

**BETWEEN THE OBSOLETE AND THE UTOPIAN:  
HOW TO UNDERSTAND THE 1997 “PROJECT”  
SPEECH BY DAVID MILIBAND  
MILE END INSTITUTE, LONDON  
6 MAY 2022**

There is a lot bound up in marking 25 years since 1997. The biggest emotion is of course: NO! Are we really that old? After all 25 years before 1997 was 1972, and that is ancient history.

But there are other feelings too.

For me, there is a lot of pride – in having been a small part of a great team, which built an extraordinary collective muscle, that inspired millions of people to vote Labour in a memorable victory.

There is also real sadness, about the amazing people who we worked with and learned from but have lost since then, among them Robin Cook, Mo Mowlam, Donald Dewar, Tessa Jowell and Philip Gould.

And of course there is immense political frustration. Because we were not just trying to win one election in 1997 but to lay the groundwork for a new dispensation in British politics, where instead of Labour governments being an occasional alternative to Conservative rule, we were in government more often than in opposition.

We believed that the way to build a progressive country was not to win once and then flame out; it was to make change, show what was possible, then build momentum, renew, and repeat the process.

Blair, Blair, Blair, lose, lose, lose, lose, is not the history we wanted to write. When Tony said he didn't want to be the Labour leader who won three elections, but the first Labour leader to do so, he meant it.

1997, and 2001 and 2005, have gained significance because of what has happened since. In those three elections, Labour found a way to stop losing, but since then has rejected that approach and reverted to well-trodden ways of doing so. By 2019, Labour was as unelectable as it had been in 1935.

In the 1980s, the SDP claimed that the “mould” in British politics was the two party system. But that was a category error. The real mould is that we have a two party system where the Tories win for the vast majority of the time. Labour is strong enough to survive as the alternative to the Tories, but most of the time too weak to win. Perfect for the Tories. Bad for the country. That is the mould we wanted to smash in 1997.

In this lecture I want to look at the ideas that contributed to Labour’s historic election victory. I do so because that is what the Patrick Diamond has asked me to do, but also:

- because ideas mattered, probably more than is realized, both in symbolizing what New Labour offered and in shaping what New Labour meant;
- because I think there is a real danger in the way the intent, focus, purpose of the campaign has become lost, in fact distorted, over time;
- and because this distortion, by placing the blame on our time in government for our successive losses since then, has the real-world effect of denying Britain an effective opposition, never mind an effective government.

Obviously a lot more than ideas went into winning. But ideas are the subject I have been asked to address. So this is a lecture about the notion of “project” in politics, and the meaning of “The Project” in the 1990s. Here is my argument in a nutshell:

First, Labour’s long period in opposition after 1979 was the rule not the exception of our history. We only had nine years of real majority government in our first 100 years. Tony Blair’s insight was to grasp this. It was not, as the debate in the 1980s had it, that the forward march of Labour had been inexplicably “halted”. It was that history was not on our side. There was a structural problem in Labour’s definition and appeal.

Second, the failure of Labourism after 1979, just as after 1951, was a failure of ideas, a failure of project, and not just a failure of organization or leadership. Labour was stuck, and the country was stuck, because of its inability to be the leader of a broad, progressive, national coalition to take the country forward, as opposed to a sectional part of it, protesting (and arguing with itself) but not governing. Credibility and radicalism were at odds with each other, rather than reinforcing.

Third, the project of “practical idealism”, instead of ideas that were either obsolete or utopian, is the key to understanding New Labour: where it succeeded at the level of ideas in fusing labour’s class interest with liberal reforms, collective action with individual aspiration, harnessing the center and the apolitical with the left of politics, it finally achieved electoral dividend for the Labour Party and made change in the country. And when it failed to do so, it lost. This was the real Third Way.

Fourth, when it comes to the future, I don’t believe in ancestor worship. Labour needs renewal not restoration. No sensible person says Labour needs the policies of 1997. But Labour does need to understand its own history. Labour’s losses since 2010 are part of a pattern from which 1997, and 2001 and 2005, were an exception. The reversion to type explains why Keir Starmer has such a hard job. But it also explains why his efforts are so important and why he must succeed. We need to learn from our victories, not blame them for defeats.

### Ideas Matter, especially at a Time of Flux

For this lecture I went back to Tony’s leadership election statement of June 1994. This was one of the first things I worked on. In it he wrote: “To win the trust of the British people, we must do more than just defeat the Conservatives on grounds of competence, integrity and fitness to govern. We must change the tide of ideas.”

This is important. News was the weather; ideas were the climate. And we wanted to change the climate.

There was, in this argument, not just a swing of the political pendulum in 1997; it was a swing driven by a coalescence of ideas that represented an unusual mixture in Labour history.

Far from being “neo-liberal”, as is now the comfortable epithet in too many quarters, the “project” set as its task the resolution of the Progressive Dilemma that David Marquand had sketched out in his famous book of that title. That dilemma, tragedy might be a better word, was how to break a century of defeats and combine the Labour coalition with Liberal support.

The chosen route in 1997 was through ideas as well as electoral strategy: to bring together ideas that were distinctively social democratic, in essence the advance of social justice through collective action, with ideas that were small l liberal, essentially the extension of individual freedom in a market economy, and then forge them into a distinctive package.

The closest thing since – the real New New Labour – is the three party German coalition agreement of last December, that makes the drive for environmental sustainability core to the extension of individual freedom and pursuit of social justice.

This project was a political, electoral effort, born of successive electoral defeats in which Labour's policy as well as its personality alienated millions of voters. But it was a political effort that gained strength because it was rooted in seminar rooms debating ideas as well as focus groups discussing slogans. The aim was to end Conservative political domination, but it was also to break the philosophy of shrink the state, run down the NHS, deregulate the market, blame the poor for their poverty, blame European foreigners for that which was not the fault of the poor, that were hallmarks of the Tory years.

We did not seek to continue the Tory trajectory; instead we pledged to change it, to make the UK a more equal society in its opportunities, in its incomes, in its distribution of power. In some of this, we succeeded, a lot; in other parts, a little; and in still others, we failed.

But it is a serious error to confuse motives with mistakes. We did make errors, both of omission and commission, some of which I will discuss, but if the successful political method – “the project” - is thereby obscured, which it has been, Labour is likely to lose, which it has.

Remember the context for the 1997 election, and above all remember 1992.

After the fall of the Berlin Wall, the right didn't know what to do with its victory. It could sell some quack economic theories to Russia, which it did, and which created some of the oligarchs we are trying to sanction today. But if history was “ended” by market economics, what should the right stand for in mature western democracies?

And on the left, Labour was confronting existential intellectual and political questions. Eric Hobsbawm had challenged Labour's assumptions about class. Marxism Today had called out the crisis of the state and the collapse of organized labour. Feminists had declared time on political, policy, organizational strategies that ignored women.

I edited a book in 1994 called Reinventing the Left, born of one of those seminar rooms. The breadth of contributors, from former Prime Minister of France Michel Rocard to Marxist scholar Perry Anderson, is not the only striking thing. So is the sound of sacred cows being slaughtered in the search for a center-left politics that shaped history rather than being marooned by it.

In 1992 this flux was context for a stunning Labour defeat, and a crushing rejection of a traditional version of social democracy.

Labour was not in fact very close in 1992: we lost by 2.5 million votes and our share of the vote (34%) was lower than our share in any general election between 1931 and 1979.

In fact, it looked to many like Labour could never win. The Nuffield Election study of that year was called “Labour’s Last Chance?”.

1997 was very different. People now sometimes say we could never have lost. They point to the exhaustion, division, failings and weakness of the Conservative government. Those descriptors are all accurate.

But I don’t subscribe to the view that Labour was destined to win, and certainly not by a majority of 179.

In fact I confess that after John Smith’s two party conference speeches, I walked up and down the sea front in Brighton and Blackpool deeply worried that we were failing to understand that in 1992 the electorate had told us, in no uncertain terms, that they wanted a different offer from Labour.

John was brilliant in exposing Tory failings. He also set up the Commission on Social Justice, of which I was Secretary, to come up with new ideas on the welfare state, after the problems of the 1992 Shadow Budget, when our spending priorities on child benefit and pensions produced a shrug from the electorate, and our tax policies, under withering Tory assault, had them running for the hills.

But there was a lot of continuity. And that worried me. Because I felt we needed more change.

I joined Tony Blair’s team slightly late, in June 1994, because my dad had died just 9 days after John Smith. I didn’t know Tony well at the time. But I do remember him writing something striking in a typically generous condolence note at the time. He said that although he obviously disagreed with my dad’s Marxism, he had learnt a lot from his diagnosis of the limits of “Labourism”. The last chapter of my dad’s book Parliamentary Socialism is called “The Sickness of Labourism”, and concerns the repeated defeats in the 1950s.

Both Tony and my dad understood Labourism – and the ism is important, signaling an ethos and an approach not an institution - to be a stultified form of Labour politics on parts of both right and left of the party. Nostalgic, incremental, defensive, small c conservative, it wasn't bracing enough to win, open enough to rethink, broad-minded enough to appeal across classes, confident enough to be inclusive, strong enough to lead.

Class and ideology were uneasy bedfellows in labourism. The narrative was one of heroic failure not pioneering success.

Labourism epitomized the problem of the Progressive Dilemma, rather than solving it. It was suspicious of ideas, and while it talked about interests was unclear how to serve them. As society changed, the ethos of Labourism made the party more comfortable looking back rather than forward, off the pace rather than ahead of the curve. It was part of the mould.

### Breaking the Cycle

I saw four factors at play in breaking that mould in the 1990s, and establishing the hegemony that Labour established on the political scene by May 1997 and sustained for ten years. They represent the difference between 1992 and 1997.

They concern 4 P's: people, party, policy and project. They exist in my mind as four concentric circles, at the center of which is the idea of "project", which drove what our people said, how the party was organized, what our policies were.

The first circle, the outer circle and therefore the most visible, was our people. Tony was a quite remarkable political phenomenon: he did not just identify the limits of Labourism, he transcended them.

But Tony was not alone. Gordon was a disciplined, unflinching dynamo, with huge political experience. There were many others. It was a team effort.

Tempered by the 1980s, battle-hardened, I watched these politicians. They were optimistic and zealous, hard-headed without being cynical. They learned to respect each other as well as respect the electorate.

And there were party workers, advisors, networks of support in the most unlikely places, way beyond politics.

The second circle was the party. Its culture, structure, make-up, mentality. I've been in the Labour tribe for nearly forty years. It's got enormous strengths. It is idealistic, determined, gritty, loyal. But its weakness lies in that word: tribe.

It is prone to Stockholm syndrome, thinking that everyone thinks like us. But they don't. And in the 1990s, we didn't just build a big tent, we opened the side flaps, so that all comers could come and contribute. It's a separate lecture but the tragedy there is that as Phil Wilson memorably put it, we were elected on 1 May 1997 and stopped reforming the party on 2 May 1997.

The third element was policy. My job was to get us to 1997 with a manifesto that could help us win rather than pave the way to defeat.

Anyone who lived through the 1992 election should have learnt that policy can cost you an election. When the Tory attack came, it was too late to change our spending plans, and we were nailed on tax.

So my first task was bomb-disposal: get rid of policies that could blow up in an election campaign. Unfunded commitments, half-baked interventions, loose ends that spoke to interest group positioning not a program for government.

But Tony thought policy was more important than people realized for winning an election, not just avoiding losing the election.

- Policy could change perceptions, as with our crime policy;
- be a guarantee to the electorate, as with our education policy, or our health policy;
- be a discipline on politicians, as with our policy on tax and spend;
- be a rallying call to the country, as with our policy on childcare or pensions;
- challenge obscurantism and narrow-mindedness, as with our policies on gay rights or on Europe;
- de-risk a Labour vote, as with our commitments to a referendum on devolution to Scotland, Wales and London (and on the Euro)
- speak to our ambition, as with our policies on creative industries and arts and culture

- and policy could show that we had learned the lessons for which the electorate had sent us back to the classroom after successive defeats, for example in our insistence on “switch spends” to be emblems of the difference between us and the Tories, most famously in abolishing the Assisted Places Scheme to pay for reduction in class sizes,.

I wrote the 1997 manifesto. I remember that we had 176 carefully phrased promises. The five on the pledge card, plus the means to pay for or implement them, were the most famous. 169 were delivered in the first term.

But policy without a project is ad hoc, disconnected. It’s a good warning to those who today say Labour needs “more policies”. The project gave coherence to the policy, and policy gave meaning and credibility to the project, and so together they were able to punch through to the electorate. That is what I want to dwell on.

### Project

It is easy to mock the idea of project. It’s got a bit of Antonio Gramsci about it.

But the iteration between definition of the project and policy to symbolize it was the anvil on which the ideas of 1997 were hammered out. The “project” was the glue between policy and vision.

The project was clearly electoral. To change Labour from a losing machine to a winning one. It was driven by politicians seeking to win votes not philosophers seeking to publish books. And the idea was simple: since people voted against old Labour, create new Labour.

But the electoral project was only powerful because it was fused with a national project. That national project requires analysis to unite behind; North Stars to follow; exemplars, domestic or international, to foreshadow the future.

Gramsci wrote about the requirement “to address ourselves ‘violently’ to the present as it is”. That’s what we tried to do. If you are actually serious about getting into government, and making real decisions, then you have to be unflinching.

New Labour’s national project was built on hard diagnosis of the country’s situation. Remember the British economy was growing, quite fast, by the 1997 election. But we had slumped in the world education league. The NHS was losing the confidence of the public and it languished in global health indices. Our political system was ossified. The collapse of community cohesion was evident in every town and city. And we were losing a beef war the government chose to fight with the EU.



The problem was not just that the wrong people were in charge. Looking back, in a speech in 2003, Tony identified the problem as Britain's progressive deficit. It's a good phrase. He said in that speech: "by 1997, Britain was a long way from being a modern social democratic country."

Our diagnosis was that Britain was weak because Britain was divided, and it was divided because neither the political system, economic model nor cultural mores were adequate to the challenges of building either a strong economy or a strong society in the 21<sup>st</sup> century. So the winning themes of future/modernity and equality/inclusion arose from a clear critique.

We thought the governing philosophy of "cut the state, let loose the market" was insufficient for a modern economy and damaging for a modern society. But we believed that a simple pendulum swing back to the state, especially an unreformed state, would solve little.

On this, as in other areas, we thought the electorate were ahead of the party: they weren't prejudiced against government action, but they wanted to be convinced it would work. There is actually modern relevance to this, with the tax take at a level not seen since 1949.

So we aimed to shape markets through a modern state that empowered rather than squashed civil society and channeled the power of markets. This was how we would seek to extend personal freedom in a market economy and enhance social justice through collective action. We were trying to break out of the limits of Labourism, without losing the ballast it provided.

Out of this mindset came the National Minimum wage and tougher competition policy, the Minimum Pension Guarantee and Child Trust Funds alongside 3500 Sure Start Centres, signing the social charter of the EU and legislating for gay equality, literacy and numeracy hours and massive expansion of higher education alongside reforms to the teaching profession and student loans, independence for the Bank of England and tax credits, ASBOs and early intervention programmes and more police on the beat and the Human Rights Act and the ban on smoking in public places, the windfall tax on privatized utilities to get young people into work and Scottish devolution and a mayor for London. There was a more active role for the state, but big reform of the state and also more responsibility for civil society.

The electoral project and the national project gained strength because they became fused. Everything was driven by a need to marry a new position for Labour with a new direction for Britain. And our argument was that the project to change the country could only be delivered by a changed Labour Party.

I know “on message” has become a lesson about disciplined sound bites but in fact it was all about following through a diagnosis of what needed to change about Britain with a diagnosis of what needed to change about Labour.

You can think of this definition of the political project as asking and answering five questions:

- Threat/Opportunity: what is the problem/challenge facing the country?
- Villain: why does the problem exist?
- Hope: what’s the way to fix it?
- Protagonist: why are you the people to fix it?
- Proof: how can we trust you?

In 1997 we said something like the following: the threat is a divided and declining Britain, the villain is an out of date philosophy and politics, the hope is national renewal through a new balance of state, market and community, the protagonist is a changed Labour Party, and the proof was in a set of commitments that defied conventional wisdom on our own side.

It was deliberately a big argument. And we applied it across each policy area.

This assessment stands in contrast to a widespread narrative today that we became popular by aping the Tories. It’s an odd claim given that the Tories were unpopular. But this is what people mean when they talk about “forty years of neoliberalism”.

I don’t buy that. What we did was choose our ground: investment in public services over nationalization of utilities, a national minimum wage over repeal of 1980s legislation on ballots before strikes.

I think it is worth pausing to debunk the counter-argument.

The best evidence for the claim that we were too sanguine about markets is that financial services were not more heavily regulated. We left them under-regulated, it’s true, as 2008 showed. But I would argue this was because of complacency about the NICE (non inflationary continuous expansion) economy, not adherence to “neoliberalism”.

You can also make the argument that while we were relentless, and actually quite effective, at tackling poverty at the bottom of the income distribution, we were insufficiently focused on inequality at the top, including wealth inequality. That’s a fair critique.

But the evidence for the claim that neoliberalism was unchallenged in 1997 and beyond is outweighed by the evidence against.

If it means anything neoliberalism means a belief in untrammelled market forces and a minimal state. This is what its adherents believe. But this was neither the mindset nor the policy map in the mid 1990s.

We promised to expand and modernize the role of the state, not reduce it. This was especially true in health, where the annual average growth rate in spending went from 4 per cent from 1979 to 1997 to 6% in the Labour years. But it was also true in respect of education, childcare and other public services. Our aim was to make government work not cut it out. We ran the economy quite hot, and put the proceeds into public services and redistributive benefits, like tax credits.

We sought to regulate markets in the public interest. The best evidence of our commitment to the social market economy was in the labour market, where we promised and delivered the minimum wage, more rights for workers, especially women workers, and actually for trade unions, who benefited from multiple pieces of legislation. We could have done more to address over-mighty corporate power, but the idea that we thought markets were self-regulating is just wrong.

We sought to redistribute income and opportunity because the market fails to do that. This was especially the case in respect of pensioner and child poverty. The poorest half of the child population was better off by 4390 pounds per person per year by 2010, and the poorest half of the pensioner population better off by 1970 pounds per year.

We tried to tackle structural poverty, whether defined by geography, through fifty New Deal for Communities; or defined by class, through the Social Exclusion Strategy; or defined by personal misfortune, through the attack on homelessness. In fact there was an attack on territorial or spatial inequality far greater than anything done by the current government under the slogan of "leveling up".

We rejected the view of society as a grouping of autonomous individuals, and combined liberalization of laws on personal behavior with strengthened support for and enforcement of the communal interest. It was as important to our political identity that we passed laws against discrimination on grounds of sexuality or race or religion as it was that we passed laws on anti social behavior and employed more police officers and police community support officers to enforce them

It is important to say that we stood for all these things at European and global level not just national level. The very serious mistakes over Iraq have obliterated a lot of this record, but they should not obscure the importance of our international agenda for our vision of a renewed Britain.

International engagement was not an add-on. It was part of our diagnosis of Britain's problem that closing ourselves off from the rest of the world was of a piece with social division at home. Narrow nationalism went with living in the past rather than respecting it. And driving the country forward at home could only be possible by re-engaging with the outside world (and could be helped by it).

Social rights, environmental protection and peace in Northern Ireland involved a central role for the EU. International stability and the battle against impunity were supported through our role in Nato. Leadership in the battle against international poverty went alongside a war on poverty at home. The campaign to win the Olympics was in part a product of the way the country was motoring at home, but also about building and reinforcing national reputation.

This was not neoliberalism. Nor was it trickle-down economics. Nor was it Tory lite. It was a modernized social democracy with a strong commitment to social liberalism that would have been recognizable to Attlee as well as Keynes, Roosevelt as well as Willy Brandt. And that was the point.

This is why so much of the debate about Left and Right inside the Labour Party is so confused. The real divide is radical Labour versus Labourism. Much of the so-called Labour left is actually quite conservative. And parts of the Labour right are radical on social questions, or, as in the case of John Smith, on Europe.

At its best, New Labour was radical Labour. The Third Way is often described, not least by Tony, as borrowing ideas from left, right and center. But it was also a Third Way within the center-left: it saw liberalism as too narrow, social democracy as too sectional, and so sought to fuse them together. The problem in my judgment is not that we started down this road, but that we did not keep going.

#### More than History: Between the Obsolete and the Utopian

This is of historical interest, but I think it has modern relevance. My view is that a mistaken diagnosis of our successes and failings in government – essentially that we were not “left wing” enough – has marooned us in opposition.

It is interesting that a recent academic survey should have concluded that the claim that new Labour was neo liberal is unfounded. Professor Mark Wickham Jones has no axe to grind and shows that whether you believe neoliberalism is a belief that markets spontaneously maximize welfare, or that markets are the source and arbiter of human freedoms, New Labour does not tally with that.

There are a number of reasons for the Corbyn years, but one is that the truth about our record was not defended, and the betrayal thesis took hold.

After 2010, and in some ways after 2007, we ended up spending too much time apologizing for rather than rectifying what we got wrong and too little time explaining, defending, promulgating, building on what we got right. You can be proud of your record while being humble about your mistakes; in fact both are stronger when paired with the other.

In my view, Keir Starmer has made an essential not just welcome attempt to begin to change the narrative. He wants to learn from our wins not just our losses. Because if our only victories of the last fifty years are denigrated as the abandonment of principle then the wrong lessons will be learned.

The work of constructing a political project takes hard analysis of global trends and local context; real listening to what voters are saying; profound engagement with questions about the meaning of progressive politics when inequalities are complex, ecological and national security threats profound, and issues of identity to the fore; and then policy imagination that maximizes change while minimizing risk.

All of this has got more difficult in the last 25 years. Around the democratic world traditional politics of left and right are struggling. In part that is what we were onto 25 years ago.

Opinion polls and focus groups can't do that work for you. It is an intellectual endeavor as well as a political one. As my friend Peter Hyman has written, successful politics takes place at the intersection of what the country needs and what a politician believes with what the electorate want.

There is an article by Robert Skidelsky, written fifty years ago, about an article that John Maynard Keynes wrote 90 years ago, that summarizes this point brilliantly. Keynes article was entitled "The Dilemma of Modern Socialism". Skidelsky's article is called "The Labour Party and Keynes".

Skidelsky summarizes Keynes view as follows: "Caught between the obsolete and the Utopian, the [Labour Cabinet of 1931] had been 'totally unsympathetic with those who have had new notions of what is economically sound'".

The obsolete and the utopian. It's a brilliant description of Labour's historic error. It sums up how Labour goes wrong, how its right and left can end up cautious when they need to be radical, conservative when they need to be progressive, retreating to the comfort of old ideas when it needs to be looking for new ones, losing when they could be winning.

In 1997 we rejected both the obsolete and the utopian. We broke out of the limits of the tribe. But in the process we delivered more of what the tribe believes than any Labour Party since 1945.

That is the only way to win and the only way to change the country. And the two are related. That is why I defend the idea of "project" in politics, and why I also defend "the project" of 1997. The challenge now is not to reheat it. It is to learn from it. Because, just as 25 years ago, it's the future of the country not just the party that depends on it.