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**BRITISH TRADE UNIONS, THE LABOUR PARTY AND
NEW LABOUR:
A DIFFICULT COHABITATION?**

**Dissertation submitted in fulfilment of the requirements for the Degree
of Doctorate in English (literature and civilisation)**

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DECLARATION

I hereby declare that the substance of this thesis is entirely the result of my investigations and that due reference or acknowledgement is made, whenever necessary, to the work of other researchers.

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DEDICATION

To the memory of my beloved parents and sisters.

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ABSTRACT

In a neo-liberal political context trade union organisations and position in most Western countries including Britain, are intensely challenged, but British unions have proved to be extraordinarily resilient. This dissertation critically explores the broad relationship between the trade unions and the Labour Party and the cyclical changes in the overall distribution of power that strains their historical relationship. Drawing from a plethora of political theories ranging from socialism, liberalism and neo-liberal tenets prerequisite to undertake critical policy analysis; an account of the fundamental aspects of New Labour's Third Way politics that has been an inspirational background for party modernisers, is developed as a perspective from which New Labour's novelty, or the absence of it, is gauged.

For a long time, Labour and trade unions have competed for internal power, influence and control over the party. This important issue is responsible for the polarisation that emerged and which is the perennial hallmark of the relationship that led to some bleak diagnoses about the imminent divorce between the two wings of the labour movement, or simply the demise of the trade union institution. It is noted that the accession of New Labour to power has not entirely contradicted this analysis, and thereby the relation is believed to have been the more contentious because Blair's New Labour has succumbed to the calls of the neoliberal ideology and its hegemonic project, where it seemed that collectivism and corporatism are notions of the past, and that the two wings would be split forever. This verdict prompted political observers as well as theorists to question the future of collectivism in a neoliberal environment. However, contradicting all prophecies the relationship has survived against all the odds, which is a strong political barometer that explains why the 'big split' did not occur.

What is momentous in this dissertation is that the analysis of the trade unions, the Labour Party and its variant New Labour, has revealed significant facets of the trade unions that are the cornerstone in their link with the party. Firstly, they have preserved a degree of general ideological connivance on aims and values with the political leadership which confers intensity and harmony to the relationship; secondly, workplace union organisation is at the same time resilient and powerful; thirdly, trade unions' restraint and loyalty are by far the central emblem of the link, and constitute a frontal challenge to the thesis which ascertains that the unions run the party. The analysis of unions' renewal strategies, forces us to conclude that despite dissensions of intense nature, the relationship cannot be summed up as a difficult 'cohabitation'. It is infinitely more subtle and at times rather symbiotic, meant to last because based on mutual compromises and negotiations within an adverse neo-liberal political, economic and industrial context; and more acutely under New Labour's distinctive governance.

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List of Acronyms

ACAS:	Advisory Conciliation and Arbitration Service
CBI:	Confederation of British Industry
CWU:	Communication Workers Union
DTI:	Department for Trade and Industry
E.A:	Employment Act
ERA:	Employment Relation Act
FBU:	Fire Brigades Union
GDP:	Gross Domestic Product
ILP:	Independent Labour Party
LME:	Labour Market Economy
LRC:	Labour Representation Committee
LRL:	Labour Representation League
NEC:	National Executive Committee
NHS:	National Health Service
NMW:	National Minimum Wage
OMOV:	One Man One Vote
PFI:	Private Finance Initiative
PLP:	Parliamentary Labour Party
PWF:	Partnership at Work Fund
SDF:	Social Democratic federation
TGWU:	Transport and general Workers Union
TUC:	Trades Union Congress
TULRA:	Trade Union and Labour Relations Act
TULO:	Trade Union and Labour Party Liaison Organisation
UMF:	Union Modernisation Fund

Introduction

A clear interpretation of the relationship between the British trade unions and the Labour Party entails the appreciation of both the inconsistencies and variability of such relation which is already shaped by the capitalist division of labour where unions' terrain of action is restricted by the limits of the nation-state. The Labour Party's attitudes and policies towards the trade unions have historically oscillated between varying degrees of support of workers' combinations and a systematic opposition to their industrial and political power in periods of radical restructuring. The Labour Party's hesitation to fully accept the unions as natural partners intensified the tensions between the party's Left and Right which in turn reverberated on its relations with the trade unions and subsequently gave rise to New Labour. This tumultuous relationship is by far the most important one within British political landscape as it does not only shape the Labour Party but also the general outlook of the labour movement and the structure of the British Left. Major historical events and ideological differences within the industrial and political wings of the labour movement, often put this relationship at great risk. Nonetheless, competing ideological projects are important in shaping public policy and in examining the degree of coherence among political-economic institutions.

The Labour Party's poor electoral performances, internal conflicts, divergent aims and potential fragmentation, led to the reassessment of its industrial policies, and to the reconsideration of their relationship with the unions, as well as the role it designed to them. In fact, unions' assertive industrial and political power is blamed for the party's misfortunes and as early as the 1960s, Labour leaders endeavoured to curb their power and weaken their influence within the parliamentary party via legislations, but the

enterprise proved unsuccessful. However, in the 1990s, the modernisers under the leadership of Tony Blair wholeheartedly embraced neoliberal and market-oriented policies, a turn which at the ideological level, signals that a dramatic change has occurred and has shaken the very foundations of the historical link. This shift at the macroeconomic level has also involved a radical refutation of traditional left policies and made them redundant.

The phenomenon under study in this doctoral research is the assessment of the power relations that link the trade unions to both Old and New Labour, in what this dissertation characterises as ‘a difficult cohabitation’. The term ‘cohabitation’ in its lexical meaning may seem inappropriate in this particular context, but is purposefully used to highlight the tensions that sometimes occur between the trade unions and the Labour Party to the point that they may be thought of as completely opposing bodies. Certainly, the relationship has weaknesses at local and national levels; but contrary to much ‘mythology’ about the imminent end of the structural link, this dissertation sustains that the nexus is rather stable particularly in periods of great crises owing to its internal dynamic and considerable resilience.

Trade union-Labour relationship has inspired a plethora of metaphors to explain the interdependence of both institutions among which the most persistent that emerged likened its history to that of a ‘family’s life’ with all the implications associated to it. Yet, in studying their respective trajectory, both the industrial and political wing of the labour movement appear -especially under New Labour- somewhat opposed as unions’ political power and ascendancy are in permanent decline within the new liberal economic environment.. The demise of the Fordist era which involved

partnership with the unions in industrial policy-making processes, coupled to the shift to the post-industrial age and flexible organisation of work, signals a ‘malaise’ within the labour movement in general. In fact, the emergence of the dynamics of globalisation, New Labour’s withdrawal from Keynesian economic policies, as well as decrease in union membership rates, can rightly be suggested as the beginning of an explanation to the crisis of trade unionism. Considering the available data, it is rather easy to conclude that their relationship can only be problematic; however the nature of their historical link which many describe as an ‘unnatural relation’ is certainly fluctuating and much more complex. Throughout the four chapters that compose this dissertation it will be shown that, as in any relationship, there are ups and downs which shape union-party relationship outlook and allow it to outlive critics from different political strands.

At the conceptual level, this research work endeavours to locate the reasons of Labour’s constitutional reform and its embrace of neo-liberal policies that put at great risk its ‘bonne entente’ with the labour movement as a whole and the unions in particular. It is also argued that Labour’s turn to the right was principally the result of a shift to a more passive approach to union party relations, far from traditional class divide discourses, with a central focus to bring the party into a neo-liberal network in conformity with the exigencies of the new millennium.

Nonetheless, the core issue in this dissertation is to analyze the industrial and political power of the trade unions under past Labour Governments with a focus on Tony Blair’s Premiership (1997-2007). It is meant to assess the extent to which trade unions are needed within the new political context, as well as to determine the future role of

collectivism. Deriving from this, and within this new political paradigm, the central question is: how important is the link for the unions to be willing to make sacrifices to maintain it, or is disaffiliation not the best alternative for them to consider? This is very significant as Britain has witnessed a weakening in trade union's membership that reverberated on their overall influence, and which led to sombre diagnoses as to their survival and renewal. In this specific context, the paramount aim is to assess unions' ability to secure pro- trade unions concessions while considering New Labour's pro-business orientations. Accordingly then, Gramsci's concept of hegemony is fundamental in reconceptualising the nature of class domination as well as to decode the functional relation between the Labour Party and the trade unions. In this sense, his conception of power coupled with a Marxist approach is adopted to explain the demise of the great socialist project.

1. Literature Review

The study of politics and political movements nowadays has become transdisciplinary as it shifts from history and sociology to political science and makes an incursion in sociolinguistics when necessary. This entails that the analysis of the issue at hand requires the use of a wide-range of theories and novel exploration of one of the most important relationship of the Left of British politics. Theory then, is important for devising a framework to address the research question, and in an attempt to consolidate the choice of the topic and show its relevance it is necessary to present an overarching perspective on the existing literature by considering some of the major scholarly works that have dealt with the issue. The theoretical infrastructure of this dissertation draws on the seminal work of several political, social and economic

experts whose works represent the most authoritative literature in the field and which have a direct bearing on the topic. More precisely, published literature of the Labour Party, New Labour, trade unions and fringe groups (annual reports documents, manifestoes press release) provide the bulk of this data.

The whole analytical approach adopted in this dissertation is fleshed out by the liberal, neoliberal, Marxist and Gramscian theories because they clarify the degree of the interaction and competition between the different actors, and constitute by far the ideal framework within which these relations unfold within the political, economic and social levels. In order to evaluate the impact of political ideas on social policy and practice, the concept of ideology is defined as a structured idea or a set of ideas which function as a guide for political behaviour. As such, collective ideology acts as a form of social cement, providing a frame of values that enables a union to support commitment from members in attaining objectives. Certainly, political ideas and ideologies set goals that inspire political activism.

The literature on union-Labour link has fostered lot of interest among scholars from various fields and disciplines, and offers different narratives and theories about the historical relation between the two wings of the labour movement. Some theorists refute the stranglehold of the unions over the party claiming that the relationship is rather smooth; others argue, on the contrary, that the unions are economic pressure groups with much authority and influence thus endangering the relationship; and a third approach which considers both organisations as separate entities because both have distinctive interests to defend. Advocates of this position maintain that Labour's

structural link with the unions must be severed as it enhances the difficulty of their cohabitation.

In studying, years apart, trade unions-Labour Party relationship Harrison (1960) and Minkin (1991) refute the hypothesis that the unions are over mighty corporations that can break down governments, or hold the nations at ransom while the country experiences economic turmoil. In his *The Trade Unions and the Labour Party since 1945* Harrison analyses the Labour Party- trade union relationship focusing on parliamentary interactions and on key aspects of the relationship such as political levy, trade union funding of the party, sponsorship of MPs and elections to the National Executive Committee (NEC). However, he does not explicitly study the issue of power in the relationship and in a succinct way argues that unions do not exercise the power allotted to them by the constitution and that they have rather a balanced relationship with the party they created.

Likewise, Lewis Minkin in *The Contentious Alliance* provides unparalleled insights into the complex and functional links between the trade unions and the party. He too refutes the 'baronial power thesis' in relation to the domination and power of union leaders mostly in the 1970s. Much of his study is preoccupied with how and why internal conflicts, divergent aims and potential fragmentation came about and how the 'big split' was avoided. Minkin nonetheless, admits that there has always been a fundamental issue in the labour movement in sustaining an ideological unity and that politics is at the same time fundamental and momentous but problematic. To recapitulate, his central thesis is that the relationship between the party and the unions is stable, governed by 'unwritten rules' and sentiments that are informed by trade

union values of freedom, democracy, and unity; which lead to the playing of different roles by party and union leaderships at the level of the two spheres: the political and the industrial. These tacit rules affect the distribution of power within the relationship and prevent the absolute supremacy of leadership groups on either side of the relationship. One of the key debates to emerge from Minkin's analysis concerns the future stability of the relationship which is an area where most of the academic community appears to be split. Minkin uses a historical schema to explore how the 'unwritten' rules operate and concludes that they affect the distribution of power within the relationship. Despite this, the link has and will continue to play a stabilising role within the party, and this is precisely what this dissertation attempts to demonstrate.

Contradicting this thesis Samuel Beer's (1965) and Andrew Taylor's (1987) opinions seem to go against the aforementioned theories. In fact Beer's *British Politics: a Study of Parties and Pressure Group Politics* enhances the polyarchy thesis and argues that the unions as pressure groups do exercise authority and influence public policy since 1945. For Beer post-war politics is a distinctive era and political culture constitutes at the same time a main variable and a major factor in explaining the behaviour of the unions and of the party. Similarly, Taylor's *Trade Unions and the Labour Party* portrays unions as economic and industrial actors whose socio-economic demands cause inflation. He even considers unions and Labour as separate entities and that their relationship was unstable because both have different sectional interests to defend. This view is shared by many political observers who argue that the fragility of the relationship would soon result in a major cleavage.

From an ideological perspective Ralph Miliband's *Parliamentary Socialism* (1961), identifies key failings in Labour policies and criticises the party and union leaders to have been concerned only with parliamentary politics excluding all other areas of investigation. In fact, unions' leadership as well as Labour's have restricted their actions to parliamentary politics, instead of adopting an extra-parliamentary activity that would have been more effective to achieve the aims of the trade unions. He rebukes the polyarchy thesis according to which power is contested by a plurality of various groups – business, consumers, unions and so on- where no group dominate others; and admits that “the power exerted by business and its allies is not one of various competing influences on the state, but instead is the decisive one” (Miliband, 1969, p. 42). More importantly, he considers the state apparatus as a form of class power, and refutes the ‘positive’ aspect of hegemony where the ruling class justifies the economic status quo as something natural and beneficial to every social class.

In parallel, the mainstream literature on New Labour is informed by Anthony Giddens' *Third Way* theory used in this dissertation as a central concept which determines the entirety of New Labour's conceptual framework. Giddens is identified by many sociologists as the theorist who resuscitated this theory in England- which has been adopted by Tony Blair as Labour's newfound ideology- because he was frustrated by the Right/ Left battle. The third Way is central to New Labour's ideology as it helped to construct a new rhetoric on both the domestic and international agenda. It is conceived as a critique of the central elements of post-war social democracy- i.e. state control, full employment, an extensive welfare state among others- proposes a form of social democracy more adequate to contemporary international capitalism, in

other words: globalism. Accordingly, Giddens' approach is crucial in this research work to explain the new political direction the modernisers have undertaken in their desire to help people distinguish between the 'destructive excesses' of the market symbolised by the Right wing ideology, and the 'intrusive hands of state intervention' which refers to the ideology of the Left.

In fact, when autopsying the Left in his book '*Beyond Right and Left*' Giddens concludes that it is rather '*meaningless*' to be on the Left as the '*Left*' precisely has become conservative arguing that it has fallen into a mere defensive position. The interesting finding is that whilst the Right strongly criticized the welfare state as being a heavy burden upon tax payers, the Left consciously or unconsciously refrained from criticizing the capitalists' hegemony and appropriation of the surplus from the working class. As a result, nowadays, the New Right ideology has completely pervaded the economic, political, social and cultural spheres of life, which makes it difficult for the Old Left to compete unless it renounces the Marxian ideology and rebrands itself 'New' Left'. It is requisite to clarify that a great deal of academic attention has been devoted in assessing the particularity of the Third Way in the field of politics and economy; and that this dissertation attempts to investigate whether this concept has been projected on the industrial relations which tended to be incorporated under the heading of relations between party and unions.

The analysis of New Labour includes also a range of various methodological trends such as linguistic analysis of political language via discourse analysis which may be defined as an analytical proposal to look at "how the world comes to be known and understood through discursive practice, and how a change in discursive regime can

change the world itself; in short, how reality is constituted through discourse” (Prior, 2003, p.126). Norman Fairclough’s approach is used as language helps to craft a ‘new reality’ and ‘marketize’ a new ideology in reference to constitutional reform namely the redrafting of Clause IV. Language thus, disseminates ideas and information and is an integral part of the political game via which politicians impose their vision and influence people’s perception and cognition. Modern politics is intimately linked to the use of a skilful rhetoric that constitutes a powerful weapon in the hands of politicians that enable them to construct their discourse and enables them at the same time to send messages to the public in favour of the cause they support. Tony Blair is no exception and he embodies perfectly this new wave of socio-democrat leaders for whom political success depends substantially on their communicative skills and performance, which inevitably connects New Labour’s discourse to power and ideology. Overall, the analysis in this study is restricted within the policy making process within government rather than the wider relationship between discourse and society; taking into consideration that the concept of political ideology might be only a small part of discourse analysis.

As important as rhetoric, the concept of power pervades this research work and underlies the Labour Party and New Labour’s / trade unions’ relationship with the assumption that power relations in any society are built by the dominant class that wins the battle of consent manufacturing without necessarily using coercion. It is argued that this framework which draws as well on social movement theories and studies on the source of union power provides conceptual tools that can be utilised for analytical assessments. In this sense, John Kelly (1998) offers an important contribution

to the industrial relations issue and his work can be considered as seminal in the field. He argues that power theories are needed in the study of industrial relations that he bases around the notion of ‘injustice’ stating: “it is the perception of, and response to injustice that should form the core intellectual agenda for industrial relations” (Kelly, 1998, p.26). Accordingly, existing literature points to a range of sources of that power and by implication to factors relevant to its measurement, even if industrial relations research in general often lacks a “clear and agreed definition of power including union power” (Ibid).

In a nutshell, political analysts do diverge in their assessment of the relationship. The ‘pessimists’ foresee an imminent divorce and the financial ruin of the party; whereas for ‘optimists’ the issues between the two organisations is a sign of a good political health as they reinforce the fundamental trade unions value of autonomy for themselves and for their party. Amidst all this, this dissertation endeavours to retain some objectivity as it does not propose a binary conception of union-party link. It is rather argued that the relation is complex and complicated and far from being “*un long fleuve tranquille*”. Union-Labour relationship is vivid, fluctuant, harmonious, stormy and contentious, according to the different phases of their development and to the unfolding of historical events and changing political and economic contexts. It is requisite to signal that many a time, unions have sublimated their interests to favour Labour’s electoral goal; and Labour, once in power, delivered industrial and social policies pledged in its different electoral manifestos.

The overview of the literature also indicates that the Labour Party’s revisionist policy serve as an underlying factor in its transformation which in turn mirrors on its

industrial policy. It also makes it quintessential to gauge the solidity of the relationship, and to assess the success, failure and political changes that have affected both organisations at the ideological, cultural and industrial levels, which are treated in the present research work. This gives rise to the following questions: a) is Labour still a working class party especially after the ‘New’ Labour interlude phase? b) what place is allotted to the unions within the new economic and political landscape, and what are their strategies to strengthen the structural historical link?.

The hypotheses that stem from the above questions suggest the idea that both institutions experienced different and parallel developments, though the Labour Party is the creation of the unions. New Labour has shaped industrial relations according to its own terms; and in doing so it necessarily establishes a new form of industrial policy, and a new form of relationship with the trade unions. This entails an assessment of unions’ empowerment and their aptitude to take purposive actions to achieve their objectives within this new context, and their ability to win back a place at the negotiating table.

2. Motivation for the Study

Globalisation has been accepted as the ‘common sense’ of the twentieth century and is considered by many social scientists as a new historical epoch that nonetheless implies a rather pessimistic future for the trade union movement worldwide. This view is sustained by post-Marxists of the 1980s such as Gorz and Frobel (1980) who suggest that industrial relocation and change in capitalist production have dramatically

weakened the power of the trade unions as well as of the working class in general. Thus, it is in this context that the pertinence of this research work can be located.

As commonly known, motivations for researches generally stem from an inherent interest in the field of enquiry, and this has been the case for the present study. Hence, the motivation in choosing to study trade union-Labour Party relationship has been triggered by the alleged demise of the national relationship especially in the context of New Labour, the disestablishment of collectivism and the changing role of the trade unions as check and balances over a party that has gradually but surely altered its ideological trajectory.

Considering this, my overall intention is to underlie the fact that despite all the prophecies of doom and many fluctuations union-Labour relation is a strong one against all odds, even symbiotic at various and critical moments, and that the unions have not lost all their political clout. Henceforth, the idea of a 'divorce' that has been disseminated when New Labour came to power is only a fantasy. In addition, the analysis of trade unions'-Labour Party relationships within the English department has not yet received sufficient research attention; it therefore provides a justification in its own right for such a study to be conducted.

As in any research work, this dissertation has limitations as it does not explore individual unions' policymaking machinery or the geographical and regional dimensions. The other flaw is that union-party relationship is viewed from an entirely London-centric perspective revolving around the national institutions of the Labour Party and the unions without examining the relation at the sub-UK level, hence, it is not possible to generalise fixed rules about the relationship at the regional level.

As well, it is requisite to signal at the outset that the topic under study is a complex one as it deals with two ever-changing entities- Labour and the trade unions. In addition to the left-right divide within the party, Labour is actually made up of the Parliamentary Party, the various internal bodies, forums and societies, as well as Constituency Parties. All these components interact in a complex way, and have their own interests and agendas which offer a wide range of opinions and interpretations in policy debates.

As to the unions, the complexity is related to the fact that the whole idea of the unions is rather 'problematic' because they are far from being a single homogeneous block with a single view and a single set of interests. As such, there are potential conflicts between unions and even within them such as national unions as against local or regional ones; craft, industrial and general unions; skilled and unskilled workers; a public versus private sector, and white collar as against blue collar unions, all taking place within the process of unionism. It is requisite to precise that the term 'working class' is used in this work in a Marxist way meaning those working for a capitalist employer in what Marxists advocates deem as exploitative social relationship. Accordingly, the trade union movement has always been seen as a countervailing force to protect and advance the rights of the wage earners against the hegemony of the market economy.

To avoid all these intricacies, Labour is analysed in this research work as ideologically homogeneous, and unions are represented as an aggregate whole with a corporate identity that shares common ground objectives, structure and ideology, even if the range of activities -including industrial, political and social service they set to achieve-

may differ and is proportional to differences across union type. The rationale behind is that in a neoliberal environment, all unions despite their divergences, should play a central role in presenting alternatives to market 'diktat' and voice the claims and rights of the workers.

The period examined in this work spans the 1960s as well as the 1990s, which I consider as a significant turning point in the history of the trade unions whose influence gradually and dramatically weakened as a result of the onslaught of the neoliberal ideology on social democratic parties. The period is all the more significant because Labour was rebranded as New Labour to fit within the global political and economic exigencies that will necessarily force the party's modernisers to adopt new industrial relations. This time period also comprises the historic three electoral victories of New Labour (1997, 2001 and 2005) making of Tony Blair Labour's-long serving Prime Minister, and is sufficiently long to make assessments of the party's political performances, and gauge the place it allotted to the trade unions. It is worth mentioning that the new millenary is an era in which the macro-economic, industrial and social policies of social democratic parties in many Western countries have moved to the right, raising the question of how can unions retain some measures of control over the policies of the parties they created or helped to create.

In the light of the different chapters the verdict does not give reason to the critics of the trade unions who consider them as 'Jurassic' or even anachronic ; but sustains the view that unions are necessary components and a sound barometer of any healthy and democratic society; henceforth the relationship should be preserved. It provides an interesting insight of the nature of the link and also unveils whether union-Labour link

is altogether contentious as it has often been claimed, or rather symbiotic interspersed with periods of internal strife. It is surely naive to suppose that trade union leaders as well as members all bow to the political dictates and necessities of capitalism. In fact, negative media images about trade union-Labour relations have rarely been balanced out against the more positive assessments of this relation to which this dissertation tries to do justice.

This doctoral research provides an analysis of one of the most interesting political topics of the late twentieth century Britain, but- it is hoped- also makes an interesting reading because the phenomenon of modernisation of social democratic parties in Western democracies-such as Britain, Australia and New Zealand- is global. Overall, the depiction of the Labour Party's political and economic trajectories serves as an underlying factor in the transformation of party policies which mirrors in its industrial policy. This challenging situation has modified the classical perception of the labour movement as a whole, and of the role of workers' organisations that are now compelled to modernise their strategies to fit in the new economic climate to ensure their existence and retain any relevance to workers today.

3. Structure of the Study

This dissertation is structured into four linked chapters of differing intensity and focus. The opening chapter is a theoretical framework that sets out the main concepts necessary for the analytical study of the labour movement and provides a historical account of the trade unions. This retrospective is a narrative of the trade unions conceptually and theoretically driven and without which it is rather impossible to

dwell on their putative loss of power and ascendancy. It captures key events and elaborates the conceptual and analytical approach; hence different currents of Marxism are reviewed to provide a coherent narrative to determine the ideational turn of the labour movement as a whole and of the unions in particular.

Chapter two presents the historical and theoretical context of the Labour Party starting from its birth as early as 1906 to its appalling defeat in the 1979 General Election. This is not only a chronological survey of Labour Party's history, but is a review of the party's internal trajectory where its philosophical thought is studied within a conceptual framework ranging from Liberalism, Marxism, Labourism and Fabianism, which all provide a distinct prism for analysing issues which directly affect its policies and relationship with the labour movement and the unions at macro and micro- levels. It highlights Labour's internal dynamism and its rise to power, via a wide corpus of concepts that define its political and constitutional contours; it is thus a requisite to clarify the theoretical nexus between the different notions. The chapter also unfolds the close and harmonious relationship that linked the two wings of the labour movement, while gauging at the same time the overall influence of the unions in determining the fate and fortunes of the party they created.

Chapter three traces the birth of New Labour and analyses the party's embrace of neoliberal policies during the Blair government. The shift from post-war consensus to New Labour consensus is interpreted according the 'New Times' theory occasioned by globalisation and contextualized within the large Western context where the majority of social democratic parties have embraced pro-market policies. Likewise, a substantial part of the analytical approach is informed by Giddens's 'Third Way' via

which New Labour's policies and discourses are scrutinized. The resurgence of this theory is interpreted as a signal of the innovative way New Labour has adopted to achieve its objectives as a centre-left government, and to distance itself from the successive failures of previous Labour governments, as well as to detach the party from the claws of the unions.

Trade unions response and reactions to New Labour's agenda and Blair's determination to restructure industrial relations constitute the substance of chapter four. It explores the way in which New Labour sought to construct a different and more 'modern' approach to industrial relations through several enactments, and through the projection of 'Third Way' pattern in shaping new industrial policies. It reviews theories about the overall distribution of power and analyses unions' counteractions to the proposed reforms within a changing labour market context. The chapter also focuses on trade unions' renewal strategies and the revival of collectivism which during New Labour 'interregnum' seemed about to disappear altogether, as well as to measure unions' power to influence the party's decision making, and their capacity to resist the forces that lined up against them to retrieve back their place at the negotiating table.

Chapter One

Ideological and Historical Background of the British

Trade Unions.

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1.0 Introduction

This chapter discusses the emergence of British trade unions from small, sectional and ineffectual bodies, which gradually emerged into a force to be reckoned with. They are vital contributors to policymaking and a major component of the Labour Party they set up as their political extended arm to represent them at the parliament and thus protect their political rights. British unions differ from the nineteenth century European syndicalist revolutionary tradition that aimed at replacing the emerging national states with directly elected councils of workers. Their projects were different as they privileged legal and constitutional recognition of collective bargaining, and rights for their organizations to act as organized interest groups within liberal democracy. I have selected a synoptic approach of unions' history as it is impossible within the scope of this chapter to give a chronological and detailed account of the rich and profuse history of the British labour movement. An analytical and theoretical overview of this phenomenon is thus proposed which insists on the ideological development of the unions and their political maturation owing to national as well as world events. Their overall history is enticing and can be understood as parallel to the change and development processes of industrialization with which they share a relationship of dualistic interaction.

1.1 A Historical and Analytical Overview of the Trade Unions

“If you would like to understand anything, observe its beginning and its development”
Aristotle. According to this aphorism the historical survey of the trade unions proposed in this chapter, is necessary as it helps understand how under a monarchy and mostly

conservative governments trade unions have emerged in the eighteenth century in Britain to defend workers interests and debate issues central to the labour world. Deprived of any model or experience to follow, early British trade unions had to learn through practice faced as they were with an ascending capitalist system that widened the power asymmetries between them and their employers. This “self-made man” feature is coupled with another not less important one which is their historical continuity. In fact, despite many and vicious attempts by successive Conservative governments to break unions’ organizations, unions were able to exist within a totally hostile political environment and whatever their shortcomings they changed irreversibly the British political and social structure.

The history of the British trade unions over the last two centuries has first to be contextualized within the western theoretical framework of labour organizations; and second has to be placed within the large context of the British labour movement of which trade unionism is a key facet and a primary form of labour organization in fixed capitalism. If the bourgeois nation state of the eighteenth century provided the economic and industrial impulse for the formation of workers’ combinations meant for mutual support and the negotiation of better paying conditions; Britain’s early and rapid mechanization made of trade unions the ‘ideal’ industrial partner as well as a response to overcome the imbalance of power in favour of capital. However, the fact that the employers owned the means of production, and that the workers did not possess any commodity except their labour force caused considerable differentiation and stratification in society.

Understanding the essence of unions clarifies a range of concepts used in industrial relations literature and thereby helps with the analysis of traditional and contemporary trade unionism. Likewise, the study of their development and the formidable hurdles they have encountered on their way to acquire more rights, reveals their specific nature and the role they play in managing class relations. Trade unions' history can be divided into two significant phases: the first one from their inception to the beginning of the nineteenth century which is one of ascertaining their industrial and bargaining power; the second one is their direct involvement in politics via the establishment of their political wing namely the Labour Party in 1906. An important feature to signal is that the British working class organization and activity tend to be defensive rather than hegemonic as unions were not conceived as instruments of political change.

It is important to precise from the outset that the working class is far from being a homogenous mass even within a single nation. As such, there are manifold forms of labour unions ranked by skill, and most of the time segregated sexually and racially, set on a narrow and sectional basis to defend the interests of their trade. Each union represents workers with different economic and occupational identities, which result in an "increasing differentiation of policy and interest amongst the unions" (Lovell, 1982, p. 10). In fact, the diversity and difference within the working classes is explained by the uneven pattern of the development of capitalism which further stresses their heterogeneous nature in terms of geographical location. At this juncture, it is requisite to precise that the use of the generic term 'working class' does not always imply unity, as Britain's proletariat has always been characterized by sundry divisions, which has delayed a cohesive class consciousness.

In the early period of their inception British unions were a collection of separate crafts, small and local in scope with limited objectives; and were rather “exclusive and defensive, often politically conservative” (McIlroy, 1995, p.8). These professional associations, such as printers and engineers, relied upon training and education for restricting the number of the new entrants to their crafts to maintain the benefits which they had hitherto been enjoying. This working class ‘conservatism’ weakened the working class, the unions and the Labour Party.

However, political experts and sociologists in general agreed on one stable feature they share which is “their occupation of a terrain between market and class: between a focus on bargaining for improved terms and conditions within the labor market, and a model of class conflict in which trade unionism is a form of anti-capitalist opposition” (Hyman, 1971, p. 10). In other words, modern unions act in two arenas: the state and politics, and the labour market and collective bargaining. This duality of purpose being both economic agents and political opponents forms the complexity and peculiarity of the British unions. What also contributes to enhance this image is the fact that they have the ability “to act both as the representatives of narrow sectional interests and as the pathfinders of social justice- sometimes at one and the same time” (McCarthy, 1972, p.12).

Likewise, the difference in terms of geographical location has a deep impact on the degree of political consciousness of unions situated in the North and those in the South of England which are considered less revolutionary. As such, the profusion of unions and their diverging aims and structures make it difficult to find a wide consensus. For instance strong industrial unions in the North may privilege collective bargaining,

whereas specialist unions such as the smaller craft unions often opt for democratic control and closer degree of participation in planning. Hence, the diversity of union organization can be considered as the reflection of the diversity of their interests as a preference for one form of organization may imply a particular purpose.

This diversity played a significant part in the gradual development of the unions which went through different phases starting with narrow closed and exclusive societies in 1793, to semi-skilled unions in the 1830s, and ending up in general inclusive industrial unions in the 1880s. It helps us understand the complexity of present structures that are the “product of more than two centuries of ‘laissez-faire’ development unpunctuated by major social upheaval” (McIlroy, 1990, pp.10-11). If this organizational unions’ structure is accepted by liberal theorists and is the norm for a ‘healthy’ labour movement within a capitalist society, it is discarded by the Marxists who view the issue in terms of class struggle, and consider unions’ diversification as harmful because it does not encourage unity of outlook-the sine-qua-non- condition for a labour revolution to overthrow capitalism.

1.2 The Role of the Unions in a Capitalist Society

Different approaches concerning the role of trade unions in modern liberal democracies were elaborated by political theorists and sociologists; yet, the trade union ‘question’ is still one of the most weight carrying issues which raises a lot of questioning such as: What are unions for? How has their role changed within the emergent neo-liberal political economy? Are they mere pressure groups representing a portion of citizens who have common interests and reacting to external determinants,

or are they organizations able to generate goals and strategies of their own initiative? To supply any credible answer a brief examination of the major theories is undertaken in this section to establish their relationship to the British context though they do not exhaust the theoretical approaches to the role of unions; however, they represent the range of perspectives that the trade union movement has drawn from throughout past centuries.

There is no one theory of trade unionism but a multitude approaches ranging from revolutionary theories, theory of industrial democracy, to the theory of Man Versus Machine. Webbs's theory of industrial democracy considers trade unionism as an extension of democracy from the political sphere to the industrial one, and define it as "a continuous association of wage-earners for the purpose of maintaining or improving the conditions of their working lives" (Bell, 1965, p. 210), and this still accurately describes the basic purpose of most contemporary trade unions.

Despite its validity, Webbs' definition is not all inclusive as it does not mention or refer to other associations or professional bodies; and is somewhat reductive compared to the revolutionary theories. In fact, it establishes that a union primary motivation is only to maximize total income to their membership, neglecting thereby the political dimension. Nonetheless, it has a sociological dimension as a union does not only represent the economic demands of its member at the point of production, but also reflects the workers' hopes, fears, aims and aspirations. Accordingly, political involvement is not a priority "as industrial unity was often fragile in the face of multiple pressures, some of them brutal" (Minkin, 1991, p.8).

As reformists, the Webbs partly agree with the Marxists that class division generated by industrialization is the primary factor in the development of trade unions. As such they did not consider the unions as revolutionary institutions but rather view them as organizations established for protecting the workers' economic interests under a capitalist system; in other words, they exist as economic protection device for workers. This was the first function the Webbs assigned to a union in a democratic state whatever its political tendency or ideology. The argument was that the ability of unions to impact on work place agreements and on the operation of the labour market "makes society better, and in other terms, more resilient" (Freeman, 1984, p.32).

The core thesis of the Webbs is that unions' central role lay in the regulation of workplace and industry to control competition between workers. Collective bargaining is theorized as a rule-making process via which unions pursue substantive outcomes, acceptable terms and conditions of employment, and job regulation. The overall conclusion which derives from Webbs theory is that the labour movement is not to take on a broad political agenda, but "to enter the political arena only to help extend industrial democracy at the work place and eventually throughout industrial society" (Simeon, 1987, p. 6).

According to this theory of industrial democracy the management of industry is distributed between the owners, managers and employees where unions act as agencies operating in an economic environment under constant pressure to deliver tangible gains. Unions' role as pragmatic, non-ideological associations is not merely to increase wages and reduce work hours, but to use collective bargaining as a vehicle for maximizing membership welfare in the long term.

Marxists theorists, on the other hand, consider unions as instruments of social change and base their approach on Adam Smith's theory of labour value which acknowledges that labour is the source of value, and that it is the real "measure of the exchangeable value of all commodities" (McIlroy, 1995, p.52). Marxists' proposition thus, is to eliminate competition among labour with the final purpose to overthrow the capitalist system. Within a context of class struggle the ultimate objective of the unions is to protect workers from the power of the state and from the hegemony of the employers, and the only way to achieve this, is to shift the battleground from economic struggle to a political terrain to establish a socialist government. In this sense, unions are actors with the ability to impact on society and democratize, in the long run, the workplace "through political activities which could gradually transform capitalism" (Ibid. p.55).

The theories of economic unionism and psychological unionism echoed the Webbs' industrial approach and depart from Marxist radical approach. In fact, economic unionism insists that the driving force behind unionism was the basic need of wage earners to protect themselves from the inequitable workings of capitalism and market forces. Advocates of this theory consider unions as part of the wider labour movement endowed with the capacity to reform the capitalist system; and "any political action undertaken must emanate from job consciousness with limited objectives of wage and job control, so that individual members can easily identify with it" (Perlman, 1928, p. 275). Accordingly, class-consciousness cannot be defined along class lines, a fact that necessarily entails the abandonment of the concept of social revolution.

Likewise, the psychological theory of unionism provides further insight into the groundings of economic unionism. The added value of this theory lies in that it focuses

on the role of the individual and claims that the development of unionism can best be explained in psychological terms. As such, different groups of workers have different psychological motivations and outlooks which in turn lead to the formation of unions with widely varying purposes. It can be concluded that both theories while insisting on the objectives of wages control and job conditions, discarded, in toto, political activity, which is far from being the case of the revolutionary theory discussed in the following sections.

Anthony Sampson (1982), in one of his '*Anatomies*' where he dissects British policies and institutions, referred to the disputed position of the unions and wondered if they are "a passing phenomenon, a relic of an earlier age of full employment and class solidarity"; and whether they are "part of the anatomy or of the pathology of Britain" (p.58). Sociologists such as John Child, Ray Loveridge and Malcolm Warner (1973) questioned the role and purpose of the trade unions and wondered "whether unions do or should function primarily to perform an economic service...or function primarily as agents for social change" (p. 71).

The double function of the unions suggested by this statement shows that there is no wide consensus around their exact role, and the different theories proposed are only the reflection of political actors or analysts. Any satisfactory answer to these questions can only be derived from the structural development and culture of the unions within a market oriented society. For Labour Party leaders, unions are seen as responsible partners in industry; whereas the Conservatives in general, except Macmillan who had a positive opinion on them; unions were demonized and seen as real causes of the British 'disease'. Actually, Margaret Thatcher totally ignored them and considered

them as enemies of Tory progress suggesting that they were an anachronism of the twentieth century.

In a similar vein, Allan Flanders, one of the major theorists of industrial relations, proposes a more simple answer concerning the purpose of the trade unions far away from the socialists' dialectical paradigm which links trade unions to the class struggle in general, and to the liberation of the workers from capitalist exploitation in particular. He criticized the Marxists' contemptuous approach towards "pure and simple" trade unionism; although he does not deny that socialism has been "the conscience of the Labour movement" (Flanders, 1985, p. 18).

The central thesis is that unions do not always act following a specific ideology, and that they devote most of their resources to collective bargaining via which they could defend and improve their members' working and social conditions. Flanders considers collective bargaining as a rule making- process through which unions could regulate and raise wages. Above all, the paramount practicality of the collective bargaining method allows the worker to participate in management as well as to "have a direct influence on what rules are made and how they are applied" (Flanders, 1974, p. 22). Hence, and this is debatable, the fundamental social purpose of trade unionism was unions' participation in job regulation which constitutes a form of industrial democracy.

However, Flanders did not take into account the political dimension of the unions as he viewed political activities to be ancillary to the cause the unions defend. I would rather concur with this contention because in many situations "unions are constrained

by their needs as institutions to subordinate political to industrial activity” (Lovell, 1982, p.64). Accordingly, pre-conditions are necessary for the survival and growth of any union which entails giving “priority to the short term economic interests of its members; for this is the common bond that holds organization together“(ibid).

The diversity of theories trying to delimit the exact role of the unions is only a reflection of their complex nature as unions are “permanently oscillating between components of the existing economic system and pressing class interests that basically transcend it” (Hyman, 1971, p.14). The ‘duality thesis’ that stipulates that a union works to perpetuate the existing system but operate to undermine it, is advanced by many labour theorists, as an explanation of unions’ ambivalent nature. Accordingly, it is evidenced throughout this study that British trade unions are deeply embedded in capitalism albeit from time to time they come to question its policies especially in periods of intense economic crises that could jeopardize their gains.

Anderson in an article entitled ‘*The Limits and Possibilities of Trade Union Action*’, clarifies this duality thesis stating that: “being an essential part of a capitalist society, trade unions do not challenge the existence of society based on a division of classes, they merely express it”(Anderson, 1967, p. 264). Hence, radical transformation or even the transcendence of capitalism was not on their agenda, since “they have developed corporate values instead of hegemonic values” (ibid). In fact, trade unions were created mainly as weapons of the working class, a necessary tool for survival intended for defense not attack against an economic system based on class exploitation. This is why their approach to politics has often been assessed by many

political experts such as Minkin (1991) as being rather ambivalent despite the fact that they have created the Labour Party. He explained this ambivalence stating that:

Fundamental to this ambivalence was a distrust of the state, an adherence to customary rights and a tradition of independence. There was an understandable worry by working class organizations that the state might be turned against them. Self-help, the ideological accompaniment of *laissez-faire*, fitted easily with the self-reliance of organisations created by the spontaneous actions of working men and women. (p. 7).

The other debate affecting the role and purpose of the trade unions in western contemporary societies in general and the British in particular, is that the issues they are tackling extend beyond 'bread and butter' controversies. In fact, within the industrial arena, the overriding objective was to develop self-governing geographical constituencies to achieve democracy. Unions' aim then, was not only to control job to achieve security of employment, but extends to control industry and transform society through industrial actions -such as protest, strikes and industrial pressures- to compel the Establishment to implement political and legal measures to secure a better parliamentary representation.

Such demands for more involvement in decision-making and for more social democracy are often suspiciously considered by governments -even Labour ones- as well as the media because of the presence of activists who aspire to bring sweeping changes to the political system and to society at large. This militant spirit permeates essentially left-wing union members and opens the beginning of an era where British

governments of all tendencies--since the 1960s onwards-- are far less sympathetic to the concerns and ambitions of the trade union movement.

However, the story is quite different when we refer to the past- precisely from 1945 to the 1970s- when unions were more politically involved and their leaders celebrated and respected as political and social partners in decision-making. If the post-war consensus, which brought the unions close to government policy-making seems obsolete; this does not signify the demise of the unions which several analysts of the party-union alliance predicted. This prediction proved to be erroneous as the great mass of public opinion does acknowledge the importance of trade union organizations to act as a buffer between labour and capital to avoid crises. They are still at the center of political debate and still able to influence policies affecting them.

In summarizing, there is a constant theme in all theoretical premises that unions exist to protect wage earners' rights and to secure a better standard of living for workers within capitalist societies. It is clear then, that freedom to have a total control on jobs, coupled with free collective bargaining are a sacrosanct values for the unions and any threat to these would generate political and industrial actions. These values plus the legal immunity from actions in tort granted in the Trade Disputes Act of 1906 can be considered as the fundamental elements upon which trade unionism is based and which actually determine their role.

1.3 The Ideational Trajectory of the Trade Unions

Considering the heterogeneous nature of the unions their dominant philosophy inevitably diverges as each union represents workers with different occupational

identities, from white-collar workers, skilled craftsmen, to semi-skilled or unskilled workers. Essentially, neither the trade unions nor the Labour Party qua institution did emerge with a fully fledged ideology. However, considering the labour movement's organizational bureaucracy, structure and rules, Cox, 1981 Frenkel & Coolican, 1984 and Kelly, 1998 discern an ideational orientation within the unions which they describe as manifestations of societal ideology with particular amalgam of ideas as they are a product of capital –labour synergy operating under specific historical and geographical circumstances. Accordingly, the manners in which unions react to economic and political issues depend on their perception of the state as a neutral and beneficial instrument for the cause they defend.

Ideologies then, are a crucial resource for defining and evaluating political reality to establish political identities; and are an important element in the way people identify with groups and organizations. There exist various theoretical approaches that are used to define ideology and determine its scientific or non-scientific nature, as well as delineate its exact role at the socio-political level. If ideology is considered as a science, then “it could be covered by truth and thus would be legitimate” (Cristea, 2013, p. 11), but if it is rather classified in the area of irrational theories, it loses its legitimacy since the concept presents certain lacunae. Nonetheless, ideologies are ‘*par excellence*,’ a crucial resource for defining and evaluating political reality to establish political identities; and are important elements in the way people identify with groups and organizations. However, the first problem one encounters when trying to define ideology “is the fact that there is no settled or agreed definition of the term, only a collection of rival definitions” (Heywood, 2012, p.4).

Tough ideology is closely linked to the political experience of the modern world, yet theorists of politics such as Michael Oakeshott and Talcott Parsons to name a few, present a negative conception and associate ideologies with particular social classes which forge a definite philosophy to be disseminated throughout society. In this sense Liberalism is associated with the middle class, Conservatism with the landed aristocracy, and Socialism with the working class. According to these different currents, ideologies appear as “closed systems of thought, which, by claiming a monopoly of truth, refuse to tolerate opposing ideas and rival beliefs” (Heywood, 2012, p. 8).

On the other hand, Karl Marx conception of ideology is materialistic and loaded with suspicion as it is the opposite of science, truth, rationality or objectivity. It rather signifies “beliefs and doctrines that are either dogmas beyond the reach of criticism or cloaks for individuals and group interests” (Ibid. 10), and as such contributes to the concealment of social conflict. Marx defines ideology as ‘false ideas’ and linked the concept to a historically determined society that used it to articulate class or social interests and as an instrument of domination. In his work *The German Ideology (1846)* - written jointly with Engels- he clearly exposed his views of ideology stating that:

The ideas of the ruling class are in every epoch the ruling ideas, i.e the class which is the ruling material force of society, is at the same time the ruling intellectual force. The class which has the means of material production at its disposal, has control at the same time over the means of mental production, so that thereby, generally speaking, the ideas of those who lack the means of mental production are subject to it. (Flanders, 1970, p. 64).

Accordingly, ideology is a manifestation of a hegemonic process closely linked to the class system because it reflects the interests of the ruling class which “is unwilling to recognize itself as an oppressor and, equally, is anxious to reconcile the oppressed to their oppression” (Heywood, 2012, p. 6). Apart from this Marxist approach, the term has been interpreted in different ways within different contexts “since the word was invented by French Philosopher Destutt de Tracy ⁽¹⁾ at the end of the 18th century” (Van Dijk, 2000, p.5). Although this notion is frequently used it has nonetheless experienced “numerous re-significations from one period to the next and from one theorist to another” (Cristea, 2013, p.2). This is due to the vagueness of the concept which has been contested by different scholars in a variety of fields as it “uncovered highly contentious debates about the role of ideas in politics and the relationship between beliefs and theories on the one hand, and material life or political conduct on the other” (Ibid. p.5).

In this sense, the elusive character of ideology is rather suitable for leaders of political organizations who can tailor their discourses according to their own convictions and visions and deliver them as manifestos in the interest of the people. In the same vein, Teun Van Dijk (2000) provides a multidisciplinary theory of ideology and argues that:

... ideologies have something to do with systems of ideas, and especially with the social, political or religious ideas shared by a social group or movement. Communism as well as anti- communism, socialism and liberalism ... are examples of wide- spread ideologies which may be more or less positive or negative depending on our point of view or group membership. Group members who share such ideologies stand for a number of very general ideas that are at the basis of their more specific beliefs about the world, guide their interpretation of events, and monitor their social practices (p. 6).

Van Dijk's then, articulates his theory of ideology within a conceptual and disciplinary triangle that relates cognition, society and discourse. His overall approach considers ideology as the basis of social representations of different actors who control the relationships of power and dominance between organizations, classes and social formations. It also covers a wide range of the political and social fields that are "all in a joint psychological-sociological account of the social mind in its social (political, cultural) context" (Ibid).

At the cognitive level, the role of ideas is very important in forming distinct theories meant to make the world more meaningful where "discourse plays a prominent role as the referential site for the explicit, verbal formulation and the persuasive communication of ideological propositions" (Ibid: 1). Ideologies then, are a crucial resource for ordering, defining and evaluating political reality and establishing political identities. According to Gramsci, ideology must be used by a group or a social class in its fight with the dominant class as in the case of the trade unions. In this sense, ideologies "organize human masses, and create the terrain on which men move, acquire consciousness of their position, and struggle" (Bates, 1975, p.367). As such, the different ideologies act as "a secular religion, providing people with rules of conduct and moral behaviour" (Heywood, 2012, p.15).

By establishing a set of assumptions and presuppositions of how society must function, and mostly by developing a language of political discourse, ideologies are always linked to power in order to create cohesion. A strong state then must have an ideology that would serve as the internal cement of the various state apparatuses in

order to create a “high degree of ideological consent (Ibid.p.21). Gramsci’s concept of hegemony (section 1.2.2) is substantially derived from the concept of the dominant ideology whereby the ruling class forms a ‘historic bloc’ ⁽²⁾ by presenting itself as representative of the general interest of the whole nation rather than of a particular class. Hence its power is legitimized and hegemony is created.

For the sake of clarity concerning the issue at hand, ideology can be summed as a particular collection of ideas or a specific type of political thought which sets goals that inspire political activism. In other words, political ideologies are used to shape the nature of political systems which are often associated with definite values or principles. This can be applied to British trade union where a form of ideology was a fundamental prerequisite to give unity to the movement at first; and later to bring harmony between the unions and the Labour Party. Thus, ideology, here, is understood in its broadest sense, as a means to interpret and make sense of the world. It assigns meanings, informs political thought, provides collectively shared frameworks of reference, and shapes decision-making. It also enables and binds those with shared concerns and assumptions to engage in collective action, guided by norms, beliefs and perception of morality.

This degree of general ideological agreement on aims and values was meant to avoid “that a polarization of purpose did not surface as a permanent feature of the relationship” (Minkin, 1991, p.9). It is upon this agreement that an independent representation of labour was initiated to protect and advance workers interests at the Parliamentary level. However, in the study at hand of the relationships between the Labour Party and the unions, it is revealed that a polarization did occur due to their

divergent ideologies, responsible in a large degree of the permanent tensions that nearly broke the party-union historical link.

1.3.1 The Marxist and Leninist Approach

Marxism as a social and economic theory has dominated academic discussions. It presents an explanation to everything important in life including family, art and culture. Marx's thought is based on a materialist view of society and history and constitutes a plausible reference for contemporary debates about issues related to the working world in general. The central view is that the nature of economic production determined the pattern of relationships in a given society. As such, "the forces and relations of production together produced a substructure of society, which was then reflected in everything else, including politics, culture and intellectual activity" (Mullard & Spicker, 1998, p.34).

To conceptualize the ideological trajectory of the unions, we need to refer to the Marxist theory of the oppressor and the oppressed as it is the indispensable tool of the proletariat to justify its revolt against the bourgeoisie. This approach is a comprehensive labour theory "which explains the variety of labour movements across national and historical boundaries" (Simeon, 1987, p. 3); and which considers the labour movement as an instrument in the radical transformation of capitalist society. In fact, the swirling changes and economic instability caused by industrialization encouraged militant trade unionism and revolutionary politics.

Henceforth, theorizing about labour movements is somewhat a complex enterprise. In fact, labour organizations should be viewed as an aggregation of individuals seeking to

enlarge their common goal through improved wage conditions. Accordingly, unions may take “different forms historically, even in the same country, and takes widely different forms currently in various part of the world” (Simeon, 1987, p. 1). The fusion of the Marxist theory and the Workers’ Movement all over Europe constitute the most important event in the whole history of the class struggle. Indeed, Marxist’s system of belief constitutes a coherent narrative that has been used by union activists to legitimate their opposition to capitalist and liberal policies. Subsequently, in order to trace the ideological maturation of the British unions, the use of this theory is not only inevitable, but does constitute an important framework of reference as well as a solid point of departure for the analysis to follow.

The revolutionary theory elaborated in the Communist Manifesto ⁽³⁾ is considered as a source of inspiration for labour movements all over the western world. Marx and Engels produced a scientific theory of socialism based on the revolutionary seizure of power by the proletariat as the necessary means to the establishment of socialism, and within these scenario unions play an important and supportive role. As a matter of fact the Manifesto polarized society into two distinctive and hostile camps directly facing each other namely the bourgeoisie and the proletariat. The authors’ thesis was that the proletarian revolution “was forecast as the culminating and inevitable result of a long historical development” (Ibid.p.71). Can this prediction and the teachings of Marx be applied to British trade unions knowing their hostility to open class struggle? This is what is argued in this section.

British unions came of age and maturity during the twentieth century as a consequence of the Industrial Revolution, which helped create an urban factory proletariat; and

likewise helped wage earners to forge a consciousness of themselves as a distinct class. They are outcomes of the capitalist system of which they became an important force impacting decisively on the economy and more precisely on industrial relations. The first trade clubs formed by skilled workers were exclusive and confined to a single occupation. As such, they were tolerated by both Conservative and Liberal governments for two basic reasons: a) there was a shortage of skilled workers, b) these unions were rather localized and not structured on a national scale.

A close analysis of these early combinations reveals two important and determinant features common to all namely: their ephemeral and sectional aspect. In fact, they were rather circumscribed in scope and provided limited services; and many were short lived formed to deal with a particular dispute, such as insurance against sickness and old age, and disappeared once the issue was settled. The second and not least important hallmark is their sectional and conservative aspect. Being massively composed of artisans, craftsmen and skilled workers, these combinations were the most determined to keep the status-quo by refusing to open their organizations to unskilled workers who constituted the majority within the labour movement. Sectionalism became deeply entrenched in these unions from which the great mass of workers, peasants and day labourers were excluded.

At this juncture, it is worth noting that craft unionism is a British specificity as craft unions did not exist in France, Germany or Russia where membership is based not on occupation but on the industry in which a person works. Subsequently, there was no temptation for one craft in an industry to pursue its sectional interests at the expense of another, a fact that was often noticed when dealing with the British unions. However,

this issue was settled with the emergence of ‘New Unionism’ in the 1880s which attempted to batter down the sectional barriers to unify the labour movement as a whole. Speedy mechanization and industrial diversification forced workers to adopt new strategies for survival, to consider the creation of organizations covering a wider field than that of a single occupation or locality; and to extend membership entry to all workers. This union restructuration came as a reaction to the turbulent changes that occurred in industry at the end of the eighteenth century that irreversibly broke the traditional mould of a system which was long controlled by the state and the corporations.

However, despite their shortcomings these early workers’ combinations were necessary as they established a pattern of workers’ resistance in a period where the forces of capitalism seemed unbeatable. Furthermore, many members of these sectional societies, who being gradually displaced from their former status due to the growth of factory competition and technological innovations, were often to the fore in raising radical ideas among the unskilled workers. Their overall merit is that they instilled a reasonable level of determination among workers, and as such can be considered as training schools or spring boards for future struggles.

But so far we can only speak about trade societies and not yet of a trade union movement which “presupposes a feeling of solidarity which goes beyond the boundaries of a single trade and extends to other wage earners” (Perlman, 1928, p. 42). In fact, when rural revolts broke out in the 1830s in the Midlands and Southern counties, such as the food riots, they were local, uncoordinated and above all not politically motivated. As such, the rioters had limited objectives asking for better wages and better

employment conditions without questioning the real causes of their grievances due for a major reason to their lack of a political consciousness. Hence, the difficulty to analyze these first organizations in class terms in the absence of a unifying ideology. However, class-consciousness was in the making because work became repetitive and the thousands of people doing the same sort of things “felt those bonds of class, of identity and solidarity that were the guts of the union movement”. (Monks, 1999, p. 3).

1.3.2 Formation of Trade Union Consciousness

E.P. Thomson in his book *The Making of the English Working Class*, states that “between the years 1780 and 1832 most English working people came to feel an identity of interests as between themselves and as against other men whose interests are different from (and usually opposed to) theirs” (Thompson, 1963, p.11). Thompson’s words encapsulate all his reflections on the working class whom he does not consider as victims or as only a statistical bloc. He portrays them as responsible and in total control of their own destiny as “the working class did not rise like the sun at an appointed time. It was present at its own making” (ibid.p.8). Hence, his theory on working-class consciousness is at the core of the analysis which he expands by adding working-class values, traditions, ideas, and institutional forms.

The issue of working –class consciousness has been extensively dealt with by sociologists and labour theorists. This entails that there is an assumption in the literature of sociology and social policy that trade union membership is crucial for the formation of class consciousness; in other words, trade union consciousness was the first step toward class consciousness. In the nineteenth century the concept of class, class-

consciousness and class struggle was gradually used to assess the society's class structure based on Marxist theory. Indeed, the commodification of labour has endowed the worker with a class identity that helped him to be positioned in the other side of the social relations' spectrum.

However, the increase in trade union membership alone could not further workers' class-consciousness or help forge a definite labour ideology. These could only be fostered owing to the extension of educational provisions for the laboring masses and under the influence of thinkers and theorists regardless of their discipline or ideological standpoint. According to the revolutionary and political union view, this could be attainable if the wage-earners are conscious that their interests are closely related to other groups' interests. Once imbued with such consciousness, unions would take on a political character. In this respect, the interesting debate which would eventually arise is to what extent was there class-consciousness among British workers in the 1850s?

A Marxist analysis coupled with a historicist approach inevitably underline an existing element of a revolutionary labour movement of which trade unionism is a dimension. The Marxist historian John Foster considers unions as "schools of war fostering labour consciousness which eventually challenged the control of the state in the 1830s and 1840s" (Laybourn, 1992, p.10). As 'schools of war' unions would teach workers that their interests could not be met within capitalism, and would give them the necessary training for the struggle to overthrow it.

However, as in any debate there are contradictory views presented by historians and anti-union theorists of divergent schools of thought, who argued that trade unionism at

that particular period, presented relatively little revolutionary potential. The argument was that the existing craft combinations had ultimate goals of only the narrowest and most selfish nature, which developed steadily even in the face of adversity but without a prominent or specific ideology. For Hyman they were merely following “the industrial and occupational divisions of capitalism rather than uniting workers as a class” (Hyman, 1989, p. 16)

In respect to this, if a Marxist approach of the western unions in general, is unavoidable, it has, in the case of British unions, to be nuanced. Nineteenth century British industrial society and its class structure have been through profound changes that tremendously influenced the transformation of the labour movement. Indeed, Marx and Engels who observed the development of the British working-class from the middle of the nineteenth century, considered unions above all as agents for change and vital institutions against exploitation and manipulation. In the age of capitalism, antagonistic conflicts occurred between the proletariat and the bourgeoisie, who owning the means of production, could easily antagonize the workers by creating competition among them, as well as de-skilling them with the help of technology. Marx and Engels core thesis is that workers, who suffered exploitation, had every right to revolt as struggle is instinctive for the oppressed even if it was a battle between ‘David and Goliath’ ⁽⁴⁾, to use a biblical image; the ultimate goal being the gradual overthrow of the capitalist system. In the meantime, union organization provides the ideal training centers where workers would learn how to strike, how to propagate and learn administrative and political work. The other function they attributed to the unions was their contribution in generating revolutionary consciousness and social

transformation within the labour movement. Marx clearly expressed his stance in his analysis stating that: “they (trade unions) are the means for uniting the working class, the preparation for the overthrow of the whole society together with its class contradictions” (Hyman, 1989, p. 43).

In fact, Marx’s and Engel’s optimism in trade unionism were grounded on the structural defects of the capitalist system coupled with the historically assigned task of the proletariat as an agency of change. However, and despite their thorough analysis of British labour movement what Marx and Engels did not take into account, in my opinion, is the organizational aspects of British unions, and the limits of their class-consciousness which vary significantly between different unions. They seem also to have ignored the overall influence of the theory of voluntarism (section 1.3.4) which was the real incentive of unions’ political struggle against capitalism and which played a major role in shaping the Labour Party’s political thought.

More importantly they seem to have neglected to assess the degree of unions’ commitment to socialist politics, and above all the resistance of most union leaders to embark in social upheavals. However, there are exceptions when we refer to Chartism and the 1926 General Strike, two major events that occurred at different periods of time, but which are revealing examples and a telling evidence of major unions’ skepticism and lack of enthusiasm concerning radical revolutions. These two historic episodes reveal the non- revolutionary character of the great bulk of unions, and signal at the same time that if there was within union ranks any revolutionary inclination, this latter had no effective impact on the overall trajectory of the whole trade union movement.

Compromise with the government and lack of revolutionary ambition are the real trade mark of British trade unionism as well as a unifying element of the whole labour movement throughout its history. It is worth noting that since 1926 there has never been “a challenge of any serious kind to the position of the ruling class” (Saville, 1967, p.56). V.L. Allen, in his *Paradox of Trade Unionism*, summed up the character of the unions once and for all stating that unions: “...are not and never have been revolutionary bodies. They have never been in the vanguard of revolutionary change though they have been vehicles for change” (Allen, 1960, p. 44).

Learning from the debacle of past industrial actions and opting for a pacific struggle, the TUC revised its policy and banned confrontational model from industrial relations, proposing instead the establishment of joint discussions with employers of newer industries to find rapid resolutions. This policy of compromise though contested by hard left elements, has been positively assessed by historians who consider that by the late 1930s “the British trade union movement was probably as powerful, both economically and politically, as it had ever been and was firmly in control of its membership” (Laybourn, 1992, p. 153)

From what has been suggested, it is not surprising then, that Marx and Engels predictions concerning the ability of British unions to topple down capitalism were proved wrong. It was a future that failed to materialize as the different tasks set before the trade unions are not the basic tasks of unions in capitalist countries. Both Marx and Engels were more careful in their later analysis which was more nuanced concerning British unions of which they did not expect very much. Both acknowledge the fact that

while “trade unions can never become fully anti-capitalist organizations, socialists can help strengthen their anti-capitalist tendencies” (Hyman, 1971, p. 251).

Their final conclusion was that unions as organizations were ‘fighting with effects not with the cause of these effects...applying palliatives not curing the malady’ (McIlroy, 2014, p. 56). In other words, they saw unions as having a narrow horizon, oriented on short-sighted goals that exist to improve the terms on which workers are exploited, not to put an end to exploitation. The historical mission of the proletariat planned by the Marxists was the complete abolition of capitalism and the establishment of socialism, was obviously not on the agenda of the great bulk of the unions who did not aspire to such high aims, and whose narrow objective can simply be summarized in ‘a fair day’s pay for a fair day’s work’.

It appears then that the teachings of Marx never had in Britain the influence they had elsewhere on the continent a fact that made him conclude with foresight that “at least in Europe, England is the only country where the inevitable social revolution might be affected entirely by peaceful and legal means” (Jarman, 1972, p.76). Marx’s theory which considers trade unions as organizing centers for working class training; or “schools of socialism, where the fight to eliminate wage-competition prepares the proletariat for the real struggle that is to come” (McCarthy, 1972, p.15), did never materialize in the case of British unions. Indeed, “repudiation, not only of revolution, but of politics in general and concentration on purely economic trade union action- this was the main background to the British Labour Movement of the post- Chartist period” (Rothstein, 1983, p. 202).

In similar vein, Lenin -one of the most influential writers on revolutionary theory- held a less optimistic view of the role of British trade unions and their leaders concerning their ability to challenge or overthrow capitalism, though he recognized their necessity. He considered ideology as a major issue in debating the labour movement, and a lack of a revolutionary theory within British unions as a real drag to any revolutionary action, arguing that they were: “insular, aristocratic, philistinely selfish, hostile towards socialism, which have produced a number of direct traitors, traitors to the working class who have sold themselves to the bourgeoisie” (McIlroy, 2014, p.5). As such, Lenin’s conception does not leave much room for maneuver to the working classes or even the consideration of a ‘third way’ as an alternative option. In this perspective, unions could either transform into revolutionary organizations or compromise with the forces of capitalism in the intensified exploitation of the workers.

Lenin’s (1929) core thesis is that unions should be supervised by a party composed of an elite because ‘trade unions per se are not predetermined; they are organizations whose content is to be filled by people with certain intentions’ (p.137). In other words, a political action could be successful unless it is supervised by revolutionary intellectuals who would lead unions away from the economic struggle to the political struggle with the overriding objective of socialism. This tightly organized and disciplined group at the head of the workers’ movement as envisioned by Lenin was to consist of professional revolutionaries whose continuing immersion in political activity would insulate them from the contaminating influence of the hegemonic ideology. Their cardinal assignment was to transform the working class into a collective “tabula rasa on which to inscribe the ideology of socialism” (Kimeldorf,

1989, p.3), accordingly, the kind of effects unions are to produce entirely depends on the choice of their leadership.

It is noteworthy that the struggle British unions were engaged in, was not a class struggle based on “us” vs. “them” narrative; but was an economic one meant to gain better terms in the sale of their labour power. However, for most radical activists of the period, the economic struggle could not bring any significant improvement in the lot of the working class if separated from the political struggle. Eric Hobsbawn, a British Marxist historian, echoed this view and proposed a bleak image of the labour movement which: “has lost its soul, its dynamism, and its historical initiative by being preoccupied with economistic and narrow-minded wage struggle, albeit militant” (Hobsbawn, 1968, p.14).

To recapitulate, the Marxist-Leninist analyses sustain that the British unions lack the will to truly engage in a radical abolition of capitalism and its replacement with a planned socialist economy based on a fair redistribution of wealth. What may enhance this view is the attitude of union leaders considered by many Left activists as corrupted, and “lieutenants of capital in the intensified exploitation of the workers” (McIlroy, 2014, p.499). Union bureaucracy was incriminated of having emptied the unions of their substance and turned down their inclination for a socialist revolution as well as of being a means of persecution of the revolutionary elements within the unions. It was, according the general feeling, a mere “conservative and potentially treacherous social force that should neither be trusted nor relied upon” (Kelly, 2012, p.17). Union leaders were seen more as furthering regulations of wages, than agitating

for the suppression of capitalism; and as such they “advance on the basis of trade, not of class” (McIlroy, 2014, p. 499).

There is some truth in this view as union leaders ⁽⁵⁾ were appointed at Royal Commissions and made justices of the peace, as well as civil servants inspectors. This integration process peaked during the two world wars and it is needless to say that this recognition was not accorded to union leadership without a quid pro quo. Hence, the state produced a layer of union officials who were serious obstacles to workers’ revolutionary struggles against capitalism. Since most craft-unions “had long been steeped in Liberalism” (Wrigley, 2002, p. 1), and imbued with bourgeois ideas, they use “the language of capitalism to claim social and cultural equality thus empowering themselves” (Ravenhill, 2013, p. 33).

The alternative then, was to bypass the unions altogether and replace them by a new and uncorrupted organization whose leaders would be faithful representative of the proletariat at large. Certainly, radical criticisms may be exaggerated; however, union leaders’ ascendancy and strong hold of the membership up to the 1970s is recognized and even referred to by some political experts as the ‘baronial power thesis’ in reference to the days when the union baron controlled even the Labour Party. This argument has been refuted by Lewis Minkin (1991) who holds it as a gross oversimplification because the link is more subtle and complex; arguing that “political actors are role players and their roles combine into complexes and are enshrined in organizational forms” (p. 117). As well, this thesis was refuted by post- Marxist theorists who reject also the view that union leaders have become a conservative force.

In a nutshell, the overall Leftist approach failed to recognize British unions as organizations that have emerged with an original set of goals of their own, and that wage struggle is an essential part of the class struggle upon which radical goals may eventually be grafted. As a matter of fact, their organizational structures are “indirectly shaped by the capitalist division of labour and by the practices and preferences of their members’ employers ... their terrain of action is largely bounded by the contours of the nation-state” (Hyman, 2007, p. 15). Hence, they can make a clear distinction between the fight against the state for political change, and trade union struggle to win economic improvements.

It is true that this separation is not found in Russia because of the repressive Tsarist regime, a fact that makes the British experience poles apart from the Russian one. There is a new paradigm in England which represents a shift from revolutionary theses toward evolutionary thoughts; in other words, from crude socialism which involves the abolition of private property and capitalism through a process of revolutionary change, to social democracy which favours mixed economy and a welfare state that is meant to reform and humanize capitalism. In this sense, Eduard Bernstein’s ⁽⁶⁾ theories seemed to be much more attractive to British labour movement than Marxism. Being in favour of a reformed capitalism the working classes rejected the theory of class conflict as outdated because capitalism” was no longer a system of naked oppression” (Heywood, 2012, p.130).

1.3.3 The Gramscian Stream

Along the same line but with some variations as to the means to achieve economic and mostly political and cultural independence, Antonio Gramsci also holds a pessimistic view on trade unions and does not consider them as revolutionary agents because of their capitalist origin. Therefore, trade unionism is simply nothing but a reflection of capitalist society not a potential means of transcending it. Yet, throughout his writings he proposes an alternative to the working class by suggesting a different way of challenging the existing order. The Gramscian outlook attributes the defeat of the working classes in Western Europe to the fact that their ultimate aim is to secure in the interest of the workers, the maximum price for the commodity labour and to establish a monopoly over it. Unions' character thus, is mainly competitive which explains why they have not developed a counter-hegemonic process, and as such their ideology is not different from that of a commercial company under the management of the bourgeois capitalist class.

Like classical Marxists, Gramsci denounces unions' administration and leadership arguing that unions "institutionalize the hierarchies where the machine crushes and the bureaucracy crushes any creative spirit" (Bates, 1975, p. 98). Where he disagrees with 'pure' Marxism, is to consider unions as an unavoidable component of the Establishment, or at best as a pressure group which conveniently suits the employers, maintaining that:

The trade unions are in a sense an integral part of capitalist society, have a function that is inherent in a regime of private property... The trade union is essentially

competitive, not communist in character. It cannot be the instrument for a radical renovation of society. (ibid: 99).

This postulate enhances the Gramscian concept of hegemonic superstructure of capitalism and further sustains the theory of the domination of the bourgeois ruling classes where power is often implicit. The basic premise is that man is not only ruled by force, but by ideas also, to which Gramsci ascribes the function of preserving the ideological unity of an entire social class. He thus departs from the orthodox Marxist ideology-which views working class struggle only through the lenses of class division and economic discrepancies. As well he rejects Marx's economism and criticizes the historical determinism theory by downplaying the role of economic conditions advocated by traditional Marxists arguing that the capitalist system is sustained not only by unequal economic and political power; but by what he refers to as the hegemony of bourgeois ideas and ideology. What is crucial in this process is that it is an ongoing one where people in their daily lives are consenting to be administered by the ruling class, whose ideas are not imposed by force. In this case, hegemony is not coercion but voluntary consent.

In the Prison Notebooks (1926-1934), Gramsci expands the concept of cultural hegemony and gauges the success of the dominant classes by their ability to propagate their values in a way that even the working class adopt them and measure their own good by their standards. Power, then, is not only a question of force and economic dominance, but also of political consent and ideological leadership, to such an extent that the bourgeois class is hegemonic as "it manages to subordinate classes and groups to accept the values and ideas which the dominant class has itself adopted, and by

building a network of alliances based on these values” (Simon, 1991, p.18). Hence, in a Gramscian way, the Labour party- as the majority of Western democratic parties- uses the institutions of the state to maintain power in a capitalist society; and via a neoliberal discourse that can be labeled as ‘soft’ power, enhances its ascendancy over the working and subordinate classes.

In this sense, Gramsci’s theory explains why there was no crude Marxism or Trotskyism in Britain, or more appropriately why these two ideological currents did not succeed to rally the labour movement. It also explains the British working class aversion to embrace a radical and rejectionist political party and why it did not engage in an armed revolution. The alternative to be deduced from Gramsci’s theory is that the working class has to engage in a political and intellectual struggle that would lead to the establishment of a rival ‘proletarian hegemony based on socialists principles, values and theories” (Heywood, 2012, p. 7). Hence, it is fundamental for the proletariat to achieve cultural hegemony first before attaining political power, because ideas are instruments of struggle and liberation that can be incorporated into a counter-hegemonic project.

Accordingly, the proletariat is urged to forge an identity and create its own culture of opposition and its own ideology to counterbalance that of the upper and middle classes who do not only possess a definite ideology, but also own the means of production as well. Gramsci was convinced that any class can produce from its own rank a thinking group which he refers to as ‘organic Intellectuals’ who would “articulate, through the language of culture, the feelings and experiences which the masses could not express for themselves” (Ibid.p. 124). He believed in “the creative role of the working class

movement and its potential emergence from a subaltern or dominated position to one of leadership of all society” (Schwarzmantel, 2009, p.2). Culture then is the main weapon to be used by the subaltern classes to conquer power and institutions via which they can maintain hegemony over the entire society.

However, Gramsci’s theory entails advanced class awareness and presupposes some degree of education and intellectual competence that could enable workers to acquire political and class consciousness to engender a collective identity or sense of solidarity on the part of its membership. It also requires, according to Bourdieu’s (1994) theory of power, the presence of a certain degree of cultural capital –non-financial social tenets, such as education and intellectual credentials- that guarantee social mobility beyond economic means. This was far from being the case in the early years of unions’ inception.

In the eighteenth and early nineteenth century, access to education was mainly the preserve of the wealthy classes; *de facto* any ‘proletarian hegemony’ could only be postponed to a late notice. It is not surprising then, that political involvement and cultural issues were not the prime concern of most trade unionists who did not consider their combinations as “substitutes for political parties, be they revolutionary or reformist”, and workers do not enroll in a union because “they think alike and share the same political outlook; they do so for the sake of gaining immediate improvements in their lot” (Moore, 1978, p. 43). Union leaders’ scheme was to make of their movement a force to be reckoned with; the final aim being to install a powerful organization that could impact on industrial relations and counter balance the economic power of the employers.

So far thus, unions have not yet develop a political vocation or what S. Coulter refers to as “political unionism” which is defined as “an ad hoc process of political engagement with policymakers over issues salient to organized labour” (Coulter, 2014, p. 7). Thus, to be effective “unions must generate objectives that challenge the power of capital as it expresses itself in market outcomes and public policy” (Higgins, 1985, p. 350). However, to many employers at that period, a union leader acts as a civil servant whose role is ‘to keep his chaps in line’ and whose main responsibility is to deter his members from striking and to encourage them to increase productivity.

1. 3. 4 Voluntarism: Unions’ Utilitarian Ideology

Actually, the vast majority of British unions were tightly anchored to capitalism and there was no possibility for them in joining a revolutionary tide to uproot capitalist social relations. Issues of revolutions or mass upheavals were not on the agenda of the labour movement at large and certainly not on that of the craft unions. When seen in a broad historical context, craft-unionism did not improve ordinary working class men and women; but rather created a tradition of narrow- minded conservatism. Political issues seemed only peripheral and not central to the cause they defended. Their main preoccupation was to secure parliamentary recognition and a legal representation to defend and protect their members’ rights which would entitle them to decent wages and better working conditions. Under their influence, skilled workers felt no need to overthrow the regime or extend their unions to include unskilled workers. As organizations, they have emerged with an original set of goals that cannot be overshadowed by any imported revolutionary aspirations.

In general, what distinguishes British unions from their European counterpart is the doctrine of voluntarism which is the unifying theme that governs British industrial relations. Voluntarism is one of the most distinctive features of the British system of industrial relations and if we want to endow the working class with a specific ideology, it is not socialism or communism that is the adequate ideology but the voluntary system, which is often referred to as the free collective bargaining. Voluntarism as an ideology in its own right provides a distinct prism and interpretative framework for analyzing issues which directly affected employment and workplace issues. This typically British tradition advocates resistance to government interference with wage bargaining lest a potentially hostile government would undermine key union functions. In practical terms, voluntarism defines situations in which unions and employers initiate, develop, and eventually enforce agreements without state coercion.

This principle implies as well a “limited regulation of the relations between unions and employers, and hence an abstentionist and minimalist role for industrial relations legislation” (Howell, 2005, p. 9). In other words, the occupational unions view the role of the state as peripheral within the system of industrial relations and resisted any attempt to redistribute income between their members and lower-paid workers. This resistance shapes post-war labour market development and explains British failure to create durable incomes policies or to introduce a statutory national minimum wage. State’s initiatives were opposed by craft-unions out of fear and distrust to lose their privileges and autonomy; and their stance can be considered as “challenging the conventional views of unions as the natural allies of left parties and the poor” (Nijhuis, 2011, p. 374)

It is worth noting at this point that the state has created the first national system of industrial relations in the 1890s that was meant to be a coherent response to the process of economic decline, as well as to control “the waves of strikes that were both cause and effect of economic change” (Howell, 2005, p.46). In other words, the role of the state was “to put down strikes and to establish the legal position of the unions, creating a basic right to organize and act collectively”. (Ibid) As such, on the ground the state played a minimal role in regulating industrial relations leaving the unions and employers free to settle at their convenience the different issues that may arise.

Voluntarism then, stresses the virtues of independence and self-reliance that are two outstanding and basic concepts of nineteenth century labour paradigms. It has also been defined as “the notion that unions have, as it were, lifted themselves into their present position of power and influence by their own unaided efforts in overcoming employer resistance and hostile social forces”(Flanders, 1974,p.55). On the whole, the basic tenet of voluntarism from a trade union perspective was summed up in Kahn-Freund’s who stated that: “what the State has not given the State cannot take away” (Howell, 2005, p.10); and that the workers could achieve their goals by relying on their own voluntary association.

Accordingly then, British industrial relations from mid-nineteenth century to the seventies were based primarily on the willingness of union leaders and employers to settle differences on a voluntary basis; and the events of the two world wars boosted the spread of national collective bargaining. Being able to achieve their economic objectives on their own by relying on their strong position in the market, craft unions had no demand on the state apart from non-interference in their organizing activities,

which was typically based on the closed shop and included control over skill formation. Likewise, they preferred to negotiate their wages and benefits directly with their employers and were prosperous enough to build their own social insurance funds on a voluntary basis.

Unions' acceptance of a 'collective laissez-faire' stems from their bitter experience with law and this explains their reluctance to allow the courts to get involved in their affairs out of fear of partiality as in the 1870s "the common law in general, is judge-made law; created by judges, not by Parliament" (Marsh, 1992, p. 2). Past experiences reveal why the unions rely for the protection of their interests on their collective strength rather than the law. It is quite understandable then why "the unions preferred a system of immunities rather than a system of positive rights because they wanted the law, lawyers and judges kept out of industrial relations"(Ibid.p.3). As such, voluntarism does not imply a total distrust of legislation, but a distrust of courts of justice. The unions' preference for the voluntary settlement of any industrial disputes is also shared by most employers who express their readiness to negotiate agreements with unions rather than to appeal to courts.

1. 4. New Unionism: the Empowerment of Collectivism

In the 1840s, Britain entered into a new phase of industrialization which witnessed a rapid spread of trade unionism among unskilled and previously unorganized workers. The main characteristic of 'new unionism' was that "many groups of workers of all skills organized into trade unions for the first time" (Laybourn, 1992, p. 66). This de-skilling tendency was "the result of the demands of capital accumulation and

technological developments” (Braverman, 1974, p. 67) that signaled the end of the craft unions supremacy and the dilution of the ‘labour aristocracy’. It, therefore, entailed a profound restructuring of trade union organizations to encompass all the workers to be in tune with the pace of industrialization. Amalgamation was, indeed, the death knell of craft unionism, as “the establishment of the Miner’s Federation of Great Britain in 1889 as a national organization for all miners heralded the growth of industrial unionism” (McIlroy, 1990, p.8). In fact, technological advance helped create a stratum of workers and technicians who were recruited from outside the usual circuit, and where skills were narrowed to specific work processes.

However, if craft-unions were tolerated by the Establishment, industrial trade unions or new model unions of the 19th century, were restricted by a collection of laws as unions were considered as “societies in restraint of trade, and as such, had few legal rights” (Marsh, 1992, p.3). Conservatives as well as Liberals considered them as a threat to the free operation of the market that would eventually oppose technological innovations and several Combination Acts were passed to restrict their expansion. While these restrictions made union organizations unlawful; they were nonetheless overt evidence and an acknowledgement of their growth and their increasing influence in the industrial sphere. The government’s fear though exaggerated, holds some truth as radicals in the labour movement were greatly influenced by the revolutionary ideas as well as concepts of liberty and equality carried by the French Revolution.

Indeed, the French Revolution proposed an alternative to the bourgeois hegemony over society; and the new ideas and ethos it propagated shaped more than anything else working class attitudes and opinions. Considering its impact it was often

compared to the Industrial Revolution, which at its turn marked a change in the economic and social character of the working-masses- and which relevance is well condensed in the following:

If the economy of the nineteenth century world was formed mainly under the influence of the British Industrial Revolution, its politics and ideology were formed by the French. Britain provided the model for its railways and factories... but France made its revolution and gave them their ideas. (Jarman, 1972, p. 25)

However, many historians have minimized the impact of the French Revolution on the British society as a whole, arguing that British social activists were rather influenced by Edmund Burke's gradualism he elaborated in his *Reflections on the Revolution in France*. It is widely considered as one of the most influential works of Western political conservatism, in which Burke (1729-1797) exposed and developed his anti-radical views and his ideals of aristocracy. His pragmatic analysis, his eloquent style and forceful rhetoric constitute the foundation for much modern conservative and New Right thinking.

Burke's critique of the French revolution centers primarily upon its flawed attempts to create a utopian society based on unreal slogans. The core idea is that political change should be carried out in gradual and steady increments rather by revolutionary upheavals. He argued that the French Revolution made France abandon generations of experience and God-given notions of justice, and subjected the whole country to radical change, considering that the idealists placed their faith much on destruction rather than preservation, thereby acting contrary to the guiding principles of society. As a conservative pragmatist, Burke questioned the usefulness of such a revolution as

well as its practicability for Britain. The theoretical line underlying both questions is if it was desirable to destroy a government and rebuild it along brand new lines; after all, ‘what counts is what works’.

Burke was skeptical of any programme of reform as the social order must not be altered. While he fiercely criticized the French Revolution, by the same token, he strongly supported the American one, in which he saw the continuing of the British parliamentary tradition. He considered French revolutionaries as conceited dreamers who believed that “one generation can clear the canvas and start afresh following a rational plan and ignoring all that has been maturing throughout previous generations” (Espada, 2006, p. 7).

As a traditionalist but also a moderate liberal, he was against any kind of political adventure assuming that politics was much more based on experience than unpredictable radical ideas however attractive they are. He considered that “political reform is an exercise in preservation” (Ebbinghaus, 1993, p. 98). In other words, the government should preserve what works while gradually reforming when necessary with extreme caution. For him, revolutionary change is an enormous threat to the country as a whole, arguing that society must reflect the past, consider the present and most importantly meet the needs of the future.

Burke’s “prophecies” about the dangerousness of the French Revolution and the radical theories that accompanied it proved him right when the Reign of Terror was instituted in France in the years 1792-1794. On the surface the slogan “liberty, fraternity and equality” was not a totalitarian one; however, the revolutionary

government in its zeal to impose a perfect society seized total power and committed horror in the name of abstract and utopian principles. As was the case of the Soviet Union in 1917 where the revolutionaries turned up to be the executioners of their people in the name of the same credo. These events gave Burke's theories a lasting impact and help explain in some way though, why the British are known to be evolutionary and not a revolutionary people. Moreover, his writings have a timeless relevance as Tony Blair, though a social democrat, has adopted the same line of reasoning when he maintained some of Thatcher's economic policies.

Burke's theory of gradualism constitutes a frame of reference the working class and unions to acquire a political awareness to avoid direct confrontation with the forces of capitalism. Rejecting revolutionary tactics their aim was to take up demands for universal manhood suffrage believing that the government was good, apart from the evils they intend to eliminate. This new generation of union activists certainly contributed to the preservation of the capitalist system, likewise, the pacifism of British reformers helped in the softening of the political atmosphere.

In fact, the statutory prohibitions of trade unions were gradually repealed owing to the efforts of unionists who showed no desire to overthrow the ruling system or sweep the monarchy altogether. The government passed the Combination Law of 1824 followed by that of 1825 which "allowed organizations of workmen to combine together to increase wages, to improve conditions of work and to persuade workers to leave or refuse to return to work" (Hooberman, 1974, p.1) However, the repeal of the Combination Laws, did not solve all the problems unions faced, as although combinations to raise wages were lawful, "they were hedged about with judicial

pitfalls” (ibid). Certainly, trade unions were not unlawful but many of their tactics such as picketing could be cited in the courts as an example of intimidation. These piecemeal improvements are important indicators that the path was still a long one ahead as “the development of the unions in the nineteenth century took place in the context of a running between them and the legislature and judges” (Ibid: 5).

Within these relatively favourable conditions, new unionism flourished and rapidly expanded owing to the industrial revolution which differently affected the British classes. In retrospect, it benefitted the aristocrats who though affected by the loss of some of their former privileges, adjusted themselves to the new economic realities brought by free trade and competition. Conversely, it was rather dramatic on the majority of the working population whose traditional life style and social position was gradually and inevitably altered as millions were forced off land and herded into cities to form the unskilled workforce in factories, mills and mines.

New urban areas developed as the population shifted from the rural South towards the factories of the North where the speedy mechanization imposed new rhythms of work totally appalling to the workers. Amidst all these industrial and economic changes the trade union movement had to adapt to the new exigencies and find ways to protect workers’ bargaining power. To do so, they adopted voluntarism but with a variant which consisted in accepting a form of state legislation necessary to enhance the protection of workers against unfair dismissal and which could intervene in “areas of the economy where collective bargaining was too weak to operate, and ... where there was no legal regulation of legal support for collective bargaining” (Howell, 2005: p.9).

Likewise, their number one policy was to reconsider the role of trade unions and to organize all workers rather than to simply defend, in a sectarian way, the wage levels of a category of them as was the case of old craft unions that were no longer federative. The rising levels of unemployment which led to riots in the mid-1880s produced a change in the attitudes of union leaders who started to reconsider the objective of their organizations, and who subsequently campaigned to enlarge the boundaries of the unions to include all workers regardless of gender and skill; as the important issue at the time was the reduction of working hours that proved to be an essential trial for the trade union movement as a whole.

This issue revealed the disagreements and divergences of opinion within the trade unions due to deep political divisions between old and new unionists coupled with sectional differences most evident in the workplace. For instance, the Amalgamated Society of Cotton Spinners was reluctant to support the eight hour day movement fearing that it might raise both costs and unemployment. This lack of homogeneity of the working class is also evidenced by the lukewarm attitude of the Trade Union Congress (TUC) which was rather slow in responding to the changes, and was not at all “responsive to the increasing moves towards socialism and political independence” (Laybourn, 1992, p.79). On the eight-hour day issue precisely, the 1891 Conference passed a motion including an optional clause which allowed trade unionists opposed to a compulsory eight-hour day, to opt out. It is to be noted, however, that the majority of the unions supported the motion which really “helped to unite trade unions and socialist groups on one common platform” (Ibid). This unity was not only necessary but vital if they wanted to resist the hegemony and domination of the ruling classes.

Unity and amalgamation proved to be effective collective strategies that empowered new unions and attracted more adherents so that union membership rocketed to one and a half million in 1890 and their density increased. This enabled them to secure legal rights while negotiating wages, and reinforced their confidence “to face great industries where every trade was interwoven and interlinked” (Wrigley, 2002, p.4). Given the circumstances, trade unionism as a whole “underwent a period of steady expansion between 1893 and 1909” (Laybourn, 1992, p.81) resulting in the change of their structure as the white-collar sections expanded, and “tentative moves were made to create greater unity between union organizations through the formation of federations” (Ibid).

What is important to underline at this juncture, is the economic awareness of the unions in industrial matters. The gradual extension of education and the influence of moderate radicals whose main concern were factory reforms to make life decent for the whole working class, urged both Liberal and Tory governments to reconsider trade unions’ legal position. The first step taken was the enactment in 1871 of the Trade Union Act which recognized unions as legal entities and as corporations entitled to protection under the law.

Equally critical, two Royal Commissions were established in the space of seven years; the first one in 1867 followed by a second one in 1874, that “settled the legal status of the trade unions for a generation” (Marsh, 1992, p.2) which implied that in the future unions would be submitted to civil and not criminal law. In concrete terms, the previous Master and Servant Act of the 1860s which “made it a criminal offence for a

worker to leave her employment in breach of contract” (Ibid) was modified so as that employers too could be sued for breach of the same contract.

In return, trade unions rejected any direct confrontation with the government, and though recognizing strikes as inevitable considering the intensification of foreign competition coupled with changes in economy, called for calm and serenity within their ranks. Upon this the TUC introduced the block vote in 1895 to ban trade councils which were considered as ‘hotbeds’ of militancy. It is interesting to note that this element of militancy contained within some unions has always been problematic to the Conservatives as well as to all Labour governments.

1.4.1 Trade Unions Political Maturation

Minkin (1992) defines war as ‘the locomotive of history’ which acts as “the dynamo of twentieth-century political change” (p.54). Certainly, the two World Wars fit within this definition as they “dramatically shifted the balance of industrial power towards organized labour, producing reverberations which went deep into the roots of the Labour Movement and of the society at large” (Ibid). As well, they were a watershed in the history of the trade unions and greatly contributed to their political maturation. At the end of the hostilities, the Labour Party “emerged even more as an agent of the unions than it had been in 1914, the war having probably strengthened the right-wing of the party rather than the left wing” (Callaghan, 2003, p.120). These world events offered the unions a unique opportunity of sustained growth, especially in heavy industry; and raised them to a new level of importance and achievement providing their leaders with the undreamed of occasion to be part of the state

apparatus. The Conservative government was increasingly forced into working with trade unions for the ultimate benefit of the nation. In fact, the fate of Britain's victory rested mostly on the shoulders of the workers and on their commitment to the war efforts. Statistically speaking, there was a rapid rise of trade union membership from four million in 1914 to around six million in the late 1940s, corresponding to a total membership density of 44%.

This growth was due to a variety of factors particularly the high demand for labour and the high wages that were paid in wartime. However, the economic reason was not the only one as trade unions in general adopted a responsible attitude towards the wars. This is reflected in their commitment and close participation with Liberal, and Conservative governments in the war effort, under the supervision of the Labour Party which they helped create in 1906 to be their political representative; and the trajectory of which will be fully discussed in chapter two.

Actually, the First World War gave a massive boost to collective bargaining and unions saw their status enhanced both at local and national level. The Webbs emphasized the point noting the "revolutionary transformation of the social and political standing of the official representatives of the Trade Union world- a transformation which has been immensely accelerated by the Great War" (Laybourn, 1992, p.122). Likewise the significance of the war on the trade union movement as well as on the Labour Party has also been underlined by Tom Forester who stated that: "had the First World War not come along with its disastrous repercussions, it is likely that Labour would have remained an insignificant minority party for many years" (Forester, 1976, p.39).

Indeed, the government depended on the support of the trade unions and negotiated with their leaders to facilitate greater output. Even if the need for essential war materials meant workers could achieve higher wages and better working conditions, labour leaders - such as Arthur Henderson who entered the Cabinet as President of the Board of Trade- fully cooperated with the government in controlling their members. Upon this, new industrial arrangements were made that were generally accepted by trade unionists all over the country.

This truce was needed as it secured industrial peace in strategic industries such as that of munitions. The tripartite relationship between the government, the employers and the unions shows the degree of British patriotism as workers all over the country accepted the industrial demands of the wartime government and posed no serious threat to the authorities. Under such circumstances the majority of the unions rallied around the government and did not take advantage of the economic situation to attack the capitalist system. This policy of full collaboration with the state indicates the degree of political consciousness of the unions and proves that when needed they were able to put aside all dissensions. In his assessment of unions' attitude during the war G.D.H.Cole (1948) did not fail to underline that: "the class struggle is suspended, or largely suspended, in terms of external strife, not because the State is greater than the trade union, but because the individuals in such times transcend the groups through which they ordinarily act". (p.50)

In fact, the war events strengthened the position of the unions and enabled them to extend trade unionism and enhance their powers. They are an indicator as well of the willingness of unions to transcend the interests of their class when the whole interest

of the country was in jeopardy. Subsequently, they helped to form joint industrial councils as in the case of the Wool Textile Industrial Council formed in 1918.

However, the thesis which maintained that throughout the war industrial relations were smooth and harmonious is contradicted by several tensions which affected workplace relations such as the introduction of 'Leaving Certificates' imposed by the Munitions Act 1915, which restricted the right of workers to leave their employment, and which was an attempt to re-establish control in the labour market. These tensions were mostly due to the shop stewards who felt victimized by the leaving certificates which considerably weakened their bargaining position. These conflicts were rapidly and amicably settled as the unity and interest of the nation came foremost.

It is thus, in a high spirit of patriotism and close collaboration with the government that union executives did not question the implementation of compulsory arbitration, and even accepted the introduction in 1916 of the Military Service Bill, by which workers might be enrolled in the army. This conciliatory attitude of the unions helped them to strengthen their position as well as to prompt the party they created to power as early as 1924. Another positive outcome for the unions is that after the war, their economic position was unchallenged and their importance within society unquestionable as their "members (were) being thus allowed to give-like the Clergy in Convocation- not only their votes as citizens, but also their concurrence as an order or estate" (Wrigley, 2002, p.2). A similar assessment can be made after 1945 when the TUC became the major forum of debate about industrial issues.

In drawing an analogy between the two world events, we can state that if the First World War marked a major evolution in the industrial relations and helped unions – whose membership rose from four to six million- acquire a strong economic position; the Second World War saw their increasing involvement in the conduct of the nation’s political affairs to the point that when Labour ministers criticized the Chamberlain government over its disastrous conduct of the war, they won sufficient support from the Tories to oblige him to resign.

The trade union movement as a whole was greatly involved in managing the war time economy, and union leaders were drawn in government consultative committees at factory levels. Although unions suffered industrial defeats and membership losses during the 1930’s Great Depression, they however, recovered during World War II. In fact, there was a wartime consensus which guaranteed that their rights were to be restored immediately peace was declared. Without such consensus, the war coalition government would not have functioned. The common enemy they were facing led politicians of all stripes to emphasize what united them, not what divided them.

The General Council of the TUC was in favour of unions- government arrangement in the process of running industries as it was “essential for the Trade Union Movement to participate in the determination of all questions affecting the conduct of an industry and the well-being of its work people, as well as in the operation of all economic controls” (Laybourn, 1992, p.161). Unions- government partnership was put into practice as many union leaders were appointed ministers in the coalition government of 1939 a fact that contributed enormously to the victory of their party in 1945.

Labour ministers gained a tremendous popularity of being more progressive than the Conservatives, in reference to their political discourse which was often a unifying speech indicating that public opinion did matter. In fact, Ernest Bevin, leader of the Transport and General Workers' Union, and Minister of Labour and National Service, had a stronghold over the working class. Acting as a "fireman" he could ease tensions when some disputes took place in the docks and transport areas by exalting its sentiment of patriotism; in an address to the workers he said:

In fighting a war of this character the proper use of men and women power is absolutely vital. I have put before you today the imperative necessity of serving the nation in its hour of trial. I am satisfied that this great democracy will submit to self-discipline and demonstrate its stability and determination that will far transcend anything Hitler or his Nazi regime can bring against us (The listener, March 1941)

His influence could be felt when he succeeded in passing Order 1305 which made strikes and lockouts illegal, and in getting the agreement of most union leaders to abandon peacetime practice in industry and to accept the dilution of skill and union organization for the duration of the war. Union leaders' acquiescence can be explained in terms of their willing co-operation in the face of a possible German invasion. In return, Bevin promised workers more democratic industrial management, minimum wages and more canteens at the workplace.

Thus, by 1942 most industries were run on tripartite lines, via advisory committees composed of employers, civil servants and unions. Generally, there was a total mobilization of the British people who were resolute to emerge victorious from the

conflict whatever the sacrifices it entailed. Subsequently, all parties' interests were subordinated to this effect, as the dominant theme of war time politics was national unity. Likewise, the propaganda of the coalition government boosted the workers and fuelled their determination to win the war as it promised a brighter future and a more egalitarian society. An immediate result was that strike activity was at its lowest in the 1940s, and that union membership increased from six million in 1939 to over seven million in 1945.

This result was the outcome of the amalgamation process via which larger unions absorbed smaller ones to reduce inter-union rivalry and to form a solid barrier against the employers' diktat. Unionization was being spread within the more reluctant industries such as the car and electrical plants which yielded rapidly to the demands of union leaders and those of the TUC. Hence, unions' steady growth was a clear signal that post-war years will not resemble those before the turmoil. Indeed, the post-war era was marked by many unions' achievements including the reduction of work hours and equal pay. Likewise, they also began addressing other social issues such as gender discrimination and migrant welfare.

1.5. Unions' 'Golden Era'

All things considered, the unions and the Labour Party proved their competence via their participation in managing war economy. Indeed, war time experiences were of seminal importance as both organizations emerged powerful and more confident as they had ever been. This is very revealing about their potential power within a capitalist system; and their strategy and efforts were rewarded with the historical albeit

unexpected victory of the Labour Party in 1945 General Election where the unions were well represented in the new government. It was composed of one hundred twenty trade union sponsored MPs, six of whom were in Clement Attlee's Cabinet, qualified by Harold MacMillan as "a body of ministers as talented as any in the history of Parliament" (Pearce, 1994, p.23).

The Government also included key union leaders namely Aneurin Bevan (of the Miners) who became Minister of Health, Ellen Wilkinson (of the Distribution Workers) was appointed as Minister of Education, George Isaacs (of the Operative Printers and chairman of the TUC) became Minister of Labour, and Ernest Bevin (Transport Workers) was appointed as Foreign Secretary. This historical and unexpected victory qualified by Minkin (1991) as the "symbol of shining achievement for the whole Labour Movement" (p.78) cemented unions-party link which was a sine-qua non condition for their future collaboration

The unity that characterized the political wing and the industrial one and more precisely the close relationship of the Parliamentary Labour Party (PLP) leaders with unions was based on the latter's willingness to gain "a major new political programme for the unions" (Ibid). Accordingly, the TUC issued a text in a report in 1944 which clearly stated that the union movement was determined to have "a decisive share in the actual control of the economic life of the nation" (Barnes, 1980, p. 68). Subsequently, their influence could be seen on many key features of the post-war settlement such as the shaping of the nationalization programme and in the preservation of full employment. It is not surprising then, that under the Attlee government the party-union links were tightened and harmonious. Being the dominant funder of Labour,

unions had a claim upon its victory in 1945 which was built on a solid working class loyalty, enormous sacrifices and a substantial mobilization.

Unions' backing to the Labour Party was based on the understanding that "once in office, the working classes would be the main beneficiaries of a socialist programme aiming to improve their lot through policies geared towards 'decommodifying' labour" (Esping, 1985, p.12). They were the more confident as the party's manifesto *Let us Face the Future*, published in April 1945, promised not only a wave of nationalizations, but also houses, jobs, social security, and the modernization of social services. Expectations were high and so was the quality of the partnership between the government and the most influential leaders of the General Council. The general mood was that: "the Labour Party would take great strides towards the abolition of absolute poverty and excessive inequality" (Marwick, 1976, p.14).

Meanwhile there was a price to pay for unions' involvement in political matters. Indeed, they had to agree to moderate their claims for wage increase or more benefits, to allow the government act freely and more efficiently. This political consensus took its final shape when the government implemented the unions' programme of nationalization and social reforms; a policy measure which proves trade union dominance of the National Executive Committee (NEC) within the Parliamentary Labour Party (PLP). What also enhanced their position within the Labour Party was the existence of Clause IV which constitutes an official declaration of the party's commitment to socialism; and which later on, under New Labour was a bone of contention and an ideological issue. It will be shown in chapter three how the rewriting or reformulation of this clause made it possible for Tony Blair and the modernists to

rebrand the Labour Party to New Labour, and the consequences entailed by such a move.

If on the whole the 1950s and part of the 1960s are justly referred to as unions heydays where their leaders were involved in political decision-making and their point of view sought for by the government, the 1970s marked their gradual decline. Their downfall was imminent even if they succeeded to defeat Heath's and Callaghan's governments which were determined to reform the industrial relations. The 'Winter of Discontent' of 1979 turned much of the British public against the unions, and the coming to power of Margaret Thatcher the same year, sounded like an ill omen for them. Thatcher's crusade on the unions brought down a radical change to the employment laws, and the industrial relations in general, and introduced in parallel new legislations that made them accountable to the new government's economic policies.

1.6 Conclusion

This chapter has proposed a historical overview of the trade unions from their inception in the beginning of the eighteenth century to the late 1970s. Different political and social theories are dealt with to help understand their ideological trajectory though some historians argue that British unions have never developed a coherent or clear ideology. Nonetheless, the interesting finding is that the labour movement in general and the unions in particular did not follow orthodox Socialism or Communism. Certainly Marxist ideas provided a coherent narrative but they did not have the expected impact, as union leaders actually continued to seek assistance from both left-wing and bourgeois intellectuals who produced the essential theory of

socialism compatible with their principles. We can deduce then, that socialism in England owes more to the ideas of humanists such as Owen and William Morris, to name a few; than to the scientific determinism of Karl Marx.

The mid-Victorian period is considered as one in which the labour movement, as a whole, established its legal and social recognition in Britain where craft unions were common in most of the leading trades. The repeal of all the acts that criminalized the unions in the 1880s and 1890s reveals in the most overt form the increasing power and ascendancy of the unions in the industrial and social debates. As has been suggested, the role and aim of the trade unions have been variously interpreted. However, their primary purpose as conceived by trade unionists was to defend workers' economic rights and protect positions of privilege in the labour market. The emergence of 'new unionism' was a decisive element that boosted unions' expansion and increased their industrial power. Old hierarchies have been undermined by technological innovations and differentials have been eroded by the development of complex changes in wage payment such as payment by results, overtime payment and productivity bargaining.

Whilst early craft unions preferred industrial involvement to political action refusing any party tutelage; new unions were more militant and ideologically oriented, and aimed to gain more political power via the Labour Party they helped to create. However, world events coupled with the intensification of foreign competition, as well as the changing nature of the British economy made it necessary for the whole labour movement to seek some sort of homogeneity to face the rapid technological development.

End Notes

1- Antoine Louis Destutt de Tracy is the inventor of the term 'ideology'. The word appeared for the first time in his study entitled "Mémoires sur la faculté de penser", published in Mémoires national des sciences et des arts pour l'An IV de la République.

2- A 'historic bloc' according to Gramsci (1891-1937) is a union of social forces and is obtained when a social class takes leadership and succeeds to impose not only its economic dominance but also its values before winning government power. Actually, Gramsci's pertinence and influence on modern thinkers reveal the viability of his theories; as such they are widely used in this research work.

3- The Communist Manifesto written jointly by Marx and Engels in 1848 and translated in English in 1850 encapsulates with great precision both authors' views on the Western labour movement, and on its future goals and development. It was the "most wide-spread, the most international production of all socialist literature, the common platform acknowledged by millions of working men from Siberia to California" (Jarman, 1972, p.68). It is thus unavoidable.

4- The corruption of major union leaders is not a British peculiarity. Robert Michels- a left-wing German activist- developed in his *Political Parties* (1911) the view that the labour movement despite its democratic and anti-authoritarian origins and objectives is nonetheless prone to an 'iron law of oligarchy'. In fact, experienced leaders being elected several times developed a considerable expertise and "became irremovable or at least difficult to replace" (Hyman, 1971, p.15).

5-David and Goliath is a fable about power and strategy. The heavily-armoured, sword- wielding Goliath looked certain to defeat his smaller adversary, who was armed only with a slingshot. However, what David lacked in conventional power resources, swords, shields and the like, he compensated for with strategic capacity: the ability to think creatively about his strength in relation to his opponent's weaknesses. Transposed to politics, unions whose actions were limited by several legislations and by the boundaries of a capitalist system had to use their strategic capacity and creative thinking to face the hegemony of the ruling class.

6-Eduard Bernstein (1850-1932), a German social democratic political theorist, is known to have undertaken a comprehensive criticism of Marx's theories in his *Evolutionary Socialism* (1898) where he rejected Marx's historical materialism and 'scientific' socialism. His theoretical approach is empirical, and has been used as the foundational basis for revisionism that later shaped the ideology of Labour modernisers.

Chapter Two

The Historical and Theoretical Foundations of the Labour Party.

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2.0 Introduction

This chapter discusses the theoretical and historical foundations of the Labour Party from which New Labour emerged. The Party's past achievements are essential if we want to make sense of the 'new' version; hence, it is necessary to understand the period which saw the construction of 'New' Labour. The formation of the Labour Party in the beginning of the twentieth century was a significant event which had long been sought by many British socialists and trade unionists alike. This chapter proposes a survey of the major theoretical currents that shaped the Labour Party's ideology, and the analysis will proceed via a cluster of basic notions that are germane to the study of ideas and with reference to the mosaic of Marxist and liberal interpretations. Likewise, this retrospective will contribute to understand Labour's complexities, explain its electoral misfortunes, as well as its unpopularity among the British electors. These important issues and other meaningful events are the central focus of this chapter.

2.1 Reviewing 'Old' Labour

“The history of any given party can only emerge from the complex portrayal of the totality of society and state”. Antonio Gramsci's quote is universally valid as any study of a political organization should take into account the historical, social, cultural and political context of the country from which it emerges. This is also true in studying the Labour Party which cannot seriously be dealt with without reference to the context in which it has existed. Indeed, Labour's history is shaped by “historically traceable political tensions and power struggles within specific institutions, deeply embedded in a country's social, economic and political history” (Polakowski, 2010, p.241).

Accordingly, it is important to understand societal changes coupled with the transformation of political ideas. So tracing the theoretical and historical development of the Labour Party contributes in highlighting the general trajectory of this institution and helps make sense-or not- of its rebranding as New Labour in the 1990s, a fact that led to controversial debates among researchers about the mechanisms accounting for continuity or change.

Unlike the suggestion of the novelist L.P.Hartley in his *The Go-Between* that ‘The past is a foreign country where people do things differently’ (Fielding, 2003, p. 27); in this dissertation, however, it is argued that the past is a ‘country’ of reference which shed light on the present, and where relevant ideas must be enhanced for a better future. The “need to historicise⁽¹⁾ ‘New’Labour’ (Ibid, p.2), is the surest way to assess the party’s core values, as well as acknowledge New Labour’s roots in social democratic thinking. A clear theoretical approach coupled to a suitable assessment of the past is necessary to understand how Tony Blair managed to turn “Labour from a keen critic of capitalism into one of its champions, abandoned its commitment to reduce inequality and cut most of the party’s ties with the manual working class” (Ibid, p. 1).

Since the advent of mass suffrage, Labour had emerged as a response to social developments with a mission to defend and promote an approach to social, political and economic questions different from that of the establishment; but had, at the same time, to internalize the logic of capitalist socioeconomic relations and institutions of the state they operate in. Once these parameters integrated, Labour could activate within the marginalities available. Playing by the rules and taking into account the

constraints of politics has always been part of Labour's quandary, because its ideology and policies were meant to regulate capitalism and blur social inequalities and not blend in the capitalist matrix.

2.1.1 The Birth of the Labour Party

The failure of the Liberal Party to embrace wholeheartedly an agenda of social reform and the reluctance of local associations to support or elect working class candidates persuaded members of the labour movement regardless of their political background to work together to secure a viable and credible party of labour in Parliament. The decisive factor in strengthening the trend toward the support for an independent party did not arise from heated debates on ideology, but was a result of the need to force the government to tackle social inequalities and to repeal the inimical acts and courts judgments against trade unions. The crucial importance of the Taff Vale ⁽²⁾ railway judgment of 1901 is that it debilitated by legal decision the ability of the unions to protect and advance their members' interests by strike action.

By 1900 a great number of unions especially the newly created general unions, composed of semi-and unskilled workers, were convinced of the importance to create a new party that would secure the entrance of trade unionists into Parliament that was rather a preserve of the upper and middle classes. Another motive for political independence from the Liberal tutelage was that the "trade union establishment became convinced that a strong collective labour voice was now required in the House of Commons if the interests of the unions were to be adequately defended" (Shaw, 1996, p.2). The other reason was the growing number of employers' federations in the

1890s that threatened the labour movement as a whole by organizing lock-outs to crush unionism.

It was only through Parliament that great reforms could be made; accordingly, the Labour Representation League (L.R.L) was formed in 1869 to promote the registration of working men as voters. It also sought to put forward its own candidates in by-elections but failed to get Liberal support. Many historians such as G.D.H. Cole ascribed its failure to the vagueness of its programme and to the causes it was supposed to defend. It is important to underline that the League had no pretention to assert its independence from the Liberal Party and this was clearly stated in its manifesto where it reads: “we have ever sought to be allied to the great Liberal Party, to which we, by conviction belong. If they have not reciprocated this feeling, the fault is theirs, and the cause of disruption is to be found in them and not in the League” (Cole, 1941, p. 31).

Notwithstanding its limited power and relatively short-lived existence it played a significant role in supporting the election of Liberal-Labour candidates. The League was soon followed by the establishment of the Labour Representation Committee (L.R.C) in 1900- the forerunner of the Labour Party- which resulted from trade unions’ anxieties about their legal status, as court decisions threatened their existence. It was a result of a series of reactive moves by trade unions to defend unions from legal and extra-legal counter- attack.

Subsequently, an increasing number of major unions joined the L.R.C whose “membership rose from 376,000 in 1901 to 469,000 a year later and 8601,000 in

1903” (Pelling, 1965, p.11). As a result, the subscription rate was increased and a mandatory parliamentary fund was created for the payment of future members of Parliament. It also marked its political independence when it imposed to its candidates to “strictly abstain from identifying themselves with or promoting the interests of any section of the Liberal or Conservative parties” (Ibid).

In the first general election following its creation the L.R.C endorsed fifteen candidates who were sponsored by individual unions and socialist societies. Even if it did not have an impressive impact in Parliament, the election results of the L.R.C with only two elected candidates, was a real political breakthrough at that period as Britain was far from being a complete democracy in the absence of universal suffrage. Though the prospects of a labour government were still a distant dream, the real challenge was to persuade the new Liberal government to tackle the ‘Dickensian’ horrors and social inequities of the Victorian society. In view of all these developments the L.R.C seemed to behave less than an appendage of the Liberal Party and more as a party of its own, even though it was not fully committed to a socialist objective. However, many political experts Tories as well as Liberals questioned the need for an independent party of labour since the Liberal Party “was already a coalition of political forces... (that) contained a radical wing which had made a strong appeal for working-class support” (Pelling, 1965, p. 11). In fact, some unionists were appointed at the new local government councils and school boards to reflect the government’s social political agenda.

More important, major union leaders who were accustomed to liberal policies and the handful working class MPs who had a deep attachment to Gladstonian liberalism were

not prepared to support a new party and desired to stay under the mantle of the Liberals who claimed to stand for freedom and equality of opportunity. To fully understand the labour movement attachment to the Liberal Party, it is worth mentioning that the majority of its leaders had been steeped in liberalism until the beginning of the twentieth century. For many Labour MPs and important figures within the new party, Gladstone ⁽³⁾ “was not only a hero; he was the hero” (Rubinstein, 2006: 4), under whose spell they all were; and if “any ‘ism’ was triumphant in 1906 it was Gladstonianism” (Pelling, 1965: 16).

Certainly, the politics of the Labour Party embodies complex tensions between independence and a continuing need to maintain good relations with the Liberals. This dualism reveals the party’s desire to negotiate a place for the working class within the framework of a capitalist democracy, where the unions have the right to bargain, and their party the task to reform without challenging the fundamentals of capitalist society. This British peculiarity echoes Gramsci’s theory of bourgeois cultural and ideological hegemony that pervades society where the history of Labour is “the history of acceptance of rules of an accommodative game compatible with the bourgeois social order” (Hinton, 1982, p. viii).

In parallel, there was a fierce press campaign which amplified the fear of the government in regard of the large body of socialist members that were parts of Labour’s constituents. Acting on these feeling of mistrust, the media sketched a negative image of the party’s future basing its analyses on its political incompetence and economic inexperience, arguing that it would be the pawn of aggressive unions and an easy prey for the extreme left to propagate communism. The close and

intertwined relationship that characterized in the long run the Labour Party and the unions proved that those analyses were not totally wrong; but were not that ominous.

Indeed, trade unions have had a considerable influence on the party from its creation in the beginning of the twentieth century till the late 1980s when the tide and the fortunes of the unions started to change. However, what gives substance to this critique was the structure of the party which indicates its takeover by the unions whose weight was also evident in financial terms. Labour's financial reliance on unions' funds gradually increased over time and all its "resources were always heavily dependent upon trade union input of affiliation fees, donations and grants" (Minkin, 1991, p. 4). This explains also why even middle class reformers did not give their support and hoped that the Liberal Party would carry out the long awaited reforms, bridging by so doing the gap between capital and labour; and that an independent party of labour was a hopeless adventure.

However, the Liberal-Labour alliance often referred to as the "progressive alliance" (Fielding, 2003, p. 42), was doomed to fail as "the Liberal Party as a whole was incapable of meeting working-class demands as too many of its members adhered to strictly laissez-faire economics" (Ibid). The Liberals were criticized because of their internal divisions, their failure to be the majority party, and above all, their apathy towards workers' problems, especially when unions were under legal and industrial attacks. The Liberal Party was no longer seen as a vehicle for social reform and was even criticized for the social policies it introduced.

Despite the mudslinging campaigns and the uphill task before it, the L.R.C was able to establish a record of by- election successes which forced the Liberals to consider the need of co-operation. After two decades of class struggle during which the trade unions successfully organized unskilled workers the L.R.C transformed itself into a party and assumed the name of the Labour Party in 1906. What distinguishes the Labour Party from its Western European counterparts that existed alongside relatively weak trade unions is that it had no ideological origin and owes its creation in a large measure to the unions whose struggles reveal the reality of the conflict of class interests. It was in fact the channeling of trade union discontent into political action that paved the way for its emergence. This closeness of the party-union linkage means “that party politics has been inextricably linked to industrial relations and the manner in which the labor movement is integrated into the British political economy” (Howell, 2005, p.3). It is this very relationship that led many labour historians and experts to describe it as a stormy alliance or according to Minkin’s analysis as ‘the contentious alliance’.

Leading figures in the Independent Labour Party (ILP) founded by Keir Hardie, saw the need ‘to dilute their identity and objectives and coalesce with the unions to form a broad-based Labour Party which could eventually be persuaded to adopt a socialist programme’ (Shaw, 1996, p. 6), but not be a wholly dedicated socialist party. The objective of the ILP’s founders was clearly reflected in the programme they adopted in 1893, where the ultimate goal was not sheer socialism as many members were Liberal in orientation, but a fairer and just society. They refused to include the word ‘socialist’ in the name of the new party, fearing that this would alienate potential voters. A

century later, precisely in 1994, the advocates of New Labour, who were overtly courting middle class voters, adopted the same strategy and went further in their desire to demarcate themselves from both the unions and socialism by rewording the Clause IV⁽⁴⁾ of the Party's constitution. Phillip Gould, polling and strategic adviser to Blair clearly stated that the modernizers dubbed the Labour Party as New Labour "to distance it from its trade union affiliates" (Gould, 1998, p. 257). This issue and its impact on Labour Party's ideology will be duly dealt with in chapter three.

As noted above, a whole party dedicated to defend and protect workers' economic and political interests emerged within an utterly hostile political environment. Lewis Minkin (1991) in his scholarly masterpiece "The Contentious Alliance" described the difficult birth of the party in the following terms:

The birth took place in conditions of adversity as there was a dominant and unresponsive Conservative Government, a Liberal middle class reluctant to accept the selection of 'labour' candidates and, particularly a judiciary whose traditions were unsympathetic to those of organized Labour. (p.3)

Minkin's observation perfectly summarizes the climate surrounding Labour Party's emergence on the political arena. Indeed, the Conservative Government disapproval was grounded on the fact that socialist principles and ideals were part of its constituents. Years after its birth, the Conservative suspicion towards socialist elements within Labour was still vivid as Winston Churchill alluded to the socialist doctrine as "this continental conception of human society called socialism, or in its more violent form communism" adding that: "no socialist system can be established without a political police -some form of Gestapo" (Jarman, 1972, p.9) Yet, history and

the development of Labour, which under Blair and the modernizers became the champion of neo-liberalism, proved him wrong.

Contrary to all expectations, Labour was accepted by the British electorate, and in a relatively short span of time replaced the Liberals as the main opposition party and won two elections in 1924 and 1931. Passion and energy animated the first Labour Party's leaders to impose their party on the political chessboard which could only be matched with that of the modernizers who - a century later- manoeuvred to refashion Labour Party's ideology to make it compatible with the demands of the new millennium. To better contextualize New Labour and most importantly to understand the contours of its 'new' found ideology; it is fundamental to review Old Labour ideological background.

2.2 The Conceptual Connections

The Labour Party is a particularly *British* institution whose leaders "have never attempted to square their experience and practice in government with any worked-out theory" (Foote, 1997, p.5). As a result, tracing the Labour Party's political thought is a major difficulty due to the absence of a clear ideological frontier 'within which we can point to a specifically Labour ideology' (Ibid). More importantly, Labour's overt antipathy to systematic political theory and its preference for pragmatism is a source of the ambiguity which characterizes its relationship with the unions, and is also the cause of much tension within the party. Accordingly, and in order to define a political philosophy in systematic and objective manner, it is essential to establish a consistent and comprehensive analytical framework, as well as to single out the fundamental

factors that proved to be the bedrock onto which the entire ideology of the party was implanted; and which influenced in a decisive way its evolution. In the analysis, ideological strands with a certain quality of diachronic and synchronic consistency are identified in each element of the framework in order to construct the whole ideological structure of Labour. Indeed, political ideas can act as a form of social cement, providing social groups with a set of distinctive unifying beliefs and values.

Concerning ideology, the Labour Party is considered as a ‘broad church’ where different ideological strands ranging from Liberalism, Socialism and Marxism, plus many minority currents such as Christian pacifists, neo-Stalinists and various Trotskyist groups, which coexist making it rather arduous to trace its proper philosophy. Yet, any serious study of Labour’s philosophical trajectory must take into account this diversity to understand its political thought as well as its limitations. A common assumption shared by most political theorist is that the Labour Party is the most ideologically inclined as “ideological struggle has been endemic within the party since its foundation” (Randall, 2003, p. 8). However, as the fate of any theory is to be questioned this view has been contradicted by theorists who presented Labour as “a non ideological party intent merely on gaining parliamentary power irrespective of principle” (Foote, 1997, p. 3).

Along the same line, Anthony Crosland argued that Labour was a party of interest rather than ideas because of the organizational and cultural ascendancy of the unions. This is debatable. If it is true that its creation has been made possible by the support of a substantial section of the trade union movement; yet this is not all the truth. Without the ideas of the socialists and the ideological struggle they conducted its existence as

an independent working class party, would have proved difficult. Despite the adoption of Clause IV based on socialist principles, Crosland sustained that “the new party did not possess the mobilizing fervour of Marxist-inspired parties as it was not in fact “founded on anybody of doctrine at all, and has always preserved a marked-anti-doctrinal and anti-theoretical bias”, adding that it was rather “a patchwork kilt of ideas derived from a multitude of sources lacking the rigour of an articulated theoretical framework” (Crosland, 1964, p. 80).

Certainly, the multitude of different theories and the medley of political ideas deriving from different sources tend to give reason to Crosland, as Labour appears to lack a sustained theoretical underpinning. However, it is precisely this ‘patchwork kilt of ideas’ that has strongly shaped its ideology and its philosophical outlook suggesting just the contrary once the history of the party is taken into account; even if its primary mission was to represent and preserve the workers’ and, in particular, unions’ economic interests. Thus, political actors must organize their policies and provide “a cognitive map to structure their understanding of the complexities of social life and a set of values to lend a sense of direction and purpose”(Shaw,1996, p. 3). Accordingly then, we will see in the following sections how different philosophies and theories interacted, collided, and have sometimes merged to produce a final account of the party’s ideological trajectory within a global perspective.

2.2.1 The Liberal Tradition

In the course of its history, Labour experienced ideological shifts that were a product of economic and social changes which determined its final structure. The working

class from which it emerged was not the maker of history as it failed to overthrow capital and produce the new society. After some revolutionary episodes such as Chartism, it became after the 1840s, a consciously subordinate part of bourgeois society linked to the ideals of liberal ideologies. The Labour party then is viewed by the left-wing militants as only administering capitalism and not committed to setting up a socialist society. Most specifically, the kind of unions that emerged after the WWII recognized the supremacy of the liberal democratic state and of parliamentary democracy; just as they accepted private property and the major rules that regulate market economy. The concordance of liberal and socialist views within Labour, particularly its stress on democracy and individual freedom, sustain the analysis of Eduard Bernstein who claimed that “socialism was ‘spiritually’ liberalism’s legitimate heir” (Fielding, 2003, p. 39). This ideological fusion was “much more popular with the working class than elsewhere in Europe” (Ibid: 40); a reality that made Engels describe the working class as “simply forming the tail of the great Liberal Party” (Pelling, 1965: 7). The challenge of the socialists then, was to deliver an ideological battle to eradicate the liberal dominance within the British labour movement in general; a task which was far from being a sinecure.

In reference to this, Gramsci’s theory of bourgeois hegemony -discussed in chapter one- is an interesting point of departure when analyzing the party’s ideological trajectory, and helps make sense of the stronghold of upper and middle class principles on the working class. Gramsci insisted on the fact that ‘bourgeois hegemony’ pervaded all social areas ranging from art, culture, literature and the educational system, that could only be challenged at the political and intellectual level; i.e. via the

establishment of a rival 'proletarian hegemony' based on socialist principles. Likewise, political and economic theorists have identified a dominant bourgeois intellectual tradition which has shaped Labour's philosophical foundations. Many important elements sustain this conclusion among which we can distinguish Britain's leading role as the first industrial nation, its remarkable path of development, its wide imperial possessions and above all the 'embourgeoisment' of the working classes. This argument is sustained by the 'affluent worker' thesis which maintains that the working class has gradually lost its radicalism as living standards have risen due to economic, technological and managerial changes. While technological changes increased the number of white collar jobs and somewhat broke down the manual/non manual difference; the new managerial techniques had created better industrial relations.

In fact, in the beginning of the twentieth century, a considerable number of working class people were able to buy their own houses; and in 1905 friendly societies offered their members social advantages such as sickness pay, old age pensions, funeral benefits and other facilities. These factors contributed to produce "a proletariat distinguished by an immovable corporate class consciousness, intent on pursuing its ends within the existing social order" (Ibid. 10). Robert Michels in his analysis of the political behavior of the intellectual elite holds similar arguments and considers that the iron law of oligarchy has imposed 'upon the most revolutionary parties an indelible stamp of conservatism' (Michels, 1959, p.163); which is somewhat the case of the Labour Party whose leadership has been described to rely heavily on the political expertise of the Liberal and Conservative Parties.

In the same vein, Ross MacKibbin (2000) in his *Classes and Cultures* where he deals with the fundamental class structures of English society between the end of WW1 and the early 1950s, grounded his analysis on the economic gains of the workers and attributed the loose grip of Marxism on the British working class and its ultimate failure to the fact that:

wage levels in Britain also permitted more or less everything that made late nineteenth century working class pastimes and gave the working class a certain autonomy not available to any other European work-force. Thus any working class party had to compete with an existing working class culture which was stable and relatively sophisticated. (p.13).

Subsequently, the improvement in working class living conditions, the advance of political democracy, the growth of working class political parties adding to sports and entertainment, provided greater economic security by integrating the working class into industrial society. Hence, it became difficult in most western societies to view workers as a revolutionary force when they have precisely “adopted legal and constitutional tactics, encouraged by the gradual extension of the vote to the working class men” (Heywood, 2012, 98). Mackibbin also ascribes the failure of Marxism to get hold of the labour movement in general and of the Labour Party in particular, to the working class’s acceptability of Crown and Parliament and to the political security these institutions offer; thus, any actions outside the political system were rejected and viewed as illegitimate. In part, this perception was informed by the observation that “the upper classes themselves adhered to the rules of the political game” and that “patriotism-both cause and effect of crown worship- reinforced the sense that Crown and Parliament belonged to and represented the nation” (Callaghan, 2003, p.130).

Additionally, by adopting voluntarism as their ideology, unions compelled the state to keep out of industrial relations. Henceforth, the working class enjoyed a freedom of action that was unique in Europe which enabled it “to create its own institutions within that framework and produce its own leaders, rather than having to adopt them from among any alienated intelligentsia, as on the continent” (Ibid).

The Labour Party is in fact one of these institutions whose first leaders were rooted in trade unionism but who advanced their political careers with the assistance of the Liberals. The paradox of the first Labour Party leaders was that even if they supported the cause of an independent labour representation, they still remained connected to the Liberals, as they did not initiate a clear ideological shift from Liberalism. Henderson for instance was in favour of free trade, supported the First World War as the vast majority of trade unionists; and believed in harmonious class relationship. Henderson and later Ramsay MacDonald were openly class-collaborationists who wanted Labour to represent the community and to become a national people’s party. Decades later, we can notice a feeling of acknowledgement to the contribution of the Liberal’s in the development of the Labour Party made by Tony Blair who stated that: “even the Attlee government –so beloved by adherents of Old Labour- owed much to the work of Liberals such as John Maynard Keynes and William Beveridge” (Fielding, 2003, p. 38). He even regretted the historical split from the Liberals as “it had obscured an intellectual bridgehead that linked these two progressive forces” (Ibid). This observation gives us an interesting insight of Blair’s future policies and may explain why it was mandatory for the modernizers to rebrand Labour as New Labour to make it fit the ‘pluralist politics based on inclusion, autonomy and empowerment’ (Ibid).

This view was amply shared by British political experts who recognized that the leaders of the Labour Party were keen to play by the rules as they: “have always rejected any kind of political action which fell, or which appear to them to fall, outside the framework and conventions of the Parliamentary system” (Miliband, 1960, p. 45).

However, the Left and the communists within the labour movement and its institutions, while acknowledging the Liberal ideological impact, strongly accused union and party leaders to be mere vassals of the Liberals, admitting that: “right-wing leaders betrayed the radicalism of the party’s rank and file and the British working class” (Ibid: 13). Ralph Miliband (1924-1994) has analyzed in his *Parliamentary Socialism*, the liberal hegemony and has powerfully exposed how the labour leadership consistently helped maintain the capitalist system by playing a “major role in the management of discontent, and how Labour Left, despite its tendency to mount periodic revolts against the leadership, shared a fundamental worldview with the party’s right” (Blackledge, 2011, p. 7).

Likewise, Miliband provides evidences of the conservative nature not only of labour leaders, but of trade unionists that were deeply committed to parliamentary democracy. In his analysis of the party’s leaders he argues that they are not socialists even if they complied with Clause IV of the party’s constitution. He considers them as an obstacle to the fulfilment of Labour’s socialist agenda because “they are bourgeois politicians with, at best, a certain bias towards social reform” (Miliband, 1960, p. 47). In his overall conclusion, he rejects the Labour Party as a viable agency of socialist transformation because of its dogmatic attachment to parliamentarianism and also discards the communists because of their undemocratic structure. It can be safely

concluded that Miliband just like Marx, Engels and Lenin before him, was highly sceptical about British unions' capacity and mostly willingness to initiate the long awaited socialist change.

So far then, the ascendancy of bourgeois culture and its impact on intra-party dynamics in regard of ideological change, is one element that explains why the British Left in general and the communists in particular, could not succeed in implementing their dominant policies, though socialist ideas had a certain impact on the labour movement and on the Labour Party in its formative years. It also explains why the Marxists consider ideology as the implacable enemy of truth arguing that "being the creation of the ruling class its purpose is to disguise exploitation and oppression" (Heywood, 2012, p. 15). Thus bourgeois ideology pervades society, preventing the working class from perceiving the reality of its own exploitation.

Deprived of a class consciousness and having only a 'trade union consciousness', which expresses itself through a desire for material improvement within the capitalist framework, the unions established a strong bond with the Liberals "to advance their interests within the existing political system"(Fielding, 2003, p. 40). Other hypotheses-sometimes contradictory-were supplied to explain this phenomenon that can be summed up as the weakness of the collectivist elements within the working class, the fact that it was seasonal, fragmented and unstable. Considering this ideological debate, and the fact that both the Labour Party as well as the unions are not monolithic blocks, we can conclude that the right- and left- wing tendencies within each organization are in perpetual conflict and do compete with each other to influence the ideological

direction of the party. The whole development of the Labour Party has been strained by intra and extra-party conflicts that more or less shaped its ideological stance.

2.2.2 The Labourist Tradition

Being a creation of a federation of trade unions, and lacking a precise and worked out ideology, Labour was greatly impacted by Labourism which is a fundamental concept to the understanding of the party's political thought; and which is often referred to as 'pure and simple' trades' union politics, because of their pre-eminence within the party. Its focus on wages at the expense of wider issues, its sectionalism and above all, its "commitment to pragmatic, limited change within capitalism, reform rather than revolution" (McIlroy, 1990:48), makes it tolerable to the capitalist system whose final aim was the creation of "a happier community, because a healthier, happier work-force is a more efficient work-force" (Forester, 1976, p.38).

Yet, it is necessary to consider the party's basic power structure to disentangle the fundamental ideas of Labourism from the wide range of political concepts. Central to this, is the relationship of the Labour Party to its trade union base within which political theory has evolved. Many political experts, among whom James Cronin, underlined the ambiguity and lack of clarity attached to the term 'Labourism' stating that: "the word is perhaps a bit too vague, it's meaning too broad; it also lacks sociological specificity and so misses the unique complex of social groupings that have at various moment coalesced behind Labour' (Cronin, 2004, p.7). In relation to this ambiguity then, proposing a conclusive definition may seem hazardous, as there is no universally agreed definition of the term. However, it is often referred to as "a

living practice of trade union activity containing within it a theoretical structure which can be discerned in the early writings of Hodgskin” (Foote, 1997, p. 348).

Thomas Hodgskin (1787-1869) was the first to present Labourism as trade union politics. His pamphlet ‘*Labour Defended against the Claims of Capital*’ was seen as the manifesto of the nascent trade union movement, where he identified a set of characteristics which presented Labourism as a sustained political concept. In fact, he elaborated a particular interpretation of the labour theory of value which was to govern trade unions’ political actions. This theory held that the value of all commodities was determined by the amount of labour expended on them; and if labour created all wealth, however, it only received part of it. Thus, the surplus produces was pocketed by the capitalists who were “a parasitic class battenning onto the working classes” (Ibid: 9).

The finding from Hodgskin’s analysis is that the wealth of the nation is unevenly distributed and always favoured the capitalist class which already has too much. Hence, a combination of workers in trade unions is necessary as its central purpose is to amend these disparities by fighting for higher wages to reduce “the profits of the idle capitalists by increasing the wages of their members” (Ibid: 10). The wealth of the nation must go to those who create it so as to reduce the gap between the classes. Hodgskin’s belief in the impartial redistribution of wealth was the focal point of his conception of labourism which was grounded on the role the unions had to play to cure this misdistribution. Within this specific frame, he believed the unions can model a particular canvas to reduce social and economic inequalities.

These set of political assumptions of trade union practice constitute the fundamental labourist tenets of many members of the Labour Party. However, they cannot be wholly equated to socialism as they include a range of principles that are at odds with the dogma of socialism. Indeed, Labourist's beliefs are:

...flexible and loose enough to be capable of absorbing and modifying ideologies as diverse as militant syndicalism and Christian communitarianism. Within its limits, different policies are fought for by different groups, and different political discourses compete and evolve. (Foote, 1997, p.12)

These assumptions entail the criticism that they are not only vague, but flexible enough to accommodate a large number of political ideas; that may seem sometimes antagonistic. Hodgskin elaborated his entire theory on reducing the profits of the 'idle' capitalists, on wealth redistribution and on reducing social inequalities, yet, his attitude towards capital is ambiguous compared to 'pure' socialists' tenets. He recognized the possibilities of change to improve the workers' social conditions but within the existing capitalist society. Although being in favour of redistribution of wealth he did not question the economic system via which it was produced. His stern criticisms of the capitalists and of the corrupt nature of their practices never meant that he was for the abolition of the state. As a classical reformer, his theory is one of class collaboration that stressed the fundamental unity of capital and labour; where social and economic struggle must be conducted within the structure of the nation state.

Hodgskin's theory was accepted by the labour movement at large, including the unions and Labour Party members, as the best alternative to socialism which "had been unable to make major ideological inroads into the traditional deference and material preoccupations of working class people" (Forester, 1976, p.42). In this respect, Labourism can be defined as the voluntary integration of the labour movement into the parliamentary system via which the social status of the working class would be improved. The other factor was that it did not disturb the close connection of British labour with national culture and traditions. For instance, "on cultural questions like morality and sexual equality...the British Labour Party was entirely conventional" (Ibid. p.38), and was not supposed to represent a clear break with the British political culture.

Labourism reinforces the Labour Party's conformism to the norms and traditions, by its rejection of political solutions which involve the overthrow of the state-as is the case with the Marxists- via a revolution. It was thus, compatible with British political culture which is defined by "empiricism, compromise, deference, stability and evolutionism" (Ibid: 39). These characteristics situate Labour Party's origins in a distinctive British theoretical framework and not in the Continental European social democratic tradition. More importantly, labourism was built around "the twin pillars of collective bargaining and parliamentary politics and embodied strong attachment to the institutions of the British state" (McIlroy, 1990, p. 48). Hence, the role of the state was important as it excluded the market from political regulation, granting by so doing, autonomy to both employers and unions and priority to collective bargaining.

Nonetheless, the Labourist tradition which transcended all other political theories within the Labour Party has its limits within which “different policies are fought for by different groups, and different political discourses compete and evolve” (Hodgskin, 1922, p.89). In fact, as an economic theory it could not be taken “as a model of economic expansion, or of understanding how to cope with unemployment or under-investment” (Foote, 1997, p.9). As a political theory, Hodgskin’s ideas seduced the unions which worked both with and against the employers, being at the same time hostile to the capitalists while accepting social reforms. This fully expresses the paradox of the trade union movement and constitutes a fundamental characteristic of their politics. Also, the flexible character of Labourism marked the party off from its extremist rivals on Right and Left of the political spectrum; hence, owing to this flexibility it was possible for New Labour’s advocates to operate in 1994 the ‘*hijacking*’ of the Labour Party.

2.3 The Traditions of British Socialism

In the 1880s, socialism in Britain was a movement without a real indigenous strength as socialists were a small and scattered minority whose major aim was to eradicate the coercion system adopted by the government towards the laboring classes; as well as to unite the great body of the people quite irrespective of party. This amalgamation of ideas produced a kind of socialism that contains various set of divisions and rival traditions about how it should be achieved; and most importantly about the nature of the future socialist society. While the Marxists supported class revolution to abolish capitalism and create a classless society where all the industries should be nationalized; the social democrats, on the other hand, were for the state ownership of

major sectors. They rather adopted a gradualist stance and sought to reform or ‘humanize’ the capitalist system ‘through a narrowing of material inequalities and the abolition of poverty’ (Heywood, 2012, p.97). It is important thus, to identify the various socialist schools which in turn present the party’s shortcomings as an anti-capitalist party; and social democrats who blame its closeness to the trade unions.

The socialist theory with its different variants is quite inevitable when analyzing the Labour Party’s philosophy, even if it was long considered as having no precise or worked out ideology to channel its actions. However, an ideology was emerging as a result of the ferment of socialist ideas that have been taking place since the 1880s; and which culminated in the party’s adoption in 1918 of its constitution tainted with a distinctive brand of British socialism which has fed the party’s basic ethics and ideals for long decades. It was indeed different from the socialist parties in Europe where “a dogmatic form of Marxism prevailed as in Germany; or socialist parties were divorced from the trade union movement, marked by fractious dissent and revolutionary tendencies, as in France, Italy or Russia” (Foote, 1997, p.18).

Based on ethics and a political outlook, British socialism was intimately woven into the labourism of the trade union movement and connected to the social, intellectual and political environment from which it emerged. The uniqueness of British socialism is that it can appeal to all people of good will regardless of social class as it marks “the growth of society, not the uprising of a class. The consciousness which it seeks “to quicken is not one of economic class solidarity, but one of social unity” (Rubinstein, 2006, p. 27). As a matter of fact, and to better understand British Socialism and its transcendent nature, it is necessary to separate the different strands which make of

Labour a coalition of left and right, socialists and pragmatists who sought political power to introduce social reforms. These different and conflicting approaches made up the ideas of British socialism, impacted on the Labour Party and constituted a serious challenge to the traditional assumptions of *laissez-faire* liberalism.

2.3.1 Marxism and the Social Democratic Federation

Marx's revolutionary theory of socialism was incompatible with the political outlook of the Labour Party leaders as well as with the trade union movement in much number of ways, and its influence was somewhat irrelevant when compared with other European similar parties. As such, the Marxists never considered British unions to be ends in themselves but centres of resistance to capitalist rule, and the party they created was not meant to establish socialism but to ameliorate "the effects of capitalism rather than digging out the root cause of inequality" (Foote, 1997, p.23).

Nonetheless, the Marxists via the Social Democratic Federation (S.D.F) played a leading role in the formation of future labour leaders, and produced a generation of working-class intellectuals and militants who championed the cause of the unemployed. Founded in 1884 by Henry Mayers Hyndman (1842-1921) a former Tory radical, the Federation was the pioneer organization of the socialist revival in the 1880s. It also included within its rank radical middle class intellectuals such as the poet William Morris, Ernest Belfort a philosopher, and Eleanor Marx; as well as labour activists such as Tom Mann, John Burns and George Lansbury. They adopted Marxism as a theory of social, industrial and economic analysis, or at best a serious alternative to the reformism proposed by the Labour Party. Their findings were that

unions in general could not have a substantial economic or social influence on capital, or on the extent to which capital determined the level of living standards as “their loftiest gears were raising wages and shortening hours when not improvement but revolution was wanted” (Pritt, 1963, p.24).

Another important result was that real gains were to be made on the political not the economic front as they assigned little importance to the industrial front concluding that: “all trade unions are lamentable fallacies...All co-operative efforts are a waste, misdirection of time, means and energy under our present governmental system” (Crick, 1994, p.140). Hyndman was contemptuous of trade unionism and failed to take advantage of its growing power, believing that the welfare of the working class could be improved through parliamentary reform and not through union agitation. He actually rejected them as a simple reactionary body and by so doing he could not play a major part in the labour movement. In 1884 the Federation issued a manifesto in which it denied the unions the right to speak for labour arguing that the objectives of the unions were reducing the dimension of the social struggle. Such feelings were reciprocated by trade union leaders such as Howell and Burt who regarded the SDF as mischievous agitators, fundamentally opposed to trade unionism, and acting with Tory backing.

Despite these critics, the greater part of the SDF’s political activity revolved around the question of unemployment as nothing was really done by the Liberal Government despite vague expressions of sympathy for the unemployed; however, it succeeded to attract influential supporters from beyond its own ranks who encouraged the unemployed to make pressure on the Parliament. The SDF’s unemployment

campaigns during the first decade of the twentieth century demonstrated its strengths but also revealed its internal problems. It was at its best in an agitational role at a local level as it pioneered a number of forms of campaigning that were adopted later by the Labour Party; but failed to become a mass party or to be the alternative due to the lack of a consistent policy. In despair of Parliamentary recognition, the SDF reverted to street politics and wavered between the rhetoric of revolution and the politics of persuasion. It attempted to steer a middle course and in doing so adopted a highly ambiguous position which confused both its members and those outside. Because of these inconsistencies, many members of the Federation later joined the Labour Party where they hoped to exercise a significant influence via the creation of a strong-left wing presence. Hyndman was rather reluctant to affiliate to the Labour Party but was wise enough to recognize that: “we are compelled to act with those who do not wholly agree with us, in order to obtain results beneficial to the workers, whether we like such co-operation or not” (Tsuzuki, 1961, p.155)

One reason often advanced for the failure of the SDF to become a party of its own is that its Marxism was ‘alien’ dogma to native traditions, and because of the despotic-like personality of its leader who has “antagonized almost everyone who did not unquestionably accept his leadership” (Rubinstein, 2006, p. 7); and who attempted to force a foreign ideology on an unreceptive society. As a direct consequence, there were different factions within the SDF culminating in clashes between those who defended Marxist ideology; those who militated for more trade union activism and industrial disputes; the anarchist who were opposed to parliamentary politics, and finally the intellectuals who were critical of Marxist economic determinism, and of

Hyndman's autocratic rule who they portray as "the worst leader that ever drove his followers into every other camp" (Hobsbawn, 1961, p. 17). These internal crises and fundamental divisions led to the resignation of prominent members and made it difficult to the SDF to appear as a united front, thwarting by so doing the formation of a united socialist party in Britain. The dissidents joined other socialist groups such as the Fabian Society, the Independent Labour Party and eventually the Labour Party.

In spite of this severe blow caused by the secessions the SDF continued to exist- although unpopular- until the death of its founder Hyndman in 1921 when it affiliated to the Labour Party; a decision that was considered by some left theorists as a failure of thirty years of Marxist agitation. Its failure was also attributed to the fact that it did not succeed to adjust its ideology to changing events and to relate theory to practice; in other words the SDF failed to develop an organizational theory that would be satisfactory to both the unions and their political wing, and failed to offer them anything in terms of exactly how to achieve a revolutionary alternative.

Even hard Marxists regarded Hyndman not as a socialist but rather as a 'chauvinist' and 'jingoist' who advocated reform at home but who supported the maintenance of England's power abroad. The SDF attracted but did not retain the support of radical reformers and labour agitators because "its weakness lays not only in an uncritical adherence to vulgar and dogmatic Marxism (plain economic determinism), but also in an inability to understand the political potential of the growing trade unions and industrial actions"(Crick, 1994, p. 14).

As an overall assessment of the Federation it is undeniable that Hyndman's role should not be underestimated. He was a sincere and convinced Marxist as well as an orator of great value. To what extent the philosophy of the Federation has been incorporated into the Labour Party may be debatable but its presence was real and indisputable even if modern Labour leaders relegate it to the margins of history because they refute any Marxist antecedents. Likewise, many labour theorists advanced that it only exerted a marginal influence on the Labour Party because of its relatively small membership, sectarian divisions and its inability to create a strong nationwide socialist movement in Britain. If the SDF was not politically successful according to critics, it was nonetheless an educational centre whose mission was to enlighten the working classes to the iniquities of capitalism and the advantages of socialism.

To this end, it contributed to the emergence of Socialist Sunday Schools for children in 1886 that were set up as alternatives to Christian Sunday Schools where children were taught socialist ideas and ethical principles. The Federation was instrumental in providing a whole generation of working-class intellectuals namely James Ramsay MacDonald and Ernest Bevin- future Labour leaders- with a sound political training in their formative periods within its ranks. However, it was rather utopian in outlook as it desired to build a socialist alternative which espoused a middle path between reform and revolution creating an ambiguity in its political discourse as "there was an obvious dichotomy between its revolutionary phraseology and its increasingly reformist practice" (MacIntyre, 1980, p. 25) which eventually rendered it impotent.

Nonetheless, the struggle to establish its presence enabled the SDF to make a contribution to both the theory and practice of the movement which was by no means

negligible. It provided trade unionists as well as Labour Party members with a theoretical base they lacked, and their critiques of capitalism have had a considerable impact on the labour movement at large. As Max Beer put it: “it had done pioneer work, drawing the plough, sowing the seed; but it had allowed others to reap the fruit” (Beer, 2001, p.252).

2.3.2 The Influence of the Fabians

The pragmatism and the reformist tradition favoured by most Labour leaders and union members “proved impervious to revolutionary politics” (Foote, 1997: 26). However, considering the existing social and economic inequalities of that period, a number of intellectuals felt the need to formulate a British version of socialist ideas. This resulted in the formation in 1884 of the Fabian Society⁽⁵⁾ referred to as a debating club of mixed socialism- whose main objective is to attack the financial and educational inequalities. Early Fabians sought to provide useful data for socialists of all views with factual analyses via the tracts they published, and with what “they knew of the social scene from precarious positions in the lower middle-classes” (Pugh, 1984, p.7). Composed of middle and lower middle class intellectuals such as the Webbs and Bernard Shaw, the Fabians helped shape the philosophy of the nascent Labour Party. The *Fabian Essays in Socialism* edited by Shaw and published in 1889, is considered as a frame of reference for all those interested in the Labour Party. The Essays encapsulate the core ideology of this socialist ‘think- tank’ which had a massive influence on all Labour ministers, including Tony Blair who drew on Fabians’ rhetoric for the overhaul of the Labour Party; notably the argument that Labour must

appeal both to middle class and working class interests if it wished to re-capture parliamentary power.

The varied collection of writers and journalists “put the Fabian Society on the map” (Foote, 1997, p.27) via the tracts and pamphlets they published that were in an outright contrast to the didactic Marxism of the SDF. In this respect, Bernard Shaw wrote in the preface of the Fabian Essays that “there are at present no authoritative teachers of Socialism” adding that Fabians “sought to make socialism perfectly compatible with the traditions of British liberalism and tolerance” (Ibid). Beatrice Webb transferred this ‘compatibility’ to the social sphere stating that Fabians’ main objective was “to improve the social system or rather to spread its news as to the possible improvements of the social system” (B.Webb, 1897, p.195).

To this end, the state had to be controlled by an elite as “the Government is a specialized task which must be undertaken by a minority on the behalf of the majority” (Ingle, 1987, p.100). In a series of articles entitled ‘What is Socialism?’ in the New Statement in 1913, Fabians’ ideology and political theories were further elaborated where it was argued that the British elite “would govern the non-adult races in a co-operative free of the selfish competitive spirit of private owners...the guardianship of the non-adult races of the world must be undertaken as a corporate duty by the Eight Great Powers, either jointly or separately” (Foote, 1997, p. 31). Their support for ‘paternalistic’ and imperialistic attitudes towards other races was rather antithetical to socialist ideals, and resulted in the alienation of many in the Society such as Ramsay MacDonald who was, later on, to play a significant role within the Labour Party.

Likewise, the gradualist approach they adopted concerning social and political changes made them reject “the notion that society was fractured and that the driving force of change was class conflict” (Shaw, 1996, p.4). Totally opposed to Marx’s revolutionary politics, the Fabians wanted to prove that socialism could perfectly be applied to the British political institutions provided it was well understood by the people. Bernard Shaw’s quote that: “socialism to me has always meant not a principle but certain definitive economic measures which I wish to see taken” (Amalric, 1977, p. 207), condenses Fabians ideology that socialism has more affinities with the economy than with class struggle, and that “adjusting the share of the worker in the distribution of wealth to the labour incurred by him in its production” (Jarman, 1972, p.98), is the solution to the problem of economic inequality.

If the revolutionary socialists generally view the state as an agent of class oppression acting in the interests of capital against labour, the Fabians accepted the liberal theory that the state is a neutral arbiter responding to the interests of all citizens and acting in the common good as long as “there was nothing inherent in the state which dictated its class nature” (Foote, 1997, p.29). The real problem depended on which class is in control of the state’s functions, and therefore which class controls the House of Commons. The state is perceived as being “the institutional expression of the public interest, staffed by a public-spirited, enlightened and capable administrative elite” (Ibid), that might be responsible to sponsor a national minimum that would embrace unemployment, sickness benefit, public provision of health, as well as legal regulation of hours of work.

As such, parliamentary democracy could only be achieved if politicians of all parties, civil servants, scientists and academics could be converted gradually to socialism through the spread of socialist opinions, and the general dissemination of knowledge in order to strengthen “the relation between the individual and society in its economic, ethical and political aspects” (Amalric, 1977, p.187). Thereby, these elite groups “would be permeated by socialist ideas as they recognized that socialism is morally superior to capitalism ... and is also more rational and efficient” (Heywood, 2012, p. 112). This moral dimension permeates nearly all the intellectual production of the Fabians where the virtues of socialism lay in its moral superiority over the evils of capitalism.

A whole process of change in cultural values is thus gradually initiated via the disintegration of the traditional models, and the defeat of the political and economic power of the capitalists. A society sum of values has a much greater importance than economy, thus culture and not revolution is the main weapon to conquer institutions, which in their turn can maintain their hegemony over society. In this respect, power is conquered organically by attracting important parts of the intellectuals whose role is precisely to articulate and organize a new popular world view that would be both adequate to the specific tasks of the emerging class, and capable of exercising hegemony over and against the already established traditional intellectuals of the dominant class. In this sense, Gramsci’s conception of ‘organic ideology’ produced by ‘organic intellectuals’ is relevant and does effectively nourish contemporary intellectual debates. The viability of his ideas can be verified in the rhetoric of New Labour which clearly displays a hegemonic intent coupled with a neo-liberal mindset.

Fabians' outlook was both challenging and modern at the same time. Their political theory which broke away from the revolutionary politics of other socialist groups but not from the 'spirit' of socialism, presented their formation as the only one that could appeal to both middle and working class voters, and the only one able to secure parliamentary power. This is evidenced in their manifesto which opens as follows:

The Fabian Society consists of socialists. It therefore aims at the reorganization of society by the emancipation of land and industrial capital from individual and class ownership, and the vesting of them in the community. In this way only can the natural and acquired advantage of the country be equitably shared by the whole people. (Amalric, 1977, p.183)

In reorganizing society passively and expurgating socialism from all its revolutionary inclinations to comply with British political traditions, the Fabians presented a 'politically correct' version of socialism. Revolutionary theories were discarded to give credibility to their organization especially when it is known that socialism was very 'suspect' for British electors at large. To disentangle the Society from any misunderstanding Bernard Shaw insisted that "the Fabian Parliamentary League (as opposed to Anarchists) is composed of socialists who believed socialism may be most quickly and most surely realized by utilizing the political power possessed by the people" adding that "the socialism advocated by the Fabian Society is state socialism exclusively"(Ibid, p. 184).

What gives credit to the Fabians were the numerous social reforms of the nineteenth century, such as the Factory Acts, the Housing Acts and the Education Acts. The government introduced legislation about wages, conditions of working and taxation of

capitalist incomes that were decisive steps towards a more equitable distribution of wealth, that would inevitably climaxed in the public ownership of industries. Though the interplay between society and economy was an important issue, the Fabians did not attack the capitalists who, as tradesmen, managers or supervisors, rendered inestimable services to the country. Like the Labourists, their attacks and criticisms were not directed towards the hard-working employers, but against the idle rich who they considered as a class of parasites that must be heavily taxed and not expropriated.

The other criticism would be that the early Fabians “made little attempt to adapt their socialism to the labourist assumptions of the trade union leaders, if only because of their contempt for the working class” (Foote, 1997, p.32); in fact this was the bone of contention between the Labourists and the Fabians. While the formers considered the unions as a viable vehicle for economic and also political change, the Fabians were exasperated with the narrow conception of trade unionism, and ruled out any extra-parliamentary action concerning questions of national politics. The fact that unions were primarily concerned with the protection of their trade, led the Webb to argue “that unions could not become political bodies dealing with questions wider than their trade” (Ibid, p. 33). Their indifference and distrust of the proletariat made them reject the idea of an independent workers’ party, and insist as never before, on their theory of permeation of the Liberal and Conservative parties.

This feeling of mistrust towards the working class is well illustrated by Beatrice Webb (1919) who was rather ‘horrified’ at the immorality of the lower orders, depicted the working class as “stupid and in large sections sottish, with no interest except in racing odds” (p.195). Bernard Shaw held the same opinion when he asserted in his different

essays that the middle class was the revolutionary element within society, not the proletariat. Fabian's general indifference toward the creation of a party of labour, explains their political preference for right wing parties with whom they shared many intellectual and ideological affinities. This also explains, to some extent, the liberal economic policies introduced by Tony Blair, a convinced Fabian, and the hostile attitude of his government towards the unions during his premiership.

Despite criticisms, the Fabian Society has been and still continues to be at the forefront of developing political ideas and public policy on the left. Its democratic socialism, its gradualist and reformist approach, and its commitment to non-violent political change, impacted on the Labour Party as well as on the advocates of party modernization. Labour historians acknowledge it as the most influential body that gave socialism its final British 'twist' as its great achievement has broken "the spell of Marx" (Cole, 1961, p.327). Its slogan: 'Educate, Agitate, Organize' and not revolutionize, appealed to the reformers within the party who advocated abolition of poverty via legislation and administration, the control of production, and above all the reconstruction of society in accordance with the highest moral principles. Although the political allegiance of most of the Fabians was liberal, they, nonetheless, were attracted by a bunch of socialist ideals and are credited for having established a standard of tolerant discussion within the various socialist circles.

Their systematic opposition to Marx's theory of radical change which implied the inevitability of a violent overthrow of the capitalist system enabled them to propose a softened version of socialism. In this respect, *The Minority Report of the Poor Law* produced by the Webbs in 1909, called for solidarity and strong social relationship and

is rightly considered as a landmark report which provided the foundation stone for much of the modern welfare state. Accordingly, the economic situation of the workers would improve owing to the various social reforms adopted by the government that would lead to a smooth transition from capitalism to socialism. Forming a party of their own was not on the agenda of the Fabians, nor were they interested to sink their identity within any of the existing political groups. It was a think-tank whose ambition was to permeate other parties with socialist principles via the exposure of the failings of capitalism and the advocacy of carefully thought out measures of social reforms.

This was to a certain point, the case of the Ethical Socialists-a contemporary socialist think-tank- who criticized the Fabians' abstract social approach; and who "emerged to fill the emotional gap left by the Fabians" (Foote, 1997, p.34). They, in fact, added an emotional and religious dimension to the socialist theory, and referred more to Christian beliefs than to Marxism or Fabian elitism. Though the Ethical Socialists favoured the commitment to constitutional and parliamentary action; they, unlike the Fabians with whom they, however, shared certain philosophical affinities, accepted the establishment of an independent workers' party via peaceful means. In face of the dehumanizing nature of the city slums where people were plagued by misery, poverty and ill health, they presented a utopian vision of socialism as the "earthly realization of the New Jerusalem" (Ibid, p.37); a notion that pervades all their theoretical thinking, and which can be considered as 'the red thread' of their literary production. The thesis they defended was that the state was the agency of reforms and improvements, and not an instrument of class violence. The attacks of the Ethical Socialists were directed against modern civilization and industrialization and not capitalism as a social and

economic system of exploitation. Their vision of society was tainted with religious fervor and nostalgia for medievalist values of nobility and dignity. However, their contribution to the socialist political thinking of that period should not be underestimated even if their political thought was utopian and hard to put in practice as they had no answer to economic issues such as budget deficits or mass unemployment; and no answer to solve real world conflicts. Yet their vision “of a society of healthy and happy families living in a New Jerusalem was to be echoed by Labour politicians throughout the first half of the twentieth century” (Foote, 1997, p.38).

All these political currents nurtured the Labour Party and made of it a ‘melting pot’ of socialist theories, making of it a ‘broad church’ or rather “a curious mixture of political idealists and hard-headed trade unionists” (Pelling, 1965, p.220); and all contribute in a large measure to make sense of the Labour Party. Owing to this diversity and permeability it was not difficult for the party’s modernizers to espouse the ‘Third Way’ as New Labour’s ideology compatible with the new millennium. Labourism and Fabianism reflect the traditions of the British political culture and form the most influential set of principles that heavily impacted on the Labour Party which unlike its European counterparts is not a fully committed socialist party. Both groups recognized the possibilities of social change but within the existing capitalist framework, as they stress the fundamental unity of capital and labour. Hence, Labour leaders never pledged to transform capitalism into socialism, even if they accepted Marx’s analysis and criticism of capitalist society described as “a meretricious society; a society where money counts more than man... (and) the verb ‘to have’ means so much more than the verb ‘to be’ (Wilson, 1961, p.102).

Wilson's quote may be interpreted to signal the party's conversion to socialism, however, in practice, the commitment of the Labour Party to socialism constitutes a real ideological issue that still generates heated debates among historians and political experts. To which degree is the party a socialist one is a sensitive matter that highlights the long lasting struggle between Labour right or the revisionists, and Labour left or the traditionalists within the party. This division is underlined by a whole raft of theorists for whom "no issue has more divided the Labour Party since its birth than the ownership of productive assets and the future of British capitalism" (Diamond, 2004, p.2). These divisions were intensified during the First World War; yet, Labour emerged as a united party with an encompassing ideology that could cover Left and Right divide. Indeed, the events of the war and the extension of the franchise marked a major evolution of both the unions and their party. Their close collaboration with the government endowed them with a great sense of responsibility and loyalty that transcended all other issues. This enabled Labour to eclipse the Liberals and gain power twice in 1924 and 1929 forming two short lived governments.

2.4. Labour in Power

Considering Labour's birth and ideological development, it can be assumed that it is a passive receptacle of existing political and cultural values. This implies that "the Labour Party was not really out to change society radically and abruptly by winning active mass support, but merely to facilitate society's evolution in a progressive direction, with the help of working class votes at election time" (Forester, 1976, p. 41). In other words, it did not shatter the old class structure of British society; but on the whole, it adapted to accommodate the rising industrial bourgeoisie as well as the

growing working class. What is interesting to underlie is that trade unions' problems with law had a reverse affect as they increased party affiliation, and the experience of two major wars and a severe economic depression offered Labour great historical opportunities to rule the country. Accordingly, Labour experienced its first taste of political power as early as 1924. Though it was a short lived government, that lasted less than a year, there were high expectations among Labour supporters that Ramsay MacDonald's team would introduce strong socialist policies. This was not the case as the Labour government did not want to alienate middle class voters or to lose the Liberal support without which it could have never won. It had moderate aims and was more engaged to prove to the wider electorate that it could be trusted to run the affairs of the British Empire in a rather satisfactory manner.

Regarding domestic policy, it can be credited for having passed a significant piece of legislation namely the Wheatley's Housing Act "which sought to make council housing a permanent feature of public policy and in good measure succeeded" ((Rubinstein, 2006, p. 59); as the government launched a building programme of 500.000 homes for rent to working class families. Apart from this modest measure the government could not introduce any socialist reforms being too dependent on the support of the Liberals. As such, it had considerable difficulties with the unions concerning the unemployment issue to which the government had no immediate solution. The unions viewed the actions taken by Labour's administration as not different from those which would have been taken by a Conservative government. The unions' attitude may seem very extreme but it nonetheless contains some truth considering later events.

In fact, the growing discontent of the working class culminated in a series of strikes such as that of the London Tramway, London Railway, and the Dock Workers. This wave of strike was the first serious challenge for the Labour government whose immediate reaction was to invoke the War Emergency Act- it energetically opposed when in opposition-to bring in troops to safeguard the national security. Labour's discourse was that strikes should not be used as a political weapon and that the best way to gain social reforms was via parliamentary actions. The same treatment was reserved to strikes that happened in the shipyard and building sectors enlarging the gap between the government and its most serious supporters: the unions. The discord then or the contentious alliance that characterizes the relationship between the political and industrial wings of the labour movement was born at that period as:

Even with a complete labour majority... and with a Labour Government which was stable and secure, there would be a permanent difference in point of views between the government on one hand and the Trade Unions on the other...The Trade Unions have different functions to perform than the function of government. (Pelling, 1965, p.170)

Pelling's analysis is interesting as it sets the tone for the future issues that would inevitably oppose the unions to their political extension. In fact, the strikes can be considered as a barometer to test the soundness of Labour/unions relationships in periods of crisis. This first Labour Government also revealed that a Labour administration-like any other one- could be in overt conflict with the unions on which the party financially depended for over 70%. The underlying implications are that relations do really change between the two organizations once Labour assumes office power; and that

great difficulties can arise between them disrupting the good harmony that exists when Labour is in opposition. This bitter experience also unveils union's determination to stand for their rights whatever government is in place, sharing in this Ernest Bevin's - leader of the Transport and General Workers Union- statement: "Governments may come; governments may go, but the workers' fight for betterment of conditions must go on all the time" (Wood, 1978, p.238).

Regarding foreign policy, MacDonald's government was both a trial for the party and "a testing of men and measures before they are actually called to exercise majority power" (Wood, 1978, p.56). According to many political theorists, Labour's accession to office was considered as a premature fact; and its imminent downfall was not really surprising mainly when the government recognized the soviet regime and began discussions with the Soviet Union aiming at retrieving British debts. The re-opening of diplomatic relations with the Soviet Union had negative repercussions and the mainstream press namely the Daily Mail launched increasing attacks against the Labour government. For the British political establishment this 'rapprochement' was to be the 'one step too far'; and the ongoing rumours of a left-wing conspiracy within the Labour government hastened its downfall.

This resulted in that the opposing parties set in a motion to call for another election, after Labour's loss of Liberal parliamentary support and cooperation. Internal and external factors brought down the Labour Party which was not prepared to govern the country or to counterweight attacks from the Conservatives as well as from the right-wing press. The Conservatives returned to power under the leadership of Baldwin with

a comfortable majority of 419 seats; but Labour's absence from the political front line was not a very long one as it resumed power after its success in the general election of 1929. This victory can be considered as a high-water mark that can only be compared to the sweeping victory of 1945.

The Labour Party benefited from the popular feeling of dissatisfaction with the existing economic situation, especially the high rate of unemployment. Labour's manifesto programme entitled *Labour and the Nation* asserted that it was socialist committed to the replacement of capitalism by a more equitable system. The pledges were that "land, coal, transport, power and life insurance were all to be taken into public ownership, though there was no commitment to do so within a specific time span" (Rubinstein, 2006, p.61). However, these promises did not materialize as the government was faced with a massive world economic depression namely the 1929 Wall Street crash that made of the economic slump and unemployment the greatest issues facing the British government. This second Labour government (1929-31) was also a short-lived one because it had a similar attitude in tackling the country's economic and domestic affairs.

In fact, MacDonald's administration maintained the anti-trade union legislation Act of 1927, and used it in support of the textile employers' decision to cut workers' wages in 1930. As well, it did not implement the seven hours day for miners, or the eight hours for workers of other sectors as its programme pledged. Subsequently, its relations with the unions worsened, and union leaders attacked the government economic policies that can be summed up in drastic cuts in unemployment benefits, cuts in the salaries of the teachers, as well as significant cuts in grant for public work scheme in general.

Labour's austerity policy and its incapacity to implement nationalizations hastened its downfall, even if it managed to introduce some social measures. In this respect, it adopted bills meant to raise the school leaving age to fifteen, legalized strikes, and revised the electoral system with the abolition of plural voting.

Following this defeat, Labour reverted to its initial position as a party of opposition and spent nearly fifteen years recovering lost grounds. This forced and long retreat was devoted to introspection and reconstruction; in fact, Labour had to revise and reconsider its policies as well as its relations with the trade unions as it was mostly if not exclusively identified with the working classes whose financial support made it possible for the party to position itself as the political alternative; and to come two times to power. The task was also to define its future positions and aims for a future victory, marking a vital difference between a party of protest and one with a real potential to govern the country as a whole.

Considering the world's political climate towards the end of the 1930s with the mounting of fascism and Nazism, and the Spanish Civil War which caused serious divisions within the party, the electability of Labour and its political future was uncertain as "Labour seemed to be condemned to Opposition for the foreseeable future" (Thorpe, 1991, p.78). However, these predictions proved erroneous as the Labour Party won a landslide victory at the 1945 General Election which endowed it with a clear majority as 393 Labour M.P.s were returned. The striking feature of this election was "the flood of youngish middle-class Labour M.P.s many of them professional men- lawyers, journalists, teachers, doctors, and dons" ((Pelling, 1961, p.95), who represented all the strata of society. The other important observation is that

for the first time ever the working class presented a homogeneous front that largely contributed to the victory of their party.

2.4.1 Attlee: The Man of Consensus

Similar to the effects of the First World War, World War II positively impacted on the working-class and by extension on the Labour Party whose members gained in status and confidence. Labour's victory shocked the Conservative Party whose charismatic leader Winston Churchill, 'the man who won the war', bitterly reflected once the results of the election was known: "all our enemies having surrendered unconditionally, or being about to do so, I was instantly dismissed by the British electorate" (Pearce, 1994, p.1). The Conservatives failure was due to a host of factors such as their incompetence in dealing with the unemployment issue, to the weakness of the middle class during the war, and to their refusal to adapt to new methods of management. More importantly, they refused to endorse the Beveridge Report⁽⁶⁾ issued in November 1942 when it was debated in the Commons, resulting in the people's disaffection as 47% of the population disapproved the Conservatives response to the Report. However, the paramount reason was that "the social class system by 1945 created a working class in Britain united enough to vote together and sufficiently self-confident to vote Labour rather than abstain or support the Conservatives" (Rubinstein, 2006, p.81).

All in all, the electorate voted on the record of the past because they feared that "the post-war situation should resemble that after the First World War, when the lavish promises of Lloyd George had led to very little fulfilment" (Pelling, 1965, p.94). In

parallel, the Labour Party's manifesto *'Let Us Face the Future'* (1945), ascertained that the party was a socialist one with a genuine concern to improve the lot of the poor. The public's perception was that Labour favoured social reforms to which the Conservatives were indifferent or hostile. In fact, the government's prevarications over social reforms increased Labour's popularity, as its "agenda differed from the Conservatives, and embraced a positive vision of the welfare state" (Ibid). Under Attlee then, there was a political and social settlement based on consensus between the government, and the unions whose bargaining power improved substantially. It has to be signaled that elements of this consensus had existed ever since 1940, when in the face of Nazi threat British politicians had been obliged momentarily to forget their partisan differences.

This consensus also entailed "the maintenance of capitalism modified by state regulation, nationalization and the welfare state within a framework of world monetary stability established by the Bretton Woods Agreement⁽⁷⁾ of 1944" (McIlroy, 1990, p.67). In other words, the Labour Party did not do more than improving the worst excesses of capital society, and for this, it was given 'carte blanche' to implement the Welfare State and face the titanic post-war economic problems after Britain had lost 45% of its wealth during the war.

Despite the internal strife between ministers who favoured gradualism concerning reforms, and fervent socialists who believed passionately that "socialism meant not mere piecemeal reform but the transformation of society", (Pierce, 1994, p.24) Attlee's government embarked in a series of nationalizations that largely fulfilled its manifesto commitments. The National Health Service, the keystone of the welfare state, was

buttressed by the National Insurance and National Assistance Acts and the implementation of family allowances, in addition to a host of other minor reforms in the social and legal fields. With ten per cent of British industry nationalized, Attlee's government was praised for managing to implement its pledges despite an adverse economic and financial climate.

Historians and political commentators in general recognized that "Attlee presided over this century's most hyper-achieving peace-time administration" (Ibid, p.75), which cannot be compared to any other British government. New Labour frequently refers to this government as the founder of comprehensive public service and public education system from which they take their traditional inheritance and one that can be emulated, but at the same time accused it of focusing only on equality while neglecting creation of wealth. The most important criticism was that Attlee's government was identified as being essentially the party of union 'barons' since its formation. What gives substance to this critique however, is unions' financial weight and their sponsoring of a large number of parliamentary candidates which put them in a position to affect the composition and policies of the party.

As part of the deal, the unions accepted without much arguing a wage freeze as well as some restrictions on their bargaining power from March 1948 till the 1950 election campaign. This was done partly out of loyalty and commitment to the compromise that linked them to their political wing; and mostly as their members dominated the Labour Party's Congress where they constituted the majority. No one can deny then, that between the 1940s and roughly till the 1970s, the unions had a solid grip on the Labour Party which, they hoped, "would take great strides towards the elimination of

absolute poverty and excessive inequality” (Marwick, 1982, p. 14) However, this has never meant that the party was sold over to the unions or was a 'puppet' in their hands; or that the post-war consensus was meant to be eternal or a static reality. In fact, the socialism Labour leaders wanted to see implemented was one which would transcend class interests, and Britain under Attlee did not undergo a socialist revolution, and the set of reforms were far reaching but in no case disruptive. The overall sentiment of Labour leaders was that the government “had gone as far left as is consistent with sound reason and national interest” (Wright, 1983, p.195); even if this view was not shared by all the unions. This reasonable attitude was Labour’s strategy to seduce “potentially sympathetic middle-class voters on whom a future Labour majority would be likely to depend” (Rubinstein, 2006, p.93).

As shown, Attlee’s government did not substantially advance the cause of socialism although it made important measures of change and modernization. Constrained by economic, social and political reality it showed its limits of what it could deliver, even if many historians hailed its accomplishments referring to it as the most effective of British governments because it brought “the labour movement to the Zenith of its achievements as a political instrument for humanitarian reforms” (Basher, 1965, p. 44). Yet, several unofficial strikes broke out in different places such as in the docks in 1948; and that of the Smithfield Market Drivers and London Busmen in 1949, where the government’s response was to use troops and emergency powers against the strikers. Aneurin Bevan, the then Minister of Health, called for the use of emergency procedures “to deal with any trouble that may arise if relations between troops and strikers became strained” (Morgan, 1984, p.80). The decisions taken by Attlee’s

government belied its opponents and proves that the party had not been ‘swallowed’ by the unions as it was reported by the right-wing press and Conservative circles, and that when the government’s responsibility “involved a direct industrial confrontation with the unions, (it) did not retreat” (Minkin, 1991, p.108).

The general attitude of the government towards the strikes was of blame and Attlee described the strikers as “a small nucleus who has been instructed for political reasons to take advantage of every little disturbances” (Barnes, 1980, p. 7). These militant activists were a serious and endemic problem for Labour which generated heated debates over their degree of nuisance mainly as few unions were under their control, such as the Dockers’ section of the Transport and General Union. Though circumscribed, communist’s militancy constituted a real danger to the unity of the labour movement as well as to the discipline within the party. These divisions were at the root of the unofficial strikes and were determinant for the future relations of the Labour Party with its industrial wing. The dilemma of Labour was that it has to “take account of interests far wider than those they were elected to serve” (Laybourn, 1992, p. 166). While the unions wanted a compliant party that echoed their ‘desideratum’; in office, Labour’s programme was to implement policies in the interest of the entire nation, and that union’s demands should be subordinated to national ones. In this, the Labour Party’s stance does not differ from that of the Conservatives, who were adamant to give “priority to the unions (only) as industrial rather than political organizations” (Barnes, 1980, p.27). The unions’ reaction was very pragmatic; they voiced their intention “to work with whatever government is in power and through

consultation jointly with ministers and the other side of industry, to find practical solutions to the social and economic problems facing the country” (Ibid, p. 22).

Notwithstanding some controversies, Attlee’s government was one of consensus even if political experts doubted his ability to lead the nation. Unions’ confidence in their party increased despite the inauspicious economic and financial conditions following the war where Britain lost forty five per cent of its wealth; a situation that made John Maynard Keynes warn the government that the country was facing ‘a financial Dunkirk’. Despite these economic difficulties and owing to American loans, the Welfare State was, by all standards, a success as key sectors were nationalized even if left-wing activists considered that the reforms did not bring about revolutionary changes either in the economy or industrial relations. The good ‘entente’ between the government and the unions was real, as union leaders were involved in political decision making where their cooperation was all the more necessary considering the foreign-exchange and fuel crises of 1947. Joint production committees were reconstituted and the General Council after negotiations with unions accepted a wage restraint that was the only mechanism to guarantee stabilization of prices as well as of profits and wages.

Moreover, the 1948 *Statement on Personal Incomes, Costs and Prices*, meant to suspend increase in wages and salaries, was a major landmark in the relations between the Labour government and the unions. This direct intervention in unions’ bargaining field “ran counter to the ‘rules’ and according to past attitudes should have stimulated a fierce reaction from the major unions” (Minkin, 1991, p.80). However, in this precise case, the unions were rather grateful for the implementation of a policy of full

employment; and thus swung into support for a temporary suspension of industrial activities. This symbiotic government /unions partnership laid the foundation of post war prosperity, improved the economy as industrial investment grew and inflation was well under control. There was an industrial truce as “workers shouldered their share of the sacrifices” (Shaw, 1996, p.36); but more importantly the unions accepted the policy of wage restraint without systematically resorting to strikes.

In fact, the political power of the unions besides the strike weapon was the bloc vote at Labour Party Conference- where they held up to 90% of conference votes- which they used as a political lever of pressure in the 1960s and 70s. The ‘bloc vote’ determines trade unions’ role in the Labour Party and is “so central and so permanent that it has developed into a symbol of the entire relationship between the industrial and political wings... And it draws to itself all the controversy which surrounds the union connection” (Minkin, 1991, p.279). As such, many within the labour movement consider the block vote as “an expression of its trade unionism, and its collectivist values and also a security against measures which would cripple Labour’s industrial base and undermine the union capacity to pursue effective representation”. (Ibid).

But there were opponents of the ‘bloc vote’ from left and right within the labour movement and the party. For Left activists it was unacceptable as it prevented the establishment of a more socialist party as trade unions were not really involved in party’s decisions. On the Right, the argument was that it was an alienating process because it constituted a “fundamental negation of individuality” (Ibid). Hence, reforms of the internal system of voting was necessary, and party modernizers under Smith and

later Blair introduced ‘one man one vote’ (OMOV) model for leadership elections, which is fully discussed in chapter three.

2.4.2. The Wilson and Callaghan Governments: Labour-Union link ‘Out on a Limb’

In retrospect, if Attlee’s mandate was positively assessed by the majority of the political class as well as the unions in regard to the high quality of the consensus and industrial stability, this was not the case of Wilson and Callaghan governments whose mandates were strewn with industrial conflicts that can be seen as a major cause for Labour’s future electoral defeats. In fact, the Wilson government in 1964 to 1970 and the Wilson-Callaghan government in 1974 to 1979 were not successful in implementing unions’ demands as unions themselves were far from being a homogeneous body.

The return of a Labour government in 1964 was heartily welcomed by the trade union movement as its manifesto promised full employment, faster economic growth engineered by planning in partnership with the unions. Harold Wilson’s government came into power with a wide range of ambitious proposals of national revitalization through technology and planning. He was keen to endorse the party with a new vision so as to renew the post-war consensus that worked so well under Attlee. After thirteen years in ‘wilderness’ where the party was near collapse due to the strife between its left and right elements, Labour leaders saw it necessary to reassess their policies, to control the party and placate its various factions as “rebellion in such conditions was an unaffordable luxury” (Rubinstein, 2006, p.125). Wilson government’s priorities were to maintain close relations with the unions, to reinforce the welfare state and

party unity and establish social justice under the sole condition that individuals, enterprises and trade unions must be ready to re-examine the party's methods of work, to innovate and to modernize.

Economic expansion has been stated as one of Labour's two objectives and was presented as a precondition of the other ultimate goal namely social justice. It is worth precisising that social justice for Labour has always meant social equality even though it is not evident to identify clearly the actual meaning of 'equality' as it is hazily defined by Labour's theorists. In fact, ideological beliefs are usually divided depended on the different understanding about the meaning of equality in the left. One interpretation of equality is a more classless society associated with equality of opportunity in meritocratic terms; and the other is equality of distribution that can be understood as the protection of worse off by progressive tax system and comprehensive public service. In the case of Old Labour both approaches were viable as more opportunities were encouraged by education, while social and economic equalities are addressed via distribution of wealth and a fairer tax system.

The 1964 Labour Party's electoral manifesto '*Let's go with Labour for the New Britain*' encompassed these two definitions. It also pledged to "provide a higher and sustained rate of economic growth and an agreed policy for planned growth of incomes to curb inflation" (Barnes, 1980, p. 45). The government also promised among other things to apply the 1963 TUC Conference proposals to establish an income that would include salaries, wages and social security benefits. In this respect, the government, in accordance with the unions and employers worked out a 'Joint Statement of Intent on Productivity, Prices and Incomes', signed in 1964 for the

promotion of “higher productivity and to facilitate close relations with a watch committee on prices and incomes which became the National Board of Prices and Incomes (NBPI)” (Laybourn, 1992, p.179). The novelty of Wilson’s mandate was his rhetoric of ‘scientific revolution’ and ‘dynamic economy’ that won support “not only with traditional working class, but also the affluent working class and middle class”; and in this context Wilson “could also appeal to the Labour right because he could dispel their worry about the limitation of the Party in attracting a wider set of voters” (Fielding, 1997, p.70).

In his different speeches, Wilson used repeatedly the term ‘revolution’ by which he meant a technological revolution and not the sweeping social radical change so much hoped by left militants. In fact, Labour’s slogan ‘The white heat of scientific revolution’ was a political strategy to unite the party after the heated debates between left and right, and to appeal to the electorate outside the traditional working class. The technological and industrial changes were both challenging and inevitable, and the Labour Party’s ideology had to adapt deliberately and actively to “harness Socialism to science, and science to Socialism” (Wilson, 1963, p.134). Moreover, Wilson’s mantra ‘white heat of technology’ stands for social justice, for a society in which the claim of those in distress comes first; and “where the wealth produced by all is fairly shared among all; where differences in rewards depends not upon birth or inheritance but on the effort, skill and creative energy contributed to the common good; and where equal opportunities exist for all to live a full and varied life” (Labour Party’s Annual Conference, 1959, p.7)

As such, the Party's task was to redefine and restate its ideology to fit in the automation age; but this could only materialize if the country is prepared to accept far-reaching changes in economic and social attitudes that would permeate the whole society. If the 1945 Labour's programme had claimed to redress grievances and promote social justice, the 1964 political agenda pledged to use the latest scientific and technological know-how to solve Britain's economic problems. This was accompanied by a wide range of social reforms in education, health, housing, gender equality, price controls and provisions for disabled people. Labour's ambitious programme was perfectly in tune with socialists 'preaching' since a civilized society can only be judged by the social measures it makes for the 'left behind', and "the standard of living it provides for those least able to help themselves" (Wilson, 1974, p. 203).

Accordingly, the prospects of an affluent society smoothed the relationships between the government and the unions for a while as public ownership, national planning and civil service were then the 'democratic socialist trinity' of Labour government in the 1960s that secured a better future in the age of technology. However, social and economic realities marked the end of this good social 'entente'. In fact, in 1966, the sterling crisis forced the government to an economic contraction and to introduce a six-month wage freeze. It was equally compelled to adopt the policy of devaluation as the pound lost 14% of its total value. Devaluation added to three years of deflation had negative impacts as well as heavy repercussions on the society at large. The party's poor economic performance has always been considered by political experts and the press as Labour's Achilles Heel.

Against a background of recurrent economic crises, there were pressures to reform Britain's traditional industrial relations system which was a necessary prerequisite for the country's economic survival. The Conservative opposition as well as the press made repeated demands asking the government to curb the power of the unions and ban unofficial strikes. Such demands were also supported by union leaders who saw in them a potential danger that would harm exports and disrupt the country's economic life. This posed a serious dilemma to Labour which could not easily relinquish unions' financial and electoral support, or to destroy the strong emotional bonds that linked them. Moreover, Labour could not trust the middle class, though growing, because it "was still relatively small and, crucially, seemed to have at that time little electoral potential for Labour to exploit" (Rubinstein, 2006, p.133).

Wilson's political agenda comprised an ambitious legislative programme meant to prevent strikes which could inflict both economic and political damage. Left activists within the labour movement and in the Labour Party constituted a serious nuisance to the party's incomes policy. They were accused of being ideologically manipulated and were described as a "small professional group of Communists or near-Communists who planned their tactics with outside help" (Ibid). The economic realities of that period changed Labour's discourse as it was caught in the grip of severe balance of payments deficit (too many imports and too few exports), high inflation and lagging growth rates inherited from the previous government exacerbated by the Six-Day War in 1967 which undermined British relations with the Arab states, and which played a major role in Britain's departure from the world stage as a great imperial power.

To solve these contentious issues the government established a Royal Commission under the chairmanship of Lord Donovan in April 1965 “to consider relations between managements and employees and the role of the trade unions and employers’ associations in promoting the interests of their members and in accelerating the social and economic advance of the nation” (Relations Industrielles, 1968, p. 686). It was also established to investigate industrial relations and make recommendations for suitable and acceptable reforms for both unions and employers, including changes in labour law. The major focus of the Donovan report was the examination of the inadequacies of Britain’s collective bargaining system and recommendations for its reforms; and to reduce the number of unofficial or ‘wild-cat’ strikes that were seen as a threat to the very basis of ordered trade unionism.

The findings of the Donovan report provided the Government with a flexible arsenal of ‘weapons’ to deal with industrial disputes, but was not revolutionary and received a cool reception when it was published in 1968. The Trades Union Congress cautiously welcomed the report, and the Confederation of British Industry (CBI) described it as disappointing. Among the different recommendations contained in this exhaustive survey of British industrial relations system was to extend collective bargaining process by management, initiative and trade union consent; as well as a decentralized plant or companywide agreements.

More importantly, the report emphasized the importance of the tribunals’ conciliatory functions in dismissal cases, and proposed “that the Minister of Productivity and Employment be empowered to exempt satisfactory voluntary dismissal from the scope of the statutory machinery” (Relations Industrielles, 1968, p.350). There were many

criticisms from some Labour leaders and trade unionists alike; if for the former there was no firm condemnation of unofficial strikes, for the latter, the report's conclusions would lessen their power and influence if there was more state and more legal intervention.

But whatever its initial reception, the publication of the report and the adoption by Labour administration of its major recommendations into law, marked a significant turning point in the evolution of the British system of industrial relations. Subsequently, Labour MPs asked for a more interventionist industrial policy and a White Paper: *In Place of Strife* was published in 1969 after exhaustive and extensive discussions with the TUC, the CBI and the Labour administration. Concerning major lines this document proposed new rights for unions, such as compulsory recognition, but also new responsibilities. It equally pleaded for a government role in settling inter-union dispute and the modernization of the labour movement as a remedy for Britain's industrial issues

In the final analysis, its general strong points, its weaknesses and its consequences were the same as those of the Royal Commission's report as it divided Labour government and the labour movement in general into two distinct camps: those who were for the implementation of the proposals contained in the White Paper; and those more contentious, who proposed to go beyond by drastically limiting the right to strike. There were fundamental disagreements between the TUC and the CBI and both accused the government to have missed the opportunity to achieve an effective reform of industrial relations by not "making collective agreements legally enforceable contracts"(Industrial Relations Journal, p. 37). The challenge then, was the extent to

which the Labour Government was ready to implement the White Paper's recommendations, and with what percentage of success.

Indeed, the Labour government considered unofficial strikes as a breach of labour movement's discipline that were often undertaken for narrow and mean motives. To limit industrial disturbances, both the Prime Minister and the Chancellor of the Exchequer proposed to introduce a new legislation that would empower the government to require unions to conduct strike ballots in case of official or unofficial strikes. This was aimed to enhance industrial democracy within the unions and ensure that all members have a say in decision taking. However, the legislation met vigorous opposition from the unions as well as from left-wing Labour MPs, and thus, its introduction was postponed to a later notice.

The increasing hostility of trade unionists towards incomes policy, their broader disillusionment with the government's performance, and the general leftward swing of the unions, made it clear that such a 'top-down' solution contained in *In Place of Strife* had little chance of being effective. In fact, there were demonstrations, and even occasional strikes on the issue. Panitch noted that "it was the more militant sections of the rank and file rather than the union leadership that initiated the main challenge to *In Place of Strife*" (1977, p. 179), thus confirming the existing divisions in the labour movement as a whole, and the varying degree of militancy within the unions. The White Paper resolutions were abandoned and a 'face-saving' agreement was reached with union leaders promising to do their utmost to contain unofficial strikes.

The economic and industrial difficulties remained unmanageable and were to prove fatal for Labour in 1970 General Election mostly after the seamen's strike where Labour and union leaders alike agreed that the power and militancy of shop-stewards had to be curbed. Generally, Labour's attack on unions alienated its own base, and the austerity measures it took hastened its downfall in the 1970 General Election; a defeat that was considered by the press and the public as capitulation to trade union power, which in many senses it was.

The Conservative Party, headed by Prime Minister Heath (1970-74), returned to power keen to implement social and industrial reforms and "resolved to put some legal teeth into industrial relations" (Laybourn, 1992, p.193) that Wilson's government failed to execute. Indeed, trade union reform was an important point in the Conservatives' political agenda and once at the command of the country's affairs, Heath backed up his policy with the anti-union laws enshrined in the 1971 Industrial Relations Act meant to control inflation and restore the competitiveness of British industry by imposing statutory wage controls on the unions. For this effect, the National Industrial Relations Court (NIRC) was established which had authority over industrial disputes and which could "require a ballot in cases where strike would be a serious threat to the economy" (Barnes, 1980, p. 46).

More than this, the Act gave freedom to individuals to join or not a union without the closed shop approval before entering employment. As a result, the monopoly of the closed shop was weakened, and a union could obtain bargaining rights unless it secured the agreement of the employer or won the support of a majority of workers in a secret ballot. The TUC and its affiliated unions rejected the new industrial measures,

and the government experienced a long period of tension with the unions over wage increase which culminated with the miners' strike in 1972. This coupled with some economic issues hastened the defeat of Heath's government in 1974, and was an implicit message to future governments concerning the reform of industrial relations.

2.4.3. Promises and Disillusions

The return of Labour to power signalled a renewal of hope within the working class whose members expected Labour to take firm steps towards socialism. Also the Party's Manifesto "*Get Britain Back to Work*" reinforced these hopes as it pledged a fundamental and irreversible shift in the balance of power and wealth in favour of the working class, and *inter alia* a new round of nationalization to repay the trade union movement for their unstinting support. During the first phase of Labour's administration i.e. under Wilson (1974-76), Labour fulfilled their side of the bargain by settling the coal dispute on terms favorable to the miners with a promise not to resort to statutory wage control. The most important step was the repealing of the much hated 1971 Industrial Relations Act, replacing it by the 1974 Trade Union and Labour Relations Act (TULRA). Likewise, the appointment of several ministers with union background was a positive message that sent the right signals for a harmonious partnership between the political and industrial wings of the labour movement.

However, the Labour government could not combat inflation that was creeping upwards and which according to Wilson "was the enemy of democratic socialism, of everyone who seeks greater equality, full employment, and social justice" (Annual Report, 1974). In anticipation of unions' reactions and to avoid strikes that would be

devastating considering the economic conjunctures; and more importantly to surmount industrial pressures, the Social Contract⁽⁸⁾ was introduced in 1974 with a dual aim: a) “to give to the unions more political power than they had ever before wielded” (Shaw, 1996, p.210), b) to convince them to accept state intervention in industrial relations. Likewise, it touched upon issues ranging from anti-inflation policies to industrial strategy, European integration, and improved social services. For this end, the Advisory, Conciliation and Arbitration Service (ACAS) was set up as a body to which industrial disputes could be referred by the parties concerned. Likewise, to manage relations between the government and the unions, a number of semi-official bodies were created to smooth cooperation between the two sides of the labour movement. The most important of these was the TUC-Labour Party Liaison Committee that was set up to coordinate negotiations over the social contract. The Liaison Committee grew into an important policy forum which produced a number of substantial proposals on economic and industrial policy that marked the 1970s and the 1980s.

The Social Contract was conceived as a central strategy to escape economic crisis and tackle runaway inflation which was rampant by 1975. The ultimate purpose of the government was to convince union leaders to adopt a policy of compromise based on political influence and legislative concessions in return for unions’ voluntary wage constraint to combat inflation. This materialized in the government’s introduction of wage controls, and in the draconian cuts in public spending, as well as in the party’s abandonment of its interventionist industrial policy. It resulted from that the enactment of a new Trade Union Act, and acts on health and safety at work in anticipation of unions’ reactions.

The Contract was also meant to transcend economic matters to encompass justice, equality and the protection of the less well off. James Callaghan, Wilson's Chancellor of the Exchequer, clearly stated that "if we did not possess the Social Contract... with all the socialist measures that are involved in that Contract and in the industrial strategy, if we did not possess this we would have no chance of forging a powerful British economy in the next decade" (Callaghan, 1976, p.189). Labour's concessions and compromises vis-a-vis the unions brought the issue of trade union power to the centre of the government's political agenda. There were mounting criticisms from the party and outside that Labour has become subservient to the unions that were the real leaders of the country. A 1977 poll revealed that 53 percent of respondents states that Jack Jones-TGWU leader-was the most powerful person in the country" (Labour Party, Annual Report, 1977, pp.164-65). Even if these statistics are debatable, as there was "a striking gap between the public image of trade union power and the private reality of waning trade union influence over public policy" (Coates, 1980, p.82); it was an image that proved very difficult to shake off from the collective consciousness

Labour's 'entente' with the unions was soon to alter as intense conflicts between the government and the unions aroused over the real meaning and purposes of the *Social Contract*. For unions the document meant government unilateral wage control, thereby they gradually started to distance themselves from it over this very issue and over free collective bargaining- unions' preserve- which is by far a major contention in the party-union link that has always caused their relations to be stormy. For many workers, years of wage restraint had not brought substantial benefits and voted during

a TUC conference a resolution calling for an immediate return to free collective bargaining.

Following the economic decline that put the implementation of Labour's commitments under severe difficulties, Wilson's government entered into open conflict with the unions that were blamed for Britain's poor economic performance because of the widespread unofficial strikes "which arose locally, potentially harmed exports and ... waged without the sanction of the central union leadership" (Rubinstein, 2006, p.133). It seems, in fact, that the so praised stability of the union-party link of the 1950s is on the brink of collapse; or as Minkin (1991) states "the ballast of the post-war relationship was (nearly) severely undermined" (p. 107). The then Defense Secretary, Denis Healey, suggested that 'permanent damage' was done to the relationship, and that the episode "did for Wilson what the hopeless attempt to delete Clause Four from the Party Constitution had done for Hugh Gaitskell" (Healey, 1990, p.341).

Wilson resigned in 1976, and his successor James Callaghan was not more fortunate or popular with the unions as "a Labour government and economic crisis seemed to be permanent companions" (Ibid, p.141). Union pressure on incomes policy was growing, enhanced by the international monetary disruption and the first oil crisis in 1973 which quadrupled the price of oil. Worldwide inflation was the inevitable result that severely impacted on British economy and nearly threatened its institutions. These economic difficulties made it impossible for the government to honour its commitments and forced it to abandon its pledges of increasing public control over private industry, as well as extending social welfare measures. On the contrary, the government introduced an austerity budget which "transferred resources from the public to the private sector,

reducing public expenditure for 1977-8 by £900 million, at the expense of about 20.000 jobs” (Laybourn, 1992, p.200).

This measure imposed by the International Monetary Fund (IMF) was a prerequisite for Labour to secure a further loan of £3000 million; Labour was then caught between the hammer of the unions and the anvil of the IMF. Inevitably industrial relations grew worse as the government was intent to restrict the rise in public expenditure such as health care, pensions, education and unemployment pay, among others. As evidence, a White Paper projected cuts of £618million in education, £506 million in transport and £150 million in health. Due to external constraints, the extension of social services as a political strategy for a more just and equal society was limited to the protection of the poor, far from including the fair redistribution of wealth; as such it can be considered as a hollow discourse or at best as a pious wish.

The overall feeling of the working class was that the Labour Government has achieved what the Conservatives have only dreamt of. Subsequently, the TUC decided formally to return to free collective bargaining rejecting by so doing the pay restraint deal they had accepted three years before. More importantly, the industrial and economic gains the unions managed to secure after bitter strifes since their establishment were on the verge to vanish. It is in this climate of rising unemployment and reduced public expenditures that industrial unrest reached its peak as widespread strikes occurred during the winter of 1978-79 because unions resisted government attempts to reduce wages in the name of fighting inflation. There was a massive stoppage of work which annihilated any hopes Labour had to win the 1979 General Election.

The power of the unions in industry and economy has “become a major issue of political debate...the trade unions’ role thus also attracted increasing criticisms from within Labour’s ranks” (Russell, 2005, p.240). The whole period is historically known as the ‘Winter of Discontent’ “which has left an enduring image of a Labour Government impotent in the face of brute union power” (Shaw, 1996, p.210). It was fatal to Callaghan’s administration and to the relationship between Labour and the unions; and inevitably, led to the defeat of Labour at the 1979 General Election. Labour –unions strained relations weakened their unity and increased disquiet dissent within the party itself; hence the outlook seemed bleak and even gloomy for Labour whose position as the effective opposition was uncertain in regard to Thatcher’s hegemonic policies.

Despite this, many political observers have underlined the fact that the 1970s was a period where the labour movement was at the peak of its power and influence, “when more than half of the British employees belonged to unions and more than four-fifths were covered by collective pay-setting mechanisms” (Howell, 2005, p.1). These statistics reveal trade union power which was admitted as being resistant to state reform as it was nested in decentralized workplace institutions, thereby did not depend upon a favourable framework of labour law. The evidence is that the unions had successfully resisted government efforts to curb their power as any reform would lead not to the decline in trade union strength, but to the downfall of governments. In this respect, the interesting question is why the unions rapidly capitulated to the reforms imposed by the Conservatives and later by New Labour. Any satisfying answer is

intimately linked to the restructuration and ideological trajectory of the Labour Party which laid the theoretical framework for the birth of New Labour.

2.5 Conclusion

This review has traced the course of the Labour Party since its inception in 1906 till its dramatic collapse in 1979 when it started its ‘long crossing of the desert’ which lasted nearly two decades. Being a party that came out of the ‘bowels’ of the unions, and presented as a parliamentary pressure group it is, nonetheless, impregnated by many political currents, and is in fact considered as a medley of political philosophies which often collide with each other. However, when Labour adopted public ownership and redistribution of wealth as political principles, it implicitly accepted socialism as its basic philosophy.

Public ownership, national planning and social service known as the ‘democratic socialist trinity’ was part of Attlee’s programme of nationalization contained in its 1945 electoral manifesto. Accordingly, the essential feature of Labour-trade union relationship was the support the trade union movement gave the government in the massive task of reconstruction both physical and financial. However, the nationalization agenda brought to the fore dissensions within the party between the right and left wing ideologies that have always been problematic. Nonetheless, Attlee’s mandate has been praised by most political observers and historians as generally one of perfect harmony between Labour and the unions.

Yet, this symbiotic relationship between the two wings of the labour movement did not survive under the Wilson and Callaghan’s governments in the 1960s and 1970s.

Certainly, the economic context was difficult as Labour faced rising inflation and soaring unemployment due partly to world trends. The relations between the party and the unions were greatly strained, and the unions were suspected to have gained tremendous power over the party, which assured that the government was not to attempt any further piece of legislation on industrial relations. If Wilson was able to implement reforms on a range of issues including steel nationalization and the development of comprehensive education, James Callaghan, on the other hand, inherited a 'poisoned gift'. In fact, the whole period was plagued with economic issues and industrial tensions due to repeated official and unofficial strikes culminating in the Winter of Discontent in 1979 that nearly broke the link.

As noted in this chapter, the major policies adopted by the Labour Party during the 1960s and 1970s presented an interventionist conception of the state. This has aroused criticisms from New Labour, decades later, for whom the state has to be a neutral arbiter among the competing interests and a guarantee for social order, if it was to win office again. Radical reforms within Labour's structures were mandatory, considering the attacks of the Conservatives and the popular press that presented the unions as overmighty via the union barons 'thesis' they developed in their rhetoric. In effect, the Thatcher reforms of the 1980s and the prolonged years of opposition were devastating to the Labour Party whose only survival depended on the renewal of its ideology and its industrial policy to respond adequately to the social and cultural changes that were gradually transforming the British society. These issues and others are analyzed in the following chapter.

End Notes

1- The necessity of ‘historicising’ New Labour has also been developed by Richard Heffernan in *his New Labour and Thatcherism: Political change in Britain* (2001) where he argues that to understand 21st century politics it is prerequisite to “reassess the politics of the 1970s, 1980s and 1990s ...building on pre-existing intellectual foundations, New Right politics, when enacted into policy, reconstructed the middle ground” ((p.xi).

2- The Taff Vale Judgment (1901) is a trial of a suit brought by the Taff Vale Railway Company against the Amalgamated Society of Railway Servants (ASRS). It is one instance among many, of the partiality of the court where a union was “sued for losses sustained by an employer as a result of a strike” (Marsh, 1992, p.3). This and other similar cases, reveal a bleak reality which is the vulnerability of the unions, and the inefficiency of the Trade Union Act (1871) and the Conspiracy and Protection of Property Act (1875).

3-Prime Minister William Ewart Gladstone (1809-1898) had indeed secured the loyalty and respect of large swathes of workers because he defended their right to vote. This explains his unprecedented influence on trade unionists and is an evidence of the material benefits the working class could obtain through its loyalty to the Liberals.

4-Clause IV contained in Labour’s Constitution stipulates that the party is committed to common ownership of the means of production. Owing to its ideological significance it is fully discussed in chapter three.

5-The Fabian Society is a British socialist think-tank whose purpose is to advance the principle of democratic socialism via gradualist and reformist effort in democracies rather than by revolutionary overthrow. Its name derived from the Roman General Quintus Fabius Maximus who advocated the weakening of the opposition and thus avoided being involved in pitched battles. This was the very philosophy of the Fabians.

6- The Beveridge Report was the report on Social Insurance and Allied Services, prepared by the economist Sir William Henry Beveridge (1879-1963). Published in 1942 it became known as a social scheme that would overcome the evils of poverty and unemployment.

7-The Bretton Woods Agreements, ancestor of IMF, were issued in July, 22nd 1944. This international monetary system known as Bretton Woods stipulates that by signing the agreements, nations were submitting their exchange rates to international discipline. This entails a significant surrender of national sovereignty to an international organisation.

8- The Social Contract was a policy by the Labour government in the 1950s. It consisted of a range of agreements between the government and the British citizens where the rights and duties of each were clearly defined. More precisely, the agreement was between the representatives from the Labour Party, the National Executive Committee and the Trade Union Congress.

Chapter Three

New Labour: The Shaping of a New Form of Governance

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3.0 Introduction

This chapter traces the Labour Party's ideological shift from a socio-democrat party to a neo-liberal one by building a coherent analytical framework to define New Labour's ideology since its emergence in 1994, with a particular attention to its use of language that has been tightly integrated into a comprehensive electoral strategy. In this sense, Fairclough's study reveals how the language of New Labour has gradually normalised an inherently problematic view of social and political life. Labour's ideological 'journey' has started with the revisionists who laid the foundations of its philosophical transformation in the mid-twentieth century; a task that was successfully carried on by Tony Blair and the modernisers decades later. Since the bitter electoral defeats of the 80s that saw Conservative governments in power almost uninterruptedly, party theorists and politicians as well, have emphasized the need to re-think the role of the state, as well as Labour's industrial policy. For this effect, modernisers embarked upon structural and constitutional reforms necessary to create space for a substantive political project. The 'Third Way' approach informed by Giddens's theory is adopted as a significant attempt to shed light on the project of modernisation that would constitute a real break from both old Labour and Thatcherism. In this sense, his work is essential to understand contemporary modernity, and plays an important role in the development of the New Labour political outlook.

3.1 The Process of Modernisation of Labour

The different factors driving party change can be classified as exogenous and endogenous: in other words they derive from the environment as well as from within

the party itself and the desires of its members for reform. Angelo Panebianco (1998) suggests that exogenous factors may cause endogenous movements for change and notes that “one of the most powerful such factors is electoral defeat” (p. 242). In fact, moderates within the party came to see the unions, their formerly loyal allies, as key contributor to the party’s electoral debacle, and that a reform to change party-union relationship had become a priority. Thus, reform to the unions’ role in the party, and the dilution of their representation in most of its internal forums were necessary as they constitute a signal that the party’s industrial wing was not the dominant power. Labour organisational and ideological-programmatic restructurations, and the refashioning of party-union relationship, were decisive factors that started Labour on the road to reform.

The combination of these two features created an “internal environment in which leaders and members were thus increasingly eager to prioritise party change” (Russell, 2005, p.238). Following this logic and considering Labour’s long period in opposition- from 1979 to 1997- undertaking reforms was thus central to New Labour both as a reorganisation of itself as a political party, and also as a distinctive political project to improve Labour’s electoral chances. The first systematic attempt to modernise Labour’s policies took place in the Party’s Annual Conference in October 1987, driven by the degree of social change and the hegemonic success of Thatcherism.

A general consensus was attained within the party that contemporary society presents new challenges both to the people and to government; hence the greater emphasis on the individual and on personal choice. The party discarded plans to extend public ownership of industry and reduced dependence upon the unions whose influence had

to be curbed. New issues appeared on New Labour's agenda such as economic productivity, participatory politics and ecology, to such an extent that social democracy "moved beyond the arena of resource distribution to address the physical and social organisation of production and the cultural conditions of consumption in advanced capitalist societies" (Panebianco, 1998, p.18). It is worth mentioning here that for many Labour traditionalists any concessions to conservative policies are not a denial of Labour's history and values; and that responding to capitalism is not complying with its hegemony, but is offering a vision of something different.

The *modus operandi* of party metamorphosis did not start with Tony Blair's leadership election in 1994, though he is largely credited with, as many reforms "had been under discussion since long before the term 'new Labour' was first aired and most were in fact already complete by this point" (Russel, 2005, p.251). It was a gradual process which started in Britain in the 1960s by the revisionists of the post-war years who emphasized the ethical value of equality in contrast to the instrumental value of public ownership; and according to whom Labour's socialist policies were responsible for the party's successive defeats because "too often it conceived its constituency as a homogeneous industrial working-class whose interest the labour and trade union movement uniquely encompassed" (Diamond, 2004, p.2).

Revisionism ⁽¹⁾ also referred to as social democracy, or reformist state socialism, is literally the philosophy in line with Bernstein's revisionism of Marxist theory which advocates the renunciation of the traditional Labour pre-occupation with nationalisation and public ownership, in favour of "an ethical commitment to eradicate inequality in the name of egalitarian values" (Ibid, p.149). The central thrust of

revisionist thinking is that Labour can only succeed when it embraces national goals for the country and fundamentally recast British politics within the existing capitalist frame. In Marquand's (2000) words it was a "Faustian bargain with the old order: power within existing system for adherence to its norms" (p. 271).

Revisionists' ultimate goals were equality, justice, full employment and abstention from unnecessary nationalisations. It was a smooth transition from Marx to Keynesian ⁽²⁾ policies. In fact, Keynesian policy management provided the possibility "to actualise socialist goals within the market of liberal societies" (Padgett, 1991, p.1). Keynesianism was designed to tackle problems of unemployment, inequality and low investment by generating the confidence to initiate investment through state intervention for economic growth and full employment. Western social democratic parties⁽³⁾ including Labour accept a role for the free market to stimulate economic endeavour and convince capital to invest, while imposing concurrently control on workers' demands to enhance productivity. This has been the paradox of social democracy which "represents the mobilisation of working-class; but at the same time, it has to demobilise and restraint it to be successful" (Panitch, 1986, p.84). In Britain, there was a real battle between the revisionists and the fundamentalists over how achieving democratic socialism and public ownership. The economic crisis that ensued after 1967 exposed further the rift between the two conceptions concerning the modernisation scheme as the whole strategy depended upon an increased public expenditure and required at the same time the co-operation of the trade unions to accept pay restraints.

The ensuing disillusionment with Attlee's government in the 1950s fuelled long-running disputes about the prominence of nationalisation in Labour's doctrine and programme. This culminated in the constitutional battle over Clause IV which expresses Labour's core ideological principles and objectives; and which later was considered as the crucial obstacle to appealing to the middle classes. The party's new constitution endowed the labour movement with an intellectual justification and an ideology, and Clause IV was the unifying statement which connected the diverse socialist groups and trade unions together. Written by the social reformer Sidney Webb and officially adopted by the party in 1918, the statement of the clause reads as follows:

To secure for the workers by hand or by brain the full fruit of their industry and the most equitable distribution thereof that may be possible upon the basis of the common ownership of the means of production, distribution and exchange, and the best obtainable system of popular administration and control of each industry or service. (Saville, 1988:9)

Nationalisation of industries- though not explicitly stated- is implicit in the Clause via its wording such as the 'common ownership of the means of production, equitable distribution and administration and control...' terms heavily loaded with socialist connotation which reflects the view that private ownership of industry and land is inherently exploitative. The context during which the Clause was written certainly explains Labour's adoption of socialist principles which became in the long run rather a fatal handicap detrimental for the party. Indeed a climate of suspicion was built around it and there was "a wide spread fear among the public that Labour's goal was

the construction of a sclerotic command economy founded on state ownership and control” (Diamond, 2004, p.237).

Unstable political and economic circumstances forced the Labour Party to alter its political agenda, to reformulate its ideological concept, and provide a new project in tune with the changing economic and social transformations. Accordingly, the first attack upon Clause IV took place in the 1950s when party divisions and the intensification of the Cold War facilitated ideological revision. In fact, social democrats within the party were in favour for a change and ensured that “democratic socialism ... should work within the context of the political, economic and social situation in which it finds itself and not engage in a revolutionary upheaval of that system” (Haseler, 1969, p.214). Within this perspective socialist values central to Labour’s formation since its ratification of the constitution were obsolete in a country in constant mutation. The goals of the traditional socialists such as public ownership of the means of production, “do not have to be the ends but just means for the ultimate socialist goal- a just society” (Jones, 1996, p.44). Accordingly, it is imperative for the left to renew its strategies and reshuffle its priorities to fit within the new political and economic environment.

In this sense, political experts and commentators such as Douglas Jay and Anthony Crosland have underlined the inadequacy of Clause IV to meet the social, political and economic changes that were rapidly transforming post-war Britain. Rewriting the Clause which condemned Labour to be in opposition for decades was a priority. Hugh Gaitskell, Labour leader from 1955 to 1963, attempted in 1959 to amend Clause IV in favour of a more selective approach to public ownership. Gaitskell’s stance towards

this issue was rather ambivalent; an ambivalence that was attributed to pressures from both party activists and trade unionists who had a ‘sentimental’ attachment to the Clause. Facing mounting opposition, and fearing to antagonize factions within the labour movement at large, he abandoned his scheme and even proposed an extension of public ownership, arguing in a speech that “it is absurd to think, in the face of the huge capital gains now being made in the private sector, that we can achieve in the degree of equality we want without the extension of public ownership” (Coates, 1995, p.40). However, this ‘deliberate’ policy shift did not sign the demise of revisionism sometimes referred to as neo-revisionism, which was revived in the 1980s under the leadership of Neil Kinnock.

3.1.1 Rethinking the Social Democratic State

Undermining the record of previous Labour government was a basic foundation for the Conservatives to justify their radical proposals. By the same token, this was also necessary for New Labour to advertise their novelty and to ideologically reposition Labour, which following the election defeat of 1979, was dangerously impacted by the discourse of left wing demagogues who accused Labour leaders of being Tories in disguise. The election defeat increased their momentum within the party and allowed them “to blame the leadership as well as the revisionists for ignoring key traditional supporters and to insist the answer for the next election was a shift of Labour to the left” (Baston, 2000, p. p.45).

It is to be recalled that in the 1980s the Labour Party experienced a period of internal strife and extremely poor electoral performances that left it politically disoriented. In

the 1983 General Election, Labour was disastrously defeated; its election methods were thought of as obsolete resulting in its loss of a sizeable section of the party and formerly friendly media personalities to the newly formed Social Democratic Party (SDP). More importantly, its election Manifesto, *The New Hope for Britain*, was termed ‘the longest suicide note in history’ as it anchored the party more firmly in socialism and in left-wing policies. Included in its electoral programme was the promise to ban nuclear arms, to end the legislative powers of the House of Lords and the withdrawal of Britain from the European Common Market.

Concerning education, private schools were to lose their tax and advantages and value added tax was to be charged on their fees; and socially, the pledge was to make an irreversibly shift in the balance of power and wealth in favour of the working people. The programme seemed more radical than socialist, and implied a strong role for government in controlling the economy, a policy that was poles apart from Thatcher’s liberal policies, and whose new project materialized in the Conservative electoral victory in 1979. Resultantly, it was a time marked by internal debate over the political future of the Labour Party and its ability to change.

In the meantime, the Left gained more power within Labour’s policy-making institutions, and Tony Benn, one of Labour’s hard left members, became a radical socialist figure who wanted nothing short of a revolution within the Labour, and whose strategy was to restore trade unions’ power to have a say in the choice of party leader, and to influence party policies and the National Executive Committee (NEC). This was made possible partly due to the economic recession with rising unemployment and

soaring inflation that certainly undermined “revisionist optimism about the possibility of achieving sustained growth through Keynesian management” (Jones, 1996, p. 72).

It was urgent then for the neo-revisionists to thwart the Left-wing ascending influence within the party’s different structures by proposing political alternatives when at the same time weakening socialist ideals such as public ownership; a policy they viewed as a means and not as an end in itself. As a reminder, social democracy, as an ideological stance, resulted from socialist parties’ revision of their socialist goals. In rethinking their philosophy they abandoned the design of abolishing capitalism and sought instead to reform or ‘humanise’ it by rejecting the materialist and scientific analyses of Marx and Engels, and proposed instead a moral vision of socialism grounded on ethics and compassion. In economic matters, social democracy “came to stand for a broad balance between the market economy, on the one hand, and state intervention, on the other” (Heywood, 2012, p.128); based on the assumption that capitalism is the only reliable means of generating wealth and that “its defects can be rectified through economic and social intervention, the state being the custodian of the public interest; social change can and should be brought about peacefully and constitutionally” (Ibid).

The resounding electoral defeats in 1983 and 1987 were the foremost impetuses in the party’s turn to moderation and modernisation as Labour was apportioned blame for failures in both government and opposition. Neil Kinnock Labour Party leader from 1983 to 1992, embarked in a programme of reforms to gain public support by removing unpopular left-wing policies, and to put a distance against grass-roots radicalism which conveyed an image that the party was a prisoner of obstructive trade

unionism. The task necessitated a reaffirmation of the control of the Parliamentary Labour Party (PLP) over party and its activists through organisational restructuring, as well as loosening of the trade union link. He launched the Policy Review of 1988 to lead to acceptance of market principles centrally and take power away from Party committees and activists, via which he could replace the National Executive and its sub- committees with a system of joint committees. It was as well a response to the social and economic issues within an era dominated by Thatcherism which proved to be a source of inspiration to Kinnock's project to promote a market oriented mixed economy to make Labour electable again.

A new Campaigns and Communications Unit was created with the task of improving party's public image; as well as new marketing techniques were introduced to present a strong party leadership. In a major speech at the 1988 Blackpool Conference, he argued that "Labour had to come to terms with the market economy" (Diamond, 2004, p. 222), and included in his agenda was the project to reduce the power of the trade unions that enjoyed an ideological upper hand due to Clause IV. The main changes proposed concerned the economic policies where the commitment to nationalisation was substituted by the concept of social ownership. It was argued that changes to Labour politics needed to reflect the condition of contemporary world, while as a party it needed as well to reflect a new situation of increasing pluralism. This involved the introduction of a programme of organisational and policy changes that "were motivated by a hegemony of Thatcherite neo-liberalism over political ideas, giving new legitimacy to individualism, choice and the free market as opposed to social democracy" (Gamble et al., 1996, pp. 26-29)

Kinnock is credited of having done much of the ground work to make the New Labour project possible as he started blowing the winds of change in the party. According to Mandelson (1996), one of the ideologue of New Labour, Kinnock was involved in a “ground-clearing operation” (p.3). In fact, one of the basic tasks was to rid the party of the hard Left militants which led to the split that resulted in the new Social Democratic Party (SDP); and the second one was to enhance unity and democracy within Labour. However, Kinnock was not audacious enough to change the credo of the party i.e. Clause IV; as well he was criticized for his reappraisal of social democracy and for his lack of setting a fresh political agenda that would have helped create a progressive majority.

Moreover, the ideological divisions between the Left and Right tendencies projected a negative image of a party unable to discipline its members. The 1992 election defeat reflected all these tensions and more importantly reflected Kinnock’s inability to convince the electorate at large that Labour has effectively changed. It is to be noted that although he failed in his great ambition to modernise the party and become Prime Minister, he nonetheless “made a bed in which his protégé, Tony Blair, could lie comfortably” (McSmith, 1996, p.143).

John Smith succeeded Kinnock in 1992 as leader of the party and took Kinnock’s revisionism one step further. In fact, he moved away from the ideological issue by giving priority to internal party reform in a move to unify the discontented factions. Smith’s objective was to end trade union ascendancy by removing unions’ block votes that massively outweighed the party’s individual membership, which in statistic terms meant a substantial reduction of unions’ weight in the vote of annual conferences from

90% to 70%. To this end Smith introduced the principle of ‘One Member One Vote’ (OMOV) model for leadership election that limited the political power of the trade unions within the party, before considering other constitutional reforms such as the economy, parliament and citizenship. As such, OMOV was a very sensitive issue for the party and one that aroused fierce reactions from the unions who felt gradually marginalized within the state apparatus and the party’s institutions.

In concrete terms, OMOV weakened the influence of the trade unions despite Labour’s denial. Reforming the selection of candidates and weakening the domination of the closed shop ⁽⁴⁾ has been a decisive step to curtail unions’ power in the party; a fact that was decisive in rebranding the party later on. In this enterprise, Smith was backed by Tony Blair who took part in the Union Links Review Group that dealt with the leadership elections and candidates’ selection that sought to end the Electoral College for choosing labour candidates. It is important to signal that despite this reform, the unions remained the most important “power block in negotiating reform even after their share of votes at the party conference was reduced to 50 %” (Russell, 2005, p. 243).

The OMOV episode was among the series of structural and constitutional reforms introduced by the Policy Review during the years 1987-89, meant to reduce the dominance of the trade union block vote at party conference; and at the same time, to strengthen instead the powers of the leadership. New Labour gradually moved from the traditional socialist policies towards the centre of the left/right as the party sought to rid itself of its “tax and spend’ image” (Shaw, 1994, p. 47), that was one among the many causes of its electoral defeat in 1992. This defeat signals, among other things,

that Labour still has not engaged in thorough reforms that would make it acceptable by its initial target: the middle class. Indeed, its appeal to the business community by promising sustainable investments and fair taxation, and its promise to retain Britain's nuclear capability, were not enough to assure the victory that has been so anticipated by the party's supporters as well as by the opinion polls.

Smith's unexpected death in 1994 did not bring to an end the implementation of internal reforms; on the contrary, OMOV debates and the rewriting of Clause IV issues were revived in the 1990s and became the priority number one of the modernisers who played a major role in the party's ideological rethinking. The debate surrounding the OMOV issue offers an interesting example of the tactics of the modernisers who were very "active in briefing the press about its significance" (Russell, 2005, p. 252). Yet, the reality of these reforms was doubted by left-activists who argued that "it is not clear what the purpose of these reforms is except to give impression that something is being reformed" (Sassoon, 1993, p.31). Even if policy and organisational changes were 'symbolic', they nonetheless, offered victory to the modernisers.

When Blair took the leadership in 1994, Labour had already lost four general elections in a row. The last defeat was a deep drama but was at the same time a salutary blow for the modernizers who set out to transform the organisation and to radically change its image. Owing to Labour's internal reforms, the outcome exceeded all expectation as Labour won three consecutive general elections including two landslides where the "Labour leader...owed his position not to a group of trade union general secretaries or a handful of activists, but to the party at large" (Byers, in *The Guardian*, 2014). Internal reform tactics repeated on many occasions became an established campaign

technique referred to as the ‘Mandelson doctrine’ which “held that without high-profile internal battles the public simply would not notice reform...and that people would shift to Labour only if they were sure that it had changed, and only bold, demonstrable change would convince them of that” (Russell, 2005, p.252).

The transformation of the Labour Party into New Labour in the 1990s coincided with the substantial decline of the Conservatives and people’s disappointment by the deficiencies of Thatcherism. Modernisation was inevitable and was the product of various and important developments which attempted to “grapple with the fundamental structural weaknesses of the Labour Party” (Diamond, 2004, p. 3). The most salient argument of the advocates of party renewal was that Britain was a changed country in which “the old social signposts had either undergone heavy modification or disappeared altogether” (Rubinstein, 2006: 172). Party modernisers were thus ‘trapped’ between avoiding the mistakes of the past and their promise that a renewed “Labour government could do more than in fact was possible” (Cronin, 2004, p.424).

3.2 Defining New Labour: Ambiguities and Paradoxes

There is a broad range of analytical perspectives on New Labour and what it stands for. Much of the literature on its rise and development, centres upon arguments over “the extent to which it represents a modern vision of socialism, or merely Thatcherism Mark II” (Kenny & Smith, 2003, p.66). Likewise, there are various studies over the definition and ideology of New Labour since its emergence in 1994 as it is hard to find

any consensus as to what it is. Despite the ambiguity surrounding it, it represents values with which large swathes of the population could identify.

As was the case of 'Old' Labour, New Labour is riddled with contradictions, and appears to lack a clear ideological corpus, or as Freedman notes: "New Labour's politics, although possessing values and a general sense of direction, did not have a worked through ideology that told it what to do" (Freedman, 2003, p.115). Some commentators were adamant declaring that New Labour lacks a sustained ideology insisting on the fact that so far "New Labour has not yet constructed a cementing ideology or myth ... In place of an ideology or a myth it has a rhetoric ...a rhetoric of youth, novelty and a curiously abstract future" (Beech et al, 2008, p.115). While others underlined the fact that New Labour "should not be compared with reified ideologies but rather traced historically as a refashioning of socialism" (Bevir, 2000, p. 2), to meet twenty first century global challenges.

It emerges from these different approaches that New Labour's ideology is rather an assemblage of ideas and values from a variety of sources and traditions as it "is neither a single 'project' nor a clear ideological entity but a political composite" (Driver et al, 2006, p.26), and that all the Third Way actually offered was "a neither/nor approach" (Holmes 2009, p.174). In defence of this approach, Tony Blair, acknowledged in a speech to the British-American Chamber of Commerce in 1996 that "the solutions of neither the old Left nor the New Right will do. We need a radical centre in modern politics ... And today's Labour Party- New Labour is a party of the centre as well as the centre-left" (Blair, 1996, p.38). Thus, rhetoric for the modernisers is not the froth of politics, but part of a comprehensive and modern political project.

The dichotomy of ‘Old’ and ‘New’ Labour seems to sever the party from its ethical and intellectual roots and serves “to perpetuate long-standing confusion about Labour’s identity” (Diamond, 2004, p. 7). As established, the fundamental reason of this ambiguity may be explained by New Labour’s political approach which is indeed neither Old Labour nor New Right, but adapt a number of parts of both to create its own ideological framework. This ambivalence is an intrinsic part of the making of British consensual politics that entails both continuity and change in establishing ideologies. New Labour’s paradigm shift is part and parcel of the renewal of social democracy and of the reformulation of Left values which made it possible for a New Labour consensus to emerge.

Considering this, the relevant question that needs to be addressed is whether New Labour can be considered as having a coherent political ideology; and the extent to which it has advanced structural reforms to embrace the reality of new times. This issue has drawn considerable academic attention among specialists as many of whom insist that New Labour has failed to establish an overarching ideological narrative like Thatcherism. In fact, it is noted an absence of “a coherent normative philosophy which provides a consistent ground for political action; no clear line of ‘friends and enemies’ like class war of Old Labour and ‘enemy within’ of Thatcherism; and the absence of a clear vision of the good society” (Legget, 2004, p. 14).

Opposite this view, Norman Fairclough (2000) underlies a level of consistency within New Labour’s political discourse, regardless of some contradictions and lack of substantiality. In the same vein, many political theorists have endeavoured to extract the true ideology of New Labour from this profusion of sources. Kenny and Smith

(1997) Fitzpatrick (1998), and Allender (2001) all agree that New Labour's thinking is based on a new interpretation of the challenges facing a contemporary society. The interpretation of these challenges could be a starting point to define New Labour's ideology, as they are the expression of difficulties and numerous crises the society needs to overcome, new opportunities it should seize or new orders it has to adapt to.

Other political theorists such as Freeden (1999) mixed major ideologies to present a coherent understanding of New Labour placing it between the "three great Western ideologies: Liberalism, Conservatism and Socialism" (p.68). Concerning Liberalism, Freeden argues that Labour generally accepts individual rights and believes in individual capacities, but rejects the extreme form of liberal ideas. As to Conservatism, he underlies the fact that New Labour advocates favour the moral and social order, believed in individual duties toward society, but systematically discard the Conservative respect for tradition; and as to Socialism his findings are that the modernisers of the party while acknowledging the structural composition of social groups, they vehemently reject identifying these groups as social classes.

The other debate affecting New Labour is about its 'newness'. In discussing this issue political analysts are divided into two distinct camps: those who emphasize its newness and identify the modernized party through its connection with the New Right philosophy; and those who, on the contrary, consider it as a continuity of the social democratic tradition. The analysts who emphasize the novelty of New Labour (Kenny & Smith 1997 and Pimlott 1997) focussed on the change of the culture, the acceptance of new values, the widening of the electoral basis and on the strong leadership.

From a different perspective, Driver and Martell in *'New Labour: Politics after Thatcherism'*, (1998) describe New Labour as 'post-Thatcherite'. They outline the difference between Old and New Labour arguing that change has been marked in many policy areas; and that New Labour has effectively shaped a new approach to British politics. Their thesis highlights New Labour's policies namely distinct perspectives in terms of political economy, the introduction of a moral agenda to certain policy area such as crime, and a significant downgrade of position of trade unions; however, it underplays by the same token significant similarities in Labour's political history.

Concretely, major amendments were brought to classic ideas about economic equality which was replaced by opportunity for all; the role of the state was re-evaluated as enabler, higher priorities were given to education and training, and the involvement of trade unions in the constituency parties has been downsized.. More significantly, New Labour is concerned with economic freedom which can be interpreted as free market, whereas Old Labour's concern was with political freedom i.e. political citizenship. These are two different forms of politics as the former can be equated to neo-liberalism and the latter to a social democratic policy; the newness of the party lies then in the demarcation between these policies. However, Richard Heffernan (2003) doubted the 'newness' of New Labour and argues that it is simply a continuation of Thatcherism, as New Labour retained Conservative neo-liberal policies and positions with regards to economics and particularly the importance of markets.

On the other hand, those who stress the continuity between New Labour and Old Labour among whom we can cite Allender (2001), Bevir and O' Brien (2001) and

Rubinstein (2000), point that from its inception the Labour Party has not been the party solely dedicated for the working class; and that it has not “attempted to do more than improving the worst excesses of capital society” (Rubinstein, 2006, p.30); subsequently, New Labour is the successor of the Labour Party of the past. Likewise, they underline that the supply-side political economy policy of New Labour is in the context of Labour’s tradition for national efficiency and that changes of New Labour “are to modernise itself to catch up with international economical, political shift of ‘new times’ with the core value of the Labour Party” (Allender, 2001, p.56).

In analysing these approaches the novelty and continuity theses can both be applied as New Labour has gone in both policy directions at the same time. Arguments that present New Labour as a continuation of New Right Conservative neo-liberalism or of the Labourist tradition can be accepted as valid because New Labour succeeded to mix-to some extent- Conservative economic notions with Labour’s social ‘welfarism’. In fact, on entering office in 1997, it endorsed several key Conservative policies and positions with regards to economics and particularly the importance of markets. Thereby, there was a significant collusion between the Thatcherite and New Labour’s policies which implied that there is an unstated assumption of the dominance of market economy over other societal or governmental issues.

Another implication is that New Labour has adopted a new right discourse that dominates its policies; however, Heffernan nuances his argument stating that this “should not necessarily suggest that New Labour are merely Conservatives in disguise” (Heffernan, 2003, p.51). In the same vein, Collin Hay, who acknowledges Labour’s shift from social-democracy to neo-liberalism, argues that these changes

should not be viewed as a “concession to Thatcherism, but rather as an overdue modernisation which had, for too long, been thwarted by the cloying influence of the trade unions and the inertial influence of left extremists” (Hay, 2003, p.59). According to him, crediting New Labour with a stronger basis of development which is not merely concessionary, such a transformation still leaves it open to the attack of playing ‘catch-all’ politics.

Yet, similarities between New Labour and the Conservatives should not be overlooked and Tony Blair has many a time recognised the extent to which Thatcher’s policies had transformed the political landscape, regarding the changes “as both irreversible and, further, desirable” (Gamble, 1996, p. 34). Nonetheless, despite these analogies it cannot be asserted as an indisputable truth that New Labour represents a straightforward continuation of Thatcherism. Labour’s victory heralded a new beginning of welfare, symbolizing a departure from Thatcherism. Blair made it crystal clear that his government would govern as New Labour where “in each area of policy a new and distinctive approach has been mapped out, one that differs from the old left and the Conservative right. This is why new Labour is new. This is our contract with the people. (Labour Manifesto, 1997) In this sense, “the significance of New Labour is not so much an endorsement of explicit items of Thatcherite policy...but the acceptance that if socialism is to regain its appeal then it has to reconnect with the radical egalitarian individualism of the Enlightenment from which it was born” (Ibid.p.36).

This new ‘social’ contract includes economic and political reforms, a new legislation on trade union rights, as well as a flexible labour market but not as flexible as the

Tories. In setting up the case for change and renewal, party modernisers have not deserted Labour values but restated them afresh for a new generation and a new world. Change is presented not as a renewal of party structures only, but as a national reconfiguration because “the modernisation of the Labour Party is the first step to the modernisation of Britain. That is why the task of regenerating Labour must lie at the heart of a political strategy for winning and sustaining power” (Russel, 2005, p. 1).

What is worth highlighting is that the rhetorical transformation of Labour is very significant and serious critics have been made concerning the extent to which the modernisers’ rhetoric matches the substance. Thereby, caution is needed as the term ‘new’ has been introduced by constant repetitions skilfully outlined by Tony Blair in his various political allocutions where the term new “occurs 609 times in 59 speeches of Tony Blair between 1997 and 1999. The most frequent collocations are: ‘New Labour’, 72 instances, and ‘New Deal’ 70 instances” (Fairclough, 2000, p. 18). ‘New Labour’ as a name has no official status, but the distinction remains essential for the modernisers to demarcate themselves from those holding to more traditional positions. It was crucial to break with a particular period of Labour’s past which was attached to outdated and factionalist politics that were irrelevant for contemporary social and economic change.

3.2.1 New Labour: New Political Project

Changing patterns of economic, social and cultural spheres have been a fundamental driver of change in public policy within Labour. This has challenged the party’s established ideas and ways of governing forcing it to operate effective economic and

political relocation to recapture the national mood and retrieve back its position as the alternative party. To these ends, the party has moved away from Keynesianism which advocates economic management where capitalism is regulated, and has adopted instead the mixed economy. This blend of public and private ownership stands between free-market capitalism and state collectivism, with focus on a welfare state as the principle means of reforming or humanising capitalism to promote social equality and eradicate poverty.

For this effect, the modernisation of the party has been presented not as an attack upon the essential principles of the party but an examination of why historical forms of responses prove to be inappropriate for the condition of contemporary society. Accordingly then, the Labour Party has to adapt to a modern world but on the basis of its traditional values- namely inclusion, belief in community, fairness and social justice. Certainly, the modernisers acknowledge the importance of history but refuse to be chained to it because “radical policy is the route to electability” (Blair, 1994, p.7).

Within this perspective Tony Blair argues in one of his Fabian Pamphlet: *Socialism* that: “The Left can lead this new popular mood but only if it understand its nature and presents a clear vision of the country’s future that is both radical and modern... In doing so, it must show how this is not a break with its past or its traditions, but, on the contrary, a rediscovery of their true meaning” (Blair, 1994, p.2). To phrase it another way, the modernisers’ aim is to maintain progression through a commitment to values via a pragmatic approach to politics rather than dogmatic adherence to prescribed ideology or policy. Thus, the party’s discourse is moulded to fit within its new trajectory, as it bans the traditional socialist rhetoric which is now of only marginal

influence. As a matter of fact, in the 1997 manifesto, the term ‘socialism’ has been replaced by code words such as ‘outdated doctrine’ or the ‘old left’. In the final analysis, this strategy would result in the transformation of the Labour Party into a cross-class party able to appeal beyond its shrinking working class base to the middle classes without losing its soul.

Labour has had to adapt to the fundamental and irreversible changes of the social and economic climate induced by globalisation and its impacts, which has altered the party’s vision of itself, its history and its future. Indeed, globalisation and its implications have come under a new spotlight in a wide range of academic disciplines as it ushered in a new age where national boundaries were broken down and a single global economy was created. It is presented in political studies as the reasoning behind the renewal of the social democratic model that entails greater investments in science, knowledge and skills in a fast changing world. New Labour has presented globalisation via its rhetoric as a non negotiable external concept that they have to adapt to for success, because otherwise the only option left is total failure.

This theory is used to justify a systematic transfer of political power from state to markets so as to circumscribe other political choices because “the world has changed so much that the old policy instruments of the Left... are no longer relevant” (Driver & Martel, 1998, p. 41). Thus, globalisation has been taken for granted as the ‘common sense’ of the new era, so that neo-liberal economists present it as a natural and inevitable process that leads to economic growth. However, social scientists attached to the Marxist tradition view globalisation as a historical epoch, and as a ‘hymn’ to new capitalism, post- industry and post-modernity within a ‘network society’, which

signals the demise of the working class in advanced capitalism. In fact, the trend of industrial relocation to the developing countries, and the establishment of a new international division of labour, suggest that a fundamental and qualitative change in capitalist production has significantly weakened the power of the working class.

However, according to the globalisation narrative a new ideological basis is needed to meet the exigencies of the present global and technological society; and as such the shift to the Right operated by Labour leaders is explained by the 'New Times' theory where the dominant argument is that new politics is in "search of ideas beyond Left and right" and that "old ideologies which gave meanings to post-war Britain, then Thatcherism- have crashed" (Driver and Martell, 1998, p.27).

In retrospect, it is to be noted that the Conservative response to these changes was the rejection of the post-war social democratic consensus and Keynesianism, and their replacement with a neo-liberal agenda that substantially changed the political game; while the Labour Party seemed unable to find a role in the new times. The only alternative left for New Labour was to accommodate with the agenda put in place by the Thatcher government and "accept a post-Thatcher, yet nonetheless Thatcherite settlement' (Hay, 1999, p. 59). As highlighted by Panitch and Leys (1997), Thatcher policies had a tremendous impact on the future development of New Labour as apart from implementing market practices in public services and state institutions such as the National Health Service (NHS) and education, they "transform the discourse of these such that the public were encouraged to think of themselves not as users of collectively-provided services, such as patients, school parents, or people with disabilities, but as 'customers'" (p.241).

In the absence of a replacement option to the neo-liberal solution, Blair has used the globalisation narrative to support his argument and justify future policies such as the commitment to low inflation and the decision to grant independence to the Bank of England. In reaction to the theory put forward by the modernisers that globalisation amply explains the shift from ‘old times’ to ‘new’ and at the same time the rebranding of Labour, Colin Hay (1999) argues “that there seems little evidence of the processes which caused the transition from one to the next” (p.59). Though acknowledging that the world is rapidly changing due to the numerous technical innovations especially in the field of communication, Hay nonetheless refutes that globalisation and ‘new times’ theory as excuses to modernise the Labour Party. He explains that “changes in the patterns of global economic production, distribution, ownership and competition in recent years, however, considerable, do not themselves necessitate the defensive and reactionary ‘politics of catch up’ to which Labour would seem to have restricted itself” (Ibid). By justifying their shift and their new economic policies including the rejection of Keynesianism, as a reflection of voter preferences, New Labour assumes “a rather sophisticated electorate, apparently well versed in economics” (Ibid. p. 61).

In a similar vein, other political experts have argued that Labour Party’s modernisation and ideological realignment “had less to do with globalisation and ‘new times’ than it did electoral expediency” (Leys, 1997, p.17). Indeed, the median voter theory is surely valid concerning the Labour Party as after suffering drastic defeats it has changed its ideology “to resemble that of the party which defeated it” (Newman, 2001, p.94). More importantly, by the 1980s, “individuals were less likely to consider themselves

to be working class and therefore saw little need to align with the party considered to represent the interests of working class people” (Smith and Spear, 1992, p. 15).

This can explain in part, why Labour has shifted towards the median voter, and more importantly why it has kept policies put in place by the Conservatives. While this modernised economic approach of Labour had clear benefits for the business sector, the same cannot be said of the manufacturing sector “the clear loser...continued to suffer from the high value of the pound, making exports expensive” (McAnulla, 2006, p. 125).

3.3 New Labour’s Ideological Trajectory

New Labour ideology has drawn substantial academic attention between the 1990s and 2000s, and there have been a significant number of studies to define its dogma while comparing it to Old Labour or Thatcherism. During the Labour Party’s long period in the political wilderness from 1979 to 1997, fast changes took place in British society within an increasingly globalised and interdependent world economy. There was an incremental decline in its industrial base accompanied with a simultaneous expansion in the service industry as well as the entry of millions of women into the labour market.

In retrospect, the Tory era was characterised by a globalised economic situation, fully-fledged privatisation, and growth of the service and entertainment industries. The image of the ‘macho’ working class worker was a thing of the past “symbolically represented by Thatcher’s victory against miners and other working class groups during the 1980s” (Rubinstein, 2006, p.173). Thatcher created a ‘historic bloc ‘which

carried out neo-liberal economic policies, and stood as a specific response to an interpretation of the nature of modernisation in contemporary history. In fact, large – scale privatisations and changes within the welfare state brought about an increase in social disparities to the extent that Britain became one of the most unequal of the advanced capitalist societies of the period. A survey ranked Britain in the seventeenth place out of twenty-one with regards to the proportion of GDP spent on social security, health and education.

Along the same line, Giddens (1998) has observed two trends of changing values that affected the developed countries including Britain that he summarized as “a shift from ‘scarcity values’ to ‘post-materialist values’, and a changing distribution of values, which fits neither class lines nor the right/left dichotomy “ (p.20). Henceforth, given the substantial changes within British society “social democratic parties no longer have a consistent ‘class bloc’ on which to rely. Since they can’t depend upon their previous identities, they have to create new ones in a socially and culturally diverse environment” (Ibid, p. 23).

Given these changes, New Labour’s renewal ‘journey’ started with the rebranding of the Labour Party which was a vital point of departure for the party’s metamorphosis. The adjective ‘new’ has been intended “to distance the party publicly from past associations and past failures, but it also served to shape strategy and policy” (Cronin, 2004, p.417). The branding was at the heart of the process of creating a ‘new identity’ which led to the party’s return to power with a smashing majority in 1997. This created the binary opposition between old and new, archaic and modern, and served to design a contrast between the unelectable and old-fashioned party of the 1980s and the

dynamic new organization. Thus, behind the rhetoric of ‘newness’ it would be interesting to consider the extent to which the party had a substantive understanding of such a vision.

The rebranding of the party leads to question as just how this conception of newness is identified, and how Labour relates to its past. Party members have questioned the real efficiency of this change and wondered if New Labour did mark something ‘new’ for the party and for British politics in general. For the modernisers, however, the addition of ‘new’ represented an ‘epochal’ form of argument as Blair himself admits: “...at the time there was a furious dispute...At one point there was even talk of compromise, ‘new Labour’, i.e. no capital N. And it wasn’t as trivial a point as you might think” (Blair, 2010, p. 85).

However, many political observers have identified the rebranding as an electoral strategy that bears a major influence upon the future electoral fortunes of New Labour; in other words: a subtle way to recall votes and return to power. Fairclough (2000) suggests that it is the modernisers’ taste for ‘media spin’ for which “presentation becomes more important than policy, rhetoric more important than substance” (p.vii) that produces “a new synthesis which means that many significant political events are now in fact media events” (Ibid,p.3).

As such, the brand is an essential element in the modernisation of the party and a device to suggest and promise changes that would enable it to introduce a new form of governance, and tackle issues such as gender equality, ecological pressures, globalisation and the increasingly individualistic nature of society. However, opposing

Fairclough's view, Driver & Martell (1998) argue in their analysis that New Labour cannot only be reduced to a media and marketing ploy and that "there is a complex but definite substance to New Labour...It may be stylised in presentation, and driven by electoral calculation as much as ideological imagination, but substantive it is" (p.159).

This marketing technique helped Blair and his cohort namely Gordon Brown, Alastair Campbell and Peter Mandelson, not only to signal a shift in the party's ideology, but also to use language as a weapon to control public perception and reinvent government "which in itself entails a greater salience for language" (Fairclough, 2000, p. 5). New Labour which is "the product of traumatic and multiple failures" (Rawnsley, 2000, p. viii), schemes to reconnect to the electorate and remove fears that voters may still feel that a Labour government would return the country back to the dark days of the 'Winter of Discontent' in 1979, where industrial disputes nearly paralysed all the country.

In effect, Norman Fairclough has underlined the pivotal role played by language in his books *Language and Power* (1989), *Discourse and Social Change* (1992) and *New Labour, New Language* (2000) where he distinguishes two aspects of political language: intellectual and rhetorical. The intellectual aspect concerns articulating and constructing a political ideology, whereas the rhetorical aspect relates to inspiring, persuading and mobilizing people. He argues that: "...language is becoming an increasingly prominent element of the practices of politics and government... a focus on the language of New Labour can enhance our understanding as well as analysis of the politics of New Labour" (p. 6).

A new political discourse has thus been crafted by the modernisers whereby old policies of the Labour Party could no longer work in the twenty first century. A new vision is required which entails an open, transparent and democratic style of government; and above all a managerial kind of leadership. Moreover, innovative ideas and new concepts need new labels to attract and seduce a new audience which is the target issue of New Labour. In its 1997 manifesto '*New Labour Because Britain Deserves Better*', Tony Blair launched the basis for his future government arguing that "parties that do not change die, and this party is a living movement not a historical monument" (Blair, 1996, p. 27). Endorsing the findings of a report commissioned by the Labour Party entitled '*Labour and Britain in the 1990s*' he stated that:

For many years in opposition, the British Labour Party was seen-however unfairly- as the party of big government, nationalisation, anti-enterprise, soft on crime, unconcerned with family life, gripped by pressure groups, and favouring more tax and spending across the board. We were also regarded as poor managers of public services, under the thumb of trade unions and producer interests and too little concerned with choice and quality. The right was able to turn privatisation and free markets into universal panaceas. (The Times, 21st September 1998).

Accordingly, the modernisation issue has become a matter of political survival where the new emerging ideology has the task to construct unity out of the existing ideational differences and to redefine the limits of democracy. This is this conceptual construction which is effectively at the heart of New Labour's ideological trajectory.

Equally important, from the onset, New Labour has "set out to represent new functional values of openness, modernity, economic orthodoxy and redistributory

social policy” (De Chernatony, 20001, p.36). It has also set out to appeal to the aspiring middle classes, considering that it would be more successful as a party “when it bestrides the centre ground” (The Economist, November 15, 1997). Renaming the party was then an interesting marketing ploy though the party in 1994 was no different than it had been months before, as the new brand was not accompanied by major political changes, but used as a cogent symbolic marker to the electorate at large. However, the power of the new rhetoric or the art of persuasion helped Labour to shape the new conceptual structure of the party to be the suitable alternative.

Certainly, Norman Fairclough (2000) gets ‘behind the rhetoric’ by presenting a sustained theory of discourse analysis and a critique of the language of reconciliation used by New Labour in its crusade for power. In a detailed examination he underlines the importance of language in politics and government, and insists on the ‘manipulative’ aspect of New Labour’s language, which “has become significantly more important over the past few decades because of social changes which have transformed politics and government” (p.3). While acknowledging that language has become very instrumental to New Labour since it conveys rhetorically what Blair and the modernisers cannot achieve in reality, Fairclough denounces, all the same, any politics that accepts “international economic liberalism ... as an inevitable and unquestionable fact of life upon which politics and government are to be premised” (Ibid: 15), arguing that:

My interest in the politics and language of New Labour starts from my view that it is profoundly dangerous for my human fellow beings for this new form of capitalism to develop unchecked, both because it dramatically increases inequality (and therefore injustice and suffering) and

because it threatens to make life on earth unsustainable.
(Ibid).

The manipulative feature of language has likewise been underlined by Van Dijk (2006) in his article entitled *'Discourse and Manipulation'* which provides an exhaustive analysis of how at the cognitive level, "manipulation as mind control involves the interference with processes of understanding, the formation of biased mental models and social representations such as knowledge and ideologies" (pp.359-381). Language has helped New Labour to juggle between having an inherently neo-liberal and capitalist commitment, while retaining traditional Labour support; in other words to use a 'Faircloughian' expression 'reconciliation of neo-liberal enterprise with social justice'. This again involves the power of rhetoric which massively contributes in the process of manipulation as cited in the works of Van Dijk for whom "manipulation not only involves power, but specifically abuse of power, that is domination" (Ibid, p.360) In this context, language has helped New Labour to have a smooth transition from a socio-democratic discourse to a neo-liberal and then towards a Third Way discourse to break away from the failed post-war consensus, and create a new one to be accepted by both the middle as well as the new working class.

3.3.1. Clause IV Revisited

Rhetoric holds an important role in political representation as the effectiveness of nowadays politics is gauged by the language it uses; hence, it has been decisive in the re-examination of Clause IV, the core ideological statement of Labour, and 'the article of faith' within its constitution. It was since its earlier drafting very much a

compromise statement between the different ideological tendencies within the Party, and somewhat vague for that reason. However, what was certain was that 1918 Labour's "constitution formally ratified the absolute dominance of the unions inside the party with a voting structure unlike that of any European social democracy, which effectively neutralized the admission of individual members"(Anderson, 1992, p.161).

It was essential thus, to change the points of reference in radical politics, so the re-drafting of the party's constitution was essential to rebuild the party's ideology on the foundation of its values, and to put an end to the significant tension between the socialist discourse and the increasingly dominant social democratic welfare state discourse that covered the post-war period until the 1970s. The reformulation of Clause IV is a significant marker for the demise of the 'socialist' agenda within New Labour as it signals the introduction of the Blair's agenda that allowed "Labour leadership to disengage from the policy positions and mindset of the past, and present Labour in a new light to the electorate" (Gamble, 2005, p.432).

It is noteworthy that the adoption of Clause IV did not revolutionize Labour Governments' policies and was a mere "consolation prize, intended to appease the socialists" (Shaw, 1996, p.6), especially the hard left militants. As Nairn (1965) argues, the adoption of the Clause did not signify a conversion to socialism, but rather assigned the latter "to its proper place, the constitution, where it could be admired occasionally and referred to in moments of emotion" (p.184). Accordingly, Labour leaders seemed to have adopted socialism out of mere political expediency rather than a chosen ideology since the basic configuration of capitalism was not challenged.

In this sense, Richard Crossman defined British socialism in its broad western context arguing that “socialism was viewed by most European socialists as a utopian myth... often remote from the realities of day –to- day politics “(Forester, 1976, p.45). In this respect, the role of ‘myth’ is to provide a long term aim to unite the different elements of the party into one cohesive organization; as such, “myths and illusions form an interesting and often an extraordinary part of the political behaviour of many individuals who make up the Labour movement” (Saville, 1967, p.44).

In 1995 Blair launched his crusade against the clause under the cover of modernisation that would update the party’s ideational objectives. In his memoirs ‘A Journey’ (2011), Blair acknowledged its symbolic function as “no one believed in it, yet no one dared remove it”; (it) “was not just something redundant in our constitution, but a refusal to confront reality, to change profoundly, to embrace the modern world wholeheartedly” (Blair, 2011, p. 76). The Clause did not have a substantial political impact but “was of a huge symbolic significance, since it directly challenged the identification of the party with a socialist vision of how the economy should be organised, and therefore helped to identify the party as a genuinely new party” (Gamble, 2005, p.431).

More relevantly the implicit fact behind Blair’s crusade was to reduce the influence of the trade unions- traditionally the core of the party- that “had been dramatically weakened in financial terms as well as in a representational sense” (MacLeavy, 2007, p.130). Likewise, critics from among the Left activists within the unions argued that this reform was relatively modest as it “was ‘spun’ as being the first step in loosening the party’s ties with the unions” (Russell, 2005, p.252). Indeed, the reality of the

reforms was questioned as their purpose was not clear “except to give the impression that something is being reformed” (Sassoon, 1993, p.31); a fact that reinforces the view that New Labour effectively lacked substance.

As a pragmatic leader, obliged to work within the limits of the existing patterns of values and interests of British electorates, Blair aimed to build a new consensus based on practice rather than outdated ideology arguing that: “the battle of ideas in the 1990s is less clear cut than in 1945 or 1964. The grand ideologies are dead” (Blair, 1996) Rewriting the clause was therefore “New Labour’s defining moment” (Fielding, 2003, p.74) to break with the past and by the same token represents a commitment to the future. It was also a vital process for national renewal as well as for building a community economically prosper, secure in social justice and confident in political change.

New Labour succeeded in replacing parts of Clause IV with new wording that embraces the “enterprise of the market and the rigour of competition’ in an economy with “a thriving private sector and high-quality public services’ (Mandelson, 1996, p.52). The move did not go unopposed as many on the Left argued that it marked the end of Labour’s commitment to socialism as it openly embraced pro-market policies. Crosland once stated that, “there are many forms of socialism and Labour needed to redefine its socialism in the face of new economic and social times” (Radice, 1989, p. 88); a statement that made the redrafting of the clause the more imperative, as well as a ‘green light’ for constitutional reform.

Accordingly, the overhaul of the party's time-sacred philosophy has been approved by members of the party, the Shadow Cabinet and mainstream unions for whom a change in some of the language in the constitution was not so important as long as the draft was conform to Blair's commitment to a national minimum wage and full employment, and as long as it remained committed to free collective bargaining and did not stray from a core welfare state agenda. It is noteworthy that the amalgamations such as the TGWU and Unison did not accept the change and voted to back the original one, creating a real threat that Blair's project might be defeated. Their reluctance was sustained by political and media analyses which presented the rewriting of the clause as a decisive break with old Labour and a sharp move towards neo-liberalism; even if Blair has maintained that "The new Clause IV puts our value of community, of social justice, democracy, equality, at the forefront" (Blair, 1996, p.51).

These key values had endowed the party with a solid framework of political ideology on which its policies were based; however, they were not enough to attract 'middle England'. In this sense, constitutional reform was primarily addressed to the middle class which according the modernisers "can no longer be viewed as a small, privileged sub-sector of society... Mass politics is becoming middle class politics" (Rubinstein, 2006, p.174). This enabled Blair to introduce the *New Labour Project* that would convince the electorate at large that Labour has made fundamental breach with its discredited past. Accordingly then, the first part of the new amendment which is longer and more discursive than its predecessor reads as follows:

The Labour Party is a democratic socialist party. It believes that by the strength of our common endeavour, we will achieve more than we achieve alone; so as to create for

each of us the means to realise our true potential, and for all of us a community in which power, wealth and opportunity are in the hands of the many not the few, where the rights we enjoy reflect the duties we owe, and where we live together, freely, in a spirit of solidarity tolerance and respect. (Fielding, 2003, p. 77)

The new phrasing sounds more appealing, demotic and inclusive of all swathes of society as it committed the party to “common endeavour in pursuit of the realisation of individual potential... (where) wealth and opportunity should be in the hands of the many not the few” (Driver & Martell, 2006, p.14). Contrary to the first version where the state is an instrumental agent and where workers are ideologically involved and defined according to social and economic criteria, the new version omitted the word ‘workers’. The addressees are not specified in terms of class and are involved morally, as moral reflections are directed to all British citizens, not to specific social groups; building by so doing a moral narrative on human nature. As well, it insists on interactivity between the state and the citizen via the repeated term ‘we’ of political propaganda where the addressees are not the same.

In this respect, Fairclough argues that “there is a standard distinction between ‘exclusive’ and ‘inclusive’ uses of ‘we’- the former excludes those addressed, and the latter includes them” (2000, p.164). In an exclusive manner, it refers to the Government as in ‘...we will achieve...’, ‘we achieve alone’ and inclusively it is used to refer to the British people as a whole as in ‘... the right we enjoy... and where we live together’, hence the ambivalence which “is politically advantageous for a government that wants to represent itself as speaking for the whole nation... playing on

the ambivalence of ‘we’ is common place in politics, and is another point of continuity with the discourse of Thatcherism” (Ibid, p. 35).

Despite linguistic lucubration and vagueness of New Labour’s discourse, the modernisers have ‘purified’ Clause IV of any socialist connotation or reference and freed Labour from the conservatism of its past. There is no longer distinction between manual work or intellectual work, no mention of state control over economic activities or of category of workers and no ‘common ownership’ principle. Instead, ‘opportunity, responsibility, fairness and trust’ have become the new key themes meant to replace ‘old socialism’, and meant to confer more realism and pragmatism to New Labour’s politics to be in accordance with the new millennium.

A new ideological approach of Labour has been crafted whereby a fair redistribution of power, wealth and opportunity for all British citizens constitute the fundamental bases. Even the term “...socialist party” seems to have taken on a new meaning as it expresses faith in equality of opportunity and a society which “delivers people from the tyranny of poverty, prejudice and the abuse of power” (Rubinstein, 2006, p. 178); but at the same time signals that the party has no intention whatever to confiscate property or restrict the growth of high incomes. In his foreword to Labour’s manifesto (1996) Blair stated: “we have to put behind us the bitter political struggles of left and right that have torn our country apart for too many decades” (p.65). The new Clause IV then has introduced the partnership paradigm that encourages a thriving private sector, and at the same time fights for keeping key sectors such as the Post-Office and the Railways, as a proper public service.

The modernisers did away with class-based analysis and no longer spoke in terms of struggle between unions and management, and between employers and employees. Tony Blair declared in his 1996 Party Conference speech, “Labour had to move beyond its shrinking base in the industrial working class by reaching towards and capturing the centre...” Similarly, Shaw noted that the era of Labour Party’s strength and its halcyon days “had been in the age of Fordist ⁽⁵⁾ production which had given rise to high levels of unionisation, a strong sense of class identity and solidarity, and an allegiance to the Labour Party as the party of the working class” (Shaw, 1994, p. 89).

To break with this portrayal of the party’s past; New Labour has adopted a pro-competition agenda within a knowledge- based economy to escape the systematic traditional identification with the working class, while at the same time, to woo a new electorate. Such a view considered that attempts to appeal through the traditional lines of party membership were not compatible with a modern electorate who sought involvement in politics via new channels. In this respect, Giles Radice argued that a new model of the Labour Party “was needed to meet its new audience where they were requiring the Party to reassess its values and actions in the light of economic and social change, and representative of the whole nation rather than its narrow traditional supporter base” (Radice, 1989, p.98). New Labour became in McSmith statement synonymous with the market economy and accepted substantial private-sector involvement in those sectors that Labour traditionally relegated to the State arguing that:

The Party was now thoroughly imbued with free market ideology that when Tony Blair floated the possibility that his government might privatise one of the dwindling number of enterprises still run by the state, the National Air Transport Service, which handles air traffic control, there was no audible resistance from his followers. (McSmith, 1996, p.2)

This is evidence of Labour's new political orientation and of Tony Blair's ability to enable the party "to break out of electoral dependency on dwindling numbers of the manual working class and to colonize the expanding middle classes as Labour's natural territory" (Cook, 2004, p.249). The shift from a socio-democratic discourse to a neo-liberal one, underlined by many political observers, is presented as New Labour's new consensus which places its politics within the general contours of British cultural paradigm. The new consensus is presented as a reflection of Labour's project for a changing society and is according Raymond Williams' theory a consequence of a long 'revolution' and of many transitional periods that started after the Second World War, and which in time, led to the Third Way, that is presented as New Labour's transcendental ideology; and which is discussed in the following section.

3.3.2 The Third Way: New Labour's 'Transcendental' Politics

For New Labour advocates, Third Way ⁽⁶⁾ politics constitutes a balance between its socialist traditions and the neo-liberal right that had dominated the political scene under the Conservatives. The political concept is not new and dates back to the beginning of the twentieth century. Labour modernisers have extensively utilized it as the solution to all the ills because it "stands not only for social justice, but also for economic dynamism and the unleashing of creativity and innovation" (Blair, 1996,

p.108). Giddens (1998) notes in his book *The Global Third Way Debate*, that this concept refers to “a much more generic series of endeavours, common to the majority of left parties and thinkers in Europe and elsewhere, to restructure leftist doctrines” (p.2). Giddens also states that the basic principle within this concept is the deepening of democracy, which could be attained by forming partnership between government and various agencies within civil society in what he defines as “the new mixed economy”(Ibid, p.69). Hence, New Labour’s Third Way must be assessed both in its global context as a specific response to neo-liberalism, and in its interpretation by Blair and the modernisers within the party. In this perspective the analysis of the Third Way approach is necessary to make sense of New Labour.

When elected leader of the Labour Party in 1994, and in his analysis of party’s electoral defeats, Blair asserted that “the reason we have been out of power for fifteen years is simple- that society changed and we refused to change with it” (*Marxism Today*, 1998, p. 11), thus, a new hegemonic project had to be created to reconnect with the modern times and counteract the Thatcherite one and go beyond it. New Labour thus “acted discursively to position new from old, and to present both Left and Right as outdated” (Powell,2000:18), on a sociological rather than ideological basis. This required a new organising framework which would assign new roles for both the state and the individuals; and which would attempt to avoid the extremes of both political currents i.e. between those who claim “government is the enemy and those for whom the government is the answer” (Giddens, 1998, p.70).

Third Way is important as a political tool to clarify New Labour’s approach to modernisation in the new times, and as an electoral strategy via which the electorate

might begin to relate. Fielding (2003) describes New Labour's approach as 'preference-accommodating' (p.85), a strategy which helped the party to reach Middle England by talking their language, rather than challenging them to be in conformity with its policies. This search of middle class votes led to a marked class dealignment, which entailed that Labour's traditional working class voters were greatly disillusioned; and that few members have been recruited through the Party's union-affiliated organisations.

In the process of 'marketisation' of New Labour Tony Blair claimed that "ideas need labels if they are to become popular and widely understood" (The Independent, 1998), arguing that the Third Way was "the best label for the new politics which the progressive centre-left is forging in Britain and beyond" (Gamble, 2005, p.430). This explains the modernisers' eagerness to reconcile two traditional political structures: neo-liberalism and social democracy that are at the opposite end of the political spectrum and considered to be mutually exclusive. Third Way politics changed this paradigm and transcends this binary approach to economy by offering reconciliation between antagonistic themes such as: "patriotism and internationalism; rights and responsibilities; the promotion of enterprise and the attack on poverty and discrimination" (The Independent, 1998). Thereby, it unites democratic socialism and neo-liberalism, which, according to Blair have been traditionally separated from each other to the detriment of progressive politics.

Third Way epitomises New Labour's specific values in response to new challenges by means of an approach to politics which offers more substantive possibilities for political reforms; and more importantly, it constitutes a means of freeing Labour "from

attachment to particular dogmas and principles, allowing them to respond to what voters actually thought was most important” (Gamble, 2005,p.432). In a speech in 1997, Blair exposed his party’s new policies stating that: “our task today is not to fight old battles but to show that there is a third way, a way of marrying together an open, competitive and successful economy with a just, decent and humane society. The Left had to modernise or die” (‘Driver & Martell, 2006, p.2). New Labour’s core values that are equal worth, opportunity for all, responsibility and community, also reckon the nature of the state of knowledge in the modern world comprised in the commitment to individualism, a marketised form of economics and globalisation.

Discussing the response to contemporary change Blair also argued that the Third Way was not a “shopping list of fail-safe prescriptions” (Blair, 1998, p. 7); on the contrary it was a set of broad guiding objectives that range from education, economic management, health and industrial relations, described as:

- 1- A dynamic knowledge- based economy founded on individual empowerment and opportunity, where governments enable, not command, and the power of the market is harnessed to serve the public interest
- 2- A strong civil society enshrining rights and responsibilities, where the government is a partner to strong communities
- 3- A modern government based on partnership and decentralisation, where democracy is deepened to suit the modern age.

(Richards & Smith, 2002, p.100).

This categorisation of New Labour’s core principles finds much similarity with Giddens’ outline of the Third Way-presented below- in respect to the divide between

Old Left and New Right, and provides an understanding of the characteristics of political change.

<i>Social democracy</i>	<i>Neo-Liberalism</i>	<i>Third Way</i>
<i>Class politics of the Left</i>	<i>Class politics of the right</i>	<i>modernising movement of the centre</i>
<i>Old mixed economy</i>	<i>Market fundamentalism</i>	<i>New Mixed economy</i>
<i>Corporatism: states, dominate over civil society</i>	<i>Minimal state</i>	<i>New democratic state.</i>
<i>Internationalism</i>	<i>Conservative nation</i>	<i>Cosmopolitan nation</i>
<i>Strong welfare state protecting ‘cradle to grave’</i>	<i>Welfare safety net</i>	<i>Social investment state</i>

The Third Way (Giddens, 1998c)

In promoting this concept, Giddens argues that Blair’s election in 1997 confirmed the failure of socialism as an economic system of management, and also the failure of Thatcherism and neo-liberalism whose basic concern is wealth creation and market competition. His outline thus, offers a comprehensive approach where policy is freed from ideological concerns, and in which “the debate on the welfare state is shifted on

to the secondary technical issues of delivery and efficiency” (Powell, 1999, p. 23). As such, the role of the state –which had always occupied the central position during Labour government in the 1960s and 1970s- has been redefined to be in accord with the global change where national economies, male workforces and traditional manufacturing were no longer suitable for a world “in which the increasing globalisation of economies, the deconstruction of gender and identity, and the transformation of industry and technology were the new challenges” (Callinicos, 2001, p.36). The ‘new mixed economy’ became the catch-phrase of the party and a policy intended to come to terms with the changing nature of political economy without damaging key national services, notably education and health.

In this respect, Third Way logic recognizes a new and vital role for the government that of an enabling institution that helps to set the right conditions for economic stability and the climate of business and investment. In practical terms, the government provides the right environment for the citizens to succeed such as opportunity, education and employment by equipping and empowering them to meet global challenges. In his different speeches Blair minimises the role of the state which should not be a player but a referee in economy stating that: “the primary role of government is not industrial ownership or intervention but investment in education and infrastructure” (Blair, 2006, p.10). The key word being international competition, it was vital for the state to provide the proper ground for private entrepreneurs who have the responsibility to create wealth, generate jobs and sustain economic growth.

Here again, the role of the state was to diverge from that previously experienced under Old Labour as the new strategy of the party was to forge new partnerships with the

private sector which was meant to provide public services via a strong public-private framework. Thus, private involvement was a means to improvement, and not a signal of the end of the state as critics claimed. More importantly, an enabling government would strengthen partnerships between the state, voluntary organisations and individuals in all areas of social life. The development of such social networks was vital for the new approach as it aimed towards an inclusive agenda as well as the promotion of a new work ethic that displayed heavily in New Labour rhetoric.

In adopting a pragmatic policy New Labour did not ditch traditional values but rejected the economic basis of socialism as well as the Keynesian-informed agenda of post-war social democracy, in favour of supply-side socialism “which aims to increase the flow, enhance the quality and improve the use of factor inputs; the primary objective being to increase productive efficiency, reduce unit cost and, crucially enhance Britain’s international competitiveness” (Thompson, 1996, p. 39); in itself this was a major ideological and paradigm change. New Labour’s criticism against Old Labour is that they neglected the creation of wealth for a more decent society and believed that social equality and economic prosperity were rather incompatible. Henceforth, the role of the business sector was not clearly defined, and the notion of equality remained ambivalent between distributionist and meritocratic definitions.

Old Labour’s blurred policies are replaced by New Labour’s transparent vision that combines both economic and public service policies which are part of party’s dual objectives. Indeed, it has been clearly stated in its 1997 election manifesto that “New Labour is a party of ideas and ideals but not of outdated ideology. What counts is what works”. Blair’s statement summarises and encapsulates New Labour’s pragmatism and

its adoption of efficient means to reach the party's dual objectives: opportunity for all and economic prosperity. In this respect, a new economic policy was opted for which advocated a competitive business market that would be able to raise the living standards within the country due to the creation of more jobs. In fact, New Labour's project abandoned the idea of the state as a saviour, promoted choice and consumerism; and encouraged "the mixed economy of welfare and reducing welfare dependency" (Powell, 1999, p. 3).

Economic prosperity entailed the acceptance of globalised markets better suited to 'new times', and globalisation as a non-negotiable external constraint which is used by the modernisers "to justify a systematic transfer of political power from state to markets so as to severely circumscribe other political choices that may provided an alternative to market-centred solutions". (Watson & Hay, 2004, p.299). Accordingly, Labour embraced the Thatcherite commitment to low inflation as well as the prominent role which business must play in the global economy. In this respect, Blair defined New Labour's economic orientation as follows:

In the economy, our approach is neither laissez-faire nor one of state interference. The Government's role is to promote macro-economic stability; to develop tax and welfare policies that encourage independence not dependence; to equip people for work by improving education and infrastructure; and to promote enterprise, particularly the knowledge-based industries of the future. We are proud to be supported by business leaders as well as trade unions. (Blair, 1998, p.18).

Blair's definition embodies the rhetoric of reconciliation that includes a stable and competitive market, economic dynamism, social inclusion and the attainment of

economic growth for the whole components of society. Central to the Third Way is the concept of linking economic efficiency and social justice; as well as the necessary “recognition of the need within the new global economy of flexible and skilled workers, (as) globalisation has placed a premium on workers with the skills and knowledge to adapt to advancing technology. People without skills find it very hard to compete” (Blair, 1999, p.3). Blair was echoed by Brown who stated that: “in a world in which capital, raw materials and ideas are increasingly mobile, it is the skills and ability of the workforce which define the ability of a national economy to compete” (Bevir, 2005:111). Therefore, an effective economy could be ensured by supplying a welfare system that could create a skilled force flexible enough to compete in the global marketplace.

3.3.3 New Labour’s Welfare State Rhetoric

New Labour advocates as defined by many theorists have emulated the American model extolling “the virtues of flexible labour markets and building welfare around the needs of a flexible labour workforce, with training and education to deal with job insecurity” (Driver and Martell, 1998, p.50). A healthy economy depended on the high proportion of the labour force in jobs, and this is evidenced by the fact that in 2006 nearly 75 percent of the labour force was at work in the UK. New Labour’s concentration on employment and not unemployment- which entails state funded benefits- was central to its social policy whose target was to gradually reduce poverty by half and completely eradicate it by 2010. New Labour’s attempts to reduce unemployment have multifold objectives: to cut social assistance bill, raise tax revenues, find areas where cuts can be made to free resources for its social plan, and

set forth new social policies which “would make a difference at little or no cost” (Jessop, 1998, p. 7). This policy of the ‘welfare-to-work’ agenda also known as the New Deal programme was initially aimed at the young unemployed and constitutes the party’s five election pledges.

Under this scheme “welfare claimants are offered four options: work experience, voluntary experience, further education or training” (McAnulla, 2006, p. 128); and those who reject New Deal offers without good reasons ‘lose the whole of their benefit for two weeks” (Purdy, 2000, p.187). As a reminder, education is clearly stated as a number one priority of New Labour policy in a range of Blair’s speeches as well as in party documents, and constitutes the central strategy for economic improvement. Under modern global and knowledge-based economy, education is a key policy area to achieve this objective, so government investments in education and training is essential for individuals to extend their opportunities in gaining secured jobs and higher wages. It was crucial then for the economy “to produce high-value-added products through high-skilled and high- educated labour force to improve their competitiveness in the world market” (Thompson, 1996, p. 42).

The right to education is tightly connected to the idea of ‘rights’ and ‘responsibilities’ concept which is similar to New Right notion that “many welfare claimants must be urged or forced to alter their behaviour to take personal responsibility for their situation” (MacAnulla, 2006, p.129). It is this political similitude coupled with New Right discourse whereas New Labour uses terms such as: ‘free market’, ‘enterprise’, ‘responsibility’, and ‘competition’, which earned it the label ‘Thatcherism Mark II’, and around which many commentators have built their analysis of Labour’s

modernisation process. However, for Blair and his squad the Deal was a viable alternative between old Labour and Thatcherite approach by “not dismantling welfare, leaving it as a low-grade safety net for the destitute; nor keeping it unreformed and underperforming; but reforming it on the basis of a new contract between citizen and state” (Powell, 1999, p.13). This ‘not only...but also’ statement is part and parcel of Blair’s rhetoric who considers the ‘welfare to work’ policy as “compassion with a hard edge” (Dwyer, 2000, p.87).

Considering this, the ideology of New Labour oscillates between state collectivism and market individualism as it “conceives the dilemmas in broadly similar terms with the New Right, but based on different tradition” (Bevir, 2003, p. 133). The Third Way combines elements both from the left and right of the political spectrum and can be accurately described as a coherent discourse in which numerous ideologies were gathered, rather than an ideological alternative in itself. Mandelson and Liddle (1996) provide a neat definition of New Labour’s ideology in their ‘*The Blair Revolution*’ where they claim that:

New Labour does not accept the classic view of the left-right divide, in which both sides are seen to be locked in permanent conflict...New Labour believes that is possible to combine a free market economy with social justice, liberty of the individual with wider opportunities for all, one nation security with efficiency and competitiveness; rights with responsibilities; personal self-fulfilment with strengthening the family; effective government and decisive political leadership with a new constitutional settlement and a new relationship of trust between politicians and the people; a love of Britain with recognition that Britain’s future has to lie in Europe. (p.17).

By not committing to a singular ideological approach, the third way is thus flexible and able to adapt to its surroundings. As such, it has been described as a ‘chameleonic approach’ that changes its appearance to be adapted to different situations to appeal to a large section of the electorate. In reality, the third way offers a way of ‘packaging politics’ that put a new Labour spin on previously developed ideological commitments of both Old Labour and New Right. It tries to reconcile namely the new right, social democratic, and communitarian discourses, which according Norman Fairclough is contradictory combination considering the very nature of these political visions. In fact, discontinuities as well as continuities with Thatcher’s neoliberal agenda prove as can be that New Labour has effectively succeeded to develop a distinctive version of neoliberalism, or as described by Jessop (1998): “Thatcherism with a Christian Socialist face” (p.2).

Concurrently with an ideological renewal, New Labour has carried out a strategic renewal in an attempt to form a successful hegemonic project and therefore a ‘historic bloc’. The modernisers were not ideologues driven by personal convictions, but pragmatic professionals who believed in direct contact with the electorate through mass media, opinion polls and market research; and who “maintain their support within the Party through direct mailing, telephone banks and postal ballots” (McSmith, 1996, p.5). Such methods were part of public relation strategies that have been embraced by various political parties including the U.S Democratic Party, where electoral majorities are built upon political agendas based on opinion management or *manipulation*.

This resulted in that New Labour achieved success in areas that had never previously supported Labour namely “the so-called C2 ⁽⁷⁾ skilled manual workers and the C1 non-managerial office workers” (Blackburn, 1997, p. 4), who returned to the Labour fold after switching their support for the Conservatives. However, New Labour’s appropriation of the Third Way and neo-liberalism did not generate consent among different political actors and “it would be a mistake to conclude that the Party as a whole is ‘Blairised’. Across the membership, in the trade unions, in the Parliament and even in the Cabinet, reservations about Blair, his ‘project’ for the Party, and the course of his Government are widespread” (Rubinstein, 2006, p.130).

Indeed, serious criticisms in a number of key areas were made by observers who were not convinced that the third way offered any real alternative to Conservative policies arguing that it was a vague concept that lacked distinction and coherence, and that it was rather difficult to define the extent to which it truly transcends an understanding of social democracy and neo-liberalism., since the party has embraced wholeheartedly the new international economic liberalism. In this respect, Stuart Hall (1998) states that an important flaw within New Labour’s politics is its ambition to be all-inclusive and that the Third Way discourse proposes a view that does not envision any interests that cannot be reconciled. It therefore, ‘puts politics without adversaries’ which according to Hall is incompatible as “a project to transform and modernise society in a radical direction, which does not disturb any existing interests and has no enemies, is not a serious political enterprise” (p.10).

New Labour’s credibility was also questioned as to its ability to put into practice Third Way principles and deliver its electoral pledges. More importantly, the New Deal

holds striking similarities with the Job Seeker's Allowance under previous Conservative governments where under this scheme those reliant on welfare would "lose 40% of their benefit indefinitely if they refused to accept one of the welfare-workfare options presented to them" (Hay, 1999, p.121). Other commentators argued that there was nothing really concrete or consistent in "the principles on which New Labour's approach were built" (The Economist, 1998), and the article concluded that "it would be better to judge New Labour by its deeds rather than by its words".

The main criticism was that for electoral expediency New Labour has abandoned its traditional left-wing politics and its social democratic history, even if Blair and 'Blairites' in the party argued that its new policies emanates from the values of the left which have been re-appropriated for the modern age. Indeed, it was observed that New Labour has effectively abandoned the "working classes, underclasses, chattering classes, manual workers, lone parents, black families, trade unionists, public-sector workers and rank- and-file Labourists and instead enjoys good relations with businessmen" (Hall, 1998, p.13). Panitch and Leys (1997), consider the acceptance of capitalist economic management, and the denial of it "as an inhuman and ultimately self-destructive system" (p. 248). It was a betrayal which calls into question the transcendental nature of New Labour's project. What is equally important is that in becoming New Labour with all the structural and ideological transformations linked to such a process, the party has involved the articulation of new industrial relations projects and the assignment of a new role to the unions.

For their defence, New Labour advocates claimed that the party's strategy was not based on class distinction or class struggle; and was far from being biased in favour of

the working class as it has developed an all embracing strategy that focuses on community. In this respect, Blair (1998) argues in his Fabian pamphlet that “our mission is to promote and reconcile the four values which are essential to a just society which maximises the freedom and potential of all our people- equal worth, opportunity for all, responsibility and community” (p. 3). This necessitated from the Labour Party the adoption of a pragmatic approach to practice in order to “reconcile its core values and old policy prescriptions to a changed world” (Ibid). Blair emphasizes the centrality of values but also that policies were to flow from these very values which entailed a new flexibility in the overall political and economic approaches.

Subsequently, the enemies of New Labour are not the ruling or middle classes but are “those who are unaccountable, those whose vested interests go against community interests, the inefficient, and those who neglect their families” (Mandelson & Liddle, 1996, p. 20). Community then, is a core concept of New Labour’s basic understanding of society, based on the assumption that “individuals are created through their relationship to others in families and communities... The point is that ‘community’ has come to be understood in moral terms which emphasise that ‘responsibilities’ are the other side of ‘rights’” (Fairclough, 2000, p.38). This kind of interpretation of society is found in Blair’s rhetoric such as “we are part of a community of people... we are not simply people set in isolation from one another... but members of the same family, same community, same human race ... and one of the great strengths of this country is our strong sense of community” (Blair, 2003, p. 4).

This very idea distinguishes New Labour ideology from neo-liberal individualistic value based on competition within the free market - that is rather socially destructive-

and which should be replaced by the community value such as cooperation and mutual support with an emphasis on individuals' responsibility to society. In fact, 'responsibility to community' in New Labour's language was associated with individual responsibility rather than responsibility of business which was emphasized in Old Labour. This encapsulates Blair's definition of socialism which for him "was never about nationalisation or the power of the state, not just about economics or even politics. It is a moral purpose to life, a set of values, a belief in society, in co-operation, in achieving together what we cannot achieve alone" (Ibid); the ultimate aim being to enhance the interdependence between a strong economy and a resilient society.

In economic matters, the other distinction is New Labour adoption of the stakeholder approach that focuses on the fundamental characteristic of companies as a social organisation. The 'stakeholder economy' is an all encompassing concept or according Blair an "umbrella concept, under which a multitude of more specific policy initiatives will comfortably sit" (Thompson, 1996, p. 40). Concretely, this approach argues that the company" is not only at the heart of the economy, it is at the heart of society" (Hutton, 1996, p. 111); therefore every company is embedded in a broad network of reciprocal interest of community and society including employees, customers, local residents, as well as shareholders. The recognition of this approach was clearly stated by Blair in his Singapore speech where he declared that:

We need to build a relationship of trust not just within a firm but within society. By trust, I mean the recognition of a mutual purpose for which we work together and in which we all benefit. It is a stakeholder economy, in which opportunity is available to all, advancement is through merit, and from which no group or class is set apart or excluded. (Fairclough, 2000, p.87).

However, the flexibility of this concept as asserted by Blair in his speech was not articulated on the political ground. In fact, when it was suggested trade unions would be the representative institutions through which working people could claim a stake in the management of enterprises and the national economy, or that companies and firms accept their responsibilities to employees, suppliers, customers and shareholders, “the Labour leadership was quick to distance itself ... while Blair himself was quick to rule out the kind of corporate legislation which might give substance to a new vision of corporate responsibilities and behaviour”(Thompson, 1996, p.39). Hence, the stakeholder economy was about preparing the people and business for vast economic and technological change, but not about “giving priority to corporations or unions or interest groups” (Blair, 1996, p.291).

In parallel, the concept of meritocracy is strongly connected to the stakeholder economy. It insists on the individual ownership approach that encouraged individuals to bear their own responsibility for their own welfare; in other words, to empower and better equip them to fulfil their true potentials. The role of the state as envisioned by New Labour is an enabling role to long term stability and growth, where self-employment and small businesses are encouraged. Nonetheless, it has responsibility to provide employments and opportunities “to those who are excluded in order for them to be included into mainstream society so that they take their stake to be responsible for their own improvement and welfare” (Burkitt & Ashton, 1996:, p.146). New Labour’s policy aimed at a fundamental shift in the balance of power between the citizen and the state, or more concretely “a shift away from an overpowering state to a

citizens' democracy where people have rights and powers and where they are served by accountable and responsive government" (Blair, 1996, p. 310).

Albeit New Labour philosophy differs substantially from New Right thinking, it has nevertheless been accused of being a new version of Thatcher's individualistic approach, as the concept of 'opportunity for all' –one of the core ideological objectives of New Labour- is based on the personal fulfilment rather than collective sharing of resource. Indeed, the welfare to work approach is considered as more effective than traditional benefit system in modern economy, where it is believed that employment gives people the opportunity to realise their potential and earn respect. It is true that the new millennium has imposed a new approach to macro-economic, to industrial and social policies, thereby, Third Way 'package policy' is surely a viable combination between neo-liberal and social democratic elements, because "in a modern economy, we need neither old-style *dirigisme* nor rampant *laissez-faire*" (Ibid, p.295). In an assessment of this strategy Blair stated that: "the centre-left may have lost the battle of ideas in the 1980s, but we are winning now. And we have won a bigger battle today: the battle of values" (Marxism Today, 1998: 13).

3.4 New Labour in Power: Exploring the Project

While acknowledging the influence of post-war values, New Labour engaged in a series of rule change as early as 1995 where the Labour Coordinating Committee (LCC) was created to provide legitimacy and financial resources. In 1996, the LCC published a pamphlet '*New Labour: A Stakeholder Party*' which encompasses all ideas related to change namely the creation of a massive membership to be mobilized on

specific issues or campaigns, but which leaves most of the decision- making to the leadership as “in the modern era a party’s message is carried by and through the party leader” (Seldon & Kavanagh, 2005, p.6). Thatcher’s forceful leadership was very inspirational to Labour modernisers who believed that a strong leadership would change the party’s direction and lead to election victories.

These tactical changes were to transform the party into an effective electoral machine stirred from a national level. Communication was vital for the success of New Labour’s project, and a new style of interaction with the media was developed by a young team of communication experts, which was “more directive and confrontational, aiming at influencing the interpretations journalists would give of announcements, policies and politicians” (ibid), starting thus an era of ‘spin’ that revolutionized Labour’s approach to politics. This brings us to the personality of Tony Blair, an Oxford graduate, who had no Labour background on which to draw, or no left-wing past to modify or renounce; he was more committed to social reform than to socialism; and this was an advantageous asset praised by much of the media. Anthony Seldon, his biographer, wrote: “he knew relatively little of the history of the Labour Party when he became leader; and what little he did know, he did not like” (Rubinstein, 2006, p.175).

New Labour’s reforms were well received by the press and “were presented as a game with winners and losers, where each successive reform had accumulated further power in the leader’s hands” (Russell, 2005, p. 253). Likewise the move towards a party focusing on individuals rather than groups- such as the socialist party or the trade unions- implies a radical evolution in a party which is not known to have a ‘tradition

of individualism'. In fact, Blair adhered to what may be termed 'collective individualism' where the community should assist its members to realize their full potential, and enhance individual well-being by collective policies.

Like his predecessors from Conservative and Labour parties, Blair wanted to speak for all sections of society, and representative of the whole nation rather than its narrow traditional supporter base, and referred to the fact that even the success of Labour's post-war government was built on a programme of ideas and policies supported across the political spectrum. Likewise, he sought to disarm" potential opposition from groups which had traditionally been wary of or hostile to a Labour government" (Rubinstein, 2006, p.176). The initial target was to attract the new middle class, and for this end, taxation policy, in other word lowering the tax burden, was to become one of the party's main concerns.

This strategy substantially contributed to Labour's election victories as a significant fraction of the electorate found the policies rather congenial, and with no strong ideological convictions. Indeed, Blair refers to himself as "a socialist but with no connotation of class antagonism" and that "Socialism...stands for cooperation, not confrontation; for fellowship, not fear" (Ibid). Thereby, it was rather logical for Labour to reach out with a new message for a new audience, and as Kinnock judiciously suggested –revealing his market –oriented bias: "...if the goods failed to sell, then the goods have to change..." (Powell, 1999, p. 6).

In this precise context, the unions would form a broad-based class coalition where they would enjoy an important but not a dominant part, even if the financial resources

of New Labour depended upon trade union input of affiliation fees, donations and grants. To mark further its disconnection from old Labour and weaken unions financial domination, the modernizers opted for new funding schemes through professional fundraising and opened up the fringe of party conferences to businesses and lobbyists, ending *de facto* unions' sponsoring of MPs and their control of the National executive Committee (NEC). More importantly, the *Partnership in Power* reforms of 1997 granted unions only 17% of the seats on the National Policy Forum, excluded all direct union resolutions to the Party Conference, and "formalised the centralization of policy-making under Blair's control"(Hindley, 1997, p.6).

It is to be noted that, New Labour's success in taming the unions did not proceed uniquely from its convincing political and economic programme. In retrospect, the dominant kind of British unions which emerged after WWII accepted the primacy of the liberal democratic state, as well as the private property of a socially embedded and regulated market economy. As such, most unions did not claim or campaigned to overthrow capitalism through strikes. In a Gramscian way unions have internalized middle class values and recognized the superior legitimacy of free elections as opposed to direct actions. It resulted from this, that nowadays in most liberal democracies it is illegal to call a strike to overthrow elected governments. Within the neoliberal laws and their limits, unions can only go on strike in the context of disputes with employers in pursuit of collective agreements on wages and working conditions.

The other significant political strategy adopted by New Labour was not to assess or challenge the 'cultural revolution' delivered during the Thatcher's era which in itself reflects an important shift in the party's philosophy. In fact, the new team accepted

“the premise of the superiority of the business model as a form of organisation” (Meyer& Rowan, 1997, p.83); and merely continued Thatcherite economic policies. As such, the modernisers’ new party structure helped them to outsource key functions, to delocalize to less expensive regions, and draw inspiration from new management techniques. Moreover, the creation of centralised and tightly coordinated teams with “increased decision-making and implementation power was another dimension of the business model that appealed to the modernisers” (Meyer& Rowan, 1997, p.83).

Within a post-industrial economy, business was New Labour’s mantra to signal a departure from Keynesian policies that were associated with chronic inflation, rising unemployment and stagnant growth; while “profitable businesses create sustainable employment and the pursuit of profitability stimulates innovation and productivity” (Taylor, 2005, p.184). This new economic approach was intended to adapt to the ‘new economic realities’ that would subsequently serve to make Labour electable again. The aim thus, is no longer to manipulate aggregate demand but to focus on controlling the money supply through the maintenance of low inflation. Low inflation then, replaced full employment as the prioritised method to ensure economic growth and operate “on the supply side rather than the demand side of the economy” (Hudson & Lowe, 2004, p.41).

On entering office in 1997, New Labour adopted the Conservative approach as it sees no alternative to the new neo-liberal orthodoxy, which for some critics is a direct result of Thatcherism and for others a major consequence of globalisation. This radical policy U-turn was the first move by New Labour once in power that materialized in granting operational independence to the Bank of England; a decision in total conformity to the New Right assumption that “economic growth depended less on high

rates of unemployment and demand than it did on stable economic conditions characterised by low levels of inflation” (Bevir, 2005, p. 107). Ceding control of monetary policy to the Bank of England reassured sceptics that the government knew how to manage the economic levers of power; and resulted in the creation of a Monetary Policy Committee (MPC) where interest rates were fixed “in accord with long-term economic priorities as opposed to short-term political advantage” (Ibid, p. 113). It is noteworthy that the establishment of the MPC was for New Labour a notable sign of the ‘depoliticization’ of decision-making and asserts, at the same time, that political decisions were fundamentally matters of technical expertise.

As a result and during the two terms of Blair’s premiership, the decision to grant independence to the Bank of England proved successful as the economy had not fallen into its more inflation-prone stance. While France, Germany, Italy and other European economies “were faced with slow growth, Britain was continuing to grow; interest rates which had been falling even before the 9/11 attacks, were reduced to just 4%, their lowest since 1963, in their aftermath”(Smith, 2005, p.162). Even during the invasion of Irak in 2003, “the bank cut rates again to just 3.5% their lowest since 1955” (Ibid, p.163).

Despite this success New Labour’s approach was increasingly criticised “to have contributed significantly to the economic crisis of 2008”, and that “cracks were appearing in this legacy even as Labour celebrated its ten years in power-and these cracks are widening with everyday the country plunges deeper into recession” (Martell, 2009, p.12).With hindsight, by continuing previous Thatcherite policies in conformity with the ‘new economic realities’, New Labour sacrificed the “active role

of the state in industrial policy; and its commitment to restore an indigenous investment ethic to British capitalism”(Hay & Watson, 1999, p.150).

This shift from a commitment to low unemployment to a more anti-inflationary macro-economic stance -presented as a precondition for economic growth- did not only make a sharp break from the policies of Old Labour governments; but was meant to attract and convince international investors that New Labour would not repeat past mistakes, and that the future Labour government would have a minimised role in industrial policy. Under the endogenous growth theory, the general strategy of the government was more investment on human capital and economic infrastructure as “without investment Britain will never get the modern public services it needs” (Blair, 2001). It is to be noted that alongside investment, radical reform of public services such as education, health and transport among others, was on New Labour’s agenda. Drawing a parallel between past industrial policies, Blair stated that “just as mass production has departed from industry, so the monolithic provision of services has to depart from the public sector” (Ibid).

New Labour explained their policy shift towards a neo-liberal consensus, and their acceptance of the Private Finance Initiative (PFI)—initiated by previous Conservative governments - as unavoidable due to the realities that globalisation imposed. In fact, numerous Western European social democratic parties including Australia and New Zealand’s Labour parties “had also all recognized that there was little alternative to neo-liberalism” (Hay, 1999: 126). It was therefore vital to keep taxation, spending and inflation “at levels which are comparable with those of competitor countries (Driver & Martell, 1998, p. 42).

It is clear then that neo-liberalism and globalisation helped New Labour to create a coherent narrative for political economy as well as for industrial policy (an aspect of New Labour's policy that is fully investigated in chapter four). Global politics has impelled European democratic parties during the 1980s and 1990s to formulate a new political economy that no longer assigns unions a prominent role, and New Labour was no exception. Indeed, from its inception, Labour was tagged with a pro-union and anti-business label that the modernisers sought to remove as part of the modernisation process. New Labour has adopted a pro-business stance via the PFI approach, which they had previously denounced as "totally unacceptable" (Shaw, 2007, p.82), accusing it of being "a form of stealth privatisation that exposed the Conservatives' determination to run-down the public sector and its position on the extreme right"(Hindmoor, 2004, p.153). Yet, in office, New Labour later renamed it as Public Private Partnership (PPP), continuing, de facto, Conservative governments' policies whose aim was to increase the involvement of the private sector in the provision of public services. The argument was that the PPP approach presents a significant difference because the public sector retains a substantial role either as the main purchaser of services or as an essential enabler of any private project.

The other important difference is that New Labour empowered the citizen by providing flexible working conditions, and by the transfer of power to workers who, as consumers, had the choice between public services and private providers. The creation of an environment where employers give remuneration according to market conditions, and where individual worker is empowered, may, in the long run, make trade unions largely irrelevant. It also puts an end to corporatism, that is to say the use

of tripartite negotiations and tripartite bodies to bring on board employers' groups and trade unions.

The transition from public to private ownership was gradual and radical change in social, industrial and economic policy was irreversible under New Labour. More significantly, the rhetoric of past and future used by Blair and his allies suggests the acceptance of the legacy of Thatcherism. At the 1997 TUC conference, Blair made it clear that "we will not go back to the days of industrial warfare, strikes without ballots, mass and flying pickets... You don't want it and I won't let it happen. And I will watch very carefully to see how the culture of modern trade unionism develops" (The Times, 1997). The shift from collectivism and statism to individualism and marketization, hints to the fact that 'new times' politics is characterized by diversity, differentiation, and fragmentation, rather than homogeneity and standardisation. Indeed, the affluent post-war society draws working class people away from class politics and class antagonisms mainly as the left within both the party and the unions started ebbing away in the 1980s. New class identification that resulted from working classes fragmentation contributed significantly to this fact as more than 50% in skilled manual occupation considered themselves as 'middle class'. They advocated middle ground policies, the abandonment of any notion of a further push towards socialism, reconciliation with capitalist society in which workers never 'had it so good' and more emphasis on liberal social policies.

3.5 Conclusion

This chapter traced the constitutional and ideological transformation of the Labour Party which represents a shift from left reformist social democratic politics to right reformist neo-liberal politics. An issue of note here is that such a perception of ideological shift is generalised from attitudes towards economics. Indeed, the revisionist right within the party refused the endorsement of Marxism and made full use of the notion that the new times had irreversibly fragmented the working classes and altered its very nature and politics. As far as the New Labour of Blair is concerned, this chapter has shown the successful ideological renewal of 'Old' Labour, though significant parts of Thatcherism have been kept.

This chapter has also sought to distinguish between the development of New Labour as a rhetorical strategy that served to establish a clear separation from Old Labour, and the space this created for a substantive project to be put forward in the shape of the Third Way. This concept was to be the basis for a radical and modernising approach to building a New Britain within a global order. It helped New Labour to reorganise its political identity and supplied the party with "an underlying coherence to the policy regime Labour inaugurated in 1997, a coherence that is more evident as time has gone on" (Seldon & Kavanagh, 2005, p.437), and given social and industrial changes, Labour's electoral frontiers went beyond its traditional working class constituencies. New Labour project came to terms with the new society by abandoning the idea of the state as the universal saviour, to wage war on privilege or to return to the Left policies. Blair's pragmatism and commitment to '*what counts is what works*' was an attempt to move decisively beyond the dichotomised and exclusionary relationship between Left

and Right. New Labour's rhetoric which places it at the centre-right of the political spectrum seems to reconcile two opposite political discourses, namely the social democratic and neo-liberal, in other words economic dynamism and social justice.

History will uncover whether New Labour has formed a new consensus and a 'historic bloc'; but what is sure is that Blair and his allies have led Labour to three electoral victories in a row, in 1997, 2001 and 2005 based upon a renewal of social democracy and the ideas it presented for policy reform. As a reminder, it is worth noting that unions have played a major role in the worker-employer dialogue for centuries, but in the last few decades, many aspects of the business environment have changed. More importantly, New Labour has attempted to diminish the political potency of the unions in his attempt to create a market economy. With this in mind, one can wonder how do unions fit into the current business environment, and what is their political power and industrial weight in the modern economy. These issues and unions responses are discussed in the following chapter.

End Notes

1- In historiography, revisionism identifies the re-interpretation of historical records, and is a salutary reaction against determinism by challenging the orthodox positions. Post-war revisionism in Britain is divided in three distinctive phases: the first one unfolding roughly from 1945 to 1970s. Phase two extends from the 1970s to the 1980s where bitter ideological conflicts resurfaced in response to the failings of the Wilson administration that eventually led to the split and formation of the Social Democratic Party (SDP) in 1981 and the electoral disaster of 1983. Phase three or neo-revisionism, extends from mid-1980s to 1997 where the process of ideological change has built the foundations of New Labour.

2-Keynesian economics are various macroeconomics theories elaborated by John Maynard Keynes (1883-1946), a British Liberal economist, to “save capitalism from the consequences of free market anarchy” (Fielding, 2003, p.11). Keynes provided an alternative to neo-classical economics, in particular *laissez-faire* capitalism, and argued that the government can manipulate employment and growth levels and secure general prosperity through the demand management policy. Keynesianism was established as an economic orthodoxy in Western countries in the 1950s and 1960s. However, the re-emergence of economic difficulties in the 1970s “generated renewed sympathy for the theories of classical political economy (*laissez-faire* and led to a shift away from Keynesian priorities” (Heywood, 2012, p.58).

3-Social democratic parties have always been revisionist. They modify their doctrines” to take account of the latest mutations in an endlessly mutating capitalism” (Marquand, 1999, p.10).

4-Closed shop system is an arrangement whereby an employer and a recognised union could agree for union membership to be a prerequisite to employment.

5- Fordism or Fordist production is a concept named for Henry Ford (1863-1947). It is the basis of modern economic and social systems in industrialized, standardized mass production and mass consumption. The major advantage was that it cut down on the man power necessary for the factory to operate, and it deskilled the labour itself cutting down on the costs of production.

6-Two kinds of ‘Third Way’ can be distinguished: an economic ‘third way’ which combines public and private provision in a new partnership for the new age; and a political ‘third way’ that is a mixture of social democratic principle, neo-liberalism and the New Right. In this dissertation both meanings are used.

7-C1 and C2: British demographic classification by the National Readership Survey (NRS) based on occupation.

Chapter Four

Unions' Counteractions and Responses to New Labour's Neo-Liberal Agenda

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4.0 Introduction

This chapter examines New Labour's industrial policy which constitutes a challenging issue that is responsible for the 'contentious alliance' successive Labour governments have had with the unions. It establishes the extent to which the Government elected in 1997 marked a new beginning or a continuation with its Conservative predecessors. The focus on New Labour is dictated by the fact that it was in power for three electoral mandates, covering a decade, which is a 'premiere' in Labour's history. The unions' very existence was highly threatened as they witnessed a weakening of their clout at the workplace since the 1980s and more significantly in the 1990s. Trade union power which was widely acknowledged to be immune to state reform, has rapidly succumbed to the radical reforming policies of Conservative governments as well as of New Labour. Parallel to this, as the basic structure of the economy changed, the state comes to play a crucial role in the construction of new institutions to regulate class relations. Hence, defining the concept of power and its distribution for both parties is thus inevitable. Likewise it is significant to explore how the concept has been applied in industrial relations researches, and examine the ways in which power has been conceptualised. Thereby an overview of the different theories about power is proposed. This chapter also examines the evidence concerning the unions' effect on policy, and addresses the question of why trade unions rapidly acquiesced in the diminution of their influence over the party they had founded, their responses to neoliberalism since the advent of New Labour; as well as the prospects of their future within a 'hostile' political-economic environment.

4.1 Strands of Power in Social Theory

Power has various facets but is basically the capacity of agents “to bring significant effects, specifically by furthering their own interests and/or affecting the interests of others, whether positively or negatively” (Lukes, 2005, p.65). Though the concept is pervasive in the field of industrial relations, and despite its acuteness to this area of study, academics have underlined the paucity of viable analyses relating to the field “...to the extent that it now represents a major theoretical lacuna within the discipline” (Kirkbride, 1985, p.44). Within sociological analyses the issue of power has occupied a dominant position due to “a notable lack of agreement both about its specific definition, and about many features of the conceptual context in which it should be placed” (Parson, 1963, p. 2). Hence, a chorus of definitions and interpretations are proposed as power is embedded in the relations between various actors, and is manifested in everyday social relations and in people’s ideologies.

Modern and classical scholars across various disciplines endeavoured to define power and understand its nature, but owing to the complexity of the issue and to the tension between the “normative evaluation of the concept and empirical evaluation... scholars agree to not agree” (Shokri, 2017, p.2), because any appropriate approach should inevitably integrate the concepts of rights, legitimacy and legality and as such, would have to supply answers to questions viz. who holds power and the subsidiary one whether it belongs to an individual or a collective.

Richard Hyman defines power as being “almost certainly the most contentious and the most elusive concept in social analysis” (Hyman, 1994, p.127). Considering this, a

Liberal's definition of power emphasizes a strict distinction of the public and private sphere; while a socialist's view is circumscribed in every aspect of social life. Certainly, these different forms of power carry contrasting interpretations of what is assumed as an essentially contested idea, hence, it makes more sense to refer to a variety of theories that can be applied in many contexts, than to a single theory of power. More importantly, theoretical perspectives on power are in fact theoretical outlook on politics itself, i.e. definitions of power are to a large extent constitutive of what it is meant by politics.

Different societies have experienced different forms of political power as authorities, sovereignties and governments, and have formed varied power structures through a historical political process which "has its origin in a deliberate act of volition on the part of a number of individuals" (Shokri, 2012, p.5). Accordingly, the definition of authority/ sovereignty along with political power is a product of mutual political relations within political range where the rights of the government and those of the governed are found on both sides of the political spectrum. According to this relational power approach the state is relative and not absolute, as it focuses on co-optation rather than coercion by physical force in politics.

The following section makes no pretention to survey all the existing literature in the field of the theories of power, as well the discussion here is not intended to be an exhaustive treatise on power. This is why the focus is on some prominent social theorists and their conceptions which highlight the distribution of power among the different political, economic, and social actors. They split into three categories: 1) the classical theorists of power who are interested in how power is concentrated; 2) the pluralists whose concern is how power is distributed and concentrated; and 3) the

Marxists, whose perception of power is intimately linked to class conflict or class hegemony. A brief overview of these three approaches is useful to determine trade unions' position within a new economic environment, and their ability to overcome the imbalance of power in favour of capital. They also enable us to appraise their aptitude to respond to new challenges to win back their historical and traditional clout under a 'new' Labour that has been transformed to a neo-liberal party supporting pro-market policies and legislations.

According to classical theorists, power is determined as a single structural and relational concept where political power is identified with its exercise viz. domination or empowerment. Thus, whatever the form of government, power would be in the hands of a minority or elite who forms the ruling class because some people are 'genetically better' equipped than the rest of society. Max Weber's definition that power is "the chance of the man or number of men to realise their own will in a communal action even against the resistance of others who are participating in the action" (Roth, 1978, p.181), reinforces in a certain way this assumption. Accordingly, economic power is a determining factor because the upper classes do have control of their life situation; whereas the lower classes must follow certain societal rules put in place by the ruling class. Coercion is implicit in this case, and in fact raises the interesting question about the ideas held by various actors on power and authority.

The belief that the activation of power is entirely dependent on the will of the individual even if it encounters somebody else's opposition, is shared by Pierre Bourdieu whose theory is based on the individual's ability to impose his will on others despite their resistance, and focuses on the questions of who has power and how they

get it and use it. He argues that power needs to be addressed from a multidimensional basis by relating it to the economic, social and cultural fields to provide a complex understanding of the working of power. In fact, Bourdieu recognises different forms of capital such as social capital (web of social connections), cultural capital (educational credentials), and economic capital; and all these variants constitute a 'symbolic system' which "helps ensure that one class dominates another (symbolic violence) by bringing their own distinctive power to bear on the relations of power which underlie them" (Bourdieu, 1994, p.164).

His theory focuses on class conflicts in a way that "the different classes and class fractions are engaged in a symbolic struggle properly speaking, one aimed at imposing the definition of the social world that is best suited to their interests" (Ibid, p.167). Overall, Bourdieu's theory concentrates on the diffused symbolic power which permeates all the social relations, and which is used as instrument of domination by individuals or groups. In this perspective, power and domination are the most important concerns and characteristics of organisations and institutions, which define in this case, trade union -Labour relationship.

The same theory has been developed by Robert Dahl who defines power as "A has power over B to the extent that A can get B to do something that B would not otherwise do" (Dahl, 1957, p. 203). Accordingly, power is exercised in order to cause those who are subject to it to follow the will of those who possess power. At a community level, this approach is used by the ruling elites which constrain others to follow their preferences and vested interests. Dahl's simplistic or 'primitive' approach is still valid and can be used when analysing the balance of power between socio-

democrat and conservative governments and their relationship with the labour movement. In the case of New Labour, years of anti-union Conservative rule and unions' lack of strategy coupled to their fatalism and weakness, enabled Blair and the modernisers to ignore them when formulating policies.

The second category of theorists marks a radical withdrawal from the classical approach which emphasizes obedience to the choices of others, and the legitimacy of ruling elites to dominate. In this sense, Michel Foucault proposes a new understanding of this mechanism by rejecting the idea of concentration of power in the hands of particular agents. He argues instead that power is “neither wielded by individuals nor by classes nor institutions- in fact power is not wielded at all” (Gaventa, 2003, p.3), and as such it is beyond agency or structure. Power is diffuse rather than concentrated, and is dispersed among networks of relationships “not because it embraces everything, but because it comes from everywhere... power is not an institution, nor a structure, nor a possession. It is the name we give to a complex strategic situation in a particular society” (Ibid).

Indeed, the existence of classes, political parties, and pressure groups testifies to the distribution of power; as such, public policy is the outcome of group forces acting against one another, whereas the state is neutral and acts as a referee between them. The added value of Foucault's theory is the correlation he makes between power and knowledge stating that “there is no power relation without the correlative constitution of a field of knowledge, or any knowledge that does not presuppose and constitute at the same time power relations” (Foucault, 1979, p. 27). In this sense, power is no longer equated with coercion and is not necessarily repressive or exclusionary; it is rather

positive as it reproduces reality. In Foucault's view power generates consent which constitutes an important element in the manufacturing of ideologies.

Hanna Arendt shares the pluralist approach to power by stressing the social dimension to this concept whereby power emerges when people come together and work in unison. Power is enabling as it represents the ability of individuals to act in a direct and voluntary manner to bring about change within the existing social structure, which is the case of the British trade unions. Thus, it is an outcome of collective action and within this perspective "those who are powerful are not those who hold power but those who are able to enrol, convince and enlist others into associations on terms which allow these initial actors to represent all the others" (Gaventa, 2003, p. 10). Thereby, power is an integral part of social life discernible even at micro levels of interactions.

However, in presenting power as an egalitarian process, the pluralist approach does not account for the different inequalities that may exist. In fact, there are differences in individuals' ability to access the resources which in turn create an inequality among them in the sphere of power. In a nutshell, we notice that both the classical and pluralist approaches to power present this concept as intimately linked to individuals' or groups' ability to psychologically influence decision-makers; and present the existence of ruling elites as inevitable reducing democracy to competition between these elites. In this scope, interest groups within western liberal economy fight their battles in a system which is systematically loaded in favour of middle and upper class financial interests.

The issue of power has always assumed a special prominence in Marxist narrative which considers that the state is not neutral, that power is not dispersed and society is not equal

as the state functions to protect and reproduce capitalism via the ruling elite which determines the basic direction of public policy. This theory offers a useful insight into the nature of power in industrial relations based on the historical development of the power relationship between capital and labour, whereby a major focus is placed on the struggle of these two 'classes' which attempt to strengthen their respective positions and influence on the structure of work relations. Schematically, in this struggle between those who own labour and those who own the means of production and the exchange relationship between them, power is distributed unevenly, according to the accumulation of capital. In this case, the state in trying to regulate the economy and ensure social and political stability, implements policies to reflect the interests of the capitalist ruling class which owns the economic and productive assets, and has a control over ideas through media and education. In fact, owners of capital operate behind the scene to manipulate the political process, and indoctrinate the mass of the working classes into accepting the unequal economic structure of society.

Marxists ideas thus, form a coherent narrative that could be used by unionists to legitimate their opposition to neo-liberal reforms. In fact, in the classical Marxist writings and interpretation power is seen as exploitative, and the exploitation process is quite opaque and cannot be detected easily which leads to the alienation and manipulation of workers in capitalist societies. In a nutshell, this approach views unions as being controlled by ruling groups who exercise power through various forms "from visible authority relations to the use of less visible ideological resources as a source of power and control" (Edwards, 2004, p.32).The state in this configuration is

the executive apparatus of the bourgeoisie and an instrument of coercion and domination against ordinary people.

This instrumentalist view has been modified by subsequent neo-Marxists particularly Antonio Gramsci who argues that the state cannot be seen as a coercive institution only, as its main function is done through the ideological state apparatus where consent is generated and which necessarily leads to the hegemony of the ruling class. While the classical Marxist definition of the state considers it as the executive committee of the bourgeoisie and an instrument of the dominant class, Gramsci's view is more subtle as he considers the state as wider and organic. Accordingly, the state is equilibrium between two different spheres of society: the political and the civil society where minds are moulded and oriented by associations, church and schools and where battles of minds for power take place.

In effect, the role of ideas and intellectuals in a broad sense is crucial in understanding the new right ideology, or neo-liberalism, and how power is distributed within this new political environment. Ideas are "the way individuals and groups are able to understand their social situation and the possibilities of change" (Bieler & Norton, 2003, p .466,) and thus represent not only instruments of domination as part of a hegemonic project developed by organic intellectuals, but also instruments of struggle and liberation (to workers), which can be incorporated into a counter-hegemonic project.

The overall goal of implementing neoliberal policies has been central in the strategies of what in Gramscian terms could be called "collective intellectuals" whose role is to "prepare consensus on which the momentary rule of the capitalist class is predicated",

and where the state “reflects this hegemonic compromise-the historical bloc among classes- which may include fractions of labour” (ibid). As such, Gramsci provides “a nuanced understanding of how ideas, social practices and institutions intertwine and inter-penetrate within a complex social whole” (Forgacs & Hobsbawm, 2000, p.64). Hence, the battle of power takes place not on the ground but in the minds of individuals via ideology.

The use of the ‘soft power’ ⁽¹⁾ allows the subordinated social groups or classes to be successfully incorporated into a historic bloc of social forces in which their interests and perspectives are taken into consideration. A crucial aspect of hegemony is thus the development of an ideology and world vision- including economic, political, cultural and moral aspects- which is presented as a universal, common sense understanding of social relations, with the aim of creating a political order in which the subordinated classes accept their position as legitimate. The task then of what Gramsci calls ‘organic intellectuals’ as opposed to ‘traditional intellectuals’ who are neither creative nor innovative, is to elaborate a ‘hegemonic project’ with the aim of creating consent in the political sphere.

However, it is in the political society that the coercion apparatus is more dominant; whereas the consent manufacturing business takes place in the civil society, forming thus the persuasive arm or the ‘soft’ power, which includes political and cultural ideals, institutional and organisational imperatives. The coercive arm and the persuasive one create the state power that enables it to exercise its hegemony on people. It is also referred to as the ideological state apparatus which ensures that the rule of the dominant classes is considered legitimate by the people. In industrial relations literature, Steven

Luke exposes his view of the three dimensions of power in his short treatise *Power: A Radical View* (2005). The first dimension involves conflicts between unions and employers, and the “balance of power between them may be gauged from the outcomes of strikes or other forms of collective action” (Kelly, 2011, p.16).

The second dimension is agenda control where potential contentious issues are “removed from the normal channels of debate and cannot therefore be contested” (Ibid). In analysing individual and group interests, Luke notes that the power of different agents vary from one issue to another; and that the employers ‘power to dismiss employees also varies and is intimately connected to the prevailing protection laws in force, as “some legal regimes impose significant constraints on dismissal, whereas other impose very few constraints so that in examining employer power, legal context matters” (Ibid, p. 17). If the first two facets describe how power can be used overtly or covertly by wielders of power to influence and control the behaviour of people, the third facet has a deeper dimension as it is based on the hegemony of ruling class ideas. Luke acknowledges that it is the most effective type of power as it has the ability to influence and manage people’s thoughts so as to preempt future conflicts.

For instance, the idea that economic success requires not only wage reduction but also longer hours of working, cannot be questioned as union members endorse and legitimate the paramount importance of business interests. This phenomenon is referred to by the Marxists as the “false consciousness” as power is not readily apparent but needs to be deciphered; hence the great ability of power to be ‘hidden’ and not immediately obvious. More importantly, recent literature on globalisation has explored how politicians and policy makers have constructed a discourse in which

processes such as factory relocation, welfare retrenchment and labour market flexibility are presented as inexorable positive developments that have been internalised among workers and union leaders.

This medley of approaches to the concept of power denotes its complexity. There are differences in the power relationship between individual and groups, between the different issue areas, over the electoral cycle, and in the overall distribution of power. In the political field, Minkin (1991) characterises power in polarised terms and refers to two polar models of power concerning union-Labour Party relationship where power can be concentrated in the hands of the Parliamentary leadership, as it can shift to “the second model because it fitted so well the many deceptive formal signposts” (p.628). In other words, power relationship in the labour movement is “dominated by polarised alternatives in which either the union leadership or the Parliamentary leadership were credited with supreme and sometimes total power” (Russell, 2005, p.262).

However, in concrete terms and considering the dramatic reforms to unions’ role within the party, it is difficult nowadays to suggest that unions are the dominant partner or that they run the party. It is worth noting that the linkage between Labour and the trade unions is often, if not permanently, under a tough test. Labour’s long period of organisational reforms, gradually diminished unions’ power and questioned the legitimacy of their control over the party. Despite Blair’s and the modernisers’ policy of weakening and reducing the role of the unions within internal decision-making institutions, it is argued in the following sections that unions still exercise power both at the industrial and political level, though Martin Harrison contends that

“although under the Party’s constitution the unions have the power to dominate; in practice, they do not exercise it” (Harrison, 1960, p.16).

4.1.1 The Measurement of Power in Industrial Relations

The measurement of trade union power is widely discussed in the literature where it is argued that only scant attempts “have been made to create any kind of measurement” (Kelly, 1998, p.10); and that industrial relations research lacks an encompassing definition of union power because it is rather a complex phenomenon. Existing literature does, however, point to a range of sources of that power, and by implication to factors relevant to its measurement. Union density and membership trends are measures largely accepted as an indicator of union power. There are limitations however, as in a cross-sectional dataset; the level of union density in a workplace may reflect much more the legacy of long past mobilisations or recognition deals than the current balance of strength. In his assessment of union power, Kelly distinguishes two aspects: the associational power (measured by membership density, strikes rates or bargaining coverage) which is the ability to impact upon employers and government by organising workers in unions; and the structural power, that is the aptitude of workers “to influence employers and governments based on their position in the production process, the balance between supply and demand in the labour market and the nature of the product market” (Kelly, 1998, p.12).

The most widely used form of measurement is membership density as “it is a priori plausible to assume that the higher the level of membership density the greater the level of union power” (Ibid). However, Kelly recognises the shortcomings of this

theory since union density figures may be either unavailable or misleading; hence the quasi-impossibility to assert that union membership density is a valid and reliable measure of union power. He likewise argues that “it would be misleading to assume a difference in intensity of union power between areas of the private sector with low levels of density, compared to some areas with high levels of density” (Ibid, p. 15). In addition, it cannot be proved that high density in any union is systematically associated with solidarity-even if many scholars analyse unions as agents of social solidarity- because “modern trade unions consist of numerous different occupations due to the many mergers that have taken place over the years” (Ibid, p. 17). An important point to be made here, is that Kelly’ arguments are based upon ‘macro’ density at national levels, rather than ‘micro’ density at the workplace, which could also make a difference in terms of the measurement of union power.

A second form of measurement of union power focuses on strike frequency statistics “on the grounds that striking constitutes the most visible expression of union power” (Ibid, p. 10). However logical this may appear, the measurement perspective is debatable as powerful unions with high membership density might rarely be involved in strike action. The strike weapon may prove ineffective compared to other strategies available to union members, as it may be misleading to assume that every strike forcibly results in favour of the trade unions. Under the anti-union laws introduced by the Thatcher government and maintained by New Labour, unofficial wildcat strike particularly- not sanctioned by a union’s national executive committee and not preceded by a majority vote in a secret ballot- are unlawful, as are general strikes against government. Unofficial strikes may also be a sign of the decline of trade union

officials to control their members, and many a time expose the unions to severe damages claims by employers and “the virtual absence of such strikes since the early 1980s appears to constitute strong evidence of overwhelming employer power” (Dickens, 2010, p.29). Employers’ power over the interests of workers hints to their capacity to induce or coerce others to act in accordance to their own interests.

It is important to emphasize that even if union power in relation to employers may have declined, especially in the manufacturing industry, this is however not true of union power in relation to government where they are still influential. As a reminder, trade union resistance to reform efforts brought down two governments a Conservative and a Labour government. In fact, economic strikes at the company or sector level linked to collective bargaining processes differ radically from general strikes which mobilise the workforce at the national level, such as non-union citizens and students, as they target the government in reaction to the neo-liberal agenda and welfare reform.

In this case, and considering unions’ resistance and willingness to seek concessions, socio-democratic governments often respond favourably to their demands. This can be explained by the weakness of governments, either because they are minority administrations, or “they comprise a coalition of heterogeneous parties” (Kelly, 2010, p.25) which are compliant and ready to include unions in negotiations on contentious policy reforms and decision making. Above all, any positive governments’ response is dictated by electoral volatility as from the 1990s onwards voters are less attached to a single political party, and may cast their vote on relatively new political formations such as the Greens and the Far-Right.

Concomitant to membership density and strike frequency there is a decisive factor namely workers mobilisation which enables unions to protest against the austerity policies imposed by governments and to take collective actions. In the field of industrial relations it is referred to as the mobilisation theory and deals with “the conditions under which collective organisation and action are most likely to occur” (Kelly, 1998, p.22). It is an important asset in the hands of the unions who may put pressure on the employer or the government that are liable to find adequate solutions. However, the combination of all these union resources depend on the structure of union organisation and on the degree of democracy, as well as “the forms of membership participation and relationship among and within leadership, activists, and the membership more generally” (Hyman, 1994, p.122). It is noteworthy that owing to economic structural change, all these resources that guaranteed the power of the unions have been used, more or less successfully, to explain the large scale decline in economic strike activity, and unions’ loss of influence.

4.2 The Emergence of New Industrial Relations Institutions

After discussing the various traditional approaches of power and its measurement within the ambit of social interactions, this section investigates the use of this concept in industrial relations policies and how it is exercised. Parenthetically, ‘industrial relations’ as a distinctive curriculum was established in the 1950s by the Oxford School that viewed trade unions and employers’ associations as equal partners. The term ‘industrial relations’ denotes relationships between three important actors namely: the employers, the workers and the state, which “seek alternative arrangements to restore industrial peace, stable accumulation, and the legitimacy of

capitalist social relations” (Howell, 2005, p.20). It can also be defined generally, as the means by which various interests involved in the labour market are accommodated for the purpose of regulating employment relationship.

At an industry level, it means a vast complex network of relationship between the union and the management, management and employers, union and employees and between employees themselves. In other words, it is a set of functional inter-dependence comprising occupational, political and legal variables; hence, the essential issue of industrial relations is of a recurrent nature with no real ‘solution for all time to come’. To regulate these relations the government often intervenes to establish congruous labour-management relations by enacting a comprehensive body of legislation to ensure that the right of workers in the public and private sectors is suitably safeguarded considering the rapid changes in the techniques and methods of production. However, state interference must be balanced.

Indeed, the emergence of new industrial relations institutions brought about by neo-liberalism, systematically dismantled the core institutions of collective regulation in the post-industrial society, where the technological revolution has created a situation where space, distance and time have lost their relevance. Under globalisation, frontiers have been ousted and the world became a global village where the business skyline is continuously changing, and where competitiveness is the key word for nations’ survival. Britain was not immune from all these changes, and both the Conservatives and Labour embarked on new economic policies to fit in with the new times, which help construct a coherent narrative and analysis of the whole New Labour enterprise.

Eighteen years of Conservative legislation severely weakened unions' power by curbing their ability to organise, recruit and take industrial actions. Eight major labour law statutes were passed between 1980 and 1993, all intended to undermine the position of unions, including the abolition of union recognition. Therefore, compulsory secret ballots were introduced "for national executive elections and strike action, and the protection of non-strikers from union disciplinary action" (Daniels, 2009:176). Certainly, decollectivization materialized itself in the significant decline in trade unionism, the primary collective agent of workers "in both the decentralisation of collective bargaining... and its replacement by unilateral managerial determination of terms and conditions" (Howell, 2005, p.164).

Within this new configuration individual legal complaints were treated directly via state agencies rather than the trade unions. For this effect, a range of potential alternative institutions have been proposed such as works or company councils, in replacement of collective bargaining with unions. This new collectivism represents one strand of human resource management that favours teams, group briefing and quality circles that are the new collective mechanisms for managing industrial relations. Within this process of procedural individualisation, collective regulation was removed and replaced by "unilateral employer determination of employment contracts... to provide contracts tailored to each individual employee" (Ibid, p.165).

4.2.1 New Labour's Industrial Relations Policy

The adoption of neoliberal industrial relations policies by both the Conservatives and later New Labour, were a milestone in the history of trade unionism, and the overall

picture which emerged denotes a considerable decline in unions' membership. Various reasons are presented to explain the crisis of labour namely, "the changes in the economic structure and in particular, the process of restructuring and deindustrialisation" (Marsh, 1992, p.188), new patterns of industrial relations, business cycle variables, as well as the changing composition of the labour force. Moreover, a combination of Conservative governments' legislative onslaught and structural changes in labour and product markets resulted in a rapid change in unions' statistics. In fact, their number fell from 463 unions in 1979, to 245 in 1997, of which only 63 are affiliated to the TUC; while the entire membership fell from 13.2 million in 1980 to little below 8 million in 1997; and union density has fallen from 55.4% in 1979 to a little under 26% in 2010. Likewise, statistics from the Department for Business, Energy and Industrial Strategy (DBIS, 2010), have shown that the average annual number of strikes has hovered between 100 and 150 over the past ten years, a reduction of over 90% compared to the 1970s when the annual strike rate never fell below 2,000; finally, the share of wages and salaries in national income has fallen almost continuously since the late 1970s, one of the longest and steepest periods of decline on records.

The decline of large-scale manufacturing plants, markets, government policies that imposed tougher regulations on unions, internal divisions and mostly globalisation, which enhanced trade openness and minimal controls on capital mobility, have all contributed in the waning of the power of unions. Equally important, the new narrative of New Labour concerning collectivism contributed also to the weakening and the disheartening of the unions, especially when Tony Blair announced firmly that "we will not be held to ransom by the unions...we will stand up to strikes. We will not cave

in to unrealistic pay demands from anyone...unions have no special role in our election campaign, just as they will get no special favours in a Labour Government” (Tony Blair, Financial Times, 7 April 1997).

This resulted in that the capacity of unions to mobilise members even in strike ballots let alone strikes, has eroded so that “ballots turnouts of 40% or less are common place” (DBIS). These revealing facts and statistics are reliable indicators that the prospects of effective resistance to neo-liberal policies would be very hard, and that the future of unions is put on hard trial; and at the same time question the role of organised labour in general and that of the unions more specifically.

Many influential academics have estimated that it was impossible in capitalist democracies for socio- democratic governments to promote significant income redistribution, as working class parties such as Labour, were unable to win power without the support of middle- class voters. Likewise, the intensive corrosion of the labour movement induced a tactical rethink about the options for pursuing a trade union agenda in an increasingly marketised economy. Globalisation paradigm predicts that advanced economies will necessarily “converge around a single economic model of privatised and deregulated financial and product markets, low inflation rather than high employment as the primary macro- economic goal” (Coulter, 2014, p.24). One of the important consequences for trade unions is their marginalisation from economic operations which in concrete terms simply means the “death of the post- war alliance between unions and left parties” (Piazza, 2001, p. 42).

It is within this global framework unfavourable to collectivism that New Labour has elaborated its industrial relations policy which is a triptych composed of flexibility, efficiency and fairness that was envisaged to be different from Thatcherism; but nonetheless adaptable to the various pressures imposed by the new economic context. Blair has come to power determined not to disturb the apparent equilibrium that links the party to its industrial wing, and stressed the importance of Labour's special relationship with the unions; however, he took great care to respond to the demands of employers that policy should be compatible with Britain's system of flexible labour markets. Hence, all the measures introduced" were framed within an overall economic approach which maintains the neoliberal obsession with deficit reduction, cuts in the public spending and caps on the welfare budget" (Kelly, 2011, p. 56)

The landslide victory of New Labour in 1997 was considered as a valuable opportunity for unions to retrieve back their position as pressure groups, to collaborate freely on economic and industrial policymaking through various tripartite bodies enacted for this purpose, and use their strength to bring employers back at the negotiating table. In fact, New Labour's victory offered the TUC the chance to try to influence the industrial relations policy as the party's manifesto document contained seven basic pledges on employment rights that are:

- Providing a statutory route to trade union recognition.
- The restoration of trade union rights at the Government.
- Improvements to the law on unfair dismissal.
- New rights under the European Social Chapter.
- A 'proper balance' between support for family life and the protection of business.

- A national minimum wage.
- The abolition of zero-hour contracts. (Coulter, 2014, p.72)

A revival of trade unions was then widely expected, and the TUC has prepared for this by positioning itself to push for pro-trade union policies via “an insiderist² lobbying strategy” (McIlroy, 2003, p.2). From such a position the TUC could manoeuvre efficaciously to put pressure on the party and partially overcome its reluctance to deal with unions. To achieve this it was imperative for the TUC to narrow its objectives and to adopt a pro-enterprise rather than confrontational stance. This ploy made it easy for this institution to focus its lobbying on key government departments and the prime minister; a tactic which resulted in its ability to influence industrial relations policy in a pro-union direction, although “employers were also granted numerous opportunities to blunt its edges”(Coulter, 2014, p. 28).

Given the close links between Labour and the unions, the major issue during the election campaign was the employment law changes that the government would ‘inevitably’ make, and of which the Conservatives were certain as they predicted a return to the 1970s considering the remarkable silence of trade union leaders which has been taken as a ‘deal’ between them and the modernisers. Considering the acuteness of this issue, Tony Blair stated unequivocally that even with the changes his party proposed to make, the UK would still have the toughest labour laws in the western world. Resultantly, one of the most significant pledges of New Labour contained in its political agenda was that there would be no return to the ‘bad old days’ of industrial relations of the 1970s. In his foreword to the White Paper *Fairness at Work*⁽³⁾ he wrote that the Government’s programme was to replace the notion of conflict between employers and employees with

the promotion of partnership, and that the White Paper sought to “draw a line under the issue of industrial relations law” (Undy, 2002, p.3). Blair’s following quote leaves little room for speculation or reinterpretation of the party’s new approach:

There will be no going back. The days of strikes without ballots, mass picketing, closed-shops and secondary action are over. Even the changes we propose, Britain will have the most lightly regulated labour market of any leading economy of the world. But it cannot be right to deny British citizens basic canons of fairness-rights to claim unfair dismissal, rights against discrimination for making a free choice of being a union member, rights to unpaid parental leave-that are a matter of course elsewhere.(Ibid).

Certainly, *‘Fairness at Work’*, was meant to be the new framework as well as a landmark in the history of employment relations. It held out a real vision of co-operation, not conflict in the workplace, where unions are regarded as an asset and no longer as the ‘enemy within’. It is worth mentioning that the majority of unions welcomed many of the proposals such as the automatic recognition of unions whose members constitute half of the workforce, the National Minimum Wage and Working Time legislation, the Employment Relations Act (ERA)1999, the Employment Act (EA) 2002 and the ERA 2004; but feared that “the government may yet water down some of the White Paper proposals and renege on a done deal” (Ibid.p.8).Conversely, employers were less positive and considered that the whole policy represented a significant swing in the “employer-employee balance towards the employee...taken with the minimum wage and the European Social Chapter, it would mean a plethora of extra regulations and costs on business” (TUC, 2000).

However, New Labour came to power with a ‘minimalist’ approach to employee rights, a wariness of links with trade unions, and with a carefully balanced agenda concerning industrial issues to foster and support a new culture in the workplace. The important provisions are stated in the party’s manifesto which reads as follows:

The key to orderly and effective industrial relations is to establish a fair and effective balance between rights and responsibilities that will promote partnership, not conflict at the workplace. This is the principle that will inform our whole approach to industrial relations. The Conservatives are scaremongering when they claim a Labour government would turn the clock back, reverse trade union immunities to allow secondary industrial action, and alter the rules on picketing...The existing laws on industrial action, picketing and ballots will remain unchanged. Every employee should be free to join or not to join a trade union. We will not impose trade unions on employees or return to the closed shop. When they do decide to join, and where a majority of the relevant workforce votes in a ballot for the union to represent them, we believe that the union should be recognised... Our proposal offers a better way and removes any need for industrial action by a trade union in support of a claim for recognition. We believe that this is a step forward in promoting orderly industrial relations. In government we will consult widely with both sides of industry on the best means to implementing these proposals. It is complete nonsense to suggest that it is our policy to prevent employers dismissing those who are on strike. We have no such proposals. The law will remain as it is now. And an employer cannot be compelled to reinstate those who successfully claim unfair dismissal. That will remain the position. We propose merely that, whereas at present employees who are selectively dismissed when on lawful strike can claim compensation from an industrial tribunal for unfair dismissal, this should apply also to the situation where all those on lawful strike are dismissed. This reflects an entirely fair balance between the rights and responsibilities of employers and employees at the workplace. Minimum standards of fair treatment at work and in the labour market are critical for good industrial relations. (New Labour’s Manifesto, 1997).

The relevance of this passage is that it summarises the core principles of New Labour's industrial relations policy by enhancing key elements of the 1980s legislation that were meant to stay. The novelty was that there was a statutory procedure that allowed trade unions to achieve recognition for the purposes of collective bargaining where they can prove majority support. To depart further from 'Old' Labour industrial policy, New Labour's manifesto emphasized the importance of "up- skilling' the UK workforce as a means of promoting economic competitiveness, social inclusion and equality of opportunity. Hence, the focus was on improving the quality of schooling and promoting lifelong learning for all; as a reminder, Blair claimed in a speech at Southampton, that New Labour's "top priority is and always will be education, education, education". These specific policy commitments which also promoted individual employments rights include among other provisions:

- The creation of a University of Industry (UFI), which will use modern technology to provide cost-effective training for adult; and which will be run as a public/private sector partnership.

- The establishment of individual learning "accounts" for up to one million adults.

- Greater take up of the existing investors in people will be encouraged especially in small firms.

- The replacement of the Youth Training (YT) programme with a new scheme called Target 2000.

-All young people under the age of 18 in a job will have right to study at college for a qualification. (National Policy Forum Report, 2005)

Significant though these commitments may be, it is noticeable that New Labour has accepted most of the major premises upon which the Conservatives' training policies were based. It has also endorsed an employer-led system in which individual employers, through the locally based Training and Enterprise Councils (TECs) have primacy and decide the level and focus of training activity. More importantly, the endorsement of Conservative industrial relation legislation entailed strict regulation of industrial actions, such as strikes that can be possible only between workers and their direct employers conditioned by a ballot. Indeed, continuities are evident in New Labour's emphasis on the practical aspects of neoliberal reforms which give the overall impression that it virtually wrote out the unions from the government's script for the country' modernisation.

However, this is only a half truth as the modernisation process of Labour was followed by a modernization of industrial relations that completed the party's overall renewal strategy; hence, party renewal meant for Blair and his apparatchiks trade unions' renewal. An important difference to its Conservative predecessors lies in the means by which New Labour sought to promote greater labour flexibility, and to this aim, it engaged with the industrial problems "thrown up by post Fordism and recognised the role of the state in coaxing improvements in productivity from both unions and employers" (Howell, 2005, p.166). Being rather opposed to 'hard' regulation, New

Labour sought different means to modernise British employment relations by privileging the mechanism of ‘soft’ regulation, and taking inspiration from the ‘New Growth Theory’ which “emphasises endogenous drivers of economic performance” (Coulter, 2014, p.16). This entails that social democratic governments can provide public goods for industry, such as training, owing to their relative closeness to unions.

4.2.2 Union-Employer Partnership for Mutual Gains

In the construction of a modernized approach to employment relations, New Labour has focused on three important dimensions of modernisation. The first one, which is the cornerstone of its policy during its first administration (1997-2001), is the promotion of labour-employer partnership for mutual gains, channelled via the Partnership at Work Fund (PWF), and the Department for Trade Industry (DTI) in 1999. Alongside these two bodies, there was a range of other state provisions such as the Employment Relations Act (ERA) 1999 - a major piece of pro-union legislation- to enhance the facilitation of partnership through sets of principle and practices. These procedures were meant to mark a departure from the policy agenda of previous Conservative administrations, which had focused predominantly on employer interests and the suppression of union activities through restrictive policies and laws. Unlike the Conservatives, New Labour has encouraged a union-business dialogue as it considered unions as legitimate interlocutors on behalf of the workers. Thenceforth, unions were not excluded from the policy process but were engaged “in consultation over matters of common interest though not with the same rights of access nor with equal receptivity as business” (Coulter, 2014, p.34). Despite the party’s market-oriented

bias, the overall aim was to foster a collaborative spirit in relation between labour and management and to stress the common interests that bound companies and employees.

In this sense, Blair told delegates to the Labour Party conference prior to taking office: “forget the past. No more bosses versus workers. You are on the same side. The same team” (Blair, 1996, p.52).

In defence of the partnership approach New Labour proposed a new redefinition of trade unions to avoid class conflict and to integrate them in future decision making.

Likewise to justify the interference of the state in the regulation of industrial relations,

Blair declared in a speech at the TUC Annual Conference:

Let us build trades unions and businesses that are creative, not conservative, unions that show they can work with management to make better companies. Let us build unions that people join not just out of fear of change or exploitation but because they are committed to success, unions that look forwards not backwards and that support workers and foster the true adaptability they need to be secure in that competitive and fast changing world. (National Policy Forum report, 2005).

Such declaration is certainly motivated by the fact that the modernisers viewed unions as all trapped in an agenda of flying pickets, industrial conflicts, closed shops and a culture of vanguard unionism that did serious damages to the labour movement decades ago. Therefore, it was New Labour’s task to reverse this stance and induce unions to start their renewal process and assist companies to train their employees in order to boost productivity and corporate profits, even at the expense of collective social provisions. The final aim is to achieve the osmosis between capital and labour

which is prerequisite for good governance and suitable to the new economic imperatives. Concretely, New Labour intended to banish historically rooted beliefs of antagonistic British employment relations to usher in a new period of productive cooperation, which has important implications for the roles and responsibilities of employers, unions and employees. Within this unitary approach⁴ conflict and industrial actions are unnecessary and may be averted provided all parties at the work place “improved communications and participatory practices and recognised the demands of competitive international markets” (Ackers, 1998, p.538); hence partnership was essential for competitiveness within an increasingly global market environment. For some academics the partnership strategy was a genuine opportunity for unions to widen their representative dimension to regain their institutional potency as it ushers in an independent employee ‘voice’ that would enable them to engage in effective dialogues with employers provided there is a real sharing of unvarnished information. In this case, workers may be given the opportunity to express their concerns in regular staff forums which set the agenda for closer union/employer discussions. In fact, partnership mechanism “offers British unions a strategy that is not only capable of moving with the times and accommodating new political developments, but also allowing them a hand in shaping their own destiny and provides an opportunity for British unions to return from political and economic exile” (Ackers et al., 1998, p. 531).

Contradicting this positive assumption, Kelly (2004) proposes instead that unions should be given a choice between militancy and moderation within such a hostile economic and industrial environment. In his review of leading partnership agreements

in the UK, he noted the definitional ambiguity of partnership which, on the contrary, diminished “trade union representative capacity”, and found no association between “the introduction of a partnership agreement and increased trade union membership” (p.270). He was not the only one to point to the risks of adopting this strategy as union leaders shared the same view being persuaded that “partnership may lead to compliant unions, thus limiting the ability of unions to attract members” (Ibid). What reinforces this perspective is Blair’s government bias towards business. This actually increased the imbalance in power between employers and employees, so that the ‘*social partnership*’ model seemed far from being the best “way of securing a positive labour-oriented role for unions in the future” (McIlroy, 2008, p.9).

Hence, little positive evidence is found to support the assertion that “partnership enhanced job security, increased employee voice, improved quality of working life and raised levels of employee commitment “all central elements on New Labour’s fairness at work agenda” (Ibid, p.278). The controversy surrounding the partnership strategy emanates also from the ambiguity related to the exact definition of the concept, which is rather described as “an idea with which almost anyone can agree, without having any clear idea what they are agreeing about” (Guest and Peccei, 2001, p. 207). However, even if this strategy was not the panacea, it made the rhetoric of struggle, strikes and strife redundant with little resonance in today’s world of work.

The second dimension involves the use of experts to craft new forms of dialogue and work place relations to help both managers and employees to develop cooperative interactions. This was achieved through the Advisory Conciliation and Arbitration

Service (ACAS) which remit right from the onset was the promotion of good employment relations, and the mediation and conciliation of collective disputes; with the ultimate objective to extend and promote free collective bargaining. Considered as a guide book, ACAS provided a useful benchmark for employers and the state to assess employment relations performances and was “frequently invited to participate in and facilitate the working projects supported by the Partnership at Work Fund” (Martinez, 2002, p.258).

Within this process, New Labour government introduced a cluster of partnership initiatives to shape the conduct of public sector industrial relations where new policies around “human resource management employee involvement and participation and working conditions were implemented from the late 1990s” (Ibid.), via a reform package labelled ‘Agenda For Change’ which included the harmonisation of various terms and conditions of employment, pay assimilation and a new job evaluation scheme. All these proposals were proofs of the party’s good will to enhance its partnership with the unions by facilitating a new co-operative dialogue. These processes of organisational change were activated through the Joint Negotiation Committees and the Joint Consultation Committees; however, put in practice, management and unions alike did not consider them as operating effectively, as “points of disputes were frequently raised, without advance notice and little headway was made on the implementation of broader strategic issues (such as harmonisation policies)” (Ibid, p.260). These issues coupled with the differences in perspective between management and union representatives were so entrenched that the likelihood of a positive or successful co-operation seemed very remote.

The third dimension concerns the modernisation of the trade unions during New Labour's third term, (2005-2010) via the Trade Union Modernisation Fund, (UMF)-originated as a political exchange between the unions and Labour prior the 2006

General Election-which sought to enhance the operational effectiveness and efficiency of the unions. The overall aim of the state in introducing this mechanism was to financially support innovative projects to help speed unions' adaptation to changing labour market conditions. The backdrop to union modernisation is globalisation and the changing world of work, which had seen rapid developments in new technologies, "more flexible patterns of work and changing diversity in the labour market, most notably in terms of female participation but also an increasing presence of black and minority ethnic groups and migrant labour"(DTI, 2005, p.2).

The challenge for unions was to adapt to the changes that were transforming the workplace so they "can work with employers to maximize the potential benefits of new ways of working" (Ibid). The pace of change within the unions to accept the new innovations was rather slow due to their limited capacity to invest for the longer term, and their unwillingness, at the beginning, to take financial risks associated with the new technologies. However, the UMF by supporting "a forward-looking agenda for unions... enabled unions to realise more fully their potential to improve the world of work for all concerned" (DTI, 2005, p.3).

The logic of the state in establishing the Fund was to create an environment of innovation within and across unions, as well as to assist in responding to changing economic and social demands. The other objective was the introduction of an

extensive programme of training and up skilling within unions to implement new management systems that would benefit unions in their partnership with employers in a way that could develop long-term benefits. The flexibility of the UMF allowed the unions to trial new strategies, develop new representational roles, and increase their knowledge and democratic assets; as “the influence of state agendas has not been deterministic and unions have been able to develop many initiatives largely through their own agency” (Martinez, 2002, p. 259).

This review of the three dimensions of employment relations has revealed the implication and concerns of New Labour in improving the industrial climate that helped it to distance its policy from old Labour’s economy, as well as from Thatcher’s aggressive approach to industrial relations. Certainly the distinctiveness of New Labour is its application of constructive and ‘creative’ neoliberalism by employing the state to support markets, and by integrating in its roadmap the casualties of the Conservatives, notably the trade unions.

The institution of a National Minimum Wage ⁽⁴⁾(NMW) - the first ever in the UK- with a statutory procedure for trade union recognition whereby the government urged the TUC and the Confederation of British Industry (CBI) to negotiate an agreement that would be implemented by legislation, were all pledges of good will and positive signals that New Labour’s industrial policy was neither a duplicate of Old Labour nor a faithful facsimile of Thatcher’s policies. In this respect, ‘Third Way’ concept is useful in the sphere of industrial relations “in so far as it identifies a set of policies, distinct from those of post-war social democratic and neoliberal governments”

(Howell, 2004, p. 4). Additionally, at the heart of the Third Way is a notion of partnership understood as “high-involvement HRM with the emphasis upon encouraging worker commitment to the firm with the goal of improving productivity and quality” (p. 6).

The endorsement of partnership was central to the political narrative of employment relations, and was pivotal in introducing new concepts such as flexibility, creativity, and a knowledge –based labour in a largely service context. However, this policy was of a mitigated success as according to specialists it “did not usher in a new system of employment relations based on a partnership-based approach” (Martinez, 2002, p.260). In this sense, Thompson has argued that “this has much to do with the inability of employers in the current competitive environment to deliver mutual gains; unions certainly did not feel employers bought into this agenda” (Thompson, 2003, p. 365).

This reform package of industrial relations at both micro-and macro-economic level is the practical use of ‘soft regulation’ in conformity with the terms of the tradition of voluntarism ⁽⁵⁾ operative in Britain, and with the view of the ‘abstentionist state’. In fact, most scholars regard Britain’s industrial relations institutions as the product of a collective *laissez faire* system of labour relations, punctuated by occasional government interference. Yet, Howell has a contrary view and argues that “state regulation of industrial relations can take place in a wide variety of forms” and that “British state has intervened constantly in industrial relations” (Howell, 2005, p.14). In fact, state intervention, in its modernised version, can be seen as direct reaction to periods of profound economic mutation, and a necessary response to “the steering problems inherent to market mechanisms in liberal capitalism and the crises that

evolve from this” (Ibid, p.18). Henceforth, contrary to some interpretations, neoliberalism does not entail the withering away of the state but rather its reconfiguration to better serve capitalism in its new phase. And yet, New Labour’s ‘soft neoliberalism’ is different from the neoliberalism of the Thatcherites, as its distinct approach to trade unions demonstrates, though both see unions as impediments to the markets.

New Labour’s ‘soft regulation’ and modernisation of employment relations is also in conformity with neoliberal principles as it does not “mark any significant break with the contemporary process of de-collectivisation... collective bargaining as a means to regulate the employment relationship has continued to decline and individual rights have been further enhanced” (Martinez, 2002, p.260). In this regard, the promotion of the partnership concept is debatable as it is seen as an attempt to forge a new system of employment relations in replacement of collective bargaining mechanism that were waning. So far, the effectiveness of this soft regulatory strategy depends partly on the active involvement of the unions, as well as on the resources available to them.

New Labour approach was not what unionists wanted, but was not identical with that of the Conservative administrations. While Thatcher sought to marginalize trade unions as completely as possible, New Labour sought to mould them in its own image. Unions were again legitimized but their validity depended on their utility to business. ‘Partnership’ became the watchword, but unions were no longer essential for either employers or government, and for the latter, partnership did not require unions at all; a fact which signals that the balance of power in the workplace had changed. Equally

important, many observers certified that in New Labour's thinking, trade unions are acceptable only when they contribute to the success of the enterprise and help to deliver work re-organisation, flexibility and quality. To put it more graphically "unions are expected to be a useful tool of management" (Novitz, 2002, p.489). John Monk, former secretary of the TUC, considered the partnership concept as a mere ideological smokescreen and identified one of the main problems with this strategy as the 'short-termism' of business in Britain wondering "how could the job security and trust necessary to "partnership" be established when firms were up for sale every day and night of the year" (Glyn & Wood, 2008, p.65).

Altogether, New Labour's industrial relations policy wavers between its willingness to help trade unions' declining membership in the workplace, and its desire not to undermine the competitive position of Britain's industry or alienate employers, and as such it was not a thoroughly industrial relations agenda as it was more "directed towards harnessing progressive unions in a drive to boost firms productivity" (Coulter, 2014, p.57). Coulter explains that this attitude is not unique to New Labour, but is the case for most Western social democratic parties that view unions as simply another pressure group, and "have negated the idea of an automatic alliance" (Kitschelt, 1994, p. 46) that had characterised Labour-union relationship in the 1960s and mostly the 1970s, and gave rise to hot debates among analysts over whether trade unions control the Labour Party or vice-versa.

However, under the new configuration the answer is unequivocal; unions might get improved rights to representation, but have a limited say in company affairs. As well,

they were advised to use these ‘prerogatives’ to improve the performance of the enterprise rather than agitate for better pay and conditions. The other important point to note is that New Labour preferred to rely on state action to improve the workplace bargaining environment, rather than” creating the conditions for unions to produce these outcomes themselves” (Coulter, 2014, p.64). This largely confirms the view of left-wing opponents within the unions and the party that New Labour’s industrial relations programme was a mere token gesture by a “government hemmed in by the structural constraints imposed by UK’s system of liberal capitalism” (Ibid). For the optimistic from both sides, although the erstwhile connivance which had existed under corporation has waned substantially, “the TUC was still able to play an active role in persuading Blair to enact what was in many ways an ‘old’ Labour industrial relations programme from the early 1990s” (Ibid, p.70).

In a nutshell, New Labour’s conception of industrial relations rests upon a series of assumptions about the role of power in the workplace, and the relationship between employment rights and economic efficiency. Hence, the most important task of industrial relations institutions as designed by Blair’s administration “is not to correct an imbalance of power in the workplace, but to create a context in which the productivity and creativity of workers is properly harnessed for the good of the firm” (Howell, 2004, p.14). This partly explains why state regulation remained highly restrictive of unions’ ability to engage in industrial action, and the fact that the government encouraged instead “unions to develop the opportunity of being invited to the negotiating table, rather than to develop the collective strength with which to force entry” (Ibid).

4.3. Unions' Responses to New Labour's Industrial Policies

The marginalisation of the unions after Labour's four successive election defeats and New Labour's gradual move from a "preference-shaping strategy, where the distribution of voter preferences was generally to the right of the party, to a preference-accommodating strategy, where the two roughly coincided" (Hay, 1999, p.34), forced the TUC to launch a 'New Unionism' strategy to demonstrate that the unions were credible potential bargaining partners for New Labour. The TUC itself was reorganised by abandoning its ingrained attachment to corporatist labour relations and focused instead on "lobbying for a narrower set of rights and privileges for unions based around the employer- friendly notion of social partnership" (Coulter, 2014, p.10). This resulted in that Labour and the unions "reached a new equilibrium relationship within which the TUC was able to secure some limited but concrete gains for unions" (Ibid, p. 15).

However, despite New Labour package reform of the industrial and employment relations during its first term in office (1997-2001), where unions secured significant victories such as trade union recognition, the NMW, stronger individual employment rights and the signing of the social chapter of the Maastricht treaty; Left-wing party members as well as trade unionists criticised the whole scheme as the party's 'studied' equivocation towards the unions is hardly news. Certainly, neo-liberalism affected the unions which were destabilized as their position was directly challenged by a range of measures that were not entirely in their favour. The argument was that if "Old Labour's ambition was to achieve a fundamental and irreversible shift in the balance

of wealth and power between rich and poor; New Labour has achieved a fundamental and perhaps irreversible shift in the balance of power between trade unions and the Labour Party” (Oxenbridge, 2005, p.88). Nina Fishman, a labour historian, describes Blair’s passion for flexible labour markets and economic reform of Britain as that of a “smitten lover”, while his attachment to the unions as that “of a dutiful but bored husband” (Newstatesman, 2004), arguing that money is the principal thread that keeps Labour and the unions together.

From another perspective, Minkin (1991), in his assessment of trade union influence over the Labour Party, contested the ‘baronial’ view of trade union-party politics and rejected the prevailing thesis that unions⁽⁶⁾ controlled the Labour Party through the financial contributions as “there was no clear instance of cash ever being traded for control over policy” or that unions “resources are used to maximise their political leverage” (p.626); adding that “in general the link between finance, power, and future policy commitments was loose, almost to the point of non-connection” (Ibid, p.627). Minkin instead refers to the existence of ‘unwritten rules’ derived from trade union values and priorities, which govern trade union behaviour in the union-party relationship.

As shown through the analysis of its industrial relations policies, New Labour’s intention was to tame the power of unions in order to decrease resistance to market reforms, and by the same token, increase labour market flexibility. It is important to note here that New Labour’s success in subordinating the unions, has been hailed as an outstanding political triumph, as opposition to its rise was more rhetorical than practical, because union block votes were cast in support of Blair’s policies of

privatisations of the public sector that have continued under Brown. A major factor that helped New Labour to subdue the unions is the right-wing union leaders who supported Blair's 'counter-revolution' by voting to reduce trade union vote at conference; and who threw their weight behind the transformation of the party into a bourgeois machine heavily insulated from working-class influence. Parenthetically, unions' leadership has always constituted a quandary because in many instances the leaders lacked the necessary confidence to confront political decisions that emanated from New Labour, and overall did not put up serious opposition to the Blairites; leaving unions in the lurch. This significant detail reveals just how engrossed union leaders were with class collaborationism which excluded them from the real problems of the workers.

However, during New Labour's second term (2001-2005), criticisms turned to accusation. In fact, the unions' radical wing and party members accused it of being hostile to their organisation and their concerns, and judged that apart some legislative enactments, Blair's policies were not revolutionary as they could not deliver the prosperity and security it promised. It was argued that the structure of the Liberal Market Economy (LME) provided little scope for autonomous and effective political action, and that British unions were 'Americanised' as they were limited in offering services such as insurance and legal advice, rather than opportunities for political organisation and participation. The other argument is that New Labour did not 'roll back' the innumerable legislative constraints on trade unions imposed during the Conservative administrations which focused on extending individual rights at the expense of collective representation; and that its concern has been the ideological

backing “of neo-liberal policies which privileged the mechanism of markets and the promotion of labour flexibility” (Howell, 2005, p.163).

In this context, unions appear as weaker actors who possessed reduced power and bargaining coverage, and a diminished capacity to influence the workplace or the government. From 2002, however, there was a mounting discontent after realisation that New Labour’s reforms were not portent of the future as unions became aware that the party was not “to be reasoned out of its neo-liberal trajectory” (Kelly, 2011, p.92). Indeed, considering the historical union –party link there has never been the need for a formal statement which might have suggested that in exchange for trade union money, the party’s policies would favour them. This has always been implicit in the relationship as the goals are common between the two wings of the labour movement that are bound by the same heritage; but under New Labour this is no longer the case.

Disappointment in New Labour’s policies was ascending as unions viewed their party being captured by business interests and a large scale privatisation programme whereby local government services were sold off or contracted out as separate entities. Attacks on wages in the public sector coupled to the continual haemorrhaging of manufacturing jobs and low pay in the private sector, led unions such as Amicus⁽⁸⁾ the Communication Workers’ Union (CWU), the Fire Brigades Union (FBU), the public and Commercial Services Union ((PCS), the Transport and General Workers’ Union (TGWU) and the rail unions, to consider severing the historical link between them and New Labour. As a matter of fact, the FBU dispute in 2003 constitutes a direct and significant confrontation between a frustrated union and New Labour, and is at the same time an indication that the unions, plunged in a long period of lethargy, started to

emerge again, and that they are perhaps on the eve of a ‘Magnificent Journey’⁽⁹⁾ The dispute revealed also the bias of the Conservative press such as The Sun, and the Financial Times whose analyses disclosed that “class hatred for trade unions still animates political and media circles” (Murray, 2003, p.10). Indeed, there were many warnings that a victory of the Fire-fighters- the enemy of political order- would make of Britain an ungovernable country; thereby the strike had to be crushed to avoid a ‘class war’ according to the Sun. Resultantly, during its annual conference the union supported a resolution to back other political parties provided their policies are in line with workers’ own expectations, and proposed to review its financial ⁽¹⁰⁾ aid for Labour.

This was also the position of the Rail, Maritime and Transport Workers’ Union (RMT) in 2004, but it did not spread to the most important unions that “had no intention of following them or mounting more than verbal pressure on Blair” (Kelly, 2011, p.93). However, the temptation to use the threat of withdrawing financial support was a serious option for unions to regain their leverage within the party they had contributed to create, or to break and form a new party. As a reminder, Labour’s heavy dependence on the financial contribution of trade unions is undeniable even if Blair attempted to reduce this dependence by “trying to turn New Labour into a mass-membership party and seeking cash donations from businesses and rich individuals” (Coulter, 2014: 122). The unions remained the dominant paymasters providing around 65 per cent of party income between 2000 and 2006. Unions’ financial resources help in the increase of their power and influence over policy whenever they “choose to exercise the power conferred on them by this situation” (Ibid).

In a number of unions, members started to question the relevance of their link with a party that no longer represents their views, especially when the new version of Labour seems hard to be reconciled with its traditional role of protector of workers' interests. Many Left-wing militants within the unions and the party supported the view of destroying the system which guarantees that power remains the preserve of the parties of big business; and where unions have no longer a role in determining party industrial relations policy, and in policy-making in general. In fact, Blair's government failed to combine an organised market economy and corporatist policy making structures, and to implement "a pattern of political exchange in which the unions exercised wage moderation whilst the state combated socially regressive market outcomes through expanding social programmes" (Hall, 2002, p.47).

The other alternative for unions to regain their erstwhile power and influence is to adopt the American model of using their financial and electoral leverage in a more opportunistic manner, supporting whichever party was prepared to advocate policies in their favour, mostly as loyalty within the new generation of union leaders may be less deeply entrenched than that of their predecessors. Indeed, advocates of a socialist workers' party have initiated the Free Funds campaign which aimed to finance candidates and parties on the Left, as well as any steps the unions may take, such as running their own candidates; after all, the unions' primary role is to defend their members' interests, not those of New Labour. In this configuration, unions can use their mobilisation power and resources to force New Labour to review its policies towards corporate labour and propose a genuine collaboration on a 'win- win' basis.

4. 3.1. The Warwick Agreements: Resurgence of Political Exchange

The adoption by New Labour of ‘pro-union policies did not prevent tensions as “the promotion of worker participation and the strengthening of rights at work, are likely to prove insignificant because they fit badly with an economy that is primarily coordinated through markets” (Howell, 2004: p.17). However, industrial action remained at a low level and strikes were short and concentrated in the public sector only; the reason was that unions privileged to allow the new government time to introduce the much awaited reforms. The new direction taken by the party which implemented piecemeal repair of rights did not signal any relief after the unrelenting roll-back of the Conservative years in relation to unions’ rights.

If during New Labour’s first and second term the unions were generally acquiescent and rather subdued in the hope that “the government would retreat from infatuation with employers” (Kelly, 2011, p.92), and that social-democratic policies and further concessions would be revived; the party’s third term in power was more stormy as Labour’s victory brought a renewed onslaught against the working class, signalling de facto the end of New Labour’s honeymoon with the unions. These rumblings reflect a radical process taking place within unions’ rank and file who passed resolutions aimed at weakening the link between them and New Labour, and instructed their national executives to review their political funds. More significantly, the yesteryear deference by union leaders inside the party to policies their members opposed could not resist opposition mostly over the Iraq war, when major unions affiliated to the Stop the War Coalition. Mutual hostility gradually soared up with the election in 2001 of left-wing

union general secretaries-known as the ‘awkward squad’-who had no interest in social partnership and were prepared to openly challenge the government’s industrial agenda.

By 2003, the four biggest Labour affiliated unions were led by left-wing secretaries “who were less inclined to seek accommodation with New Labour and more hostile to employers” (Coulter, 2014, p.118); and whose intentions were rather divided between the replacement of New Labour by a genuine socialist party, or the rejection of “the Labour-union link entirely in order to form a trade union dominated socialist party well to its left” (Murray, 2003, p.68). This radical change at the level of leadership reopened the debate about the links between Labour and its union founders who were accused by Blair and his aides of behaving like a ‘cartel’ because they launched a campaign to reclaim the party, indifferent to the fact that such claim would damage its chances at the next election.

Many within New Labour did not aspire for a direct confrontation with the unions; and accordingly, the Warwick agreement was struck in July 2004 between discontented unions and the government over Labour policy and union law, and was meant to form the basis of the May 2005 General Election Manifesto. Many observers saw the agreement as the apotheosis of political exchange under New Labour, as it included a range of measures from pensions to energy review. It was a culmination of National Policy Forums (NPF) dealing with prosperity, sustainable communities and improving health and education. The noticeable feature of the process was the use of party institutions, backed by threats over money to “ensnare the New Labour leadership into agreeing a set of pro-union policy commitments” (Coulter, 2014, p. 124).

Warwick represented a government policy bargain meant to guarantee union donations, and is considered as the irreducible minimum to maintain union quiescence during the general election campaign. The Government made a number of policy commitments to be implemented in a third-term of office to avoid internecine conflicts. These commitments included: a promise to establish a Women at Work Commission, legislate against the two-tier workforce in public services, protect public service pensions, moderate the government's privatisation policy, retain the Post Office in public ownership, support the EU agency worker directive; and establish tripartite sector forums in low-wage industries.

Under unions' pressure, the government engaged to introduce an Employment Bill intended to build a stronger enforcement regime for key aspects of employment laws; to reform statutory dispute, resolution procedures and to enforce the minimum wage through penalty fees. Another important provision was to allow trade unions to expel members on the basis of their membership of a political party and to strengthen employment agency standards. However, the overall purpose was to secure continued union affiliation and funding for Labour after a period of deteriorating relations. Warwick averted the threat of mass disaffiliation from the party and helped secure union financial support in the 2005 election.

On the other hand, however, Warwick had serious political repercussions on New Labour as the Confederation of British Industry (CBI) embarked on a campaign against the government's employment laws complaining that flexibility had been eroded by the impact of employment regulations, even though many of these rights were never implemented. Digby Jones, the CBI director general, intensified these

attacks and accused New Labour of “returning the industrial relations agenda to the 1970s” and linked Warwick with “unions’ cash donations to the Labour Party” (Coulter, 2014, p.126). As such, criticisms of the government by business leaders coincided with growing scepticism among voters about the party’s ability to rise above the factional interests of trade unions.

There are several issues related to the interpretation of Warwick which “call into question the viability of political exchange as a long term mechanism for managing the party-union relationship and ensuring trade union input into policy making, despite the apparent triumph of this strategy” (Ibid). Lost between theory and practice, Warwick failed to deliver all the pledges contained in its electoral manifesto, forcing the TUC to adopt in 2008 a proposal for Warwick Mark Two, based on a Trade Union Freedom Bill that would strengthen individual rights at work and remove some of the constraints on union ability to launch industrial action. It was also meant to end privatisation, to promote public ownership and public services, and improving union rights in general. Additionally, it asked for more government commitment to follow up changes agreed at Warwick One since many unions were dissatisfied with what they considered a slow pace of progress. However, Warwick Mark Two contained fewer concessions as ministers refused to back up a host of resolutions put forward by Trade Union Labour Party Liaison Organisation (TULO), arguing that they gave too much power to the unions by defending their role inside the party.

The government’s position reflects the cyclical nature of cooperation and conflict between the two wings of the labour movement. As recession spread out with wage freezes and redundancies, there were strikes by public sector workers with mitigated

success which did not introduce “a qualitative shift in the situation” (Kimber, 2009, p.11). In fact there was no transformation at the government leadership, and unions had to take the Warwick’s commitments at face value, as New Labour has proven its dedication to strengthening modern, mature and responsible trade unionism.

Accordingly, leaders of big unions blamed instead the bankers privileging their link with New Labour confident that it would secure a new term in office “if it pledged a new kind of economy where equality and fairness took the place of free market greed” (Kelly,2005, p.94).

This would unlikely happen especially as New Labour has spent more than a decade promoting a new kind of economy that privileged the free market, neglecting fairness and equality. Underpinning faith within the party was that there was no other alternative to the economic choices they made; and surprisingly enough this was also the opinion of major union leaders such as Unison, Unite, GMB and Amicus, whose political agenda was “dominated by the unequivocal need to defeat the Tories and secure a fourth term for Labour... the choice for trade union members ...will be straightforward... continue the progress made by Labour” (Kelly, 2005, p.94)). In this sense, union leaders made scant attempt to analyse neo-liberalism or engage it in a “battle of ideas which asserted the relevance of solidarity, equality and internationalism” (Ibid). To critics who denounced the connivance between the TUC and New Labour government, it was argued that even if globalisation cannot be resisted by trade unions, it could, nonetheless, “be shaped towards progressive ends” (Ibid); however there was no evidence of such possibility many observers noted.

In a nutshell, Warwick One and Two entailed the partial re-institutionalisation of political exchange or 're-linkage' with the possibility of further funding cuts if the party reneged on the deal. This entails that the unions can at any time use their powerful position within the party's governing and policymaking structures to force its leadership to adopt a union-friendly policy platform, even if "under New Labour the party's institutions were overhauled to reduce the influence of unions and activists" (Russell, 2005, p.140). More importantly, Warwick's real value to unions was to boost the morale of activists and "provide political cover for general secretaries who had to justify the financial cost of continuing affiliation to the party" (Coulter, 2014, p.128). It also marked the resurgence of political exchange that allowed unions to secure specific outcomes in the political arena, even though under New Labour "grass-roots members have no control...Everything important is decided at the top by the leader and his acolytes" (Russell, 2005, p.281).

4. 4. The Future of Collectivism: The Neoliberal Challenge

Since the 1980s the neo-liberal ideology has infiltrated virtually all modern welfare states. This had the effect of undermining support for welfare state collectivist concerns, reflected in particular terms of adjustments within the general orientations and programmatic commitments of Western social democratic-labour parties. Likewise, the new power of global capitalism has maximized the leverage of capital over labour and corporations over trade unions whose prevailing structures and strategies were far to be competitive; mainly as traditional industries and factories that qualified the union movement and defined its culture, no longer existed.

At the economic level there was a gradual withdrawal of state intervention within the economy, a general de-industrialization of society, and insistence on individual rights, which might in the long run, make of collective actions an obsolete option. Equally important, observers noted that social inequality widened as never before under a supposedly social democratic party, making of Britain one of the most unequal societies in Western Europe. This can be explained by the various structural changes that have taken place within the electorate which have led to a reduction in the size of the social base for social democratic labour parties. This in turn has led to a repositioning of these parties to maintain core support and extend their appeal to new -predominantly middle class- electoral constituencies. This was the case of New Labour whose advocates changed the narrative of collectivism, and pursued a policy aimed at distancing it from the trade unions on the basis that unions no longer have a role in determining party politics. These changes in the structures of capitalism had dual consequences: they altered Labour's traditional collectivist position, and impeded trade unions to develop a collectivist social identity which led to an erosion of the party-union relationship.

New Labour has, in fact, adopted a wide range of policies and values pertaining to the Conservatives, and has accepted their neo-liberal underpinnings presenting its policies as the new common sense and even new consensus of the twenty first century. In the neoliberal narrative, it is axiomatic that trade unions are subversive of the market and individuals' liberty, and are portrayed as coercive institutions which render the market system ineffective. As such, only unions deprived of any power could be acceptable in the new Western economic order.

This view is reinforced by the behaviour of trade unions as they responded to the threats of globalisation with protectionism and calling for government intervention. According to McIlroy's (2008) thesis, New Labour succeeded in assigning a new role for the unions which seemed to have ditched away their traditional agenda and willingly accepted a role tailored by the government, making them " a tool for delivering state policy- especially in the area of learning, training and 'employability' initiatives" (p. 28).

Considering this, the future of the unions seems rather uncertain unless a new generation of union leaders succeeds against 'the odds' in changing the environment through political activism, and by working out initiatives independently or in accordance with government's policies, but in conformity with workers' industrial and political rights. Becoming part of the administration services does not necessarily entail that unions could not manoeuvre ways to revitalise their organisations. Actually, New Labour's constitutional and ideological shifts have compelled unions to apply the dimension of collectivism to "supply side environment by devolving democratic procedures and increasing democratic participation to modernise their activity" (Goscinski, 2014, p.252). The real problem facing unions, however, is the maze of legal requirements and tougher regulations which seriously weakens the bargaining position of employees with respect to employers.

To recover their strength and retrieve their place as political pressure groups, unions must challenge the key tenets of neoliberalism and promote a positive, alternative policy for growth. That is crucial because within the neoliberal framework unions

represent a distortion of market forces and therefore a brake on economic progress. Only within a different economic framework can unions plausibly be presented as having a positive role in pursuit of different objectives such as social justice. As in the fable of David and Goliath, unions must think strategically and creatively about the weaknesses of their opponents, about their own strength, and about the ways in which they can mobilize the latter to exploit the former. Part of this strategy to face labour market fragmentation is to privilege collectivism which prioritizes the interests of the community and overrules individual impulse by promoting cooperation between the different members of the group. This homogeneity of outlook further enhances “the importance of achieving security for all in equal conditions of security of at least a minimum or basic kind- often referred to as social justice” (Greenleaf, 1983, p.20). Historically, collectivism can be traced back to the nineteenth and twentieth centuries and is tied to the emergence of what historians commonly refer to as New Unionism, which central aim was to unite all workers regardless of skills and ideology to form a block against capitalism. A leading characteristic of trade unions and their most important function is collective bargaining, which under neo-liberal precepts started dangerously to wane, being replaced by negotiations based on individual grounds.

Concomitantly to reinforcing collectivist tenets, unions might choose to use the coalition strategy to find a new source of power, and attract new members and activists to trade unionism. This strategy can provide unions with access to a set of resources “in a context of reduced bargaining power and limited influence over government” (Frege et al., 2004, p.14). More importantly, it allows unions to connect to new social movements grounded in gender and other social identities, which will enable them “to

develop a broader, less defensive agenda for public service that embraces proposals for improving services as well as protecting workers” (Ibid).

As stated, there is urgency for unions to develop alternative strategies that would protect and help workers to face new and complex challenges imposed by globalisation. In this sense, it is important that unions redefine their know-how and modernise both their mission and vision, as they face internal and external changes. Indeed, global competition has intensified, putting new pressures on national and industrial relations, resulting in massive job losses, workplace insecurity where the workforce has become subject to mass employee turnover. The other important challenge is different management practice which “is becoming more enabling, team building, career planning and therefore causes a negative trend to union membership” (Hyman, 1999, p.4).

Supportive analysts of trade unionism situate the crisis of traditional trade unionism in their loss of strength and efficacy; and also “in the exhaustion of a traditional discourse and a failure to respond to new ideological challenges “(Ibid). It has been observed that with the exception of the progress made on gender equality, unions’ procedures and agendas are fundamentally unchanged; and that their sentimental attachment to the past constitutes a significant obstacle in the path of their renewal. To survive and thrive, unions have “to reassert the rights of labour in ways which will allow them to recapture the advantage in the battles of ideas” (as) “organisational strength without ideology is form without content” (Ibid: 5). Unions’ new mission is to establish a ‘moral economy’ and to reformulate their goals to ensure that their activities are more closely identified with values like freedom, and fairness that are fundamental.

Globalisation has had profound effects for the economy that compelled governments to rethink their policies and interests where the latter can be challenged by remote changes taking place in other parts of the world; and the Lehman Brothers is a dramatic illustration of this particular case. The bankruptcy of Lehman Brothers Bank in 2008 had international economic and social repercussions as it set off the most severe global financial crisis since 1929, and likewise affected the world wide labour movements profoundly. In Britain, threats of rising unemployment were the most urgent of all the problems facing unions and the state, with the spectre of wildcat strikes looming at large.

This specific juncture gave unions the opportunity to express their need of a different balance in the economy, ask for a much greater sense of fairness and for a renewed attention to the role of the trade union movement. It enabled unions whose collective bargaining power has been weakened by the rapid 'de-unionisation' from 1979 onwards, to increase their mobilising capacity and their labour market power. This would have as an end result to encourage more workers to join union, boost membership and increase union density. It is worth noting here that contemporary debates regarding union renewal strategies focus on union organizing and the tactics to be used to achieve specific outcomes such as converting industrial power into a political one, within the altered environment for political unionism, which in the long term would undermine relations between the government and employers.

In this case, political exchange is conditioned by unions' command of a strong bargaining power; where the outcomes of collective bargaining are decisive for

macroeconomic performance, in particular with respect to monetary stability and employment; and where the political survival of the government depends on such performance. Unions may insert themselves in the political process through privileged links with the party they helped create, and which may enable them to achieve their objectives more effectively and efficiently through political instead of industrial means.

To face global challenges and distinctive issues that come under the rubric of social and economic changes, unions need to be more pugnacious in considering how best they can exercise their political influence and how they can benefit from a prolonged period of Labour government to establish a progressive consensus in the workplace that can withstand an electoral defeat; and at the same time build an enduring legacy that would transform the culture of British workplaces. The consensus can only be operative if both unions and government agree to address questions of “low pay and equal pay, income inequality, working time and flexibility, training and skills, and anti-discrimination” (Heery, 2003, p.18).

It is important for both Labour and the unions to develop a convincing and accurate ideological narrative about what constitutes ‘good partnership’, as Warwick, which contributed to the party’s victory, is in itself a short-term fix, not a durable settlement. This will enable both organisations to articulate more clearly the role and responsibilities of the various stakeholders and deal with attacks from political opponents. Resorting to politics surely provides “a route for unions to try to improve their situation when positional weakness and/or an unwillingness to ‘rock the boat’ for

their centre – left political allies deters them from resorting to direct industrial action”, and “crucial for this argument is a consideration of the factors that determine what kinds of political strategies are feasible in a pluralist, LME political economy” (Coulter, 2014, p.133).

As shown, unions under neoliberal tenets have been rather marginalised as weak interest groups; but paradoxically, New Labour recognised their potential and organisational assets that they could offer to the party. Accordingly, the TUC’s lobbying strategy was condoned by New Labour, as it coordinated large and powerful organisations such as the TGWU, Unison ⁽¹³⁾ and the GMB ⁽¹⁴⁾ that were able to meaningfully improve their political activism. The TUC’s task then, was to convince New Labour that unions are a ‘necessary evil’ that could be relied upon to play a valuable role in its agenda “in return for limited action to re-embed them in the UK’s industrial bargaining system” (Coulter,2014, p.135).

Therein, Tony Blair’s government contradicted many scholars who uphold that New Labour is unconditionally servile to neo-liberalism and that political unionism was no longer pertinent as New Labour “based itself on the interests of the corporate elite as a matter of political and economic strategy” and that “Eliciting concessions from the state and reversing state policy so that it is more favourable to trade unions means building opposition and engendering resistance to New Labour, not placating it” (Daniels &McIlroy, 2009, p.11). Thenceforth, centre-left governments seem to be in an awkward position as they are condemned to accept globalisation as a package with all the constraints attached to it, while at the same time, they are objurgated because they attempt to adapt their strategies to oppose these constraints; hence New Labour

seemed caught uncomfortably between class and market. This dilemma as Hyman(2001) rightly diagnosed arises as well from the focus on economic goals “stemming from the new emphasis on unions’ role in supporting firms’ competitiveness conflicts with parallel efforts to transcend their subordination in the UKs liberal model of capitalism” (p.6).

This reveals the existence of a political space where trade unions and neo-liberal governments can engage with each other and that “unions may still have a role in the delivery, and perhaps even design, of policies for industrial competitiveness, even if the mechanisms by which cooperative solutions are bargained has evolved beyond the traditional corporatist framework” (Coulter, 2014, p.134). The inference is that unions have to be more creative to convince New Labour of the advantage of a solid cooperation; and at the same time, the statement refutes the prevailing view that party-union alliance face oblivion “as governments of all stripes became hemmed in programmatically by globalisation and faced irresistible demands to marketise relations between economic actors” (Ibid).

In sooth, as Wickham-Jones notes, New Labour has successfully designed labour market policies acceptable to business and to the working class as they tackled social inclusion and shortcomings in human capital, a fact which “made Labour’s closeness to unions an asset rather than a liability” (Whickham-Jones, 2000, p.14). As such, New Labour’s positive proneness towards collectivism can act as an incentive for unions to fully cooperate on policy formation. It also implies that the so-called ‘de-linkage’ of Labour and unions which is the prediction of radical members in the right and left within the political spectrum, has not yet materialised, and I doubt that it will ever

bethe case considering the tight institutional and organisational connection with Labour; and resilience of political exchange that characterizes the relations between the two wings of the labour movement.

As any of the structural changes in the economy will be reversed, what is really needed to boost the relationship and increase unions' political and economic leverage, is a network approach that would allow trade unionists to forge connections with each other and their allies at a local and national level. For instance, the establishment of the TUC Organising Academy in 1998 provided a 12-month training programme that helped in unions' empowerment process and in recruiting new members which suggests that this approach has been rather successful, even if opinions on this particular issue differ. Indeed, workplace renewal literature suggests that the focus for union rejuvenation should be more concerned with 'bottom up' regeneration at the workplace than a 'top down' approach. From this perspective, union empowerment would become a possibility through the regeneration of active workplace based structures, and would rely on "the importance of collective bargaining, the significance of union democracy and the role of workplace activists" (Fairbrother, 1996, p.59).

4.5. Conclusion

At the beginning of this chapter a review of the different strands on power has been proposed which insisted on the elusive character of this concept, with an emphasis on how this notion operates and has been integrated within industrial relations literature. Hence, trade union power is quantified and measured through its membership density, mobilisation theory, and unions' bargaining ability and strike activity. Overall, the

whole notion of power has to be identified and expanded by union activists through the exertion of ‘strategic capacity’.

The chapter has also highlighted the emergence of new industrial relations within which boundaries New Labour has crafted its own approach to this phenomenon. Certainly, the metamorphosis of Labour entailed a variation in the economic and industrial role of the unions. Likewise the examination of New Labour’s government’s record suggests that it has attempted to construct a ‘Third Way’ in industrial relations policy through the provision of a set of collective rights for unions encapsulated in the Fairness at Work paper and the Warwick agreement.

It has been underlined that New Labour’s approach to industrial relations was not totally radical as it embodied some important continuity with that of the Conservative governments. Abiding by the tenets of globalisation which has accelerated the loss of heavy industrial and manufacturing jobs, New Labour adopted policies that encouraged de-industrialisation, and de-collectivisation, a process that started in the 1980s and continued in the 1990s “accompanied by the partial construction of new mechanisms” (Howell, 2005, p.167) leading to the demoralisation and decline in union membership which was a blow to the whole labour movement; a fact that make both politicians and labour theorists question the future of trade unionism in Britain.

In this new and -rather hostile- industrial environment, the unions seemed to have been marginalized by New Labour, and their roles in party’s conference have altered significantly. Many critics have theorised on the demise of the unions and questioned the power they still have in an economy where individualism has become the norm.

Being the paymasters of Labour, which depends on their financial power in election time, it has been argued in this chapter, that unions have all the more a real political and industrial impact on the popularity of the government, and that they can resort to a number of strategies to retrieve their leverage within the Party's National Executive. Challenging New Labour and not defying it is the price to pay to keep the 'historical' link alive, as a split would be damaging for both institutions, as the "most probable consequence of unions breaking with Labour would be a drift to a US-style political approach on behalf of organised labour, with unions following a policy agenda on an issue-by- issue basis" (Murray, 2003, p. 63).

One of the important findings is that the unions are generally on the defensive because of the dramatic collapse in membership, in public status and in the overall cogency in achieving their core objectives; but their capacity of renewal can overturn the situation. Indeed, unions have a panoply of strategies they could utilise in their renewal process, ranging from the revival of collectivism, the resort to coalitions, the benefit from the assets gained from the partnership policy, and the use of the new technologies to increase the inter-changeability of vocational qualifications; the overall aim being to amend the balance of power between labour, capital and the state. The other noteworthy conclusion is that the unions in general have not altogether bowed to the economic dictates and necessities of neo-liberalism. Central to all of these is the creation of stronger, more creative network between all the relevant partners: government, employers, trade unions and suppliers of training where true partnership takes its full meaning and picture.

End Notes

1-The concept of ‘soft power’ was first coined was first coined by Joseph Nye in 1990 in his *book Boun to Lead*. This notion provides a unique perspective for modern polities in the global ages, to use persuasion viz. manipulation rather than coercion as “it is more strategic and provides long-term benefits than hard power” (Nye, 2004, p.42). Initially employed in foreign policy debates, it is used in this dissertation by extension to New Labour, as its policies denote that industrial conflicts can be settled by tacit compromises.

2-In his analysis of TUC’s lobbying approach, Mcllroy (2003) makes a distinction between the ‘insiderist’ and the ‘outsiderist’ strategy. Interest groups enjoying ‘insiderist’ status have close contact with the executive and are accepted by governments. By contrast, ‘outsiderist’ groups rely on external pressure such as unofficial strikes.

3- The White Paper *Fairness at Work*, published in May 1998, contains a wide range of proposals on individual and collective employment rights and on family-friendly policies. This includes the introduction of a statutory right to trade union recognition, increases in the coverage of, and composition for unfair dismissal.

4- The institution of a National Minimum Wage was both noteworthy and problematic. Richard Hill, in his ‘*The Labour Party and Economic Strategy*’ (2001) has underlined the ambiguity stating that “it was an explicitly anti-market measure by an administration supposedly committed to a mainly pro-free market agenda” (p.78). The other problem was that unions were hostile to the idea on the grounds it clashed with the voluntarist principles that are “part of the DNA of the British industrial relations system, and could undercut bargaining across the pay spectrum” (Ibid).

5- Voluntarism as trade unions selected ideology has been fully discussed in chapter one section: 1.2.4.

6-During the 1960s and 1970s, most of Britain’s economic problems were attributed to the trade unions thought to be too powerful, and the major cause for the decline of Edward Heath’s 1970-74 Conservative government, following the “still birth of the 1971 Industrial Relations Act, and the mine workers strike that caused James Callaghan Labour governùent to collapse in 1979”. (Howell, 2005, p.6).

7- The absence of a charismatic leadership reveals a serious setback for the unions especially when they intend to react against employers’ industrial legislations. This is best illustrated by the Mersey side Docks and harbour Company dispute in 1998, which ended with the capitulation of Liverpool dockers who were forced to accept the company terms.

8-Amicus is UK's largest trade union formed by the merger of Manufacturing Science and Finance and the Amalgamated Engineering and Electrical Union (AEEU). Amicus and the Transport and General Workers' Union merged to become Unite which stands up for working people in the UK and Ireland.

9- 'A Magnificent Journey' in reference to Francis Williams book entitled: 'Magnificent Journey: The rise of the trade unions' published in 1954, where unions are presented as a 'estate of the realm'.

10-Unions are Labour's paymaster; they donated more than £55 million to finance Blair's campaigns which represents 62% of all the party's funding.

11-Since 1997 New Labour government has introduced 18 Acts and over 280 statutory instruments that deal directly with employment.

12- Lehman Brothers is the giant US investment bank which went bankrupt on 15 September 2008 because of deregulation in financial industry. It caused a financial crisis that swept through global financial markets.

13-Unison is one of the UK's largest trade unions, serving more than 1.3 million members including both public and private sector unions. (unison.org.uk).

14- General Municipal Boilermakers (GMB) is a UK general trade union which has more than 631,000 members. (gmb.org.uk).

15- David Marsh (1992) noted in his 'The new politics of British trade unionism: union power and the Thatcher legacy' a clear divergence between "the involvement of the unions at the national level of the Labour Party and their lack of involvement at the local level" (p.147). This reverberates on the financial contributions in election times.

Conclusion

The Labour Party's –trade unions' relationship has been the subject of sundry academic studies as well as of numerous interpretations and journalistic speculations, mostly when the party underwent far reaching reform to its internal organisation. This dissertation has examined through a historical and analytical approach the interactions of the two wings of the labour movement that are often described as contentious and disputatious. This has provided the opportunity to some commentators to hastily conclude that the trade unions play a negative role in the affairs of the party, and that it was urgent to sever the link via an amicable separation or an 'enforced divorce'.

This prevalent argument within the literature about the imminent split between Labour and the unions has been contradicted in this dissertation which argues that the relationship is indissoluble as it has many overwhelming benefits for both organisations, and therefore, can be- without exaggeration- termed as a symbiotic one despite areas of circumstantial turbulence and instability. In a variety of ways, union financial support ensures the Party's survival and its continuing vitality in competition with the Conservatives. All in all, the solidity of this relationship is explained by its symbolic significance in a society still marked by class inequalities, and is preserved by rules of solidarity and unity which have proved remarkably resilient.

Actually, Labour-union liaison is a multi-level relationship that transcends the specific ideologies of both parties including the 'vested interests' of the unions, despite the fact that there is a significant change that concerns Labour stance in opposition and once in power. Indeed, unions have perennially complained that once in office, Labour officials tend to develop different perspectives because of the need to balance political

and community interests. In this juncture, the influence runs from party to unions and not vice versa.

What this dissertation tries to evidence is that Labour-unions relation can be likened to role-playing in different fields governed by 'unwritten rules' that dictate reciprocal obligations and mutual restraints, which in turn confute the assumption that trade union leadership imposes its power over the party's institutions. A plethora of academic sources have been used in this research work notably Lewis Minkin's impressive study which has constituted an important primary material to present a sound assessment of the relationship, to clarify by the same token why the alliance has survived, and to show how much power do unions wield within a neo-liberal environment. As well, this research work does not only unveil the difference between Old and New Labour, but also underlines in the third and fourth chapters, the normative similarities that are found between New Labour and Thatcherism.

The study of the ideological trajectory of the trade unions, though many historians refute the existence of a coherent set of tenets, revealed a wide range of political theories that helped shape the labour movement rhetoric. Marxists and Gramscian theories have been adopted in the process of analysis as they are fundamental in reconceptualising the nature of class hegemony and in the distribution of power. One of the interesting findings is that the capitalist class has successfully imposed power and control through a ruling ideology that earned consent from the working class, which accepted its authority as necessary and natural. The end result is that the dominant class has achieved the maximum amount of control, with a minimum amount of conflict with the backing of institutions in civil society. This may explain to

a large measure the demise of the great socialist project, but does not signal the end of the unions as is often predicted.

More significantly, even though socialist ideas and ideals permeated the labour movement, the unions did not, however, succumb to the 'sirens' of radical revolution to uproot and overthrow capitalism; nevertheless, their contribution in shaping workers' consciousness should not be underestimated or thought to be tangential. The whole labour movement was endowed with a vision different from that of the dominant class that helped unions acquire a sense of class identity as well as a solid frame of reference that strengthened their position as industrial actors. Certainly, Marxist ideas may have provided a rational narrative within the British labour movement, but did not have the expected impact on its global actions.

Early craft unions were occupational associations established to advance the material interests of the working class, and secure statutory rights and protection within the general capitalist framework. Issues of armed revolutions and mass upheavals were, generally, not on their agenda, and if there is a philosophy that they could relate to or identify with is voluntarism that directly affects employment and wages, and which was based on the state's neutrality and minimalist role in industrial relations legislation. The noteworthy fact is that even the advocates of 'new unionism' that emerged in the second phase of industrialisation as a consequence of rapid mechanisation, endorsed voluntarism in a perfect continuity with unions' traditions. What can be deduced is that the British unions did not base their analysis on class antagonisms, dear to the supporters of 'historical materialism', but placed it on the economic disparities that could be settled via negotiations and compromises within

capitalism. The misrepresentation of the unions at the parliamentary level, led to the creation of the Labour Party meant to be the political wing of the labour movement as a whole. The party's origins described as coming from 'the bowels of the trade unions' have always projected an image of a party totally subservient to the unions. This is debatable, but is at the same time not totally wrong considering the power and influence the unions had and exercised till the 1980s when the tide of their fortunes started to turn. Hence, the power struggle between Labour and unions has shaped the labour movement from the onset causing experts of different fields to ponder the link between the two in an attempt to identify whether the unions are the instruments of the Labour Party or vice versa.

There is a real puzzle surrounding the relationship which is supposed to be harmonious since Labour was created with a definite agenda that of representing and securing unions political representation at the parliamentary level, and also to carve employment and industrial relations suitable to the workers. If the harmony was more or less sustained when Labour was in opposition, deep conflicts concerning constitutional and structural reforms surfaced once in power; though Attlee's government can be taken as an exception. Historical circumstances namely the Second World War brought Labour to power whose popularity increased as its agenda contrary to the Conservatives, proposed an attractive vision of the post-war welfare state encapsulated in its manifesto.

As shown in chapter two, Attlee's government embarked on a series of nationalizations that were asked for by the majority of voters in order to limit social

and economic inequalities. However, the reforms implemented were meant to transcend class interests and were in no case disruptive of the capitalist framework. Attlee's administration was hailed in general by commentators and historians who identified his governing period with comprehensive public services and public education; though some critics voiced their discontent accusing Labour of being essentially a working class party, despite its aspiration to be, on the contrary, recognized as a fully national party. Attlee, in fact, did not antagonize the union leaders whose financial power has guaranteed his victory in 1945. As part of the deal, they accepted without much arguing wage freeze and restrictions on their bargaining power, partly out of loyalty and commitment, but essentially because union leadership dominated the Parliamentary Labour leadership.

This symbiotic relation did not survive the Wilson-Callaghan premiership and the high quality of industrial consensus that prevailed under Attlee, was a distant thing of the past. The harmony between the two wings of the labour movement started to crack even though Wilson promised to renew the post-war consensus that worked so well under Attlee. All things considered, unions do not exist to give government, employers or even the Labour Party a 'soft ride'. New times call for new policies and both the Wilson and Callaghan administrations failed to comply with the exigencies of the trade unions or to satisfy the left wing radicals by implementing socialism and adopting it as the party's distinctive ideology. The dilemma widened as Labour leaders in power gave priority to the interests of the whole nation, and not to the unions' desiderata. Tensions were incremental as trade unions are known to focus on day-to-day issues, whereas Labour has to adopt a longer term –view considering the domestic and world

economic contexts. Labour faced rising inflation and soaring unemployment that affected its power to deliver satisfactorily policies to the nation, let alone, to comply with the unions' demands.

The Social Contract introduced in 1974 to sooth the tensions between unions and the government, and transcend economic matters to encompass justice and equality, was criticized by the unions because precisely of the government's unilateral wage control, and mainly over free collective bargaining. Labour, for the first time of its partnership with the unions, entered into open conflicts with them as a result of the government's adoption of incomes policies intended to reduce inflation via restraining pay increases. This resulted in official and unofficial strikes which severely undermined the link.

The confrontation was fatal to Callaghan's government and led to the defeat of the Labour Party in the 1979 general election. It is worth reminding in this context that Thatcher's accession to power was a significant blow to collectivism. It had a twofold effect: it brought to an end the post-war consensus whereby the Conservatives made accommodation with the social democratic policy platform by accepting a degree of policy continuity around the contours of economic, social and foreign policy established by Labour governments; and ended the closeness the unions enjoyed with government in the decision-taking process.

The overall conclusion of all these events despite their intensity is that the period extending from the 1960s to the 1970s was one where the Labour movement was at the peak of its power and influence, and where half of the British employees were structured in a union. The conversion from industrial to political power enabled unions

to get a wide variety of concessions from the government, including industrial and educational programmes, and to wield extensive power over public policy. Considering this, one can ponder why the unions a decade later rapidly succumbed and capitulated to the reforms initiated by the Conservatives and later continued by New Labour. A plausible explanation, which is one of the findings of this dissertation, lays in the demise of the Left/Right distinction that has been blurred by neo-liberalism tenets of modern policy.

Globalization which symbolizes a new historical epoch and imposed a new rhythm in the conduct of policy was meant to be a period of the collapse of collectivism and a farewell of the working classes in advanced capitalism. However, this dissertation reported contradictory facts and has shown that this bleak prognosis did not materialize as unions do still have a say in party politics. Nonetheless, if neo-liberalism and globalization did not mark the end of collectivism or trade unionism, it is important to underlie that the whole labour movement underwent important changes in its composition and structures engendered by these two phenomena.

Inspired by the revisionist tradition, chapter three provided an analysis informed by both Fairclough's and Giddens's conception of new governance as a critical perspective for policy analysis. The overall process of modernization entailed a series of dramatic internal, organizational and ideological changes within the party at the rhetorical and structural levels. Stimulated by Labour's repetitive electoral defeats, revisionists advocates embarked on a radical transformation of Labour to make it may be not 'great', but electable again. The process of modernization that started in the 1960s as a response to Britain's decaying economy was successfully carried out in the

1990s by Tony Blair and the modernizers who wholeheartedly embraced neo-liberalism as the new religion.

Neo-liberalism as a fully fledged doctrine means the negation of the traditional dichotomy existing between the Left and Right making it simply irrelevant. In fact, the theory that Left/Right distinction is exhausted is not a new one but has been accelerated by the collapse in 1989 of the Berlin Wall signaling de facto the demise of communism. The crisis of the communist ideology paved the way to neo-liberalism and its affiliated notion namely the third way concept in which the ideal of equality has been replaced by opportunity. This is a very significant cultural and ideological shift because if the existence of social inequalities was seen as a moral outrage by the Old Left, for the New Right they are rather natural.

Anthony Giddens, the key architect of the Third Way and Tony Blair's intellectual guru, rejected the theory of social democracy as being inadequate as it failed "to work in a post-traditional social order characterized by globalization and the expansion of reflexive modernization" (Giddens, 1994, p. 66). Aided with the rhetoric of the Third Way, Blair introduced the constitutional reforms which coincided with the redrafting of Clause IV that was essential to rebuild the party's ideology, and rebrand it as New Labour. The overall purpose was to modernize the party and present a synthesis or transcendence of the antipodes of old statist-corporatist social democracy and neo-liberalism to fit the new millennium; the motto being "what count is what works". The shift operated by New Labour and the pragmatism of its leader were key to its landslide victory in 1997, where party modernizers extensively courted 'medium' voters, making of New Labour a "catch-all" party model. Above all, the main concern

was to identify the party with the aspirations of the majority of people much as the Conservatives did.

Under such circumstances, the transition from public to private ownership was gradual, but nonetheless irreversible. The rhetoric of past and future used by the modernizers suggests the acknowledgment of Thatcherism which fostered an agenda of economic, institutional, welfare and civic reform that lies in the middle of the spectrum of left and right; thus disparities are blurred by what is known as ‘radical center’. Moreover, the shift from commitment to low employment, dear to Keynes advocates, to a more ‘modern’ anti-inflationary stance, makes a sharp distinction between Old and New Labour, and forwards a significant message to international investors that New Labour would not repeat the mistakes of the past; the other message is that new times theory has irreversibly fragmented and weakened the working classes and curbed the power of the unions.

Indeed, within this new configuration the trade unions seem to have been written off New Labour’s priorities, or at best they are considered as any other existing pressure group. Many critics sustain that attenuating the historical link between unions and the party has been the central goal of New Labour. However, this thesis has been contradicted in the fourth chapter of this work where it is argued that Blair’s administration implemented policies that satisfied both its political orientations and unions’ demands via the issuing of the Fairness at Work charter. It is worth noting that one of the most obvious general sources of tension and conundrum that characterize the relationship, concerns the different perspective which each side adopts in practice. Though Labour is inextricably linked to unions financially, it has to assuage the

anxieties of big business and international investors, all who feared New Labour's assuming a socialist agenda once in power, as well as those who have harboured serious doubts about Labour's economic competence in which capital accumulation, profitability and share-holder value increase.

This has often placed the party in an awkward position being caught between its pledges to deliver tangible policies to the unions, while at the same time trying to restrain them in its pursuit of business-friendly policies. In parallel, the constitutional change operated by the modernisers was accompanied by a change in unions' traditional role. Global competition, the changing nature of employment relations, a growing trend in outsourcing and legal constraints have combined in precipitating a significant fall in union membership that challenged their power.

Chapter four has investigated the concept of power in industrial relations, which is very decisive in assessing unions' influence at the workplace. The different parameters and variables to measure union power that are density and proportion of workers in unions, membership mobilisation, the coverage of collective bargaining and the rate of strikes, were all weakened under Conservatives' legislations and later under New Labour. Union membership declined dramatically during the 1980s and 1990s, and unions were forced to take a new role which clearly suggests that they have abandoned their traditional agenda and accepted a role tailored by the government; making them the tool for delivering state policy- especially in the area of learning, training and 'employability' initiatives.

The hypothesis which sustains that New Labour has duplicated Conservatives industrial policies is only half truth, as its modernisation process was followed by a modernisation of industrial relations that completed the party's overall renewal strategy. The second significant difference is the means by which New Labour sought to promote greater labour flexibility and encourage union-business dialogue. What is requisite to note, is that despite New Labour's disposition to cooperate with the unions, it nonetheless relied on the levers of the state to revamp workplace bargaining, rather than enabling the unions to create their own conditions of improvement. Thus, the government's overall approach process was individualistic rather than collective.

In this respect, Blair's administration has bolstered the partnership concept at the individual level, as a defining feature of the new industrial relations settlements that has polarised conceptual debate concerning its contribution as a union renewal procedure. Advocates argue that partnership is a management tool for integrating benefits of employers and their employees by strengthening employees collective discourse power. Whereas critics contend that there is less incentive to engage in long term partnership as employers may back out on their promises denoting to the difficulty to achieve such scheme with a party which has ostensibly tried to marginalise the unions.

In this dissertation it is argued that unions have accepted new industrial policies during New Labour's first term because they secured significant victories such as trade union recognition, the national minimum wage and stronger individual rights. However, the party's large scale privatisation programme whereby local government services were sold off or contracted out as separate entities, forced unions to emerge from their

lethargy and to take actions to reconsider their link with a party that no longer represents their interests; the most important challenge that confronts them is to revive and redefine their role for the new millennium. It is worth mentioning that radical Left-wing militants within the unions supported the view of destroying a system which guarantees that power remains the preserve of the parties of big business, and where unions have no longer a role in determining party policy. This makes unions' revival the more critical.

Considering all that have been said, it is clear that unions will continue their mission of representing individual members and negotiating collective wage settlements. This dissertation maintains that unions are still needed to operate in their traditional labour representative role, and that they have all the more a real political and industrial impact on the popularity of the government. In this respect, unions are therefore forced to adapt their strategy to the needs of a more heterogeneous working class and must *de facto* acknowledge the argument that globalisation might encourage the development of more radical forms of unionism as survival strategies.

Despite turbulences of the most formidable nature, the 'historical' link is still alive and rumours of an imminent break are only ...rumours; as "this is a relationship with major resources. It has had periods of vulnerability but it has weathered the storm of the worst of them, and there does not appear to be any immediate prospect of effective political alternatives which might threaten it" (Minkin, 1991, p. 656). Conjointly, in this millennium where globalisation is the mantra of many socio-democratic parties, unions should be a rampart against the neo-liberal hegemony which gradually destroys

welfare state policies where collectivism seems to have no place; and where unions are seen as “embarrassing elderly relatives at a family gathering” (Beckett, 1999, p.1).

In the final analysis, this dissertation assumes that the mutual potential benefit of the internal interaction of the relationship is very determining as it facilitates and enforces a mutual educational *modus operandi*. It is undeniable that there is a two-way influence which enables Labour to induce unions to be more receptive to the economic and political changes, as well as to acquire a new awareness towards the expertise of the management function. Likewise, unions’ activists can endow the party with a new sensitivity towards broad social experience and a vital recognition of workers’ industrial problems. This relationship has indeed no equivalent and is not comparable to any of the Western major political parties and herein lies the uniqueness of the ‘historical’ link.

As seen, British unions are an important part of the country’s democratic policy where they retain a certain form of freedom and power and are a real asset to the labour movement. This ought to be the case in developing countries such as Algeria where, it is observed, unions are just an appendage of the state, lacking an identified ideology and far from representing workers’ claims or aspirations; prompting to mind the inevitable question of their establishment, though some aspects of the answer can be found in the overall philosophy, or lack of it, of the government under which they operate. Thus, through this modest contribution, I intend to arouse attention as well as interest for further investigations to be undertaken in the field of industrial relations in a globalised context in developing countries which might be an interesting challenge.

What constitutes another stimulating issue and needs to be reviewed is a new assessment of union-Labour link now that the party has reverted back to its original name, making of 'New Labour' an interesting and unavoidable interregnum in its historical development. In fact, under the leadership of Jeremy Corbyn, unions have come back in 'from the cold', since Labour's manifesto according to some commentators, reads like a trade unionists' wish list. Nonetheless, even if under Jeremy Corbyn the party returned back to its traditional and cultural roots, 'New Labour's' spirit still looms large on its political, economic, social and industrial policies and has an enduring influence on its future decision-making in a world that has been phagocytised by globalism.

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