circumstances, the idea of entrusting welfare policy to a figure who could command a high degree of trust and respect outside the Labour Party may have strongly appealed to him.

To these qualities, Field added considerable skills as a publicist and populariser of his ideas. By 1997, he had published over forty books and pamphlets, most of which are written in a clear and accessible style. Furthermore, he was a prolific writer of newspaper articles, bringing his ideas to a wider audience. Thus, for example, he followed the publication of *Making Welfare Work* with articles or other commentary in newspapers including *The Independent on Sunday, The Sun,* and the *Daily Mirror* (Field 1996a:107, 93,110). It is notable that Field targeted mass - market papers as well as the (then) broadsheet press; he very skilfully sought to speak, not only to those with a theoretical and policy interest in welfare, but directly to those whose lives were affected by the issues and ideas which he discussed. This may have given him a comparatively high and positive public profile and a very good relationship with the press; it is certainly the belief of those close to Field (former Minister 1, DSS; former Ministerial adviser 2, DSS) that Blair was attracted by the positive media coverage which Field received. Yet Field was also practised at communicating his ideas directly to those he believed were influential. This, again, was a technique which he had developed in his CPAG days (Field 1982:58) and we will later argue (see Chapter 6) that an exaggerated belief in the effectiveness of

direct communication with leaders was one of his weaknesses as a Minister. So, for example, Timmins states that Field was careful to ensure that Blair took a copy of *How to Pay For the Future* on his trip to South Africa in 1996, and that Field had said that the book had essentially been written for Blair alone (Timmins 2001: 542). It is fair to say that this account has been contested (former Minister 1 DSS), but it is consistent with Field's previous mode of operation as a campaigner. Whatever the truth, in the period before May 1997, Field certainly did manage to raise awareness of his ideas, both among Labour elites and among the wider public.

Conclusion

Field cannot really be described as a New Labour figure. The positions which he had adopted by the mid-1990s had been developed largely independently, motivated in part by an analysis of the decline of traditional Labour support and electability, but more significantly by religious and moral beliefs which are identifiably rooted in the Anglo - Catholic Christian Socialist tradition exemplified by Charles Gore and RH Tawney (for example 1981b: 11). However, Field can be seen in a sense as a fore-runner of New Labour; many of those positions were worked out before similar ones became commonplace within the party. As we have suggested, in his earlier works he sometimes even foreshadowed some of the language of New Labour - for another example, as early as 1981 he wrote of extending the freedom 'not of the few, but of the many' (Field 1981: 227), foreshadowing the revised Clause IV of 1995 which spoke of 'power, wealth and opportunity (for Field, as we have seen, the essential pre - requisites of freedom) in the hands of the many not the few'. And it was only under New Labour - or more specifically, New Labour as it was presented for a comparatively brief period in the mid to late 1990s - that Field and his ideas could have appeared to move into the Labour mainstream.

Essentially, by 1996, much of Labour's approach and ideas, and the image which it was seeking to present, appeared to have moved very close to the positions which Field had for some years occupied. Both Field and New Labour used arguments about welfare reform policy to express their ideas. Field did this because he had specialised in welfare and policy issues for many years; New Labour did so, as we have argued in Chapter 3, because the size and scope of the welfare budget, the links

between welfare and economic performance, and the traditional symbolic importance of social security to Labour, made welfare reform a very useful portmanteau policy encapsulating many facets of the Party's new approach. Finally, Field's reputation as an independent and original thinker untrammelled by party ideology, his communication skills and positive press profile, his distance from the Labour mainstream during the 1980s and early 1990s, and his good relations with other parties, all meant that by publicly endorsing him from late 1996 onwards, Tony Blair could send out a clear message about the newness of New Labour. The appointment of Field to the Opposition's Welfare Reform Committee, and subsequently to the post of Minister for Welfare Reform, can therefore be seen as symbolic of New Labour's willingness to undertake radical welfare reform, just as the commitment to welfare reform itself signified a whole range of other economic and social positions. The reputation which Field had acquired gave him a strong claim to the welfare reform brief, but it did not guarantee that his ideas would be fully understood by those - specifically, Blair - upon whose support he would rely. (Indeed, as we have seen, Willetts suggests that Field's reputation may actually have worked against the reception of his ideas.) As a result, Field's appointment may be said to have rested, not on what he actually said or did, but upon what he was thought to stand for. This would prove to be a weakness for him after May 1997.

Chapter 5: Welfare reform and the thought of Gordon Brown.

As we have suggested in Chapter 3, between 1994 and 1997 the approach (and, later, specific projects) associated with Gordon Brown had emerged as one of the chief influences on the development of New Labour's welfare policy. Brown had never shadowed social security or employment (or any other spending department) in Opposition. Nor had he any particular background in welfare matters before entering Parliament, and as a backbench MP (for Dunfermline East) had only developed a special interest in them to the extent that might be expected from any Member for a working class constituency which was suffering from industrial decline. Nonetheless, as Shadow Chancellor, and then in government, his influence grew, so that it became apparent quite early in the new government that welfare reform was being run from the Treasury (former senior official 1, DSS). Indeed, Brown's understanding of the economic case for welfare reform can be seen not only as crucial to the shape that New Labour welfare reforms would take, but as one of the factors that placed a commitment to welfare reform at the centre of the party's reformed identity.

This chapter considers the reasons why Brown was able to exercise such great influence over the adoption and formulation of a commitment to welfare reform in opposition. It does so in terms of structure and agency - both the institutional and personal factors which shaped his position in the Labour Party, and the social and economic ideas which led him to promote the importance of a programme of welfare reform. As illustrations of the policy effects of Brown's ideas, it then looks at two specific initiatives which were closely associated with him in the mid-1990s: his proposal to abolish Child Benefit in respect of children aged over 16 in order to fund uniform, means - tested Education Maintenance Allowances for older pupils from low - income families, and the 'New Deal' approach to long - term youth unemployment. It draws on these examples to argue that, ultimately, Brown's approach to welfare differed significantly and fundamentally from that favoured by Frank Field. While in many ways the values of the two were very similar - on, for example, equality, the value of paid work and the importance of developing individual potential - and while both advocated a contractual approach to welfare which rejected the unconditionality of the 'Titmuss paradigm' (Deacon 2000), there were essential differences between their diagnoses of the way in which poverty and

inequality should be addressed, and in terms of the context within which the welfare system should operate. As a result, although it may have seemed to Tony Blair, and even perhaps for a time to Brown and Field themselves, that their two approaches could be combined in a reformed welfare system, this was not the case. A closer examination of the two men's ideas would have revealed that they were, in fact, irreconcilable. The chapter concludes that once Labour had entered office - whereupon welfare reform had passed from being a high-profile but carefully ill-defined aspiration to a policy area under active development - conflict between Field and Brown (at least in terms of ideas, if not of personalities), was inevitable.

The position of Gordon Brown in the Labour Party, 1994 to 1997

The development of Gordon Brown's influence in the Labour Party in the 1980s and 1990s has been well documented by his biographers (see Chapter 1.3). After building a position in the Scottish Labour Party in his 20s and standing unsuccessfully at the 1979 General Election (Naughtie 2001:230) he entered Parliament in 1983 and shortly afterwards began to share an office with Tony Blair. From very early in their parliamentary careers, Brown and Blair were bracketed together (for example, Clark 1994:54), with Brown being generally seen as the senior of the two until about 1993 (Naughtie 2001: 49-53). In 1985 Brown was appointed to the Opposition front bench as a junior Trade and Industry spokesman (Naughtie 2001:320), having earlier refused an appointment to the shadow Scottish Office team in order to have a wider sphere of activity (Naughtie 2001:33). In 1987 he was elected to the Shadow Cabinet and appointed Shadow Chief Secretary to the Treasury under John Smith, the then Shadow Chancellor (Naughtie 2001:38). During Smith's absence from Parliament after his first heart attack in 1988 Brown deputised for him, and made a name for himself as a particularly formidable opponent of Nigel Lawson, the then Conservative Chancellor. He returned to the Trade and Industry team as Shadow Secretary of State in 1989 (Naughtie 2001:321) and, after Smith's election to the leadership, became Shadow Chancellor in 1992, continuing to hold that post until he entered the Treasury in 1997. He had thus, by 1997, spent his entire frontbench career shadowing the two key economic departments, and this, I shall argue, was significant for the development of his thought on welfare policy.

As early as the late 1980s, therefore, Brown was a significant figure on the Labour front bench, but his influence was greatly extended after the election of Tony Blair to the party leadership in July 1994. Two reasons may be adduced for this. The first relates to his position as shadow Chancellor, for, while a shadow Chancellor lacks most of the institutional resources which an actual Chancellor of the Exchequer possesses - notably, the policy capacity of the Treasury and its officials - the position in some ways resembles that of its official counterpart. It can be argued that the dual financial and economic interests of the Treasury make the shadow Treasury team central both to policy development, and to public perceptions of governing ability, in Opposition. This was particularly significant when, as in the mid-1990s, the Opposition has a realistic possibility of forming the next government. Labour certainly drew this lesson even before the 1992 election. In 1987, for example, voters' doubts about Labour's credibility had been reinforced by a failure of co - ordination between Roy Hattersley, then Shadow Chancellor, Neil Kinnock and Bryan Gould which led to contradictory messages on taxation being simultaneously transmitted in the last week of the election campaign (Hughes and Wintour 1990:34). John Smith's shadow budget of March 1992 was an attempt to avoid the repetition of this sort of error (Former senior adviser, Labour Party) and was presented with a gravitas that sought to project Labour as the sober, responsible party of government. It has been suggested that Smith initially succeeded in this aim to such an extent that the Conservative leadership believed that the shadow budget was beyond criticism, and were advised by their campaign managers to refrain from discussing it and instead to concentrate their campaigning on raising fears that Labour would increase taxation (Former senior adviser, Labour Party). After the 1992 election, Blair and Brown, in particular, associated Labour's failure to win with its inability to persuade enough voters that it could be trusted financially, fiscally and economically; this, then, further emphasised the importance of the Treasury function. They were not alone in doing this. The effectiveness of the Policy Review of the late 1980s has been seen by one observer close to John Smith as having been compromised by its lack of an overall economic framework (Former senior adviser, Labour Party).

Thus, at a time, when, as we have argued elsewhere (see Chapter 3), Labour identified its future electoral success as depending on its ability to convince key middle - class voters that it would sustain (or indeed restore) economic prosperity,

would not increase the tax burden, and would exercise control over public spending, the central co-ordinating role of the shadow Treasury team became all - important. Although from the late 1980s all spending commitments had been subjected to the 'Beckett formula' (named after Margaret Beckett, Brown's successor as shadow Chief Secretary to the Treasury [former senior adviser, Labour Party]) of 'as resources allow', later on Brown as Shadow Chancellor would come (albeit not without difficulty –Naughtie 2001:52) to exercise a veto over all spending commitments. After the economic crisis caused by Britain's forced withdrawal from the European Exchange Rate Mechanism in September 1992, Labour found itself in the position of being able to attack Conservative economic mismanagement, and by the mid-1990s Labour was increasingly attacking the government for failing to ensure prosperity, for raising taxes, and for failing to manage the volume and effectiveness of public spending. All of these combined to make Shadow Treasury ministers, and above all the Shadow Chancellor, independently of the personal resources of the occupants of those positions, particularly important to Labour by the 1997 General Election campaign.

The second reason for Brown's strong position within the Labour Opposition at this time relates to his relationship with Blair, and specifically to his decision to clear the way for Blair to be elected leader by declining to stand for the leadership after John Smith's death. As we have suggested above, at one period Brown had usually been seen as the senior of the two. This later changed, but after Smith's sudden death it was still expected by many that Brown would stand for the leadership (Naughtie 2001:57). Much has been written, some of it speculative, about the process which led to Brown's decision not to stand, but he appears to have taken the decision on 30 May 1994 (Naughtie 2001:68), and to have done so on the grounds that while Blair was likely to attract more support than he was, if both of them were to stand the 'modernising' vote could be split with the result that neither might be elected. The following evening, Brown met Blair at the Granita restaurant in Islington. This meeting resulted in the so-called 'Granita Pact' whereby in return for Brown's agreement to stand aside and to support Blair's candidacy, Blair is said to have given certain guarantees to Brown. These may or may not have included a promise that at some future date Blair would resign and support Brown as his successor, but they do appear to have entailed a division of influence whereby Brown would be given

supremacy over economic and social policy (Naughtie 2001:71). A memorandum drawn up between the two men the following day (*The Guardian* 6 June 2003) confirmed that Brown had stood aside in the interests of party unity and asserted Blair and Brown's 'shared thinking on key issues'. It then referred specifically to speeches by Brown setting out 'the fairness agenda - social justice, employment opportunities, and skills - which he believes should be the centrepiece of Labour's programme' and stated that Blair 'is in full agreement with this, and that the party 's economic and social policies should be developed on this basis'. This wording is significant for three reasons. First, it neatly sums up the themes which were then, and would increasingly be, at the centre of Brown's thinking. Second, it links social and economic policies in a way which suggests that the two are to be based on the same values and cannot, therefore, be separated from each other. Third, the original document betrays, even at that stage, some disagreement between Blair and Brown as to how definite Labour's commitment to these values should be. The typed words 'is in full agreement with this' have been crossed out and a handwritten amendment, said to be in Brown's writing (*The Guardian* 6 June 2003), has inserted 'has guaranteed this will be pursued'. It has been suggested that Blair never agreed to this amendment (*The Guardian* 7 June 2003). Nonetheless, the document does place values which are specifically associated with and attributed to Brown at the centre of Labour's approach. Thus Brown's influence was acknowledged by Blair, even before Blair became leader. Between 1994 and 1997 Blair would consolidate Brown's position by appointing figures who were seen as his allies or protégés to shadow ministerial posts in key social and economic teams and by agreeing to remove some of those with whom Brown had clashed (for example, Chris Smith, with whom Brown had clashed on the taxation of Child Benefit).

Thus by the mid-1990s Brown had attained a highly influential position within Labour. He had done so by virtue of a combination of the institutional importance of the post of Shadow Chancellor (an importance which was increased by the primacy of economic, financial, and fiscal questions to Labour's electoral appeal), his personal qualities as incumbent of that post, and the understanding which he had reached with Blair at the time of the 1994 leadership campaign. This explains why Brown was in a position to exercise such strong influence over welfare reform. The next section of this chapter discusses his reasons for wanting to do so.

Brown's economic and social philosophy

Brown's interest in welfare reform, as such, really becomes evident in his speeches and writings from the early 1990s onwards. Until then, as we have suggested above, he displayed no more interest in welfare policy than might have been expected from any Labour MP representing a constituency like his. Nonetheless, the values, perspectives and analysis which would inform his approach to welfare reform are ones which can be fairly consistently identified with him from the late 1980s onwards. Specifically, Brown's interest in welfare reform can be seen as bringing together his personal ethical values, his understanding of the role of the state, and his analysis of the economic challenges facing Britain in a world of increasingly open and globalised markets. It would, of course, be mistaken to suggest that these elements are all identifiable with Brown and with Brown alone, or that he alone developed all of them; in particular, he was served by a team of able advisers from the early 1990s onwards. Even so, our argument is that the combination of these elements in Gordon Brown, together with the enormously influential position which he came to occupy within the Shadow (and then actual) Cabinet, produced a set of welfare reform proposals which, while initially perhaps limited in themselves, indicated a distinctive approach to both economic and social problems. Within this approach, moral, economic, and social ideas inform and reinforce each other to produce an integrated and self - supporting whole. The development of these themes can be seen in an analysis of Brown's publications and speeches, and of newspaper articles by and about him, over the decade before he finally became Chancellor of the Exchequer.

Brown's publications and speeches, 1986 - 1997

Brown's first significant publication was *The Red Paper on Scotland* (Brown 1975), a collection of essays by various figures on the Scottish Left, which he edited and to which he contributed an introduction. This is perhaps his most 'traditionally' socialist work, with a good deal of emphasis on the planned co-ordination of the use and distribution of resources (1975:7), a planned economy (1975:14), and workers' control of industry (1975:15). But even at this early date it is possible to detect

distinctive themes which would resurface in his later thinking: a moral theme, an understanding of social action that extends beyond the state, and a belief that the creation of a more equal society, rather than the alleviation of an unequal one, should be the aim of socialism. Thus he argues that in the 1920s 'socialism was...an urgently felt moral imperative about social control (and not merely about state control...). Today for many it means little more than a scheme for compensating the least fortunate in an unequal society' (1975:8).

By the mid-1980s, Brown had developed his critique of British socialism. In 1986 he published a biography of James Maxton, the early twentieth century leader of the Independent Labour Party (Brown 1986). This biography, which grew out of his PhD thesis (Naughtie 2000:164) expresses a longer-standing interest (1986:9), which, as some commentators (for example, Keegan 2003) have observed, is significant in the development of Brown's thought, both because of the lessons which Brown may have drawn from Maxton's career, and because of the interpretation which he places on Maxton's writings and experiences. In the first place, although Brown's admiration for his subject is plain, the biography is essentially a study in failure. Maxton is depicted as a principled politician, 'a visionary' (1986: 309), unwavering in his radical commitment to the poor, steadfast in his opposition to privilege and injustice, incorruptible and uncompromising in his adherence to his principles even when that adherence was to his great personal disadvantage, and, ultimately, entirely ineffective, except perhaps as 'keeper of the conscience of the Labour Movement' (1986:157), because he did not attain, and indeed had no interest in, office (1986:139, 220). Precisely because he stuck so inflexibly to his beliefs and was unwilling to moderate his position in order to gain wider acceptability, Maxton denied himself, Brown argued, the ability to do something practical for those whose cause he so eloquently and consistently advocated. He remained, in Bevan's words 'pure but impotent....pure...at the price of impotence' (1986:241). The first lesson that Brown draws from Maxton's experience is plain: ideological purity is not a substitute for governing ability and politicians who prize it above access to power may indeed be doing a disservice to those whom they seek to represent. In Brown's words, '...the failure of the ILP and the Labour Party foreshadowed the failure of a whole generation of British politicians to solve the problems of unemployment and poverty' (1986:21).

Yet such failure had not been limited to Maxton alone; it had extended to the wider Labour movement, which had been weakened by division. Brown draws parallels between the 1920s and 1930s, about which he was ostensibly writing, and the 1980s, when he was writing, which are implicit rather than explicit, but nonetheless clear for all that. In the early 1920s, the ILP, which had been badly damaged by internal ideological splits in the previous years, was faced with a highly professional and successful Conservative organisation, with a strong populist appeal (1986:113). Again Maxton and the ILP were 'engulfed in the sectarian controversies of the Left throughout the 'thirties, distanced from power, and diverted from political campaigning by factional strife, just at the time when social and economic conditions of the people they sought to represent were at their worst and demanded a united left - wing voice of power and influence' (1986:249). The economic crises of the 1920s and 1930s had decreased the possibility of radical change, because mass unemployment had demoralised and isolated rather than radicalised working class people (1986:310), but 'in its later history the ILP was so far from the realities of mass politics that it became, for long periods, an adventure playground for successive invasions of ultra-left theorists.' (1986:311). Thus the experience of the Labour movement between the wars contained a clear warning for the Labour Party in the 1980s. A Left - wing party which, at a time of mass unemployment, growing inequality and poverty, and a well - mobilised populist right wing government, placed ideological schism and abstract theorising above effective campaigning, and the pursuit of power, not only wasted the talents of some of its ablest people, but betrayed the people on whose behalf it was supposed to be working.

Nonetheless, although Brown regretted the effects of the divisions which Maxton had himself helped to bring about, his description of Maxton's principles is highly sympathetic, and his concluding remarks on this subject are of particular interest. Again, it is possible to read then as being as relevant to Brown's own times - indeed, to Brown's own views - as they are to Maxton's. First, Brown identifies Maxton's beliefs as springing from 'Christian principles of duty and service and not a little, perhaps, from a middle - class social conscience'. (1986:312). Brown's father, an acknowledged influence on his moral and social formation (Naughtie 2000:5, 188) had been a minister of the church; Maxton's had been a headmaster and committed

Christian layman. Brown gives an account of Maxton's understanding of equality and liberty which could almost pass as a summary of the views which he would express in the 1990s. For Maxton, he claims, the existence of exceptional talents was an argument for, not against equality, since both wealth and poverty were forces which diminished the opportunities of those whom they affected. He stresses the importance to Maxton of the individual in society, quoting Maxton's 1945 observation that 'we must not allow ourselves to become ants in an ant - hill' and arguing that 'for Maxton the only test of socialist progress was in the improvement of the individual and thus the community. Greater educational opportunity would not only free exceptional people to realise their exceptional talents but allow common people to make the most of their common humanity....The social equality he supported was not for the sake of equality, but for the sake of liberty' (1986:315). As we shall see, this emphasis on education, the freeing of talents, and a belief in a model of equality that manifested itself as a means to greater liberty, would be central to Brown's own political creed. This book, then, is as much about Brown and the Labour Party of his own time, as it is about Maxton and the Labour movement of his.

Three years later Brown published *Where There is Greed...* (Brown 1989), an attack on the Thatcherite legacy, with particular regard to its effect on Scotland. Like *Maxton* and the *Red Paper*, the book is very much of its time, but it develops further some of the themes that began to emerge in the earlier works, and draws them together in a way which strongly foreshadows the Brown of the mid - 1990s. For example, here Brown recognises that the market can sometimes be more effective than public bureaucracies, but argues that in practice the public and private spheres must work together to ensure that the market works for public purposes (1989:3). There is criticism of 'vested interests' (1989:6, 94, 118), a term which recurs in Brown's writing from this period onwards, and of the windfall gains of privatised companies (1989:7), a theme to which Brown would return with his proposals for a windfall tax in the mid-1990s. Brown also adopts a cautious position in respect of tax rises, arguing that the great downward extension of income tax liability since the 1940s meant that Labour had to champion fair, rather than necessarily high taxation, and had to show that socialists could be 'wise and efficient spenders' (1989:9). But above all, Brown uses this book to set out his understanding of the intersection of

social justice and economic efficiency. 'Efficiency and fairness depend on each other' (1989:10), and the key to achieving them was a programme of supply side measures to improve individual workers' skills: 'Investment in education promotes not only economic growth but social justice too.' (1989:49). The aim of policy in the 1980s should have been 'permanent, recurrent and lifelong education' (1989:50) in order to mobilise the talents of the majority within society.

To reinforce his arguments, Brown made comparisons with Britain's international competitors, arguing that British industry as a whole had a much lower level of skills than its rivals overseas. An unbalanced regional policy, he claimed, had led to waste of resources in some regions, while in others the economy had overheated (1989:69), and there were clear links between economic decline and social problems in local communities (1989:75). Inequality had grown markedly, again by contrast to most European countries, so that it was very hard to identify even a common interest between the very rich and the rest of the nation (1989:119). Many of the very wealthiest based their wealth on inheritance (1989:122), and the growth in inequality was, in part, because the British state had withdrawn, much more than many of its neighbours, from wage protection and social security, and had instituted more regressive taxation (1989:119). Two labour markets had developed: one fairly well - paid and secure, and one insecure, less well - paid, and often part - time or temporary. The latter market employed many women (1989:123). A decline in the relative value of social security benefits had excluded the poorest from increased prosperity (1989: 140), and young people had been particularly badly affected by growing poverty and homelessness; yet these were the very people upon whom the British economy would rely in the 1990s, as demographic changes shrank the workforce (1989: 143).

Overall, then, the argument of *Where There is Greed*...was that market forces alone could not provide steady, sustainable, and evenly distributed prosperity. But the book is particularly important because, for the first time, it brings together many of the themes which were to underpin Brown's approach to economic and social matters in the years immediately before and after 1997. The market economy is accepted, but the community must intervene to ensure that the market serves the common good. This intervention will very likely be undertaken by the state, but the state must work

in partnership with other actors. The aim of the intervention should be to ensure that the twin and (in Brown's view) mutually interdependent aims of social justice, or fairness, and economic efficiency are maintained. To this end, intervention in this field should concentrate on enhancing education and skills training, in order to mobilise the abilities of individuals in the interest both of themselves, and of the state as a whole, because it is only by developing a high level of skills that Britain can hope to compete in modern international markets. (Implicitly, therefore, aspirations to control the economy through, for example, Keynesian demand management have been abandoned.) Interventions should be recurrent, allowing people to benefit from them throughout their lives, and there should be a particular focus on enhancing the skills of the young. Growing inequality is both morally wrong and bad for the economy, because it sets the interest of the very rich against that of the rest of the nation, because areas which see economic decline are areas where talents and abilities are wasted, and because these areas suffer serious and costly social problems as well. The state also needs to intervene, then, to protect the less advantaged against 'vested interests' ; this protection can and should take the form of ensuring a fairer distribution of income, through a social security system which allows payments to keep pace with the overall growth of national prosperity, and through protecting wages and working conditions. But interventionist and redistributive policies need to take account of changing social and fiscal conditions; in an age where most people pay income tax, simply raising direct taxes will not achieve redistribution; the government must tax fairly and spend wisely, in the interest of all.

Not all of these arguments are distinctively Brown's in the sense of being associated with him and with him alone. For example, the concerns about the effects of growing material inequality on the common moral fabric of the nation are similar to those which were being expressed by a number of other commentators around this time - not least, by Field, whose analysis of the growth of the underclass (Field 1989) appeared in the same year and draws on broadly similar arguments. Nonetheless, it should be emphasised that most, if not all, of the themes which would distinguish Brown's rhetoric and policy for the next decade and more are apparent in this book. While these themes would of course develop over that period, *Where There is Greed...* is therefore significant because it shows that even as early as the late 1980s - at a time when the Policy Review was still proceeding, before the traumatic loss of

the 1992 general election, before the establishment of the Commission on Social Justice, and before 'New Labour' had ever been spoken of - the course of Brown's future policy is apparent.

Some of these themes would again be expounded in Brown's Charter 88 Sovereignty Lecture, delivered in March 1992 – that is, again, before the General Election defeat - and later published as a journal article (Brown 1992). In the course of a discussion of the relationship of individual, community, and state, Brown returns to his themes of the active development of individual potential, which he sees as an essential function of the modern state (1992:395, 397). Unsurprisingly, given its topic, the lecture does not deal with economic issues in any detail, but there is a brief mention of government's responsibility for the supply side of the economy (1992:307), and, interestingly, a suggestion that changes to the welfare state are required because, given growing individual assertiveness, people are less likely to accept what they are given and more interested in achieving their own potential (1992:399). Furthermore, as Table 1 shows, these themes of the interconnectedness of fairness and economic prosperity, the skills agenda, and recurrent intervention by government can be traced not only in Brown's own publications and speeches, but in newspaper articles by and about him. However, among his own works during this period, his Fabian pamphlet *Fair is Efficient* (Brown 1994) and, as the 1997 General Election approached, successive Labour Party Conference speeches, continued to express these central themes.

The title of *Fair is Efficient* admirably encapsulates the gist of Brown's argument. He begins by arguing that while 'progressive taxation, the welfare state and good public services' must be at the centre of a progressive anti - poverty agenda, changes to the global economy mean that 'new policies to arrest and reverse the new sources of deprivation and restricted opportunity must be centred on the workplace', because it is inequality in the workplace that both exposes people to low wages and unemployment and deprives them of the chance to make provision for sickness, unemployment, disability and retirement (1994:2). The socialist objective had always been 'that every individual should have the opportunity to realise his or her potential to the full, to enable people to bridge the gap between what they are now and what they have it in them to become' (1994:2).

Table 1: Examples of citations of key themes in newspaper articles by and about Gordon Brown, 1988 - 97	
Theme	**Examples of citation in newspaper articles by or about Brown**
Interconnectedness of fairness, prosperity and economic efficiency	Guardian 19/12/1988, 9/11/1992, 22/10/1994, 29/11/1994, 11/11/1995, 22/4/1996, 2/8/1996; Observer 2/12/1990
Importance of skills in securing economic prosperity	Guardian 17/2/1993, 29/4/1994, 6/9/1994, 22/10/1994, 22/4/1996, 2/8/1996; Daily Record 8/6/1994; Independent 17/5/1995, 7/5/1996, 21/1/1997
Continuous intervention to empower people and provide opportunities	Observer 2/12/1990; Guardian 10/3/1992, 17/2/1993, 13/3/1993, 29/4/1994, 6/9/1994, 27/5/1995, 11/11/1995, 22/4/1996, 2/8/1996; Independent 12/2/1995, 19/11/1995, 7/5/1996, 21/1/1997; Mirror 4/6/1996, ¾/1997

Source: Lexis - Nexis Professional - search carried out 21 September 2006

(Brown had previously used the language of bridging the gap in his Charter 88 lecture: Brown 1992:400). In Brown's analysis, this should be achieved by using the collective power of the community to intervene in order to promote the realisation of potential: 'the power of us all is necessary to promote the potential of each of us'. (1994:3). To this end, 'the helping hand of government must be available at critical points in people's lives - for example, as they change jobs and seek new qualifications - truly from the cradle to the grave.' (1994:4). As Brown's examples suggest, these interventions should look particularly at the workplace, since it was in the workplace that much modern inequality was generated: 'Fairness and efficiency can be simultaneously achieved if, and only if, we attack these evils at their source by giving people the analytical and vocational skills - underpinned by a platform of

employment rights and employer responsibilities - to enhance their own value.' In a world where capital is mobile, 'the issue…is not how capital can exploit labour but how labour, equipped in hand and mind with the best skills and educations, can best use - even exploit - modern capital to enhance the value of labour to the benefit of all' (1994:4). Brown called for 'a new economic egalitarianism', drawing on 'a new opportunity-based economics [which recognises] that the competitiveness of nations now depends on the skills and adaptability of its workforce, an 'enabling state' based on the theme of 'not what the government can do for you but what the government can enable you to do for yourself', and a commitment to tackling 'all entrenched interests and unjust accumulations of power…which hold people back and affront their sense of fairness and dignity' (1994:4 - 5).

In the remainder of the pamphlet, Brown developed these themes of greater employment opportunity, increasing skills to increase earning power, and reforming the welfare state to provide routes out of poverty and towards financial independence. A failure to achieve these aims, Brown warned, would not only impair Britain's international competitiveness and economic growth, but also expose the country to the social problems - 'rising lawlessness…rising drug-related crime, higher infant mortality rates and…more spending on ill-health and crime prevention' - which had characterised the United States' deregulated economy in the 1980s. (In particular, Brown associated these social problems with growing wage inequality and falling male employment.) (1994:18). In conclusion, Brown argued, the realisation of individual potential, particularly in the workplace, was essential to enable individuals to achieve a decent standard of living, to enable the country to compete economically, and to guard against growing social dislocation and disorder. This could only be achieved through government action aimed at increasing skills.

Brown's speeches to the Labour Party Conference, and elsewhere, provide further evidence of the central place that he consistently affords to these themes. The extent to which this is true grows over the years (as does the length of his speeches), but there are discernable and consistent threads. In his 1993 Conference speech, he emphasised 'the liberating potential of the skills revolution', called for 'a fundamental and irreversible shift of wealth and power in favour of work and opportunity' (terminology which recalled, but adapted, the traditional language of the

Labour Left, as expressed in, for example, *Labour's Programme 1973* : Labour Party 1973), and deplored 'the waste of the potential of a whole generation as a result of unemployment' (Labour Party 1993:37). The following year, he reiterated the 'socialist principle that the community must accept its responsibility for the goals of sustained growth and full employment (Labour Party 1995b:10) and asserted that 'our greatest national resource is the sadly untapped potential of millions of British people...and it is by liberating people's potential that we build the dynamic market economy that we need.....a Labour Britain where social justice and economic efficiency go hand in hand.' (1995b:13). Addressing the *Unions '95* Conference in October 1995, Brown returned to the theme of the importance of the skills and talents of the workforce as a national resource in a world where capital was increasingly mobile (Brown 1995:4), and his speech at the 1996 Party Conference, the final one before the 1997 General Election, contained some by now familiar arguments: Labour believed, and always had believed, that everyone, regardless of background, should have the opportunity to realise their potential to the full, and that Britain's poor economic performance had resulted from a neglect of this principle (Labour Party 1996c:29). Education, employment, and welfare policy should all work together to enable the realisation of potential and employment opportunities for all, on a basis of economic stability and disciplined, focussed public spending (1996c:29 - 31).

In many ways, then, Brown exemplifies what David Marquand has typified as the 'collectivist moralist' approach (Marquand 1996). In summary, throughout his writings and speeches, from the late 1980s onwards, it is possible to trace a consistent theme of what might be described as strenuous egalitarianism, which emphasises the potential inherent in each individual, and sees the liberation of that potential as a moral and practical imperative for individual and society alike. For Brown (and here he stands on common ground with Field), it is essential that human beings should be permitted to develop their gifts and capacities to the full, and it is the responsibility of society to ensure that they are enabled to do so. However, this responsibility is a dynamic process, which entails positive (and, as we shall see, recurrent) action by the wider community, acting at least under the supervision of the state, to ensure that each individual has an equal and, importantly, real chance of attaining his or her potential. Thus, it extends beyond the mere removal of barriers to

advancement; more than once in his writing and speeches, Brown cites Tawney's dictum that the extension of opportunity must be more than 'a reluctant invitation to dinner in the knowledge that circumstances will prevent people from attending' (see for example Brown 1996).

Brown and equality: the debate with Roy Hattersley

It should be noted that in the mid-1990s, Brown was careful to emphasise that his model of equality was one of equality of opportunity; as a result, he attracted criticism from some within Labour, who saw his position as a concession to the 'enterprise culture' associated with the Conservatives, and as an abandonment of what they considered to be true egalitarianism in the Labour tradition. Specifically, in the summer of 1996, Roy Hattersley, the Party's former deputy leader and a dedicated Croslandite (Dell 1999: 492, 521), published an article in *The Guardian* newspaper attacking Brown on these grounds (Hattersley 1996). Brown replied with a similar article the following week (Brown 1996). The exchange is worth discussing in some detail because it thus gives an account, not only of Brown's thinking, but of its position in relation to one element of the post - war Labour mainstream.

Hattersley argued that Labour - and specifically Brown, in a recent radio interview - had adopted an excessively pragmatic approach and as a result had 'no philosophic theme...no great principle that could turn a campaign into a crusade'. Labour would require such a basic principle in government, and 'the basic principle, waiting to be applied to the modern world, is 'equality of outcome'.' Basing his argument on Tawney, Hattersley insisted that this did not imply an authoritarian uniformity, but rather the diminution, as far as practicable, of social inequalities in order to allow beneficial individual differences to be expressed. Acceptance of this would provide a consistent and coherent framework for Labour, raising it to 'the high ground of politics where decisions are not always based on opinion surveys'. Equality of outcome was a necessary condition to diffuse opportunities for individuals to progress, and in Hattersley's terms, this meant substantial material redistribution. The increase or reduction of equality should be the simple criterion by which Labour should judge all policy proposals, even if the pursuit of equality required the party to choose a controversial option.

The following week, Brown replied to Hattersley's attack (Brown 1996) by reaffirming his own commitment to equality, which he distinguished from Hattersley's commitment to equality of outcome. For Brown, equality of outcome could not be attained, and 'socialism...should stand well clear of impossibilism', but 'genuine equality of opportunity for all' would be the central goal of Labour in government. Brown placed this in the context of a growing increase of inequality in Britain - citing as an example, significantly, the lower likelihood of children of manual parents staying into post-compulsory education - and arguing that in a modern knowledge-based economy, equality of opportunity and economic prosperity were closely linked. Whereas after 1979, the Right had argued that inequality gave rise to liberty and thence prosperity, now, Brown claimed, liberty, equality of opportunity, and prosperity were increasingly seen as mutually reinforcing. Brown therefore advocated a 'maximalist version of equality of opportunity', which was 'recurrent, lifelong, and comprehensive: political, cultural, social and economic opportunities for all, with an obligation on Government to pursue them relentlessly'. Thus, not only should political, social, and economic 'entrenched interests' be tackled; government also had a responsibility to tackle poverty and inequality at their roots, and to create 'employment opportunities for all'. For Brown, equality of outcome - unlike his version of equality of opportunity - could not realistically provide a principle for the organisation of a modern economy, and could not address the root causes of poverty and inequality: 'For too long we have relied on the tax and benefit system to compensate people for their poverty rather than doing something more fundamental....by creating. employment, educational and economic opportunities that help people move away from poverty....At best [Hattersley] can offer compensation for the failure of government to act at a fundamental level[2]. Instead, we offer the chance of ending poverty by tackling its causes.' Finally, Brown argued, Hattersley's model required a 'prescribed, centralist imposition of outcomes [which] pays little regard to effort or desert and would threaten a state where opportunities are not provided but imposed...It would force people to be something they are not, when the real task is to help people make the most of what

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[2] A clear echo of one of Brown's criticisms of modern British Socialism in his 1975 *Red Paper* chapter

they are. Our task…is to bridge the gap between what people are and what they have it in them to become.'

Brown's article is significant and useful in an analysis of his welfare ideas, because it sets out clearly and succinctly some of the key themes that underpinned his position. In it, we have a concern with the realisation of human potential as a matter both of social justice and of economic necessity, and an advocacy of a role for the state which, while it is aimed at enabling individuals to attain self - reliance and self - fulfilment, is nonetheless highly interventionist and does not diminish over time. In addition, there is a determination that Labour should not be seen as promising or seeking the unattainable; while Brown's call for a fundamental attack on poverty and inequality may be seen as ambitious, he is careful to stress that Labour must keep its ambitions within the bounds of the possible. However, while the particular combination of fairness, equality, pragmatism, opportunity and economic prosperity are themes which can, as we have shown, be noted throughout Brown's discourse from the 1980s onwards, it is worth considering (in passing) the specific question of the relations between the two concepts of equality expressed in his and Hattersley's articles. Re - reading the two, one is struck, not by how far Brown's idea of equality of opportunity was from Hattersley's belief in equality of outcome, but how close the two positions are to each other. Both, in fact, make it clear that they are not calling for a prescribed uniformity of outcome. Both call for action to remove social and economic barriers which prevent individuals from fulfilling their potential; but both accept that each person's potential is unique to him or her self. Most importantly, both Hattersley and Brown reject the idea that a mere removal of barriers is enough - that (in Tawney's words, quoted by Hattersley) there should be 'an equal start as well as an open road' - and in consequence of this, both call for intervention by the state to ensure that an equal start is provided. Essentially, what both Hattersley and Brown were calling for was a commitment by the state to ensure that no person was advantaged over any other in their ability to attain the best of which they were capable. Yet Hattersley describes this as equality of outcome, and Brown calls it equality of opportunity when, in fact, the outcome which Hattersley appears to be aiming at is a condition in which opportunity is genuinely equal, and the opportunity that Brown extols is the opportunity for all to achieve the outcome of development to

the best of their ability - which can be described as an equal outcome, bounded only (but significantly) by the abilities and gifts inherent in each person.

Why, then, was Brown so keen to distinguish his approach from Hattersley's? The answer may lie in the political context. A central part of the definition and self image of New Labour - indeed, its defining element in terms of its presentation to the public - was its distance from 'Old Labour'. This term was never very clearly defined but it appears to have essentially meant the Labour Party within recent memory and thus to have encompassed, not only the brief and historically rather anomalous period of Left-wing domination in the early 1980s, but also the social democratic mainstream of the 1960s and 1970s, which was, it was believed, associated with high taxation and poor economic management.. Hattersley can be identified very firmly as a figure within that social democratic mainstream. Not only did he see himself, as we have suggested, as a disciple of Anthony Crosland, he had been a Minister throughout the 1974 - 79 Labour governments and had been prominent in the Shadow Cabinet at the time of Labour's three subsequent electoral defeats. Thus it is possible to speculate that Hattersley (and his ideas) could be seen as symbolising a Labour approach which the electorate had rejected four times in succession, and by thus distancing himself from it, Brown can be seen as seeking to assure voters that this was an approach from which New Labour had also distanced itself – even though, as we have seen, the real distance between the two understandings of equality is much less than the rhetoric would suggest.

This said, however, there is at least one significant difference between the ideas of equality expressed in the two articles, and that relates, not to the end to which equality should be directed, nor to the responsibility of the state for actively ensuring that inequality should be diminished, but to the means by which the state should discharge that responsibility. Hattersley sees this almost entirely in terms of material redistribution. An unemployed constituent with a sick wife and two children, living in substandard housing, would not be helped by increased equality of opportunity: 'His family needs money to alleviate its suffering. And the children need better clothes, better food, better medical care, and the bonus of a pre-school education to make equality of opportunity for them anything other than a sick joke' (Hattersley 1996). Despite the mention of better education - which is characterised as a 'bonus' -

the main prescription here is for better material conditions. Brown, by contrast, rejects this as being merely compensatory. In his article, he shows a clear preference for intervention to enhance employment and education. The first instance of inequality which he cites relates to educational opportunity, and he goes on to relate opportunities to the gaining of skills and qualifications. There is little or no mention of money transfers, except in relation to overcoming financial barriers which prevent people from remaining in education or training. This does point to a genuinely distinctive element of Brown's approach: a belief in the importance both of individual effort and of employment - related skills. However, it should not be taken to mean that Brown dismissed the importance of financial redistribution. As we will show later (Chapter 7) in practice Brown did pursue redistributive policies in office. In part, that redistribution has been pursued for its own sake, as a straight anti-poverty programme (Economic adviser HM Treasury), but we will see that it has also been closely linked with Brown's agendas to improve opportunity and to make work pay.

The policy implications of Brown's ideas

Consequently, by 1997 Brown had adopted a set of positions on economic performance, employment, the role of the state, and social justice, which formed a coherent and mutually supporting whole, and which, while they had evolved to some degree over time, had nonetheless remained remarkably consistent since the late 1980s. What, though, would these positions mean in terms of policy?

As we have suggested in Chapter 3, by the mid-1990s, Labour was deliberately refraining from making many detailed policy commitments for fear that if it did so, it might lay itself open to Conservative charges that it would return to 'tax and spend' policies, and thereby alienate potential new (or newly-regained) supporters. This avoidance of detail can largely be ascribed to Brown's own determination as shadow Chancellor that Labour's fiscal and financial trustworthiness should not be impugned, but of the few definite proposals which were made, there are two pertaining to welfare policy which can be particularly associated with Brown himself. The first of these is the New Deal for Young People, a welfare-to-work measure which was announced by Brown in 1995 and which formed the mainstay of

Labour's 1997 election pledge to get 250,000 unemployed young people off benefits. Under the New Deal, young people aged between 18 and 25 who had been unemployed for over 6 months would be required to undertake work - related activity to improve their employability. There would be a choice of four options - subsidised employment, work experience in the voluntary sector, full - time education and training (for those with low or no qualifications), and work in an environmental task force. All options would pay an allowance in addition to benefit, except subsidised work which would be paid, by the employer, at the rate for the job; and all would include at least a day a week's formal training or education. There would be no 'fifth option' of non - participation; those who refused to take part would lose 40% of their benefit payments. We discuss the New Deal approach further in Chapter 7, but it is worth noting here the main features of the programme for young people which mark it out as a clear example of Brown's approach. First, there is a strong emphasis on skills and training. Second, it connects social security, employment, and economic policy. Third, it is based on active intervention by government; it uses the social security system as a combination of carrot-and-stick to assist people to develop their employability. Fourth, it reflects an understanding of a bargain between individual and the state (acting on behalf of the wider community), characterised by responsibilities and expectations on both sides. These are all entirely consistent with Brown's economic and moral perspective that we have previously outlined.

The second policy area of interest is the proposal to reform Child Benefit for older children. Although this proposal was highly controversial and was not, ultimately, implemented in its original form, it clearly illustrates both Brown's philosophy and his approach, and provides a good example of what 'progressive universalism' might mean in practice.

Throughout the 1980s and early 1990s, Child Benefit had enjoyed an almost sacred status in Labour's welfare thinking. A comprehensive Child Benefit had been energetically campaigned for in the 1970s (by, among others Frank Field and the Child Poverty Action Group), and its introduction in 1977 had been seen as one of Labour's most positive social achievements when it had last been in power. There were two elements of the benefit that made it especially important to those on the Left. First, it was non - contributory , universal and non - taxable, and, as such, was

particularly attuned to the non-judgemental, non-market model associated with the 'Titmuss paradigm' of welfare and TH Marshall's ideas of social citizenship - both of which were highly influential within British social democracy from the 1950s onwards. Second, because the benefit was paid to the primary carer of the child, almost all of its claimants were women. As such, it provided, by a transfer 'from the wallet to the purse', an independent source of help with the cost of children, which was under the control of the mother. It was thus seen by its supporters as promoting not only social, but also gender, equality.

We have suggested elsewhere (Chapter 2) that social security had, on the whole, been excluded from the ideological disputes within the Labour Party in the early 1980s, because it represented a common ground in which all factions could take pride. If the social security tradition was seen as standing for much of what Labour was fundamentally about, Child Benefit could be seen as standing, in turn, for what social security should be about; as representing enlightened, progressive social policy - and therefore Labour policy - at its best. As we have seen, proposals for specified increases in Child Benefit were part of every Labour general election manifesto from 1979 up to and including 1992, and by 1992 this was one of only two specific social security pledges. Child Benefit had acquired a symbolic importance as evidence of Labour's commitment to social justice and its support for families and for women.

In 1996, however, Brown departed from the almost complete Labour consensus on Child Benefit with a proposal that the benefit should no longer be payable in respect of children aged over 16, and that it should be taxable (*The Guardian*, 22 April 1996). The resources thus saved would be diverted to fund Education Maintenance Allowances, to be paid to low - income families whose children remained at school between the ages of 16 and 18. The proposal was highly controversial, but Brown was determined to proceed with it; when Chris Smith, then Shadow Social Security Secretary, objected, Brown persuaded Blair to replace him with Harriet Harman, who Brown considered to be more reliably supportive of him (*The Independent*, 1 October 1996). The proposal was included, slightly elliptically, in the 1997 General Election manifesto, and a pilot scheme for allowances in England was introduced in 2000. In 2002 means - tested allowances were extended across England, but, despite speculation which continued until the date of the announcement, allowances were

not, in the end, financed by withdrawal of Child Benefit for the over - 16s. Nonetheless, Brown's original proposal remains of interest, because it exemplifies his approach to welfare policy, as well as his understanding of equality. On explicitly egalitarian and redistributionist grounds, Brown proposed the transformation of a (theoretically) universal, unconditional and largely passive (but symbolically important) benefit into a targeted programme which actively incentivised economically-related behaviours which were seen as desirable.

First, then, the proposal exemplifies the independence of Brown's thinking. To propose to restrict eligibility for Child Benefit was, as I have suggested above, in one sense a challenge to an institution which commanded wide support within the Labour Party, and which the Party saw as one of the most positive achievements of its last period in government. It would, however, be a mistake to see it as simply an attack on an 'Old Labour' value, designed to emphasise to the Party and the electorate the distance between New Labour (and Brown in particular) and the welfarist assumptions which had been seen as part of the cause of Labour's electoral failure. Brown was certainly capable of making such a gesture; after he entered the Treasury, the new government's decision (which was, as we shall see, deeply unpopular with many Labour MPs) to proceed with Conservative plans to abolish Lone Parent Benefit, has been seen by many observers as an assertion by Brown of the distance that Labour had travelled since 1979. But while the 1996 proposal on Child Benefit may have been intended to send some message within the Party, it cannot be seen as an attempt to win electoral support. Brown was proposing a benefit change that would be of direct financial disadvantage to middle - class women, at a time when middle - class women were one of the groups of voters which Labour had identified as key to any future electoral victory. This went beyond mere iconoclasm; it is an indicator that Brown, while acutely aware of the need for electability, was prepared to make proposals which would be unpopular in the short or even medium term, if he believed that they were necessary to achieve social justice and economic efficiency in the longer term. In this case, the proposal was informed by an analysis of the degree to which Child Benefit performed the functions which were claimed for it. While the mainstream Labour position had been to assert the importance of the benefit in providing direct financial support to all mothers, Brown argued that in fact, its universality was significantly less than its supporters claimed. The very poorest

mothers - those on Income Support - derived no extra financial benefit from it, whatever the age of their children, because the value of Child Benefit was deducted in full from their Income Support entitlement. Furthermore, as we have seen, the mothers of children aged over 16 could only claim Child Benefit if their child was in full - time education, which effectively meant that entitlement to benefit in respect of older children was disproportionately concentrated among the better-off.

Second, the proposal demonstrates the willingness of Brown to use social security as an instrument to achieve wider policy aims. Brown's rhetoric makes it clear (*The Guardian* April 22 1996) that his principal concern was not to improve the effectiveness of Child Benefit, but to increase the proportion of pupils who remained in full - time education after the minimum school leaving age. This, in turn, was intended to address the low level of skills in the workforce, in order both to secure a better standard of living for individuals, and to make Britain more economically competitive in a globalised world market. The numbers of young people, in particular, who were not in employment, education or training had been a strong concern of Brown's, and it has been suggested that what was to become the New Deal for Young People (aged 18 to 24) had originally been proposed with 16 and 17 year olds in mind, until it was suggested to him that policies for this group should primarily focus on retention in education rather than the labour market and employment - based training (Former social security aide Labour Party). But like the New Deal for Young People, the proposal for Education Maintenance Allowances sits on the boundary between welfare and economic policy. Brown does make it clear elsewhere that he regards social security as having a valuable role in its own right, particularly in relation to addressing poverty among those outside the labour market. But as this proposal - like the New Deals - shows, he also differs from much traditional Labour thinking on welfare, in that he is prepared to see welfare as a means to an end that goes beyond the immediate support of individuals and families.

This, then, brings us to the third characteristic of Brown's thought which is revealed by the Education Maintenance Allowance proposals: his understanding of the role of incentives and conditionality in welfare and employment policy. Brown shares with Field a belief that social policy can and indeed should be used to encourage people to act in certain ways. It is, however, important to emphasise that for Brown (as indeed

for Field) this does not mean the adoption of a 'less eligibility' approach, deliberately setting social support at levels lower than those obtainable by other means such as employment. Many observers have accused New Labour of having greatly increased the conditionality of social security benefits, and this charge has been particularly levelled at the welfare-to-work policies associated with Brown after 1997. In fact, at least as far as those policies are concerned, these charges are somewhat overstated. As we shall see, while the procedures for claiming a range of benefits for lone parents, disabled people and the long-term sick would be changed so as to include a requirement on claimants to consider employment as a possibility, measures which compelled claimants to seek work and to participate in work experience or training were almost exclusively concentrated on the registered unemployed - that is upon those who were already required to be participating in the labour market from the first day of their benefit claim (see Chapter 7). (Even by 2006, the only group of benefit claimants who had not been required to be seeking work in 1997, who were now expected to do so, were the partners of some long - term unemployed people.)

Brown's approach, rather, was to offer claimants positive incentives to act in particular ways. Almost always, this has meant additional financial support for those who improve their position or potential in the labour market through job search, paid work, education or training. This would be a theme of the tax credit programmes which the Treasury would introduce after 1997, and was the case with the Education Maintenance Allowance proposals of 1996. It could, of course, be argued that the existing Child Benefit rules, by restricting payment of benefit in respect of children over 16 to those in education, provided an incentive for children of all families to continue into post- compulsory education. Brown's proposal, however, can be seen as being intended to sharpen the incentive in two ways. First, the title of the new allowances would clearly identify the behaviour which they were intended to reward by establishing an explicit connection with continuance in education. Second, the allowances would, for those who qualified for them, be considerably more generous than the benefit which they replaced; Brown eventually proposed a level of some £30 a week as against a maximum Child Benefit level of £10.80 per child in 1996. Since this change, which was designed to provide a more generous level of cash support to greater numbers of poorer families, was to be funded by ending a less generous level of support which predominantly favoured better - off families (and in a way which

meant that any poorer families who would lose Child Benefit entitlement would be more than compensated by the more generous level of the new allowances) there would be a strong element of vertical redistribution; but because that redistribution would not be unconditional, the measure could be justified on economic as well as social grounds.

This is, then the essence of what has been described as Brown's 'progressive universalism'. Since 1945, universalism in social security terms has, in Britain, very often been associated with the contributory National Insurance principle, and debates about that principle have tended to concentrate on how to extend cover so that benefits are truly universal. This was the intention of Beveridge in 1942, and, as we have seen, one of the main themes of the proposals put forward by Frank Field in the 1990s was the creation of a new and truly comprehensive system of social insurance to replace the inconsistent cover of the existing National Insurance scheme. It must be emphasised that there is nothing in Brown's speeches and writings in the 1990s to suggest that he shared the identification of universal social security coverage with the contributory principle. Rather, in a 'progressive universalist' system, universalism can be seen to refer to the availability of support to all who meet eligibility conditions which are related, not to their past actions (such as making a defined number of payments to an insurance scheme) but to their present circumstances and, in some cases, to their willingness to undertake certain activities (in this case, improving their own skills, and thus those of the national workforce as a whole, through continued education). The 'progressive' element of such a system relates both to its active, rather than passive, nature - that is, it is intended to assist people to progress rather than merely to sustain their current position - and to its commitment to vertical redistribution of skills and opportunity.

The competing visions of Brown and Field

This conception of welfare - the provision of financial (and other support) which relates to the present circumstances and activities of recipients, and which is, furthermore, intended to make a contribution towards the economic development of the nation as a whole - is ultimately inconsistent with Field's vision of a reborn universal system based on the contributory principle. This is the case even though

there were some areas - for example, the need to liberate individuals to develop the best of their potential - which were substantially common to both Field and Brown. Field's approach to liberation is essentially based on wealth. Consistently from the 1970s onwards, he had argued that inequalities of power (and thus social and economic restrictions on individual freedom) in Britain principally flowed from a grossly unequal distribution of wealth. Therefore, he argued - again, absolutely consistently over time - that a chief aim of state welfare should be to assist individuals to acquire a basic modicum of wealth or capital, particularly in the form of ownership of a home and a pension fund. Brown, on the other hand, sees capital differently. For Field, capital- wealth- is important because it frees the individual to develop his or her potential. For Brown it is that individual potential itself which is to be regarded as capital - capital which can enrich both its individual possessor and the nation of which he or she is a part. At a national level - and Brown consistently places his discussion of individuals in the context of the national interest - Brown argued that in a globalised market, 'capital', in the conventional financial sense, could no longer be regarded as a reliable national asset. Capital owners could easily move their money from state to state, according to what they saw to be their best advantage. Therefore, since in practice, if not always in theory, labour was less mobile than capital, it was to its labour force that a nation should look to supply its new 'capital'. In the case of Britain, that labour force could never compete on cost grounds with those of economies, particularly in the Far East where costs (and, perhaps, expectations) of living were lower. The way to national, as to individual, prosperity and freedom was therefore to be found through developing a workforce that could successfully compete on the basis of high skills: in this, Brown drew a contrast with Conservative policies which had sought to compete by cutting (labour) costs (for example, *Daily Record*, 8 June 1994) .

Field, then, chiefly understood individual liberation and prosperity as something based on entitlements which were accumulated over time; hence, for example, his emphasis on horizontal redistribution, allowing individuals to average out their lifetime incomes. This leads to an attachment to the contributory principle. He sought to bring individuals (as quickly as possible) to a position where they had an accumulation of wealth behind them. Brown, on the other hand, understood liberation and prosperity as something potential, something based not on what a

person had acquired but on what they could attain. This leads to a model of welfare which stresses the dynamic of change in and for individuals. Such a model cannot be based on the contributory principle, because inherent in the contributory principle is the idea that what a person can do (in this case, receive support) at a given point in time must be related to what they have done in the past (that is, paid insurance contributions). Yet a key element of Brown's approach to welfare, which he repeatedly stressed, is the idea of the fresh start; that people should be given fresh opportunities and support, whenever they need it, regardless of what opportunities they have or have not had in the past and of how well or badly they have used those opportunities. Both Brown and Field believe in a contractual model of welfare. But whereas Field's model (which is has affinities with the Beveridge idea of 'citizenship by contract': Harris 1996) relies on completion of a past contract (for insurance) between the individual and the welfare provider, Brown's model is based on the parties entering into a new contract (for activation). This 'new contract' model has, by definition, to be funded from current spending rather than (even if only in theory) from accumulated funds.

Therefore, although, in the mid - 1990s, Brown and Field were, in their understanding of welfare principles, in many ways closer to each other than they were to much of the post-war Labour mainstream, there was a narrow but deep gap between them which meant that on one key point, the contributory principle, their views could ultimately not be reconciled. The second fundamental ground upon which Brown and Field were ultimately to differ was means - testing. As we have shown seen, Field absolutely rejected the idea that means-tested benefits should be a significant part of any reformed system, because he considered them to be both inefficient and morally extremely harmful. There is nothing in Brown's 'activation' and 'new start' model of welfare that necessarily leans towards means - testing, although it may be argued that its emphasis on addressing the needs of individuals at the point of contact strongly implies that, just as non-financial support (training, advice and so on) must be tailored to address the individual's specific needs, cash support should also be so tailored. Nonetheless, it is possible to imagine such a scheme in which *financial* support did not reflect a claimant's ability to provide for their needs, as it is to imagine a somewhat compromised contributory scheme which does take some account of claimants' other resources. However, once Brown's

commitment to redistribution is taken into account, the use of means - testing becomes almost inevitable. Field, it should be stressed again, was also a believer in redistribution from rich to poor, but a belief in the contributory principle mainly entails horizontal redistribution, broadly within income brackets or indeed individual lifetimes. If income and wealth could be more equally distributed across peoples' lifetimes, this would entail an accumulation of individual wealth which would in turn enable individuals to exercise greater autonomy in their own lives and thus bring about a redistribution of *power* - arguably always, in Field's thinking, the ultimate issue. Horizontal redistribution is not really possible in the model which Brown envisages, because it is fundamental to that model that the present and future, not the past, are what matters. Vertical redistribution of wealth and income, on the other hand, is possible; and that ultimately inevitably means that those with fewer resources will receive more support. Even if that takes the form of 'affluence testing' - the withdrawal of cash support from the better off, often through the tax system, rather than restricting support to the worst off - means tests, in some form will be present.

Conclusion

We have discussed in Chapter 3 the reasons - financial, fiscal, and economic, as well as electoral - why welfare reform became an important policy area for New Labour after 1994. Gordon Brown's interest in welfare reform as Shadow Chancellor should, of course, be seen in the light of those reasons. But as we have seen in this chapter, Brown's interest in welfare reform should not be seen merely as a pragmatic one. Rather, it was the natural product of a set of long - standing, internally consistent and mutually supportive ideas about the interaction between the state, individuals, and economic forces. Some of these ideas - for example, on the maximisation of each individual's potential - share common ground with Frank Field, and, because both Field and Brown stand somewhat apart from much of the mainstream of Labour welfare thinking in the second half of the twentieth century, it was perhaps natural that attention should have been drawn to that common ground. However, a closer examination of the ideas of the two men reveals fundamental and irreconcilable differences between their ideas on welfare. In particular, Brown's emphasis on the

economic context, and radically different views on the role of the state, explain much of the divergence.

Chapter 6: Field as Minister

Introduction

At the heart of this thesis is the question of why a particular model of welfare reform - the vertically redistributive, tax credit and welfare-to-work based model associated with Gordon Brown - came to dominate New Labour's welfare reform policy in the 1990s, at the expense of the horizontally redistributive, social insurance based model associated with Frank Field. This question has two elements. The first is about ideas; the competing models of a reformed social security system and their place in New Labour's broader vision of the society that it wished to create. The second is about the process by which those ideas became policy, including the development of policy in the early months of the first Blair government. It is with this latter aspect of the question - the making of welfare reform policy within government in 1997-8 - that this chapter deals.

Frank Field held the post of Minister for Welfare Reform for nearly fifteen months, from the beginning of May 1997 to the end of July the following year. This period can, perhaps, be described as one of expectations unfulfilled. Field's appointment was the principal news item announced by the government on 3 May 1997, and Field was, as will be shown, given an official status which was higher than was usual for his formal ministerial grade. The appointment was both presented, and interpreted by contemporary commentators, as a sign of the government's intention to institute fundamental and wide - reaching reform of social security (see for example Timmins 2001: 561; *The Observer* 4 May 1997 ; *The Sunday Times* 4 May 1997; *The Independent* 5 May 1997). However, after Field left office, there were few if any traces of his influence; the Welfare Reform Green Paper that was eventually published in March 1998, *New Ambitions for our Country: A New Contract for Welfare*, bore little evidence of the radical thinking which had been predicted, and according to some sources (Former Ministerial adviser 1 DSS) Field had even by late 1997 started to doubt that he would be able to make a significant impact.

Why was this so? Certainly questions were being asked about the viability, political and otherwise, of Field's ideas even at the time of his appointment ("The problem

with Frank's record of thinking the unthinkable on welfare reform', said a minister, 'is that sometimes he thinks the politically suicidal'': *Financial Times* 5 May 1997 p6), and elsewhere we discuss the place of Field's ideas in the wider context of New Labour's approach. But in this chapter we will argue that, regardless of the viability or attractiveness of Field's ideas about social security, his ability to put them forward was fatally impaired by the way in which he operated in government. This is not to be interpreted as personal criticism of him, of the kind that occasionally appeared in the press both while he was in office and immediately after his resignation. Rather, we will argue that he overestimated the potency of prime ministerial support, perhaps failed to understand the importance of developing networks of support among both ministerial colleagues and officials, and was in any case, at least as far as political networks were concerned, lacking in the resources which would have enabled him to develop those networks. In brief, we will argue that, even after Field became a Minister, he did not behave like a Minister, but continued to follow the strategies which he had previously adopted as an external lobbyist for reform. Although those strategies had served him well in that capacity, they were neither sufficient nor appropriate for action as a reforming Minister.

Theoretical models

Field, the core executive and networking

In analysing Field's ministerial career, then, we principally draw on the 'core executive' analysis developed since the 1990s by Rhodes, Smith and others (for example, Rhodes 1995: Smith 1999 and 2000). This analysis responded to debates about the extent to which power had concentrated in the hands of the Prime Minister, which had developed, particularly, since the 1960s (see for example Crossman 1963:51). It differs from the 'prime ministerial power' model, as well as from what Smith (1999: 107,108) describes as the 'constitutional' and 'conspiratorial' models, in that it does not identify a single location for supreme power within British government. Rather, it stresses the conditionality and contextuality of power; instead of seeing power within government as something that flows in a linear fashion, it argues that power is achieved by constructing alliances and networks between ministerial, Prime Ministerial and official players, each of whom possesses certain

resources which they bring to the table and which other players need. These alliances and networks, and the power of actors within them, will vary according to the context and the way in which those actors behave. Thus, the analysis takes account of both structure and agency, as well as the complexity of issues and situations (Smith 1999: 36). We consider the detailed application of this model to welfare reform in the late 1990s below, but it is important to note here that in applying core executive theory to Field's career, we find ourselves to some extent in uncharted waters. This largely derives from Field's status as a junior minister. Field was appointed to the Department of Social Security as Minister of State, under the Secretary of State, Harriet Harman. Although a Minister of State is not the lowest ministerial grade it is nonetheless a subordinate grade. It does not, for example, carry with it membership of the Cabinet (although Ministers of State are often, as Field was, appointed to cabinet committees) or, usually, right of access to either the Prime Minister or to Ministers outside the Minister's own Department - although Field was allowed direct access to the Prime Minister without having to go through his Secretary of State.

However, much of the core executive literature, in discussing the role of Ministers, is implicitly or explicitly about Ministers of cabinet rank. There is good reason for this. In Britain, it is very rare for a junior minister, even a Minister of State, to be given responsibility for a large area of policy reform. The limited literature on junior ministers in Britain- for example, Theakston (1987 and 1999)- makes really no mention of this as a function. Indeed, Field's appointment as Minister for Welfare Reform, at effectively the number two grade in the DSS, was a cause of some surprise to senior officials in the department: '...it's such a strange thing to do. I mean, what's the job of the Secretary of State for Social Security? You'd think it was welfare reform' (Former senior official 1 DSS) '...you announce the appointment of Frank Field as Minister for Welfare Reform – what's the role of the Secretary of State?' (Former senior official 2 DSS). Despite his privileged position, Field lacked supreme authority within his Department, and the status to communicate as an equal with the Ministerial heads of other departments. He was obliged to work, from time to time at least, through an organisationally superior Minister. It may therefore be necessary to add a further dimension to the Prime Ministerial/ (implicitly, cabinet)

ministerial/ official nexus developed by Smith and others as the heart of the core executive model; but we do not do so here.

Additionally, we will use Hay and Richards's model of policy networking as related to the electoral cycle (Hay & Richards 2000) as a means to conceptualise Field's behaviour in office. This enables us to conclude that his behaviour was that of an 'internal' (or semi-internal) lobbyist or think tank, operating within the core executive, rather than that of a conventional Minister. To put it another way, while Field was formally an 'insider' he continued to display 'outsider' characteristics, ultimately to the detriment of his cause.

Principal actors in welfare reform 1997 - 8

The Department of Social Security

Before going into detailed analysis, it is perhaps helpful to map the ground and identify the key players within welfare reform in the period 1997-8. The Department of Social Security (DSS), to which Field had been appointed, was naturally enough the Department within which the main responsibility for social security policy formally resided. Field, as has been stated, was appointed as Minister of State and deputy to the Secretary of State and Departmental (ministerial) head, Harriet Harman. Additionally there were three Parliamentary Under - Secretaries, (the lowest grade of minister): John Denham MP, Keith Bradley MP and Baroness (Patricia) Hollis. Each of the junior ministers (including Field) had responsibility for specific benefits or areas of the department's work; as far as welfare reform was concerned, the most relevant of these responsibilities were pensions policy, which Denham had been commissioned to review, and benefits for lone parents (including the New Deal for Lone Parents, a welfare-to-work programme) for which Bradley was responsible (former Minister 2 DSS; former Minister 3 DSS). Additionally Harman held the unpaid post of Minister for Women.

It is important to stress that although Field was rightly recognised as a considerable expert on social security (Former senior official 2 DSS, Former senior official 1 DSS), he was not the only member of the Ministerial team with expertise in this

field. Bradley and Denham both had a longstanding interest in social security. Bradley had been involved with welfare rights matters since the 1970s as a researcher and activist before entering Parliament, and on appointment considered DSS to be a department where he felt he had 'in relation to other departments, more knowledge than most' (former Minister 2, DSS). Denham, who was later described by a senior official as 'steeped in' social security (Former senior official 1 DSS), had served as shadow pensions minister in Opposition and, with John McTernan (a special adviser to Harman) had written the pensions policy section of Labour's 1997 manifesto (Former special adviser DSS). Harman, although not a social security specialist, was an experienced front - bencher who been Shadow Minister for Social Services in the 1980s, and had subsequently held three Shadow Cabinet posts before her appointment to shadow social security in December 1996 . Additionally, all four of the Ministers in the Commons had acquired considerable knowledge of social security through their constituency casework (Former senior official 1 DSS; Former special adviser DSS). Overall, then, the team was regarded by senior departmental officials as knowledgeable about and committed to social security, and this was welcomed (Former senior official 1 DSS). However, there were tensions within the team, specifically between Field and Harman (Timmins 2001: 568; interviews passim), and although these tended to be more passive than active, in the sense that they took the form of a lack of communication rather than outright conflict (Former Ministerial adviser 1 DSS, Former senior official 2 DSS), they did, as we will suggest later, impair the Department's ability to produce cohesive and strong welfare reform proposals.

On the official side, the DSS was largely structured around particular benefits in what has been described as a series of 'chimneys' (Former Ministerial adviser 1 DSS; Former Minister 2 DSS; Senior official, HM Treasury). Arguably, as we will suggest, this impaired the Department's ability to look at the social security system as a whole in the way that a wholesale programme of welfare reform would require (Former Ministerial adviser 1 DSS; Senior official, HM Treasury). The Department did possess a 550 - strong policy group, which at the time the new government entered office was headed by Christopher Kelly. However, in contrast to Kelly, a former Treasury official, most of the group's staff had worked their way up though the Department, often starting in local offices; this meant that the group was marked

by a high level of knowledge and expertise about particular benefits (Former senior official 2 DSS), but had perhaps less capacity to look comprehensively across the social security system as a whole (Senior official, HM Treasury). The Department had also, in the view of a senior Treasury official, suffered in its broader policy - making capacity from being 'kicked around' under Conservative governments (Senior official, HM Treasury). Nonetheless, there was in its policy group initially 'a lot of goodwill' (Former senior official 2 DSS) towards Field and a considerable willingness to look at social security in a new way (Former senior official 2 DSS).

Finally, both Field and Harman were served by sets of special advisers, although in Field's case they were not technically special advisers because as a Minister of State he was not entitled to any (Former Ministerial adviser 1 DSS, Former senior official 1 DSS). Harman had three. John McTernan had worked for her in Opposition and had, as noted above, written part of the 1997 manifesto. He is described as having worked well with permanent officials (former senior official 1 DSS, former senior official 2 DSS). Liz Kendall and Anna Coote were Harman's other advisers, Coote working particularly on women's issues (Former Ministerial adviser 1 DSS, Former special adviser DSS). From summer 1997 to early 1998 Richard Cracknell, a social security specialist from the House of Commons library, was seconded to advise Field; he was later joined by Richard Reeves (now Richard Thomas), then a journalist and with a background in employment related matters. Earlier in the 1990s Reeves had, as we have seen, had been involved in the work of the Commission on Social Justice. However, it should be noted that unlike Harman's advisers, both Reeves and Cracknell were policy specialists rather than members of the wider community of political advisers which had served Labour in Opposition. This, we will suggest, would later affect Field's ability to network effectively within government.

Beyond the DSS, other spending Departments had an interest in welfare reform during this period because of their responsibility for particular programmes. Specifically, the Department for Education and Employment, with its executive agency the Employment Service, was responsible for the New Deal welfare-to-work programmes, and the Department of the Environment, Transport and the Regions (DETR) had an interest in Housing Benefit (HB) because of its responsibilities both

for housing and for local authorities, which administered HB. Since the earlier 1990s, and especially since the introduction of Jobseekers Allowance in 1996, the DSS and DfEE had established policy networks between themselves relating to benefits for people of working age, and both DfEE and DETR would be represented on the interdepartmental Welfare Reform committee which would be established in early 1998. However, the overall contribution of these departments to welfare reform policy as a whole appears to have been limited. Of far more importance were the contributions made by the Treasury and by the Prime Minister's Office, particularly the 10 Downing St Policy Unit.

The Treasury

The Treasury's traditional interest in social security matters had arisen from its role as finance ministry. Particularly since the 1960s, the social security budget had, because of its size (Former senior official 1 DSS) and the difficulty of predicting spending in what was (and is) essentially a demand - led area, dominated government spending, to such a degree that available expenditure for other purposes had to be decided in the light of what was needed for social security (Deakin & Parry 2000:108). This interest remained important in 1997 - 8 and was given additional weight by two pledges that Gordon Brown had made as Shadow Chancellor. These were to abide by overall Conservative spending plans for Labour's first two years in Office and not to raise income tax for the same period (Labour Party 1997). If these pledges were to be maintained, any new money for other areas of expenditure such as health and education would have to be found by savings elsewhere. From the period before the 1997 election onwards, therefore, Labour had begun to emphasise the importance of reducing social security spending, which it regarded as 'bad' spending arising from failure, in order to allow investment in other services (Labour Party 1997; Former official 10 Downing Street Policy Unit). The importance of establishing Labour's credentials as a financially prudent party of government, while at the same time delivering investment in other areas of public service, therefore meant that at this juncture the Treasury's traditional interest in controlling social security spending not only remained as important as ever, but had an additional political imperative from the new government.

Additionally, however, under New Labour, the Treasury's role as an economic Ministry became important in its approach to social security. As we have argued elsewhere in this thesis, one of the distinguishing features of New Labour is the way in which it linked social and economic policy, and in particular policies relating to social security, employment, and economic and industrial capacity. New Labour differed from both previous Labour orthodoxy and from the Conservative governments that it succeeded in that it saw the welfare system, and particularly social security, as a tool which could be used to promote the development of employment, and therefore economic, capacity for both individuals and for the nation as a whole. Thus, in this context, for New Labour - and, it would appear, particularly for Gordon Brown (Senior official, HM Treasury, Former senior official 2 DSS) - no clear division could be drawn between social and economic policy. The Treasury was thus, even more than usually, a key player in developing social security policy during this period; indeed, we will argue that really all significant welfare reform measures at this time owe much to the Treasury agenda, and in particular to the need to meet one or other of the twin imperatives of sound and credible public finance and economic growth.

There are of course significant structural reasons why the Treasury was likely to dominate the welfare reform agenda, and these are discussed below. For the moment, however, it is perhaps useful to point out that the priorities that were established arguably owe much to the political concerns of Gordon Brown and his immediate circle, which included special advisers such as Ed Balls and Ed Miliband, as well as Geoffrey Robinson MP, who as Paymaster General was to have a significant role in developing the New Deal welfare-to-work programmes (former Minister 1 DSS; Former senior official Employment Service). There are two things that should be noted about this circle at this point. First, it had a - deserved - reputation for high intellectual calibre, especially as far as Brown and 'the Eds'(Senior official, HM Treasury) were concerned. Balls had also been closely involved with the background work for the Commission on Social Justice, analysing the interaction between employment, benefits, poverty and social cohesion (see for example Balls and Gregg 1993). A wider circle of advisers, including academics such as Paul Gregg (Senior official, HM Treasury, Economic adviser HM Treasury) provided additional intellectual weight. Second, the team was extremely cohesive. It had been formed

some time before Labour entered government (see for example Robinson 2000) and had long been preparing for power. Brown therefore entered office with a comparatively clear and developed vision of what he wanted to achieve and how he wanted to achieve it (Senior official, HM Treasury). In addition, therefore, to the structural advantages accruing from the Treasury's role and central position, the actors within the Treasury possessed qualities which would further strengthen their hand in developing welfare reform policy.

10 Downing Street

The Prime Minister's Office, and particularly the Policy Unit, was the third main player in developing welfare reform policy. As we have seen, welfare reform had become a vitally important symbolic policy for New Labour in Opposition, encapsulating and connecting a whole range of New Labour ideas about work, the economy, society, and the relations of individuals with each other and with the state. Tony Blair had frequently expressed an interest in the area, and this was given further expression by his appointment of Field first to Labour's Welfare Reform Committee (Former Minister 1 DSS , Former social security aide, Labour Party) in Opposition and then to his ministerial post on entering office. Later, Blair adopted a strong personal role in the search for a welfare reform programme, chairing the cabinet's Welfare Reform Committee from January 1998 and, it would appear, even eventually drafting parts of the March 1998 Welfare Reform Green Paper himself (Former official 10 Downing Street Policy Unit). He was also, on occasion, appealed to by Field to arbitrate in his disagreements with Harman (Former Ministerial adviser 1 DSS). However, day to day involvement with policy development usually took place through the Policy Unit. David Miliband, the Unit's head, was another with a long - standing interest in welfare reform, having served as secretary to the Commission on Social Justice, but specific responsibility for welfare reform lay with Sharon White (former Minister 1 DSS, Former official 10 Downing Street Policy Unit, former Ministerial adviser 1 DSS). Uniquely within the Unit, which at that time was otherwise entirely staffed by political advisers, White was a career civil servant, who had worked on social security policy at the Treasury before joining the unit in June 1997 (Former official 10 Downing Street Policy Unit).

Imbalances in power and influence

As suggested above, not all actors within the development of welfare reform policy were of equal weight. This section of the chapter examines the (principally structural) reasons for the imbalances of power and influence, particularly the imbalance between the DSS and the Treasury.

It is a commonplace to say that the Treasury will always predominate in any given contest within Whitehall. Although Smith argues that, by the late 1990s, the influence and control of the Treasury had declined, he conceded that its position was still strong, based on the possession of a number of resources which were not available to other Departments (Smith 1999: 145). In particular, he suggests five headings under which these resources might be grouped. The first of these, colonisation - the involvement of the Treasury in every area of policy that has financial and economic implications (1999:146) - is perhaps more related to the overall position of the Treasury within Whitehall than to its pre-eminence over any particular other Department, but there are two aspects of this resource which may be relevant here. The first is the degree of perspective which it gives the Treasury. The Treasury is traditionally the one Whitehall department which has a detailed overview of the totality of the government's programme, and this enables it to prioritise in a way which individual Departments can or do not. One of the criticisms most frequently levelled at Field's proposals for welfare reform is that they would have required a very large (at least initial) increase in public spending (Timmins 2001:562) which could simply not be afforded. Field, arguably, failed to recognise the need to place his proposals in such a perspective, and thus lost credibility (Senior official, HM Treasury).

The second aspect is the way in which the Treasury 'colonises by getting its people into other departments' (Smith 1999:147). Both Sharon White in the Number 10 Policy Unit and Christopher Kelly, head of Policy Group at DSS, were former Treasury officials. It is difficult to suggest that this had very much influence in the shaping of welfare reform policy along lines which were acceptable to the Treasury and away from those which Field had been advocating: Kelly, for example, appears to have had little actual involvement in this area of work because Field largely

bypassed the DSS Policy Group (Former senior official 2 DSS). Perhaps more relevant during this period was the degree to which Gordon Brown, as shadow and then actual Chancellor, can be described as having colonised other Departments, both through the presence of colleagues linked to him in their Ministerial teams and also, perhaps, because some Departments were seen as being within his sphere of influence. On the former point, Harriet Harman was considered by many observers to have been something of a protégée of Brown's; earlier in the 1990s she had served as Shadow Chief Secretary to the Treasury, effectively number two in the shadow Treasury team, and although it is fair to point put that she has been described as also being close to Blair (Timmins 2001: 562), her appointment to DSS has been widely seen as owing something to Brown's influence. Similarly, it has been suggested that in 1997 - 98 'there were Chancellor's departments and PM's departments, and social security...was a Chancellor's department' (former senior official 2, DSS). At the very least, then, the way that Brown exercised influence within New Labour further reinforced the already strong structural position of the Treasury with regard to DSS.

This connects with the second and third resources in Smith's list, the status of the Chancellor and the relations of the Chancellor with the Prime Minister (1998:148). As Smith observes, the post of Chancellor carries with it considerable authority not only because it heads the Treasury but because the holder almost always either is an authoritative figure of high seniority within the governing party or one very close to the Prime Minister. In Brown's case in 1997-8, both of these factors applied. By May 1997, Brown had been shadow Chancellor for five years. His decision not to take part in the Labour Party leadership contest in 1994 had placed Blair in a strong position to win, and in return, Brown had been granted considerable autonomy not only in economic policy, but also in social affairs (Chapter 3; Financial Times 2 June 1994: 1 ; Naughtie 2001: 71). In Opposition, he had used his position to insist that all policy proposals must be subordinated to the over-riding aim of establishing Labour's economic probity and, later, his relationship with Blair provided 'the crucial nexus of the 1997 Labour government' (Smith 1999: 149). In both Opposition and Government, Brown possessed both a remarkably clear and focussed set of priorities, and the determination to carry them through, which in combination would give him a very strong position in the policy making process (Senior official, HM

Treasury). Thus, the strength of his personal position and manner of operating added to the structural advantages which any Chancellor possesses.

Smith also identifies 'superiority' (1999: 152) and 'monopoly of information' (1999: 153) as key Treasury strengths. By these he means, respectively, the Treasury's sense (shared with other Departments, if indeed such a thing can be attributed to a Department as a whole) of its own importance and of the high ability of its officials, and the 'almost complete monopoly of economic and public expenditure information', including analytical support, which the Treasury enjoys (1999: 153). The concept of Treasury 'superiority' based on the ability of its officials does bear some examination, particularly in relation to a department such as DSS. Policy-making officials of central co-ordinating departments such as Treasury (and indeed the Cabinet Office) tend, or tended at this time, to differ from those within DSS and many other spending Departments, in that they were synthesisers rather than experts in particular narrow areas of policy. This enabled them to take a cross - cutting view which, in respect of a project like welfare reform with its wide economic and social implications, placed them at an advantage over those whose strength was deep but perhaps narrow expertise in specific issues (Former senior official 2 DSS). Again, in respect of welfare reform there is perhaps limited usefulness in comparing DSS and Treasury officials in this way, since, as we argue below, Field made comparatively little use of the formal policy capacity within DSS to develop his ideas. However, it is relevant to draw attention to this aspect of Treasury officials' professional skills because if the story of Field's attempt to develop welfare reform policies is seen (as indeed it can be) as essentially a contest between a deep and internally consistent, but narrow approach, and a less far-reaching and more modest approach which was, nonetheless, developed as part of a wider appreciation of government policy, the skills and approach of Treasury officials can only have assisted the latter model.

When comparing the Treasury and DSS during this period, one further, non - structural, factor should be mentioned. The unity of Brown's team of Ministers and advisers at the Treasury stands in strong contrast to the disunity that existed within DSS - or, perhaps more exactly, the divisions that existed between Field and Harman. Many commentators have noted these divisions, but it should be

emphasised that they amounted to non - co - operation and lack of unified action between the two senior ministers rather than the active feuding which has sometimes been portrayed (Former Ministerial adviser 1 DSS, Former special adviser DSS). It should also be pointed out that the evidence does not suggest that other Ministers in the Department had any particular difficulty working with Harman and her advisers or with officials (Former Minister 2 DSS, Former Minister 3 DSS) – indeed, at least one other Minister of the period describes a very good and supportive working relationship with these actors (Former Minister 3 DSS). Nonetheless, Field and Harman did not work well together and this meant, as we argue below, that Field was therefore limited in his ability to operate effectively within the core executive. It is also worth noting that in contrast to the capacity and drive which Brown was observed to possess (senior official, HM Treasury), Harman was not seen as being entirely on top of her work. It is clear that Field did not respect Harman's abilities overall, but a more sympathetic observer ,who was a senior official in DSS at the time, suggests that the root of the problem was Harman's lack of ministerial experience in a Department which, perhaps above all others, requires the ability to devote long hours to achieving a close grasp of detail, and to the pressures on her time arising from her determination that her role as mother of a young family should not suffer because of her job (Former senior official 1 DSS). Nonetheless, it has been suggested that the divisions between Field and Harman, which were expressed in Ministerial meetings, undermined the credibility of both in the eyes of at least the Prime Minister (Former official 10 Downing Street Policy Unit).

Essentially, then, both structural considerations - the relative institutional strengths and positions of the Treasury and DSS - and the abilities of some of the actors within those structures - in particular, the strong position, clarity and determination of Brown and those around him - meant that in any disputes over the future shape of welfare reform, any view supported or espoused by Brown and the Treasury was, unsurprisingly, likely to predominate. We argue elsewhere (Chapters 5, 6, and 8) that there were in fact fundamental differences between Field and Brown's visions of welfare reform. But at the time, these may not have been widely apparent. This is especially the case when either man's position is compared to the approach which had characterised Labour social security policy until the early 1990s: both were committed to welfare reform, and both shared an emphasis on employment and self -

help, a belief that social security had to sit within the wider context of the rights and responsibilities of individuals towards each other and the state, and a consequent acceptance of conditionality in relation to some benefits. However, the conclusions which each drew from these premises were markedly different.

While both men saw social security, and thus welfare reform, as a means to a social end, for Brown this was to be achieved through its economic effects, whereas Field emphasised moral regeneration. Field, as we have seen, was concerned - and perhaps really only concerned - to establish a new social security settlement that would prove sustainable in the future and reinforce what he saw as the basic verities of decent behaviour. Brown saw welfare reform as part of a wider programme of reform which incorporated economic as well as social renewal (Senior official, HM Treasury; Former senior official 2 DSS). Perhaps because of this difference in perspective, and perhaps because of his commitment to vertical redistribution, Brown was happy to use targeted and means-tested benefits (and subsequently tax credits), while Field was, as we have seen, totally opposed to means - testing. Field was essentially a universalist, whereas Brown adopted a position which has been described as ''progressive universalism'... a framework which is inclusive, which everybody can be in, but which doesn't necessarily mean everyone's getting the same benefits.' (Senior official, HM Treasury). And Brown, as we have seen (Chapter 5), saw a continuing role for the state in the lives of individual workers and benefit recipients as integral to his reforms, whereas Field really sought to enable individuals to provide for themselves without state intervention. Thus, there were genuine differences between any welfare reform programme that Field was likely to produce and any that would emanate from Brown and the Treasury. In this context, quite apart from wider questions about the consistency of Field's ideas with the wider New Labour discourse (see Chapter 8), Field would have had to work hard if his ideas were to have any chance of implementation. Unfortunately for Field, in several ways he badly misunderstood the situation.

Field and other actors

Field and the Prime Minister

First, Field overestimated both the strength of the Prime Minister's support for him and, crucially, the ability of Prime Ministerial support to overcome obstacles. This is not to say that Field was a crude 'prime ministerialist' in his understanding of the nature of power within Whitehall. Even before entering office he had recognised that the Prime Minister's support alone could not deliver a welfare reform programme in the face of opposition (indeed, he saw one of the lessons of the Beveridge report as the need for support of both Prime Minister and Chancellor- 1995:57-58) and this appreciation continued in office (Former Ministerial adviser 1 DSS, Former Minister 1 DSS). Nonetheless, he does appear to have regarded Blair's support as paramount; thus, on appointment he sought - and was given - a right of personal access to the Prime Minister (Former Ministerial adviser 1 DSS), something very unusual for a junior minister. Furthermore, reflecting on his period in office, Field identified what he perceived as the weakness of Blair's support as a significant factor (Former Minister 1 DSS). He was correct to identify authority as one of the informal resources of a Prime Minister, and in particular as a resource possessed by a Prime Minister after an electoral victory (Smith 1999: 77). Yet with respect to welfare reform, it is unclear how far it is true that, as Smith suggests 'such was the size of Labour's victory in 1997, which was attributed largely to Blair, that the new Prime Minister has significant authority to force through new policies with little criticism' (1999: 78).

Given Blair's undoubted support for Field at the time of forming his government, there are two possible explanations of Field's failure to make a lasting impression in office. The first is that Blair continued to support Field throughout, but was not able to provide sufficient support to enable any programme that Field produced to be taken forward. This appears to be Field's interpretation of events (Former Minister 1 DSS 1). The second is that Blair's support for Field was perhaps less thoroughgoing than Field had originally thought, and that certainly as events unfolded that support declined as Blair lost confidence in Field's ability to deliver a welfare reform programme that would fit in with the government's wider agenda. This explanation is

borne out by the observations of others who were involved in developing welfare reform policy at the time (Former official 10 Downing Street Policy Unit), and suggests that Blair experienced an increasing frustration both with Field's failure to deliver concrete proposals, and with divisions between Field and Harman. In short, while Field did understand that prime ministerial support alone would not be sufficient to enable him to reform welfare along the universalist, social insurance lines that he favoured, he did not fully appreciate that Blair's support for him was contingent on factors including the wider relation of the Prime Minister with other actors in the core executive, and Field's own ability to produce proposals which could command the support of both his own Secretary of State and the Treasury.

Field, officials, and other ministers

Perhaps because he overestimated and overvalued Blair's support so much, Field also failed to cultivate two other crucial areas of support – that of departmental officials and of other key Ministers.

The question of Field's relationship with departmental officials needs to be handled carefully. One view, stated for example by some retired senior officials, is that Field did not work with his officials very much. Ultimately, in the view of one senior official, it was this that led to Field's failure to make his mark: 'The combination of the two things, not working as part of the Secretary of State's team, and not knowing how to use the staff at his disposal despite a lot of goodwill, was crippling, frankly.... Why didn't he have an impact? Answer: because he wasn't working with anybody else.' (Former senior official 2 DSS; Former senior official 1 DSS makes a similar point). According to this view, Field did not draw to any significant extent on the DSS's own policy - making machinery, (Former senior official 2 DSS), preferring instead to work with his own advisers and with one or two selected officials with whom he felt comfortable (Former senior official 1 DSS; Former senior official 2 DSS). However, this should not lead us to a simplistic conclusion that Field worked largely alone, or at a distance from his officials, although he did sometimes undertake tasks such as drafting himself rather than pass them to officials (Former Ministerial adviser 1 DSS). Rather, it is possible to construct another account, drawing on the recollection of less senior officials and others close to Field,

which suggests that there were officials with whom he worked well, and who respected him and were excited by the welfare reform project (Junior official DSS, Senior official DSS, Former ministerial adviser 2 DSS). According to this account, although Field, in common with some other Labour ministers, may have been slightly suspicious of the Civil Service on entering office, he developed over time a more open and comfortable relationship with at least some officials within the Department. This appears to have been especially true of the Welfare Reform Unit, a small group (initially of 8 or 9 members, rising later to about 15) of officials headed by Alan Woods, a Grade 3 within the Department's Policy Group. The Unit seems to have acted as something of an intermediary between Field, other parts of the DSS, and other government departments (Junior official DSS).

Field also worked well with at least some of the specialist economists, statisticians, and social researchers of the Department's (then) Analytical Services Division (Former ministerial adviser 2 DSS, Senior official DSS). At about the same time as Labour entered office, the Division established a section (ASD7) to look at welfare reform and labour markets (Senior official DSS), and Field established a good relationship with the section and its head, a Grade 5 economist named Richard D'Souza. Field's career, both in CPAG and Parliament, had been characterised by extensive reference to experts and researchers, and it is therefore not surprising that his relationship with analysts (as opposed to conventional 'policy' officials) should have been fairly close. This was furthermore, at a period when policymaking streams within DSS had become more diffused. Although this is not the place to explore this change in detail, from the early 1990s onwards economists and other analysts in DSS had begun to advise ministers directly, rather than briefing generalist 'policy' officials who would then present the advice to ministers. This was, in large part, a response to the increasing complexity of the economic analysis required as more interest was taken in labour market and work incentive policies (Senior official DSS).

So, then, we may question any image of Field, as Minister, working in isolation from all his officials. There were those with whom he worked well. However, there are two important points about the way in which he did so. First, while the Welfare Reform Unit did provide Field with civil service support, its intermediary role may

well have inhibited closer contact between him and officials outside the Unit, thus contributing to the perception that he did not work well with officials as a whole (Junior official DSS). Second, the more active and direct role of the analysts in development of policy, while not entirely new by 1997, appears to have been problematic for some more traditional 'policy' generalists (Senior official DSS). Two reasons can be identified for this; reluctance on the part of some 'policy' officials to relinquish their traditional role as the principal channel of advice to ministers, and a perception that there was a difference between the advice that analysts and generalists might give. This is a topic that deserves fuller exploration elsewhere, but for our purposes, it should be noted that analysts at that time were recruited to, and spent their careers in, distinct corps within the civil service (the Government Economic Service and so on) rather than particular departments. This gave at least some of them a different professional ethos, characterised in their own view by a strong attachment to 'evidence - based truth' and as a result, and because they saw their careers as less dependent on the goodwill of senior officials within any particular department, a disregard for (departmental) political sensitivities (Senior official DSS).

These factors explain the perception that Field 'wasn't working with anybody else'. He *was* working with officials, but those with whom he worked well may have appeared to be the 'wrong' officials. Furthermore, the way in which he worked with them may have distanced him from some of the wider work of the department. The idea of Field as a 'loner' should be reappraised; but he does nevertheless appear to have worked in a way which, while consistent with his approach before entering office, did not enable him to draw on some of the wider resources such as technical and institutional knowledge, and access to Whitehall networks (Smith 2000:38), which officials can bring to the policy process.

Field similarly failed to work consistently well with other key Ministers, especially with those within the department. The divisions between him and Harman have already been noted. In addition, however, it is clear that Field expected to be promoted to Secretary of State within the Department in the near future (former minister 1 DSS; Field 2000:4). Whether or not this was well founded - and Macintyre (2000:384) suggests that as late as the morning of 1 May 1997, Blair had listed Field

as Secretary of State at the DSS, until Mandelson dissuaded him - its effect was that Field did not think it worthwhile cultivating working relationships with his immediate ministerial colleagues which might cease when he took over the department. Effectively, then, during his period in office, Field's support network was largely limited to his relationship with the Prime Minister, which was to prove decreasingly sufficient to sustain him. He did not cultivate support networks during his period in office, largely because he did not think he needed them. Yet even if he had understood the need for these networks he lacked, and failed to cultivate, the resources necessary to develop them.

Field can be seen as having stood somewhat apart from his Labour colleagues throughout his parliamentary career. By this we mean, not that he had promoted ideas which were sometimes at odds with the Party mainstream (although, as we have seen in Chapter 4, he had) but that he simply had comparatively little experience of working collectively as part of a party machine. Although, like most of his colleagues in the 1997 government he lacked Ministerial experience, unlike many of them he also lacked front-bench experience (apart from a brief spell as an education spokesman in 1980 - 81). He had, therefore, never had to learn to work as part of a team with collective responsibility and to subordinate his own concerns to a wider party programme (Former official 10 Downing Street Policy Unit). Indeed, he had avoided front bench positions specifically in order to be able to express his beliefs without constraint, and to avoid having to advocate positions in which he did not believe (Former Minister 1 DSS 2). Furthermore, by choosing not to seek a front bench position he was able to continue to devote his attention to social security rather than gaining experience of a number of policy briefs. His knowledge of social security, therefore, while deep, remained a narrow and particularly self-contained specialism. Finally, Field does not appear to have developed political alliances within the Labour Party. This again contrasts to some of his peers in government, many of whom were more or less closely identified with, for example, Blair or Brown .

In government, too, Field stood apart. As we have suggested, he was not well networked either through Ministers or (with some exceptions) officials, and he also lacked access to a third level of networking which existed in Whitehall at this period, that of special advisers. It is clear that this network was both strong and, to those who

had access to it, useful, but as it has received little attention it is worth describing its main features, before considering why Field failed to use it.

The special adviser network

The growth in the number of Whitehall special advisers under New Labour has been widely noted (see Blick 2002 for an excellent discussion of this topic). Similarly, some commentators have drawn attention to what is seen as a change in the role of special advisers under Labour. Although advisers after 1997 did assume a role much more connected with policy making than that of their Conservative predecessors, it has been suggested that this is less an innovation than a reversion to the role which advisers played when Labour was in office in the 1970s (Former senior official 2 DSS). Certainly, while Labour was still in Opposition, Peter Mandelson and Roger Liddle called for advisers in any future Labour government to adopt a more active role than under the Conservatives: 'Labour ministers need people who are not simply political sidekicks, but who can make a serious contribution to the issues in hand and are able to work closely with departmental official in developing policy' (1996: 249). But the significance of the adviser network for this study is not the role of individual advisers in supporting ministers, but the way in which the network of advisers as a whole functioned as a means of bridging gaps both between Departments, and between Ministers of different levels. For example, one junior Minister described the assistance of using the Secretary of State's advisers thus: 'special advisers talk to each other as equals in a way that I couldn't speak to a more senior minister somewhere else. So often they were quite useful at painstakingly explaining what we were up to' (former Minister 3, DSS). Indeed, one informant suggested that this process of facilitating connections was the essence of what advisers did: 'Advisers are there to oil the wheels, that's what we tried to do' (Former special adviser DSS). The closeness of the adviser network was maintained by weekly meetings, initially co-ordinated by David Miliband of the Policy Unit, at Downing Street, although it appears that little business was actually conducted in these meetings (Former special adviser DSS; Blick 2002). Similar meetings had existed under the Conservatives (Blick 2002) but the particular closeness of the network under Labour after 1997 stemmed as much as anything from the close physical proximity in which many of the advisers had worked when supporting Labour in Opposition (Former special

adviser DSS). They formed, therefore, a relatively cohesive group, who knew and were accustomed to working with each other, and who were thus able to link the ministers and departments for which they found themselves working in government. There were also some personal links; for example, Liz Kendall, one of Harman's advisers, was the partner of Ed Miliband, who worked for Brown, and it is suggested that at on at least one occasion this caused information to pass from the DSS to Treasury (Former Ministerial adviser 1 DSS).

Field, as noted above, did have advisers, although special arrangements had to be made for them because, as a Minister of State, he was not strictly entitled to employ special advisers *per se* (Former senior official 1 DSS; Former Ministerial adviser 1 DSS). However, the important thing to note about them in this context is that they were specialists in social security and related policy matters rather than 'career' special or political advisers. Therefore they were not part of the network that had first formed in Opposition, and could not use it to network between departments (Former senior official 2 DSS). Field could have gained access to this network through Harman's advisers had he been so minded, for as the quotation above from a junior minister shows, such a thing was possible. However, it would have required Field to cultivate a relationship with Harman - and, indeed, to understand the need for such a relationship - which he failed to do.

Neither, as noted above, did Field draw on the resources of officials in the way that might conventionally have been expected of him. This, again, may have limited his ability to work cross–departmentally: Smith (2000:38) identifies access to Whitehall networks as one of the key attributes which officials bring to policy development. Finally, it appears that although there were formal, as well as informal, networks established on welfare reform - specifically, the Welfare Reform Committee established under Blair's chairmanship in early 1998 – Field may not have worked well within them: at least one observer attributes the end of Blair's support for him to an occasion when, in a Welfare Reform Committee meeting, Blair and Harman began publicly arguing (Former official 10 Downing Street Policy Unit).

Thus, much of Field's failure to make any lasting impression as Minister for Welfare Reform can be attributed, quite independently of the quantity, quality or acceptability

of any proposals that he might have produced, to his failure to cultivate and then draw upon the resources that should have been available to him in his position. In short, he failed to act like a Minister. So how are we to characterise his behaviour in office?

The electoral model of networking

One model that offers some light on the question is the electoral model of networking developed by Colin Hay and David Richards (Hay and Richards 2000). Hay and Richards were concerned to examine how policy networks arise and change, and placed their examination in the context of the (British) electoral cycle. We do not wish to place too heavy an emphasis on policy network theories in relation to Field, for the reason that those theories generally concern themselves with the interaction of internal (government) and external interests, while the development of welfare reform policy in 1997-8 was almost entirely, and remarkably, carried out within the core executive. Nonetheless, Hay and Richards' model is helpful because it provides a scheme of stages in networking onto which Field's behaviour can be mapped, and because it takes account of the electoral cycle which enabled Field's ideas to be placed onto the agenda of the Labour Party.

Hay and Richards describe their first stage of networking as the 'pre - network' stage, 'in which the opposition party consults with a range of actors including interest groups, think tanks and academics on issues and policy areas in formulating a programme for government'. There are those who credit Field with having made it possible for Labour to start thinking about welfare reform (Former Minister 3 DSS, Senior official, HM Treasury) but this is contested by others (Former social security aide Labour Party), and on balance it is difficult to discern any very strong causal link between Field's work over the years and the adoption by New Labour of welfare reform as a key policy area. As we have shown, (Chapter 3), welfare reform became a policy priority for New Labour after 1994 for a variety of economic, social, political and presentational reasons. Nonetheless, it is possible to identify a period (from perhaps 1995) onwards when Field, who had previously, by some accounts, not been an especially prominent influence (Former social security aide, Labour Party), came to be more closely identified with Labour and, especially, with Blair.

Again, it is important to stress that Field did not play a large part in pre - election development of welfare reform policy, if only for the good reason that, as we have seen, Labour had taken a conscious decision not to formulate detailed proposals for social security while in Opposition. Yet he was brought into Labour's policy circles in a way that he had not been before, most publicly through being given a place on the Party's Welfare Reform Committee. Although this body ultimately appeared to have achieved little (former Minister 1 DSS, Former social security aide, Labour Party) its significance appears to have been to symbolise the seriousness with which Labour was committed to welfare reform (Timmins 2001: 561); and, correspondingly, Field's appointment to it can be taken - and was taken by Field himself (Former Minister 1 DSS 2) - as a sign that his general position was being officially endorsed by the Party.

Hay and Richards suggest that access to this 'pre - network' is controlled by 'senior party apparatchiks'. In the case of Field, this access seems to have been granted by Blair himself, although, as we have seen (Chapter 3) there is disagreement as to who made the initial approach. It is worth emphasising, because it is symptomatic of an approach which would affect his later performance as a minister, that Field's attention at this time was very largely directed at Blair; there is little or no evidence of his having sought to build a wider body of support within the Party and, indeed, some evidence to suggest that he consciously disdained the building of wider alliances of this kind (former Minister 1, DSS; and see Field 2000:103: 'The leader of the Labour Opposition was in my calculation the most important person to win over....'). This identification and cultivation of what he saw as the key point of access to the party reflects the lobbying style which he had developed when seeking to influence government, trade unions and political parties when he was Director of the Child Poverty Action Group in the 1970s (Field 1982 ; McCarthy 1986:288).

The second stage of Hay and Richards' model is the formation or modification of networks, when a newly - elected government realigns a network that may already exist, in the process conferring, confirming, or modifying the 'insider' status of actors. In Field's case, this stage corresponds to the confirmation of his 'insider' role through his appointment as Minister for Welfare Reform. As we have suggested, Field was given an unusually privileged position for a Minister of State and these

privileges can clearly be seen as being designed to emphasise his position as what might be described as a very inside 'insider'. This stage is followed by a stage of 'networking as practice', entailing consultations between Ministers, officials, specialist advisers and interest groups. In the early part of Field's period in office - the latter half of 1997 - there is evidence for such a process, primarily (but not exclusively: junior official, DSS) confined to the core executive. This is the period in which Field began preparatory work for the Welfare Reform Green Paper which would ultimately be published in March 1998, and in which the 'Focus Files', which delineate the background to reform, were produced. There was certainly networking in the sense that the shape and content of the Focus Files, at least, was the subject of intensive discussions within the DSS, and between DSS and other players including the Downing Street Policy Unit (former Ministerial adviser 1, DSS). Yet overall, this networking appears to have been weak, and more characterised by conflict than by collaboration. As we have seen, the officials and advisers with whom Field worked closely were not, in the main, well connected to established policy networks. Other actors - Sharon White in the Policy Unit, and Harman and Blair (to some extent), interacted with Field and with each other; in the case of Blair, it appears contacts were largely initiated by Field (Former Ministerial adviser 1 DSS) and often took the form of a request for support to resolve a dispute or difficulty which might or might not relate to the welfare reform project as such (Former Ministerial adviser 1 DSS). Although Harman did not have a leading role in welfare reform, some sources suggest that, exasperated by the failure of Field to produce the Welfare Reform Green Paper by late 1997, she began to work independently on a Green Paper of her own (Former Ministerial adviser 1 DSS) – although others disagree (Former official 10 Downing Street Policy Unit). Within the DSS itself there was a separate programme on pensions reform, headed by John Denham, and the separation of pensions reform from Field's main welfare reform process is seen by some commentators as undermining Field's position (Deakin & Parry 2000:200). Finally, simultaneously in the Treasury another team, centred on Brown, was developing proposals on work incentives and tax credits; although there were formal and, certainly, informal links between the Treasury and the DSS, the Treasury's proposals appear to have been largely developed in isolation and on occasion without informing the DSS, let alone consulting or collaborating with it, before the measure was announced (Former senior official 1 DSS). To reiterate, then, networking within

the core executive during this period, in the specific policy area of welfare reform, can be seen to have been weak and, across the core executive as a whole, relatively undirected and unsuccessful.

By late 1997, the lack of co-ordinated progress on welfare reform prompted Blair to attempt to impose a stronger and more structured format through the establishment of a Cabinet Committee on Welfare Reform, which he himself would chair (Deakin and Parry: 201). At the same time, the government announced a series of Welfare Reform roadshows which would widen consultation on the subject; however, these appear to have had little impact. Nonetheless, taken together these two initiatives correspond to Hay and Richards' fourth phase of networking, network transformation, in which strategic learning by network participants (in this case, we may suggest, principally Blair and those around him) leads to adaptation as a result of changed perceptions of what can be achieved. Yet this stage, too, was relatively unsuccessful. The attempt to widen the network through public presentations appears simply to have lost impetus, and there is little evidence to suggest that the Welfare Reform Committee achieved very much to advance the cause of welfare reform. However, what the Committee did do, arguably, was to force the next stages of Hay and Richards' model - network failure and network realignment - by providing a forum in which the weakness and divisions between Field and Harman were starkly demonstrated, to such an extent that Blair, upon whom almost exclusively Field had depended for support, finally lost confidence in him (and perhaps Harman too) and ceased to look to him for development of a welfare reform programme (Former official 10 Downing Street Policy Unit). This, it may be argued, left the way clear for Gordon Brown and his Treasury team finally to establish their authority over welfare reform, an authority that was confirmed with the dismissal of Harman and the resignation of Field in the summer of 1998.

Conclusion: Field as 'outsider' within the core executive

How does this model help us to understand Field's behaviour? We would argue that it highlights Field's failure, throughout his time in office, to behave as a member of a core executive network. Essentially, Field failed to adapt to his newly - confirmed 'insider' status on his appointment to the government in May 1997. He continued to

develop his ideas largely in isolation from the rest of his Ministerial colleagues within and beyond his Department, and, perhaps as a result, those ideas, whatever their internal and intellectual consistency, did not take account of the wider context of the other policy priorities and practical constraints within which they had to be set. Field appears to have found it difficult to recognise that as a member of a government he was bound by an element of collective responsibility, including the acceptance of other priorities and positions, which inevitably would inhibit his absolute freedom of action (Former official 10 Downing Street Policy Unit). Overall, the evidence suggests that Field continued to think of himself as essentially a lone operator, bound by no collegial constraints and free to develop and argue for an ideal system in his area of interest, in a way that is open to lobbyists and think - tanks outside government. Because he did not recognise the constraints under which he, as a member of the core executive, operated, he did not understand the necessity of creating alliances and exchanging resources in order to promote his concerns. In office he was, furthermore, ill - equipped to develop such alliances - at least with other political actors (including special advisers) - because he had stood largely outside the front-bench and special adviser networks which had developed in opposition. Instead, in his (arguable) cultivation of and (unarguable) trust in Blair, as Party leader and Prime Minister, we can discern continuities with the highly selective and elite - focussed lobbying style which he believed had worked well in his CPAG days. To reiterate, then, when Field became an 'insider' he continued to act like an 'outsider'. Lacking both the insider's understanding of and access to the means by which power within the core executive is attained, and the outsider's freedom to develop ideas and proposals without the constraints of government, he could not succeed as either.

There is no single reason why Field was comparatively unsuccessful as a welfare reformer. Whether or not he would have enjoyed more success if he had understood and responded to the importance of alliances within the core executive is discussed elsewhere in this thesis. Other factors, such as the degree of support for his ideas (even had he sought that support more widely), and the extent to which he was really able to develop his ideas into a practical programme, are of course important. But the argument of this chapter is that even if those other factors had been favourable to him, he failed to understand the conditionality of success with the core executive;

and he lacked and failed to cultivate the alliances which are necessary if the resources upon which success is conditional are to be gained. This being the case, his ability to promote his ideas - whatever they might have been - was seriously impaired.

Chapter 7: The development of welfare reform policy, May 1997 - August 1998

Schmidt (2001) suggests that in a polity such as Britain, where policy making is traditionally carried out within fairly restricted elite circles, the communicative function of discourse is particularly important. Discourse, she argues, provides a legitimising framework within which policies can be successfully and convincingly presented to the electorate. However, as we have seen, in the case of New Labour (and specifically of its commitment to welfare reform) the discourse preceded the development of detailed policy. The New Labour project, we have suggested, developed as a response to an understanding of social, economic, and political imperatives in Britain and beyond, which led to the elaboration of a particular narrative of national decline (under both 'Old' Labour and neo-liberal Conservatism) and a discourse of renewal based on active and enabling relationships between citizens, the state, and other forms of social organisation. In general - and again, in particular with respect to welfare reform - New Labour took great care for both electoral and practical reasons to avoid the development of detailed policies while it was in Opposition. Those specific policies, or rather policy aims, which were elaborated - notably the five pledges of the 1997 General Election campaign in respect of youth unemployment, class sizes, juvenile justice, hospital waiting lists, and the economy (Labour Party 1997; Gould 1998:268 - 72) - were primarily intended to be indicative of the direction in which Labour would proceed in government, rather than detailed plans of activity. As such, they can be seen as communicating, rather than elaborating, the discourse of renewal; they only serve to emphasise the primacy of discourse over detailed policy at this stage.

Thus when New Labour entered office in 1997, it found itself in the opposite position from that to which Schmidt refers. It was not in the position of having a set of policies which needed to be presented or communicated to the public within a legitimising discourse. Rather, as we have seen, it had an apparently clean sheet as far as welfare reform policy was concerned, with no specific promises beyond the introduction of a welfare-to-work programme for young unemployed people, some measure of pension reform, and a general commitment to reform based on the principle of reciprocity of rights and responsibilities. Yet we shall argue that this did not mean that New Labour had a free hand in the development of policy. What it did

have was a well-developed discourse of renewal. The credibility of that discourse had to be maintained in government, not least because part of it entailed the transformation of social and economic norms through attainment of long-term political dominance (Gould 1998:393). So it can be seen that Labour's freedom to develop policy in office was bounded by the requirements of consistency with the discourse upon which it had won the General Election. An understanding of this constraint is essential to an analysis of the direction which welfare reform took after May 1997.

This chapter, then, examines Labour's welfare reform policies in government from May 1997 to Field and Harman's departure from the Department of Social Security in August 1998, with a focus on the importance of congruity with the wider New Labour discourse as a factor determining the direction of reform. We argue that the policies associated with Brown - activation and welfare-to-work programmes for the longer - term unemployed and the economically inactive, together with a developing range of tax credits to provide additional rewards for those undertaking lower paid work, and a discreet but nonetheless significant redistributive programme directed towards families with dependent children - set the pattern for reform, not only because of the institutional and personal strengths which Brown enjoyed, both absolutely and in comparison with Field (see Chapter 6) but because they sat within the New Labour discourse in a way that Field's ideas about reform did not. Specifically, Brown's policies emphasised the interconnectedness of economic and social policy, and were based in an understanding of the state as an active and interventionist enabler of opportunity and prosperity. Field's ideas, by contrast, had a much weaker understanding of welfare as an element in economic success and reflected, in their strong emphasis on fostering responsible autonomy for individuals and civil organisations, a much more distant, even sceptical, attitude towards state intervention. Given the structural constraints of the discourse which New Labour had fashioned for itself, this, we argue, would explain the predominance of Brown's model of reform, even if all other factors had been equal.

Before developing this argument, it may be helpful to set out, briefly, the currents of welfare reform that were being developed during this period. Essentially, there were three main welfare reform programmes, which effectively ran alongside each other

without substantially overlapping. First, in accordance with a Manifesto promise, John Denham, Parliamentary Under-Secretary at the DSS, was conducting a review of pension policy. This is beyond the scope of this thesis, but it appears to have been largely a self-contained project, with Denham having a free hand within the Department and the support of the Secretary of State (Former Minister 3 DSS). This led to the 1998 Pensions Green Paper and, eventually, to the creation of Stakeholder Pensions. As we have seen, Denham had developed a specialist knowledge of pensions in opposition and had, with John McTernan (who was to become one of Harman's special advisers) written the section on pensions in the Manifesto. There is no evidence that he drew substantially on Field's revived social insurance proposals in developing what was essentially a more regulated and better value private, rather than social insurance, pension model.

Second, there was Field's 'official' welfare reform project at DSS. The manner in which Field carried out this task, and Field's relationships within the core executive, are discussed in Chapter 6. The work of this project was, in the period that Field held office, almost entirely analytical and theoretical. The only substantial outputs from it were the series of 'Focus Files' which set out data relating to various aspects of reform (see Chapter 6), and the Welfare Reform Green Paper of March 1998 (DSS 1998). The Green Paper is discussed in more detail later in this chapter, but it is sufficient to say here that although it bears many marks of Field's policy and analytical (and indeed rhetorical) style, for example in its historical sweep and moral urgency, it can be seen as essentially a compromise document which had, ultimately, little if any lasting impact.

Third, there was what amounted to a parallel stream of welfare reform policy being developed within the Treasury. The main features of this were a strong emphasis on rewarding work, and activation for the economically inactive, along with a less overt but still significant element of financial redistribution in favour of lower - income households with children. The main outputs of this stream were the New Deal welfare-to-work programmes for the longer term unemployed and other groups at a disadvantage in the labour market, and a developing system of tax credits which were intended, alongside the minimum wage, to provide greater rewards for lower - paid workers. (Within the New Deals, the programme for Lone Parents appears to

have been included largely at the behest of Harman, who was Minister for Women as well as Secretary of State at the DSS. However, although at least one source close to her - probably erroneously - credits Harman with the idea for the personal adviser model, the New Deal for Lone Parents can be seen as fitting naturally within the wider spectrum of New Deals developed by Brown and his team.) Again, these programmes, which would ultimately set the model for New Labour welfare reform after 1998, will be discussed in detail later.

In addition to the three welfare reform policy streams, Labour inherited from the Conservatives a Social Security Bill which it put through Parliament in 1997 - 8.The newly-elected Labour backbencher Paul Goggins claimed during the Bill's passage through the Commons that this it was not a Tory Bill: 'it is our Bill, because we won the general election' (House of Commons Debates 22/7/1997 col 843), but this may be dismissed as a piece of partisan disingenuousness. What became the Social Security Act 1998 cannot really be considered part of New Labour's welfare reforms. However, it cannot be overlooked in any account of those reforms because it contained the abolition of Lone Parent Benefit for new claimants.

This measure, together with certain restrictions to Housing Benefit, had been announced by the outgoing government. Both proposals had been attacked by Labour in Opposition but the abolition of Lone Parent Benefit was particularly unpopular within the Party, perhaps being seen by many in the party as reflecting a moral condemnation of lone parents which they did not share. (In fact, the abolition of the universal Lone Parent *Benefit* would make little difference to the very poorest lone parents, since their Income Support payments were reduced by the amount of Lone Parent Benefit that they received. The Lone Parent *Premium* on Income Support, which did increase the income of the poorest lone parents, was also abolished, but as Income Support amounts were set in regulations, this was done by secondary legislation and attracted little or no attention (Former senior official 2 DSS). But the abolition of the Lone Parent *Benefit* had to be done by primary legislation and so it was this, perhaps less drastic, measure which caused difficulties for the government.) The detailed story of these difficulties is set out elsewhere (for example, Rawnsley 2001; Timmins 2001: 567-8), but in summary, although eventually the abolition of the benefit passed, 47 Labour MPs voted against it and others supported the

government with extreme reluctance. On the night of the Commons vote, Brown and Blair were both absent from the House, and Harman was left alone on the front bench (Timmins 2001:568). In the opinion of one observer, not strongly sympathetic to Harman, 'Brown and Blair hung her out to dry' (former Ministerial adviser 2, DSS).

This episode can be seen to have had three consequences for the future direction of welfare reform. First, Field suggests (2000:3) that it (wrongly) established reform in the eyes of many Labour MPs and members of the public as being primarily about cutting spending. Second, while the decision to proceed with abolition demonstrated the determination of the new government (and of Brown in particular) not to depart from the path of fiscal caution and spending restraint even at the expense of a benefit which had great symbolic importance to many in the Labour Party, the response within the Parliamentary Labour Party showed that there were limits to what was politically possible in the field of reform. Third, it can also be seen as confirming the ascendancy of the Treasury over DSS, and as seriously undermining the authority and credibility of Harman, both with Labour MPs and (because she was seen as having agreed to the cuts too readily) with DSS officials (former senior official 1 DSS; former senior official 2 DSS). However, it should be re - emphasised that for all its indirect effects, the Social Security Bill did not form part of the welfare reform programme itself; and it is to this programme that we now return with an account of the welfare-to-work and tax credit policies developed by the Treasury during this period.

These may be seen as the most significant welfare reform measures introduced in the first year of government - significant in financial and service delivery terms because of the scale of spending and services which they entailed, significant in theoretical policy terms because they set the pattern for the direction of reform and embodied a distinct understanding of welfare, opportunity, and responsibility, and significant in institutional terms because they were almost entirely developed by Brown and his team (and, once in office, the Treasury). They thus embody the scale, pattern, and locus of Labour's future welfare reform policy. The welfare-to-work programmes were grouped together under the generic 'New Deal' brand, and Table 1 gives an overview of the range of these programmes as they would develop over the first Blair

government. As we have seen (Chapters 2 and 3), Labour's official interest in welfare-to-work programmes - or more specifically, activation programmes for recipients of social assistance benefits - had been kindled by the report of the Commission on Social Justice. After a long period in which the Party had seen social security and employment as parallel but not connected policy streams, and generally opposed placing greater work-related obligations on benefit recipients, Labour's social security and employment teams began to draw on models from Australia, the USA and Europe, to develop activation proposals both for the longer - term unemployed and for groups such as lone parents. These proposals had much in common with the programmes which would be introduced from 1998 onwards, including specific elements such as the 'personal adviser' pattern which would become standard across the New Deals. Something similar was also being proposed by Field (Field 1995:186-188) although, in his case, as something of an adjunct to his revised social insurance plans. However, we have suggested elsewhere (Ch 2) that they should properly be seen as similar to, rather than forerunners of, the New Deals. The New Deal for Young People (the prototypical and, as Table 2 shows, largest of the New Deals) was initially developed in Opposition by Brown and his advisers (King & Wickham - Jones 1999: 69-70). It was announced by Brown himself rather than by the then shadow ministers covering employment or social security, and it has been said that although the Shadow Employment Secretary, David Blunkett, was consulted before the announcement, the Shadow Social Security Secretary was simply informed (Timmins 2001: 554). This pattern of Treasury dominance would continue in government. Although delivery of the New Deals was, with the exception of the few areas where it was contracted to non - government providers, the responsibility of the Benefits Agency (DSS) and Employment Service (DfEE), it was the Treasury's Welfare Reform directorate that exercised overall supervision of the programmes. A Treasury Minister, the Paymaster General Geoffrey Robinson, (a member of Brown's inner circle of advisers in Opposition and government – Robinson 2000) largely oversaw the New Deals (former senior official, Employment Service), and although Andrew Smith, the Minister for Welfare to Work, was a DfEE minister, he was generally seen as a 'Brownite', having served as Shadow Chief Secretary to the Treasury under Brown, and later becoming Chief Secretary in government before returning to the newly merged Department of Work and Pensions

as Secretary of State in 2002. Overall, there can be little doubt that the New Deals were firmly rooted in the Treasury, and in Brown's Treasury at that.

Table 2

The 'New Deal' welfare-to-work programmes, 1997 - 2001

Target group	Year 2000 funding (£ million)	Content	Remuneration	Compulsion	Implementation
Lone parents *(New Deal for Lone Parents)*	190	Advice, preparation of action plan, access to programmes, follow - through	Help with childcare costs for those working less than 16 hours per week; £15 weekly training grant in addition to benefits for those in training; help with travel costs	No but from 2002 attendance at work - focussed interview required as part of benefit claiming process	Pilots July 1997; nationwide October 1998.
Young people aged 18 - 24, unemployed for over 6 months *(New Deal for Young People)*	2620	Gateway (up to 4 months): Intensive help, advice, guidance Options (minimum 6 months; all include at least one day a week accredited training):	Most options also provide for help with expenses 9for example childcare, travel, equipment)	Yes	Pathfinder areas January 1998; nationwide April 1998
		- Subsidised employment	Rate for the job		
		- Self - employment	Wage or benefit plus allowance		
		- Environmental task force	Wage or benefit plus allowance		
		- Voluntary sector placement	Wage or benefit plus allowance		
		- Full - time education or training	Allowance equivalent to benefit		
		Follow - through: renewed intensive help			

Target group	Year 2000 funding (£ million)	Content	Remuneration	Compulsion	Implementation
People aged 25 - 50, unemployed for over 18 months *(New Deal 25+)*	450	Gateway as above then options: Subsidised employment, subsidised self - employment, full - time education and training; work placements Follow - through as above	If in work: rate for the job. If not in work: benefit plus allowance: In Education and training option: Allowance equivalent to benefit.	Yes	June 1998 (remodelled April 2001)
People receiving benefits on grounds of disability for over 28 weeks *(New deal for Disabled people)*	200	Gateway interview with personal adviser; Job Brokers assist with job search, training, rehabilitation, advice & support	Benefit only	No but attendance at work - focussed interview increasingly required as part of benefit claiming process	Pilots autumn 1998; nationwide from July 2001
Partners of people unemployed for 6 months or more	60	Similar to New Deals for Young People and 25+.	As for New Deal for Young People	Yes for childless couples aged 18 - 24; otherwise voluntary	April 1999 (voluntary); compulsion from early 2001
People aged 50+, unemployed over 6 months		Help with job search	Eligible for tax credits when start working	No	April 2000

Adapted from Walker & Wiseman 2003a and 2003b

There are a number of points that should be made about the nature and philosophy of the New Deal programmes, which are relevant to a discussion of the relationship between New Labour welfare reforms and the Party's overall discourse under Blair and Brown. First, there is a strong emphasis on individual responsibility. Although participation in the New Deals for Lone Parents and Disabled People was voluntary, failure to participate in the New Deal for Young People or New Deal 24+ without

good cause attracted a sanction of loss of 40% of benefit. This was the 'rights and responsibilities' agenda in practice. Second, although across the New Deals entry into employment was seen as a priority, there was also an emphasis on the development of individual skills and abilities. The programmes demonstrated an element of the 'work first' approach to activation (the idea that taking any job improves a person's general employability because of the disciplined work habits that regular employment is said to foster) but there was a strong 'human capital' element as well. Thus, for example, the requirement of at least a day's training a week towards an accredited qualification in the options under the New Deal for Young People represented a significant departure from previous British employment training programmes.

Third, the New Deals can be seen as addressing concerns about economic competitiveness, social cohesion, and the persistence of disadvantage, as well as individual responsibility. As we have seen in Chapters 3 and 5, the need to develop a more skilled and effective workforce in order for Britain to compete successfully internationally had been consistently voiced by New Labour (and especially by Brown) as part of its critique of British economic decline. Furthermore, the value of paid employment as a source of social conditioning and, thus, of greater cohesion had also been a strong New Labour theme (see Chapters 3 and 5; Blair 1997); and it is noteworthy in this connection that the principal emphasis of the New Deals was on the younger, largely single, largely male unemployed. Before he joined Brown's staff, Ed Balls had noted that US labour market deregulation, while creating jobs, had been achieved at the price of increased wage inequality and social dislocation, especially among unskilled younger men (Balls 1993: 25). This, he argued, could be mitigated or avoided by focussing training and education on the younger long - term unemployed (Balls 1993:27). It is, therefore, significant that while the New Deals covered a wide range of economically inactive claimants, the strongest emphasis (and extension of conditionality) was applied to a social group which could most readily be identified as a threat to the security of the insecure middle class voters to whom New Labour pitched its strongest appeal.

In this we can see both similarities and dissimilarities between British and US welfare-to-work programmes. Both targeted groups which were seen as threatening

the social fabric - in the UK, young unemployed men, and in the USA lone - mostly black - mothers (Deacon 2000:7-8) but the terms in which the threat was perceived differed. Despite occasional moral panics in the right - wing press and elsewhere, in general in Britain – and certainly within the Labour Party and the mainstream social policy community - the problems associated with worklessness among lone parents were and are seen as practical ones related to poverty and exclusion, rather than moral ones of free-riding and the decline of marriage. Unlike in the USA, there was and is no consensus that lone parents should be working (Deacon 2000: 7). However, paid employment was seen as important for lone parents and other 'non-threatening' groups, but activation programmes for these groups were in general presented as assistance with achieving self-reliance - 'a hand up not a hand out'. In fairness, this was a theme in the presentation of the New Deal for Young People too, but the creation of a New Deal for Lone Parents at an early stage in government, for example, has been ascribed to Harman's constituency experience in Peckham and described in almost feminist terms: 'She saw any number of her constituents, bright, well - organised black women with kids, whose lives were focussed on the children, they got them up in the morning, got them to school, did lots of work, and the thing that was missing was the ability to slot work into that' (Former special adviser DSS).

These values of responsibility and the beneficial moral and social effects of employment were not, of course, held only by Brown and his team within New Labour, or even by Brown and Blair. Field, too, had frequently expressed his support for the values of responsibility and independence, and his belief in the moral benefits of paid work, and he was also concerned about the wider effects of having numbers of young men detached from the norms of wider society through long - term unemployment (for example, Field 1995 ch1). But there is a crucial distinction between the means by which Field sought to achieve his ends, and those adopted by Brown. As we have seen Field placed strong emphasis on removing financial disincentives to work from the benefits system, and, while he did, especially in his earlier work, call for government action to increase employment, he largely seems to have taken the position that once disincentives were removed and jobs were available, individuals would take the opportunity to improve their position. The New Deals, by contrast, express and enact a much more continually and closely active role for the state in the lives of those whom it considered to be in need of its help. This

reflects, as we shall, argue, a different understanding of the relationship between the state and the rest of society, which goes to the core of New Labour discourse.

Alongside the New Deals, the other principal reform strategy that emanated from the Treasury was a considerable extension of financial support to those in low-paid work through the creation of a system of tax credits. These began with a Working Families Tax Credit (WFTC), announced in 1998, which built on the existing Family Credit inherited from the Conservatives. The overt purpose of WFTC was to make even low - paid work more financially attractive and rewarding, but it, and its successors and related credits (introduced between 1997 and 2003) differed from Family Credit in two significant ways. First, they were paid as tax credits, through the wage packet, rather than as social security benefits. This was psychologically important because it reinforced the message – to the worker and to the taxpayer- that the additional support was the result of work, and they were presented by Brown as tax cuts rather than as benefit increases (Brewer, Clark and Wakefield 2002:507). Second, they were much more generous than their predecessors (Brewer, Clark and Wakefield 2002:515, table 1) and extended much further up the income scale, so that, for example, the Child Tax Credit offered some support to 90% of families (Brewer, Clark and Wakefield 2002:517). This both increased the extent to which it helped 'make work pay', and extended the social and numerical range of recipients, thereby achieving a second, albeit unstated, aim of establishing the state as a benign force in the lives of greater numbers of people (Peston 2005: 277).

There are two other features of the tax credit programme which should be emphasised here. Third, the main client group for the credits was, from the beginning, families with children. The original WFTC was (like Family Credit before it) available only to those with dependent children, and it was accompanied by a Childcare Tax Credit which assisted working parents on lower incomes with childcare costs. A Disability Tax Credit was created by remodelling the existing Disability Working Allowance benefit, and WFTC would be extended to childless workers as a Working Tax Credit in the 2002 Budget, but the principal focus was always on families with children.

The fourth significant thing about the tax credit programme was that it was developed and administered entirely by the Treasury, without the involvement or, before its announcement, the knowledge, of DSS ministers or officials (former senior official 1 DSS, former Ministerial advisers 1 and 2 DSS, Senior Official HM Treasury, Adviser 10 Downing Street, Economic Adviser HM Treasury). The only officials within DSS who may have had knowledge of the plans before they were announced were some of the statisticians of the Analytical Services Division, whose assistance was needed in modelling the effects of the new credits, and it has been suggested that through contacts with them Field and his advisors may have known that something of the kind was planned (former Ministerial advisers 1 and 2 DSS). But the idea that even the statisticians would have had detailed knowledge of the plans has been doubted (senior official, DSS) and the important point here is that if Field, who as Minister for Welfare Reform might have been expected to be involved in the development of such a major programme, had any knowledge of the plans at all, it was gained through unofficial channels and guesswork. Brown and the Treasury did not engage DSS ministers or policy officials in the development of the tax credit programme, or even inform them that such a programme was being developed.

The role of Field and the DSS welfare reform programme

Where, then, does this leave Field and his welfare reform brief within DSS? The answer, put crudely, is 'nowhere'. It is said that when, after Field and Harman had left the DSS Alastair Darling[3], as incoming Secretary of State, asked to read the papers on what had been done about welfare reform to date, the Permanent Secretary, Dame Anne Bowtell, told him 'Well, that won't take long, then' (Timmins 2001:571). Remarkably little of substance in respect of the 'official' welfare reform project was produced by Field and those around him during his period in office. We have discussed some of the reasons for this already (Chapter 6), but the key point here is that the main DSS welfare reform output at this time was the Welfare Reform Green Paper (Department of Social Security 1998), which had been promised for late 1997 but was eventually published in late March 1998. It is not our intention to

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[3] Formerly a Treasury minister and described at the time by one Benefits Agency official as a 'Treasury nark' (personal recollection).

discuss the process of its composition, and the reasons for its delay, here, but to look at its significance as a step in the welfare reform process.

As early as May 5 1997 Field, as Minister for Welfare Reform, had agreed with Blair that he would prepare a Green Paper which would set out the guiding principles for welfare reform (Field 2000:2). Much of the commentary on the announcement at the time raised expectations that the paper would present a radical new agenda for reform, with terms like 'new Beveridge' being frequently used (Field 2000:7). It is arguable that the main purpose of the announcement was to make a public statement that welfare reform was being taken seriously. It has certainly been suggested that, in retrospect, the real value of much of the welfare reform activity of the first year in government was that it gave the impression that the topic had been dealt with and that that in turn enabled the real business of welfare reform to proceed without attracting further significant media attention (former Minister 3, DSS). Yet in the event, the Green Paper did not live up to the expectations placed on it. After many delays it was finally published on 26 March 1998, but, far from being a foundation for future reform, it disappeared from public view quite quickly. There were few subsequent references to it in Ministerial speeches or official publications and by 2003 it had, unlike other similar documents produced by the DSS at this period, been deleted from the Department of Work and Pensions website. In retrospect, it is clear that the Green Paper does indeed mark the beginning of a new stage of welfare reform; but this was not in the sense that had been (ostensibly) intended when the intention to produce it was first announced.

The paper set out eight principles upon which welfare reform should be based:

- *'That the state should encourage and help people of working age who were capable of work to do so*
- *The public and private sectors should work in partnership to ensure that, wherever possible, people are insured against foreseeable risks and make provision for their retirement*
- *The new welfare state should provide public services of high quality for the whole community, as well as cash benefits*
- *Those who are disabled should get the support they need to lead a fulfilling life with dignity*
- *The system should support families and children, as well as tackling the scourge of child poverty*

- *There should be specific action to attack social exclusion and help those in poverty*
- *The system should encourage openness and honesty and the gateways to benefit should be clear and enforceable*
- *The system of delivering modern welfare benefits should be flexible, efficient and easy for people to use'*

DSS 1998:2

As these principles suggest, the paper was soundly grounded in a conception of welfare which placed a high value on paid employment, and emphasised the supporting and enabling (although still active) role of the state. While there are specific references to poverty, the focus of the paper was, as Deacon (1998) suggests, generally upon ending dependency and fostering inclusion rather than the redistribution of resources. These were the broad commonplaces of the New Labour project, shared by Blair, Brown, and Field alike; as Deacon points out, there is a striking similarity between much of the language of the paper and the language of Blair's speeches. It is also significant that there is very little in the paper which can be attributed to Field's distinctive understanding of welfare. There are certainly elements which can be seen as being drawn from Field's analysis. For example, the extreme 'long view' of the development of the welfare state, the credit given to innovations by early twentieth century Liberal and Conservative governments, and the argument that the system should continue to evolve in the future, can all be found in his earlier work. But even these positions had become commonplace as New Labour had sought to recast itself in a more inclusive, less partisan, mould in order to gain wider electoral support. Similarly, while the themes of duty and reciprocity which run through the paper had long, and consistently, been emphasised by Field, they could not by 1998 be said to be distinctively associated with him.

But what makes the paper truly significant as a milestone in the development of Labour's thinking on welfare reform is that it contains really nothing of the detailed proposals which Field had worked out and published earlier in the decade. In particular, although the paper did mention reforms of aspects of the administration of the National Insurance system (DSS 1998:30) there was no commitment here to the reformed social insurance system by which Field had set such store; nor was there any echo of his attacks on means-testing (Deacon 1998). While the paper briefly

commended the role of non-state providers, including mutual organisations, in pensions and savings provision (DSS 1998: 41), there was no real suggestion that the administration and oversight of social security should be, as Field had strongly argued, placed at arm's length from government. In short, while the paper borrowed some of Field's analyses and language (and thus perhaps reflected the extent to which these analyses and language had entered the New Labour mainstream) it contained none of the proposals which he had made before entering office. Indeed, in some respects the Green Paper serves merely to draw together the projects such as the New Deals and Tax Credits which had already been announced - a purpose which in retrospect, one close observer argues, should always have been its explicit function ('.. you need really to get under the bonnet of the programmes, think about what you need to do, then try and re-integrate' - former Special Adviser DSS).

As this point reminds us, the Green Paper had not been produced in a vacuum. Throughout the first 11 months of the Blair government, while the paper had been being drafted and redrafted, Brown and his Treasury team had, as we have seen, been introducing measures such as the New Deals and the first stages of the tax credit system that were making, or were intended to be making, really significant changes to the way that the welfare system worked. The contrast between what Field and his collaborators were doing in DSS and what Brown and his collaborators were doing in the Treasury encapsulates the future direction of welfare reform under New Labour. Henceforth - as, it can be seen in retrospect, from the beginning - the Treasury would be the driving force for welfare reform (and this would be confined by the appointment of Alistair Darling, previously Chief Secretary to the Treasury, as Secretary of State after Harman's dismissal). The Green Paper, then, merely confirmed that welfare reform was not then, and in practice never had been, driven by those whose nominal responsibility it was.

New Labour, welfare, and the role of the state

We have seen, then, that the development of welfare reform policies in 1997 - 8 took place almost entirely within the Treasury and therefore under the aegis of Brown and his circle. We have also seen that these policies were strongly oriented towards encouraging and rewarding paid work, with a particular emphasis on young men

(through the New Deal for Young People) and on families with children (through the tax credit systems). But crucially, both these aims were to be achieved through policies which give the state a role which was both highly active, as a provider of services and of financial and practical support, and ongoing; while the aim was to enable people to move from benefits into work, this was not seen as a 'one-off' process; those who returned to benefit could (and indeed might be required to) receive the same support again, and for those whose wages were supplemented by tax credits, state support was potentially open-ended, only ceasing if and when their wages rose above the level of eligibility. This activist approach, which reflects as we have seen Brown's long - standing beliefs about opportunity and equality, is fundamental to the New Labour discourse, but is largely alien to Field's position; and we develop this discussion in our final chapter.

Chapter 8: Conclusion- Field, Brown, and New Labour's discourse of the active state

In the preceding chapters, we have examined the development of welfare reform policies in the first 15 months of the first Blair government. We have considered Field's performance as an actor in core executive politics, and have argued that his failure to make a lasting impact may be explained by his poor engagement with the network structures within which he operated. This in turn may be explained both by institutional factors- for example, the advantage which the Treasury and Chancellor almost always hold in negotiations with other Departments and Ministers- and by Field's own actions. Field's previous position, at a distance from the formal structures of Opposition, had left him ill-equipped to participate in policy networks within the core executive once Labour had attained office, and this was aggravated by his misunderstanding of the locus of power within those networks. As a result, we have argued, Field would in any case have had great difficulty in putting his ideas into action, even had all other factors been equal.

However, it should not be assumed that Field's failure to achieve implementation of his model of welfare reform can be explained solely or even principally by an examination of the core executive politics of the period. As we have seen, there were fundamental, if perhaps initially unrecognised, differences between Field and Brown as regards the principles and practice which should characterise a reformed welfare system. In this chapter, we suggest that ultimately, Field's model failed to gain acceptance because it was essentially irreconcilable with the wider discourse of New Labour. Brown's model, on the other hand, sat comfortably within that discourse- and, indeed had helped form that discourse. The point of difference, we argue, concerned the role of the state. As we shall see, for all that New Labour sought to distance itself from the statism which characterised most strands of 'Old Labour', it actually had created a discourse in which a very active role for the state played a central part. To explore this discourse further, we make use of Torfing's (1999) distinction between neo-liberalism, neo-corporatism, and neo-statism. New Labour, we argue, far from being the surrender to neo-liberalism which has been described by scholars such as Hay, has in fact adopted a neo-statist discourse which re-legitimises state intervention. By contrast, Field's model of welfare was, as we shall see,

distinctly sceptical about the state and ultimately predicated on the desirability of reducing the role that the state plays in the lives of individuals. We have seen that after the report of the Commission on Social Justice, Labour officially accepted that social security should be a means of achieving economic as well as social objectives. Field's proposals for introducing a degree of activation into the benefits system were broadly consistent with this. Yet these proposals appear to relate to remaining claimants of social assistance benefits, rather than to members of the enlarged social insurance scheme which would make up the greater part of the system; and they are presented in terms which emphasise the benefits of paid work to the individual rather than the benefit to the economy of a larger and better-trained workforce (Field 1996a:103-109). The broader economic justifications for activation, which, as we have seen, New Labour (and Brown in particular) always emphasised alongside the social and moral case, are not really present in Field's proposals. Indeed, Field's proposals for a tri-partite administration of social insurance would have placed a very substantial part of the social security system at arm's length from government, thereby depriving the state of a means of intervention. Thus, we shall argue, Field's model could not have sat within the neo-statist paradigm to which New Labour subscribed. We conclude by using Buckler's (2007) division of discourse into theory, ideology, and rhetoric to propose some reasons why Field's approach to welfare reform may have been initially attractive to New Labour- and why it could ultimately not fit into New Labour discourse.

Field, Brown, and the activist discourse of New Labour

As we have seen, although the origins and ethos of New Labour have been the subject of considerable debate, many commentators agree in grounding the 'project' in the desire to make Labour electable in what were perceived to be the changed circumstances of the mid 1990s, in particular by appealing to more affluent, middle-class voters. This thesis has argued that that appeal was constructed around an analysis which saw those voters, not as the 'contented' class depicted by Galbraith (Galbraith 1992), but as dissatisfied, insecure, and hungry for change. Change need not, of course, entail greater government activism; a party may seek power, as the Conservatives generally have done since 1950, by promising (if not delivering) a less active and interventionist state. However, we have seen that after 1994, New Labour

sought to attract key 'affluent' voters by arguing that a more active state was needed precisely in order to preserve the consumerist affluence which they had come to enjoy in the 1980s. It thus constructed a narrative of national decline (evident throughout, for example, Mandelson & Liddle 1996), which pointed to economic and social instability- as manifested in, for example, white-collar redundancies, high interest rates, mortgage repossessions, pension mis-selling, rising crime, and declining public education and health services- as the product of an unrestrained market. This narrative predicted further decline unless stability could be restored by balanced and targeted state intervention (see, for example, Mandelson & Liddle 1995:256-60).

This is significant because it leads us away from the suggestion that New Labour at this period represented a mere acceptance of neo-liberal free market ideology. New Labour did accept (what it believed to be) the *fact of* the globalised market but it explicitly rejected the idea of a surrender to unmediated market forces. This rejection may be seen, for example, in the speeches and writings of Tony Blair (Blair & Schroeder 1999; Blair 1998), and in the 1998 Welfare Reform Green Paper, which presented three possible futures (DSS 1998:19) which closely resembled the 'Investors'', 'Deregulators'', and 'Levellers'' Britains set out in the report of the Commission on Social Justice (see Chapter 2, above). This is, perhaps, the essence of what would become known as the 'Third Way' (and the term is used, without capital letters, in the Welfare Reform Green Paper – DSS 1998: 19). On the one hand, New Labour differentiated itself from what it characterised as the overbearing statism of 'Old Labour'- and, while it is as we have seen difficult to say exactly what 'Old Labour' was, whether we are talking of the Leftish excursions of the 1980s, the social democracy of the 1960s and 70s, or Attleean democratic socialism, an ideological or moral preference for state intervention seems to be a factor uniting otherwise very different traditions. On the other, it proposed a pragmatic case for state activism which sought to distance itself from contemporary Conservatism.

This – pragmatic rather than ideological- acceptance of state intervention would be one of the chief pillars of the economic case for welfare. It must be emphasised that for New Labour, the state has no special status which gives it an inherent primacy over other social institutions. Yet the pragmatism of the often-repeated New Labour

mantra 'what matters is what works' (Labour Party 1997 - although Blair was careful to argue that this was a pragmatism of means not ends: 'what matters is what works to give effect to our values' Blair 1998:4) is double-edged. On the one hand, it opens the door to the engagement of non-government actors in delivering public policy, and the vision of the state as an enabler. This is an aspect which New Labour was keen to emphasise, because it enabled a contrast to be drawn with the provider state model associated with previous versions of the Party (for example, Mandelson & Liddle 1996:27), and it is also an aspect that has received much attention from commentators and scholars. Even the 'enabling' state model can, of course, permit considerable intervention, albeit through non-state intermediaries: the very idea of the state enabling other actors to act, rather than simply guaranteeing the boundaries of the arena into which they bring their own resources, suggests that the market is not to be left to itself. However, we may go further. The pragmatic approach actually *legitimises* state action and the use of state agencies if that can be justified on the grounds of effectiveness. It allows state action to be justified to an electorate who (it is believed) are suspicious of state interventionism, so long as it can be argued that the state has been chosen as the preferred actor for practical rather than ideological reasons. Indeed, doing so may reinforce an image of a government as sensible and pragmatic, seeking the national interest, without regard to ideological prejudice.

We may discern several strands in this 'pragmatic' activism. Its rhetorical value in allowing New Labour to distinguish itself both from 'Old Labour' and from the New Right is easily discerned. Yet it is also one of the points at which New Labour resembles the progressive Liberalism of the early twentieth century, which was invoked approvingly by Blair in the mid-1990s (see Chapter 3). For Hobhouse, for example, the state was distinguished from other associations by its greater strength and wider scope for action, but was not otherwise qualitatively different: Hobhouse 1964:71). It also- although this does not seem to have been acknowledged after 1994- represents a degree of continuity with the Labour Party of the very late 1980s (Labour Party 1989: 6, cited in Chapter 2); and it is a fairly consistent theme in Brown's thought. As we have seen (Chapter 5) Brown's view of the state is essentially positive (although he too takes care to present this as pragmatic rather than ideological: for example, Brown and Wright 1995:25-6); for him, the state should be a benevolent force, supporting, actively creating, and (because he places

such a high emphasis on individual agency as well as social and economic structures) re-creating, the circumstances in which individuals can flourish. As we have seen in our discussion of Brown's debate with Hattersley (Chapter 5 above), Brown's model of equality of opportunity is very much a 'strong' equality of opportunity, rather than a mere removal of barriers to advancement. Thus, the state is justified in intervening in the lives of individuals in order to ensure that they can develop their potential and that their efforts to do so are rewarded. This also promotes, as we have seen (Peston 2005:277), a social cohesion agenda: by making the state a recognised benevolent force on the lives of individuals, it is hoped that those individuals will be bound into the state and the society which it represents. Finally, we may discern the influence of an understanding of global and economic imperatives which Anthony Giddens has called the 'Social Investment State' (Lister 2004).

According to this thesis, in a globalised and knowledge-based economy, governments would need to provide leadership to develop skills in order to enhance the competitiveness, and thus the prosperity, of both individuals and societies. To this end, social and economic policy should be integrated - with, Lister suggests, the former serving as 'handmaiden' of the latter (2004:160). But what is noteworthy here is that the emphasis is on leadership and investment by the state. As we have seen, after 1994 the need for state investment and leadership to enhance competitiveness became a consistent theme in the speeches and writings of both Blair and Brown. Thus, while New Labour, in its discourse, portrayed globalisation as part a process of objective, inevitable and irresistible change (see for example Blair and Schroeder 1999), it nonetheless claimed to be able to turn it to the national advantage. By contrast, it characterised, as we have seen, Conservative policy as being predicated on attempts to compete by keeping labour costs down- attempts which were both socially divisive and doomed to failure. (It should be recognised that Labour's acceptance of the responsibility of the state to promote Britain's international economic competitiveness in a liberalised market predated New Labour. As we have seen (Chapter 3 above), it was a constant theme in Labour's economic and industrial policy papers during in the late 1980s and early 1990s. During this period both Brown and Blair held Shadow Cabinet posts relating to this policy area - Brown in the Shadow Treasury team and then shadowing Trade and Industry, and Blair shadowing Employment – and as such embraced the agenda (for example Straw and

Blair 1991). Nonetheless, it was after 1994 that this model really became central to Labour's discourse.)

Thus, by 1997 these strands had been brought together by New Labour to present a discourse of the state which, it was hoped, legitimised the power of government to act and to invoke the dual (and, in New Labour's thinking, interconnected) aims of economic prosperity and social justice. This model of the interventionist state underlay the welfare reform policies which New Labour introduced after May 1997. The Treasury-led reforms which we have described above were characterised by a very high degree of state activism. The flagship New Deal for Young People, for example, was almost entirely delivered by the (public sector) Employment Service – a decision which was made on practical grounds, in the face of a strong alternative bid from the (public-private) Training and Enterprise Councils, only some six weeks after the General Election (former senior official, Employment Service). The development of welfare reform after 1998 is beyond the scope of this thesis. However, it is arguable that delivery of the New Deals revitalised the Employment Service and the Benefits Agency as active rather than passive state welfare providers, and began a process of transformation which would see the two agencies (and their sponsoring Departments) merge in 2001, remaining within the public sector and delivering activation services to a gradually increasing range of benefit claimants over New Labour's first decade in office. Similarly, as we have seen, the tax credit programmes, far from decreasing the engagement of the state in citizens' lives, actually provided more state support, to more people, for longer, than the benefit regimes which they replaced. This was entirely intentional and had strong roots in Brown's social vision, which as we have seen emphasised continued support with the aim of enabling people to break out of cycles of deprivation.

Welfare reform: the neo-statist strategy

New Labour's welfare reforms thus accepted and promoted a continuing supportive role for the state, including its welfare provisions, in a way that, for example, US welfare reforms, with their (post-1996) emphasis on residual and time - limited state assistance, arguably did not. This understanding of the role of the state, it must be repeated, is central to New Labour's welfare reform policies. Although as we have

seen critics have sometimes accused New Labour of accepting the neo-liberal frameworks established by Conservative governments in the 1980s and 1990s, this is true, if at all, only to a limited extent. In a discussion of Danish welfare reforms, Jacob Torfing (Torfing 1999) has distinguished between neo - liberal, neo statist and neo - corporatist welfare strategies; and between offensive and defensive approaches. Neo - liberal strategies, it is suggested, seek to 'downplay the role of the state and corporatist networks and to reinforce the rule of the market as the privileged decision making mechanism'; this approach is often combined with strong state actions in order to free up competition and restructure markets. Neo - corporatist approaches seek to work through open and self - regulating policy networks to reconcile economic decisions with public and private actions. Finally, the neo - statist strategy 'relies on a state - guided approach to societal reorganisation through interventions seeking to regulate the market. Framework laws, modernisation, new public management and increased competition within the public sector are the key elements of the neo - statist strategy.'(1999: 8). 'Offensive' and 'defensive' approaches refer, respectively, to 'the attempt to deal with socio - economic problems in a proactive manner that aims to produce a positive - sum solution' and to 'a more reactive way of solving problems by means of providing zero - sum solutions that give in to short - term partisan interests or ideological concerns.' In the context of welfare-to-work programmes (or workfare, as Torfing labels them), 'empowering education and training programmes can be described as offensive while...increased repression of the unemployed combined with lower benefits and minimum wages can be described as defensive'. (1999:9).

Writing in 1997 or 1998, Torfing identifies the reformed Danish welfare regime - which like the British regime from 1997 onwards is characterised by a focus on activation policies and the language of rights and responsibilities (see, for example, Labour Ministry 1996:2) - as an 'offensive' and 'neo - statist' regime (1999:17), and draws a contrast between Danish reforms and those in Britain and the USA (1999:18). However, it is important to note that, as far as Britain is concerned, this contrast is based on the market - driven and benefit - cutting strategies introduced by the Conservatives in the first half of the 1990s. If we consider the revived activism of the British state in social and economic matters under Labour - and in passing, it should be noted that 'modernisation' is a term that New Labour has used for the co-

ordinated social response to social and economic change that includes welfare-to-work (Walker & Wiseman 2003a:4) - and, in relation specifically to welfare reform, the combination of activation policies with the institution and then regular uprating of a minimum wage, an extended regime of in - work credits and significant rises in some benefits, and the strong emphasis on training and advice which characterise the New Deals, it is clear that that contrast has to be revised. In Torfing's terms, after 1997 British welfare policy clearly shifted into the neo - statist, offensive paradigm which characterises welfare reform in Denmark and in other Northern European states such as Sweden.

Field and the active state

It is this activist discourse which, ultimately, provides the clue to the essential incompatibility of Field's welfare reform model with New Labour. Inherent in the New Labour project was the concept that the state had to be free to act, and while it might relinquish macro - economic tools which could be seen as having doubtful direct efficacy (for example, through giving operational independence to the Bank of England) it should retain control of those smaller - scale mechanisms which it hoped would produce economic and social incentives for 'virtuous' behaviour. This approach underpinned Labour economic policy from the mid-1990s onwards (Economic adviser HM Treasury) and manifested itself in, *inter alia*, the activation and tax credit policies which we have described above.

By contrast, Field's models of welfare reform did not entail, and were not consistent with, this role for the state. The central theme of Field's welfare thinking is individual autonomy, and this is interpreted in a way which incorporates something of a mistrust of the state. Thus although it is true that Field calls for activation policies towards recipients of social assistance benefits, and sees the state as an important partner in social insurance, in general his proposals entailed, quite consciously, a decreased role for the state. For example, state representation was to be only one element in the renewed social insurance corporation, which was to have the explicit (although subsidiary) aim of strengthening non-governmental organisations in the democratic process (Field 1995:175), and insurance benefits, payable as of right on the basis of previous contributions rather than current or future

activity clearly offer less scope for the state to incentivise certain types of behaviour than more conditional benefits do. Indeed, Field would later identify 'a renaissance of civil society....building up membership owned organisations, separate from government on the one hand and from privately owned companies on the other' as an intrinsic element of his welfare reform agenda (Field 2000:36). Whereas in Brown's (and thus New Labour's) model, more generous and more widely available means-tested benefits act as means to tie recipients into the state, for Field this is precisely one of the reasons why such an extension of means testing is objectionable. Credit levels, he suggests, act as a ceiling, rather than a floor, to the incomes of their recipients. This creates, he suggests, a 'new serfdom' (Field 2002:59), in which low-paid workers will have to depend on politicians' willingness to raise credit and benefit rates, rather than on their own efforts, to increase their incomes.

Conclusion: the constraints of discourse

Let us recapitulate. New Labour entered office in 1997 with a clear commitment to welfare reform, but with little defined policy in the field. As such, the new government might have appeared to have been in the fortunate position of having effectively a blank slate upon which to develop its reform policies. Had this been the case, then, questions of core executive politics aside, Field's ideas might have offered a possible model for reform. But in fact, New Labour did not have a free hand. In repositioning and re-presenting itself to meet the perceived electoral imperatives of the mid-1990s, it had created a discourse of the state which, while consciously distanced from what was presented as the doctrinaire statism that had characterised most Labour traditions of the previous 80 years, nonetheless emphasised the capacity, and indeed the duty, of the state to intervene in order to create and sustain favourable economic and social outcomes. Furthermore, because the attainment of a degree of ideological and political hegemony comparable to that enjoyed by the Conservatives after 1979 was a central aim of New Labour, that discourse had to be maintained once New Labour was in government, if only in order to secure re-election for a second full parliament. This therefore acted as a constraint on the new government: policy areas such as welfare reform had to be approached in a way that was consistent with New Labour's overall discourse of the state, and, once this is recognised, it can be seen that Field's ideas, with their fundamental aim of

enabling individuals to live independently of state (or indeed other institutional) influence, could not have been adopted.

Thus we see that Field's ideas were ultimately irreconcilable with the New Labour programme, although it must be emphasised that there is no evidence that this was (widely) recognised at the time. Buckler (2007) presents an analytical framework which may help us understand the relationship between Field's ideas and New Labour discourse. This framework, which seeks to examine the role of ideas in politics by considering their discursive context, proposes that political discourse may be considered at the three levels of 'theory', 'ideology', and 'rhetoric' (2007:37). These levels relate to the ways in which discourse is framed and the purpose for which it is used. Thus, 'theory' is a more academic or scholarly discourse, concerned with ideas in their 'purest' and most consistent form; 'ideology' integrates sets of ideas into 'an integrated and coherent political platform with action-guiding potential', and 'rhetoric' deploys discourse to win tactical political arguments. Put more crudely, theory is concerned with getting people to agree with an argument; ideology, with getting people to subscribe to an agenda; and rhetoric, to getting people to vote for a party (2007: 37, 38). If we place Field's ideas into this framework, we see more clearly the points of compatibility and incompatibility with New Labour discourse. At a theoretical level, we may suggest, it is possible to imagine Field's ideas sitting within the programme of a modernised Labour Party. They offer well-developed collectivist, but not statist, institutional models, aimed at the promotion of individual liberty within a universalist system designed to offer secure living standards, and grounded in values which can be identified as part of the authentic Labour tradition. At the level of rhetoric, there is a much closer congruity between Field and New Labour. Field's explicitly moral discourse, his emphasis on 'rights and responsibilities', self-help and community, and his rejection of much of the recent left-of-centre orthodoxy in his field, strongly echo the rhetoric of New Labour, and especially that of Blair.

Yet at an ideological level there were significant and ultimately unbridgeable differences between the two. As we have seen, New Labour presented an integrated ideology which emphasised the interdependence of social and economic policy, the power and indeed responsibility of the state to intervene (principally through micro-

economic tools) to promote desirable ends, and a narrative of national decline and recovery that placed an active and benevolent state at the heart of renewal. Measures such as the New Deals, proposed initially in Opposition, could be integrated into this ideology; and policies such as the tax credit scheme, developed in government, could be developed within it. (It is significant that ideas such as 'stakeholding' and a greater role for mutual institutions, which were elements in Labour's welfare policy development for a time after the publication of the report of the Commission on Social Justice, were quietly dropped as the 1997 election approached. This, we may suggest, can be ascribed to their incompatibility with this ideology; they would, if pursued, have placed elements of the welfare system at arms' length from the state, and so made them less amenable as channels of micro-economic influence.) Field's ideas, by contrast, could not be fitted into that ideology. His ideas were only incidentally linked to the promotion of economic efficiency, and were not really attuned to the Social Investment State thesis. Like Brown, Field emphasised individual autonomy as a policy aim, but unlike Brown, he interpreted this to mean the capacity of individuals to fulfil their potential and meet their obligations, in a social context but with as little help as possible from anyone else. Indeed, for Field, ongoing state support could act to limit, rather than to increase, autonomy; this contention is, as we have seen, at the heart of his attacks on means-tested benefits and credits. So while New Labour and Field shared considerable rhetorical ground (and we may surmise that this rhetorical affinity may well have been a considerable factor in making Blair think of Field as a possible reforming Minister), and while Field's theories could have been seen as compatible with some version of New Labour (if not the one that actually came about), at the ideological level, in Buckler's sense, there was a fundamental incompatibility. Field's ideas, based as they were on concepts of mutuality and self-government which at times seem almost anarchist[4], could not have been integrated into New Labour's neo-statist discourse. This was probably not recognised by Blair, or by Field, in 1997. But in retrospect, its importance is crucial. That, if nothing else, was why Frank Field failed.

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[4]While he was a Minister, Field took part in a public discussion of welfare reform at Birkbeck College, London University. There were three other members of the panel, one broadly from the Left, one broadly from the Right, and an anarchist. The anarchist stated that Field's views were closer to his own than were those of either of the other two discussants (personal recollection).

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