

TABLE RONDE N°4

PARTY OFFICIALS, EXPERTS AND POLICY-MAKING: THE CASE OF BRITISH LABOUR

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Introduction

In September 1994, Gordon Brown, Labour's chief economic spokesperson, addressed economists and business people at a party meeting in London. Outlining a break with Labour's past commitments in his press release, he called for the party to adopt, 'post neoclassical endogenous growth theory' as the basis for its economic programme. Unsurprisingly, the press was quick to ridicule such jargon, for which Ed Balls, Brown's economic adviser, since 1993, was commonly and correctly held responsible. The phrase became something of a millstone around Ball's neck as much as that of Brown: certainly few profiles of the former were complete without a reference to it. Treatment of the thrust of the speech, however, was more favourable. A leader in the *Financial Times* commented, 'What the party needs is not a long list of policies but an intellectual framework on which to hang them.'¹ The paper continued, 'It [Labour] has also jettisoned much cumbersome baggage' before concluding, 'But the distance it has gone is remarkable.' Arguably, the speech - coming the week before Tony Blair re-launched the party as New Labour - marked an important moment in the re-orientation of its economic outlook.

The idea that economic advisers might shape a party's outlook in a distinct fashion is hardly surprising, though it is one that has been neglected in much of the relevant academic literature. Over twenty years earlier, in June 1973, Labour had published a document outlining a plethora of proposals should it take power at the next general election. In an extraordinary development, however, Harold Wilson, the party's leader, publicly denounced aspects of *Labour's Programme 1973*, especially the sweeping plans for the nationalisation of profitable firms across each sector of the economy. It was 'inconceivable' that he would implement such a policy.² He was backed by other leading figures whose complete contempt for some of the proposals poured forth in a series of venomous, unconcealed criticisms. The precipitous cause of this dramatic situation, where the party leadership disavowed a newly published statement, was the process by which it had been written. Party officials and special advisers drafted *Labour's Programme 1973*; members of a series of internal sub-committees ratified it. Eric Heffer, a leftwing MP summarised the procedure: 'In reality, policy is largely made by the various [internal Labour] study groups ... Because the members of such groups are usually very busy people and cannot always attend, the drafting of policy is usually left to the paid Transport House [the party's headquarters] officials.'³ The party's parliamentary leadership played but a minor role in this course of action. Rather, they were presented with measures shaped by officials and committee members. Unable to stomach the contents of the document, they did

¹ *Financial Times*, 28 September 1994.

² *The Times*, 1 June 1973.

³ Eric Heffer, 'Labour's Policy-Making Process', *The New Statesman*, 1 June 1973, pp. 795-8, p. 796.

their utmost to undermine it, both publicly and privately. Pretty much, they succeeded.

In this paper, I discuss the shaping of Labour's policy commitments over the last thirty or so years. My focus is on the role played in the policy-making process by party officials and by outside experts. I examine how important internal bureaucrats and others have been in shaping Labour's programmatic outlook. Broadly, the paper is in two parts. In the first part, I assess in theoretical terms the role that officials may or may not play in policy formation. I conclude this section by offering three different categorisations of the relationship between a party's leadership and its officials. In each of these arrangements, however, I conclude that there are strong theoretical reasons to conclude party officials to be more important than is commonly recognised in much of the relevant scholarly literature. I do not offer these three categorisations as rigorous, predictive models. They are by no means independent of the empirical material that I discuss in the second part of the paper. They do, however, offer a heuristic framework within which the role and the importance of party officials and experts may be considered. In the second part of the party, I look at each categorisation in turn, drawing on empirical material from Labour's experience to offer an illustration of the kind of relationships that I have identified. Finally, I draw some conclusions about party policy making.

There are some severe methodological difficulties associated with my endeavour. Party officials are frequently anonymous whilst leaders and senior figures, those who take public responsibility, are not. The collection of data is problematic and there is often limited evidence to attest to the input of advisers. The available material in archives is often poorly organised and ambiguous: reconstructing the determination of policy from these fragmentary records is a hazardous enterprise. Even where evidence exists, establishing causality is difficult. Did autonomous officials draft policies or did they respond to the parameters established by politicians? Did an adviser shape a politician's outlook in a patent fashion or did that politician appoint them, knowing full well that the advisers would offer the kind of support for which they were looking in the first place? The difficulties of establishing the motivations and identifying the inputs of party officials stand in contrast to the ease and elegance with which those of other actors such as politicians, activists and voters can be defined. Normatively, parties, indeed many commentators for that matter, are unlikely to want to endorse an interpretation that emphasises the work of un-elected, medium level actors.

I hope, accordingly, that my comments are accepted in the spirit in which they are intended. My intention is to investigate the role played by officials. The first part offers some theoretical observations; the second discusses three empirical moments in Labour's recent history. I make no further claim other than that these issues are worthy of further consideration.

1. Parties and programmes

Political parties require policies. They appear to need quite detailed programmes that spell out with some substance their intentions, once elected or re-elected to office. Of course, such programmes take different forms: explicit manifestos, resolutions ratified by authoritative bodies such as party conferences, leadership speeches, and so forth. They embody the range of commitments on offer, frequently in considerable depth.

In one sense, such a requirement, to sketch out intentions, might seem counter-intuitive. Many voters are probably not especially interested in the fine detail of any party's policies. Whilst wanting some sort of impression of broad objectives, they are disinclined to engage with the nitty-gritty of a platform. Many voters lack the necessary skills to evaluate the complexity of proposals in anything other than a very general manner. And, in reality, much of what any administration does in office is probably not related to previous promises. Indeed, it is unlikely that much can really be anticipated in advance.

Yet political parties, especially those in opposition, offer streams of policy documents. Regularly throughout the 1970s and 1980s, the British Labour party offered all-encompassing programmes, large, rambling documents that stretched across policy areas in considerable depth and intensity. The 1973 document was over 50,000 words. Between 1994 and 1997, just re-branded as New Labour, the party battered the public and the press with a string of papers and statements on just about every realistically conceivable issue. Such publications went well beyond what any informed, reasonably committed voter might be expected to digest.

Why did Labour offer such documents? The party's actions do not appear to be atypical. Others, especially likeminded reformist organisations, behave in much the same fashion. A number of explanations may be posited. For voters, pronouncements act as route maps. For members, they may offer some sort of ideological statement, a kind of reassurance about the party's underlying political purposes. But neither voters nor members require the depth and the detail commonly to be contained in party publications. Arguably, the detail, the fine print of a party programme, offers a "signal" about a party's capacity for office. In economic theory signalling helps differentiate between two apparently identical products. The signal provides some sort of basis for agents to make a decision about which they might prefer. For parties, programmes can fulfil a similar task. Dense, comprehensive but plausible programmes act as a signal about the party's capacities and credibility. Mervyn King, an economist currently Governor of the Bank of England, defines credibility as 'a question of whether intentions are believable'. Has a party an incentive to meet its promises once elected to office. But whether statements are believed depends in part upon the manner or the signal used to convey them. Accordingly, detailed programmes add legitimacy to a party's claim for office. The more comprehensive, feasible and persuasive a document is, so the more credible are the party's claims. Programmes generate credibility benefits. Unrealistic programmes – or for that matter the absence of such a statement – impose credibility costs.

Theorising party policy making

Despite the existence of party programmes, much of the conventional literature gives them scant attention. They are, in effect, much taken for granted. Thus in his otherwise comprehensive treatment of political parties, Alan Ware writes, 'Devising new public policies is not a major area of organisational activity and in many parties it is minimal.'⁴ Many accounts conclude that party programmes reflect the material preferences of the electorate (or blocks of voters at any rate). Other ones emphasise the ideological input from party members. For Moshe Maor, either 'elected public office holders, individually or collectively, decide policy – they may or may not

⁴ Alan Ware, *Political Parties and Party Systems* (Oxford: Oxford University Press, 1999), p. 112.

respond to voters or members’ or ‘the office holders are considered the party agents – elected representatives reach agreement as a result of decisions by the organised party membership.’⁵ In some circumstances, leaders may be presented with a dilemma in trading off votes against ideological commitments. In his classic account, Leon Epstein notes ‘[the] conflicting policy making claims of an organised membership and a group of public office holders concerned with the larger electorate.’⁶ More recent research emphasises policy legacies from the past and the capacities to learn and to transfer measures from other parties elsewhere.

Many of these accounts, however, struggle to explain the character of the kind of programmes that parties commonly adopt. They do not provide an adequate explanation as to how parties develop programmes and they do not elucidate the minute detail packed into them. In any case, it seems intuitively to be the case that policy cannot be based either upon material preferences or upon ideological values alone. The construction of a programme by a party does not take place in a vacuum and proposals cannot be based on perceptions either of electability or of ideology alone. Comprehensive policies require some sort of ‘evidential’ or ‘knowledge’ driven base about what is feasible in any given set of circumstances.⁷ Knowledge provides the basis for what constitutes a plausible policy that a party can seek to implement with a reasonable chance of success. In turn an evidential base implies some expertise will be entailed in constructing a programme. Epstein assumes such proficiency will have to come from the outside: ‘parties are never expected to have large specialised staffs capable of developing policies on a wide variety of complex subjects.’⁸ Wherever it is to be located, in effect, expertise is necessary to ensure that the signals are coherent and credible.

Designing programmes is an expensive business. The apparently simple task of construction demands proficiency across a plethora of policy areas, an expertise that is likely to be costly. Drafting involves time and resources. It is too expensive of time to be the task of the party leadership. Leaders will, of course, have considerable interest in the outcome and the broad thrust of any document. Ultimately, whether at the ballot box or in office or in the aftermath of defeat, they are responsible for its contents. But any party leadership is charged with a considerable range of tasks - electoral competition, parliamentary debate, official roles, maintenance of party organisation and discipline and so forth. Increased complexity, especially of economic issues, adds to the limits of their involvement. Can a party leadership comprising career politicians be expected to master such technical skills? As a Nobel prize-winning economist, President Bartlett of American television’s *the West Wing* does; outside of fiction he has few scholarly rivals. Yet such complexity, a demonstration of competence, is precisely what is demanded to attain authority. Given the scope of chores undertaken by a party’s leading figures, it is doubtful whether they will be involved, other than in the most cursory of ways, in the debate and formulation of proposals. It is simply too burdensome.

⁵. Moshe Maor, *Political Parties: Comparative Approaches and the British Experience* (London: Routledge, 1995), p. 91.

⁶. Leon Epstein, *Political Parties in Western Democracies* (Brunswick: New Jersey, originally 1967), p. 293.

⁷. See Desmond King, *In the Name of Liberalism* (Oxford: Oxford University Press, 1999), pp. 28-44.

⁸. Leon Epstein, *Political Parties in Western Democracies*, p. 265.

Accordingly, traditionally many parties have officials and advisers located within research departments whose primary task is the construction of policy pronouncements. In order to try and rationalise the costs of policy developments, bureaucracies are established and charged with that responsibility. Whilst Epstein doubts the capacity of internal figures to attain capabilities, the bureaucracy represents an attempt by the party to specialise and so minimise the transactions costs involved in policy development. Research officials form an important part of the party bureaucracy. They are key sources of the expertise upon which more electoral or ideological policies are based.

Such officials take on a number of roles and their jobs may be described in a number of different ways. They share some characteristics: they are non-elected individuals without the sweeping range of responsibilities that politicians enjoy. Below I offer a number of analytically distinct conceptions of these figures. In general terms, officials might be full time career-orientated individuals or they may be brought in from the outside to work on particular projects, sometimes on an ad hoc basis. Thus they may be linked to the party directly or indirectly. On occasion they will be linked to specific politicians within the party, and so might be termed political advisers. They may be considered as ‘generalists’, with no one area of expertise, or they may be specialists in particular areas, for example, as economists.

What do party officials do? Party officials can fulfil three distinct roles. First, directly, they offer ‘detailed policy initiatives’.⁹ They map out policies that the party may or may not adopt and subsequently seek to implement once elected to office.

Second, indirectly, they shape ‘the intellectual and political discourses within which politicians operate’ and within which the party’s proposals are considered.¹⁰ That is, not only do officials spell out possibilities, they close down others by defining the general terrain in which issues are considered.

Thirdly, in terms of signalling, they may help to attain credibility and coherence for the party. My claim is that these, especially the third, are consequential tasks. Advisers and officials provide an important input into a party’s policy-making. They have access to the knowledge and the expertise that will legitimate any claim made by politicians that the proposals they offer to voters are viable. In such circumstances, publicly identifiable academic status may be an important qualification. The more eminent an adviser, the more trustworthy and reliable will be his or her input to the party’s policy. In much the same way, an MBA programme does not improve an individual’s relevant vocational abilities, rather it acts as a signal because that person has the capacity to attain that qualification. In a study of an analogous group, governmental special advisers, Andrew Blick notes, ‘some of them were already substantial figures, for example in the intellectual field, and carried that weight with them into office.’¹¹ In 1985 a group of economists was established, based around Nicholas Kaldor, a University of Cambridge don, to advise the Labour leadership. What the party wanted, however, was not so much advice but a body that would

⁹. Desmond King, *In the Name of Liberalism*, p. 28-9.

¹⁰. Desmond King, *In the Name of Liberalism*, p. 28-9.

¹¹. Andrew Blick, *The people who live in the dark* (London: Politico, 2004), p. 5.

publish articles in the media, justifying Labour's measures. In this sense, expertise acts as a signal to a range of outside actors about the credibility of a party's policies.¹²

Again, much of the conventional academic literature surrounding parties offers research officials scant attention, in terms either of their roles or of their autonomy. Many texts treat party research departments as strict hierarchies. Officials are employed by and responsible to the party leadership. They are charged with the production of policy documents. The leadership, it is suggested, is able to exercise effective control over this process. It can lay down the broad parameters of policy: officials will respond to this in an efficient fashion. If they do not, the leadership will be able to replace the officials and reshape the party programme. One of the most comprehensive theoretical accounts of party bureaucracies treats their structure in such a fashion. Given the incentives they gain from their work, the identities that they enjoy, and the extent to which their careers are tied up within the organisation (low substitution of employment), Angelo Panebianco concludes officials to be dominated by leaders.¹³ Where bureaucrats have substitutable skills, it will be harder to control them and authority may fragment. Much of the literature appears to assume that party bureaucrats, like state civil servants, will be anonymous figures.

In his influential account of the internal organisation of British political parties, Robert McKenzie argues that the Labour leadership is extremely dominant in policy-making terms. Writing of members of the research department and other officials he claims:

There can be no doubt, however, that ultimately the members of the professional staff are the servants of the NEC and its sub-committees. If they are sufficiently persuasive and able they may succeed in exerting personal influence on the formulation of policy; but it would be inaccurate to suggest that the professional staff in any sense dominates or controls policy-making within the party.¹⁴

McKenzie's views are straightforward: 'It is abundantly clear that the real centre of day-to-day policy-making within the Labour party is to be found in the deliberations of the parliamentary committee [shadow cabinet] and of the PLP.'¹⁵ In an equally important study published in the 1970s, Lewis Minkin acknowledges that members of Labour's research department might have a 'significant role in the policy process, if only in establishing the orientation and framework of a document'.¹⁶ But he did not recognise officials as one of several 'divergent sources of policy' within the party.¹⁷ In an account published at much the same time as that of Minkin, Samuel Finer concludes, 'Until 1959 the Labour party research department showed little initiative.'¹⁸

¹². Desmond King, *In the Name of Liberalism*, p. 35.

¹³. Angelo Panebianco, *Political Parties: Organisation and Power* (Cambridge: Cambridge University Press, 1988), pp. 225-227.

¹⁴. Robert McKenzie, *British Political Parties* (London: Heinemann, 1964), pp. 569-70.

¹⁵. Robert McKenzie, *British Political Parties*, p. 526.

¹⁶. Lewis Minkin, *The Labour Party Conference* (Manchester: Manchester University Press, 1980), p. 50.

¹⁷. Lewis Minkin, *The Labour Party Conference*, p. 319.

¹⁸. Samuel Finer, *The Changing British Party System, 1945-1979* (Washington: AEI, 1980), p. 79.

I contend that it is by no means obvious in theoretical terms that parties are such efficient, streamlined hierarchies. There is an obvious principle agent problem here. The party leadership acts as a principle seeking to direct the officials, who operate as their agents. But monitoring such individuals is a costly process. The party leadership does not have the time resources to make policies: it is likely to be equally constrained in terms of investing resources in scrutinizing party officials.

On top of this resource constraint are important asymmetries of information. Party officials have the opportunity to develop specialisms and to invest resources in data collection. They have status as experts and the capacity to shape internal debate, advising on what is feasible and what is not. Not only do they frequently draft the documents under consideration but they provide the knowledge upon which proposals are founded. They are also likely to develop and to deploy skills in presentation: thus documents will be constructed in a language that is acceptable, some proposals may be hidden or conflicts anticipated and defused.

A party leadership may decide to amend a draft document offered to it by officials. Such a decision will involve resources. It will require a challenge to the information and the expertise deployed by party bureaucrats. Such an alteration may also have consequences for measures laid out elsewhere in the same document or in other publications. (So variations in tax rates impede the possibilities for spending.) A priori, the leadership of any party is likely to endorse documents. Indeed it may offer them only the most limited examination. Of course, if the leadership and the officials share a set of motivations and preferences, these asymmetries need not matter and policy will emerge around some sort of internal political consensus. But such agreement is by no means certain. Back in 1973, Heffer noted, 'One cannot be expected to act as if one's ideas were non-existent just because of the position one holds.'¹⁹ The motivations of career based officials may well diverge from those of particular politicians; they may have either specific political beliefs and different values or a commitment to expertise that sets them apart. They may, of course, be less interested in electoral outcomes than the party leadership. Blick argues, 'special advisers [have] often concerned themselves with the ideological content of policy.'²⁰ Where advisers are brought in from the outside to help attain authority, they may not be committed to the same goals as the party leadership. Panebianco notes that an economist as a professional 'cannot afford to lose face vis-à-vis his peers'.²¹ In short, not only do officials have a capacity to act independently, they also have motivations so to do.

There are, accordingly, theoretical reasons for concluding party officials to be at least quasi-autonomous actors. Party officials are likely to want to meet the preferences of other agents within the organisation, most obviously the leadership but also its members. But within such broad constraints it is to be expected that they will have considerable latitude. I conclude that semi-sovereign party officials, who cannot be efficiently monitored, are likely to be able to shape and determine the detailed content of party programmes. The party needs such programmes to signal its credibility. On

¹⁹. E. Heffer, 'Labour's Policy-Making Process', p. 798.

²⁰. Andrew Blick, *The people who live in the dark*, p. 3.

²¹. Angelo Panebianco, *Political Parties: Organisation and Power*, p.230.

the basis of their expertise, officials and other specialists are able to give them legitimacy. In effect, they offer a seal of approval.

Three patterns of party policy-making

The precise means by which officials shape a party's programme remains open to considerable variation.

(i) Party official approach

The first characterisation I describe as 'the party official approach'. Under the party official approach, parties establish large departments of career-orientated individuals who are charged with the tasks of policy formulation. Such a department is likely to be stable (relatively low turnover of officials), to offer continuity of policy proposals (the officials offer some sort of normative commitment to the measures that they develop) and to enjoy a measure of autonomy. From the point of view of the party leadership, the core strength of this approach is that the transactions costs of policy development are minimised. The department is entrenched within the party and may become a strong bureaucracy. It is available, at relatively short notice, to meet a variety of policy demands being placed upon it.

Equally, from the perspective of the party leadership there are three potential problems with this arrangement. First, it is hard to monitor for the reasons outlined above. Party officials may have incentives and motivations to deviate from the kind of trajectory favoured by senior figures. Other than some crude notion of electoral gains, party bureaucrats, especially career based ones, have no strong incentive to meet the specific preferences of politicians.

Second, this arrangement can lack legitimacy and expertise. To be sure, party officials may bring experts in. But the development of policy within a relatively internalised process may not lead to the kind of credibility benefits that the leadership wishes to attain. Other than the through the intrinsic quality of the policy proposal, anonymous officials find it hard to signal its credibility. If Epstein is correct, they cannot handle the complexity of policy.

Third, this arrangement can lead to conflict. The existence of an entrenched party bureaucracy that cannot be regulated effectively may lead to overt conflicts.

Should a strong ideological consensus exist within the party, however, this approach is likely to be relatively unproblematic. Party leaders do not need to monitor officials, there are cost advantages, and issues can be dealt with in a straightforward fashion. Without an ideological consensus, officials can act pretty much according to their own wishes.

(ii) Political Adviser approach

The second characterisation I describe as the 'political adviser approach'. Under this approach, policy-making is delegated to political advisers. They differ from party bureaucrats in that they are closely associated with particular politicians. This arrangement might result from a portfolio or from an alignment with the politician's office. In effect the adviser is tied to the politician. Should the politician be promoted, the adviser may well go with him or her; if the politician is demoted, the adviser's contract is likely to be terminated. Blick writes that 'aides depended for their

employment upon the patronage of individual politicians.’²² As a result of this close relationship between politician and adviser, the latter needs to think about the consequences of policy development.

Under such an arrangement, monitoring is both easier (because of proximity) and less necessary (because of an ideological alignment – that is the politicians has probably directly appointed the adviser). Politicians will want to choose advisers who will be reliable and who are experts. They may well rely on loosely defined networks, making appointments on the judgement of established contacts who can be trusted.

Such an approach does not offer the stability (over time) and flexibility (over issues) of the party official arrangement. Indeed there may be high turnover of staff as politicians change. And, in the development of different portfolios, it might lead to the emergence of competing bases of expertise within the party. Under certain, conditions, these might threaten the authority of the party leader. So conflict can occur not between the leadership and the party bureaucracy as in the first characterisation but between the politician and adviser with another such alignment elsewhere within the party.

A more serious difficulty is that this arrangement may still generate insufficient credibility benefits for the party’s policy-making needs. Politicians may appoint experts as advisers but their status may be insufficient to signal that the party’s policies are credible and coherent. On occasion, however, advisers can become public figures, closely associated with politicians and with specific policy initiatives, who are able to signal the credibility of measures on the basis of their credentials (for example as academics).

(iii) The think-tank approach

The third characterisation I offer is labelled the ‘think tank approach’. Under this approach the party delegates important aspects of its policy-making to non-party actors on an ad hoc basis. In effect policy-making is privatised to outsiders. This approach is likely to prove expensive and to be less comprehensive than other arrangements as the transactions costs advantages of the party official characterisation are lost. Policy must be paid for and the necessary experts identified as they are needed. Most often the necessary outside actors will be found in a think-tank.

Monitoring is, however, much less of an issue with this approach than with the other two. Since policy is generated by what is in effect a market exchange between the party and the think tank, politicians can shape the parameters within which measures are laid out. To be sure, the think tank may want to sustain some sort of image of neutrality. But in such circumstances the party can focus on those aspects of a think-tank’s proposals that are most suitable to its needs. By and large, other outputs can be swept aside (because they do not emerge from the formal machinery of the party).

This approach also yields benefits in terms of mobilising expertise. The think tank’s credentials, its skills and expertise, can be offered to the party. The think tank legitimates the party’s policies thus helping the party to signal its credibility. Such expertise can be flagged much more publicly than in the first two approaches,

²². Andrew Blick, *The people who live in the dark*, p. 2.

especially that of the party official. Moreover, think tanks will be better able to deal with the complexity of modern policy issues: they have access to a much wider range of specialist skills than does a party.

Such an approach may generate conflict between the party and the think tank. In this case the conflict is unlikely to be between the party leadership and policy-makers but between the party membership and the outside body. Indeed, this approach may be an attractive one for a party leadership that wishes to sidestep members and generate credibility for a new programme. It is an approach that can lack political substance.

Although I have presented these three arrangements as analytical distinct, I do not wish to indicate that they are mutually exclusive. It is likely that any party will contain a mixture of officials, policy advisers and outsiders, all working on its programme. Most obviously, a combination of policy advisers and think tanks is likely both to reduce the difficulties of monitoring and to demonstrate outside expertise. Such complex capabilities can be signalled publicly, generating the kind of credibility benefits for which a party strives.

Drawing this discussion to a close, it seems probable that politicians will want policy-making to be based around the following features. First, the party bureaucracy should be small. Second, key figures will want political advisers who are specialists. Third, such advisers should be identified publicly in order to generate credibility benefits for the party's programmes. They may be appointed as much for their publicly identifiable status as for their inherent skills. (An appointment at a distinguished university might be important that direct policy-making abilities in the required field.) And fourth, the expertise of policy advisers will be backed up and enhanced by outsiders, often based in think tanks.

2. Labour Party Policy-Making: Drafting Labour's Programme 1973

Labour's Programme 1973 was published on 7 June 1973. It was the culmination of an initiative launched after the party's October 1970 conference, a response to the general election defeat of June that year. Six internal sub-committee had been established reporting to a Home Policy Committee which in turn was responsible to the National Executive Committee. A further committee, the Public Sector Study Group reported to the Industrial Policy Sub-Committee, one of the six. This nexus of committees drafted the programme. Each committee was made up of representatives of the party (from the NEC), appointments from the Parliamentary Labour Party, and outside specialists. Members of the Transport House research staff serviced them.

It is striking, however, that throughout the period in which *Labour's Programme 1973* was prepared members of the NEC and the PLP were marginalized. It was the members of the research department and the outside experts who provided the lead in terms of programmatic commitments contained within it. Why were members of the parliamentary leadership so ineffective in shaping this process? Out of power they were deprived of civil service support. Yet frontbenchers had a full range of responsibilities within the House of Commons and Westminster that took up much of their time. In 1972 Denis Healey took over as shadow chancellor, taking on the economics portfolio, he did so as a foreign affairs specialist whose experience was as Secretary of State for Defence. By contrast, the research staff had more time to

develop research: they were no longer meeting the mundane requirements of ministers.

The attendance of many MPs at committees was poor. Tony Crosland, the party's foremost theorist and a leading frontbencher was co-opted onto the Industrial Policy Sub-Committee but in two years he made under half its meetings. Roy Jenkins did little better at the Finance and Economic Affairs Sub-Committee. It may well be the case that they failed to acknowledge the importance of internal policy-making. David Lipsey, Crosland's researcher, remembered him as holding 'a degree of contempt for those committees.' Arguably, at any rate, parliamentarians were insouciant and complacent, disorganised and arrogant in their approach to policy-making.

Aside from resource constraints, MPs were hindered by the membership of these committees. Important members of the Transport House staff, Terry Pitt, the party's research secretary and, Ron Hayward, its general secretary, pretty much determined appointments to them. Terry Pitt gave a leading role to Geoff Bish a party official; in turn Bish involved Stuart Holland, an academic, in the work of several committees. Other specialists were drafted in: most were leftwingers whose views were at odds with those of the parliamentary leadership. In any case, noteworthy fissures had emerged during Labour's term in office between 1964 and 1970. Frequently ignored by the administration then, research staff had become disenchanted with Labour's legislative approach. Accordingly, individuals, whose prevailing outlook was detached from that of the Labour leadership, came to dominate the committees. The lack of input of parliamentarians had significant consequences for the kind of policies adopted by Labour. Far from the party enjoying a consensus over policy matters, a variety of conceptions of social democratic politics were articulated.

The result of this configuration was a policy-making process in which the party's parliamentary leadership was peripheral. Pitt mapped out a wide remit for the Industrial Policy Sub-Committee: in effect it was able to dominate a wide range of economic issues. More moderate, limited perspectives were sidelined.

It is manifest that Labour's policy-making process between 1970 and 1973 does not conform to that laid out by Robert McKenzie. There was no strict hierarchy. Far from it, officials and experts together with a few leftwing MPs were able to draft a programme packed with commitments at odds with what the parliamentary leadership intended it to contain. For all practical purposes, the parliamentary leadership was impotent in this process. Stuart Holland produced a steady stream of drafts outlining dirigiste proposals for public ownership and planning. His drafts fed directly into the final version. Some meetings of the Public Sector Study Group were attended by as few as two co-opted members together with a member of the research staff.²³ Yet this body drafted the substance of Labour's proposals for public ownership. Lipsey remembered, 'party policy was drawn up by a dozen enthusiastic leftwing people, the research department and a few intellectuals.' One scholar concluded, 'a small group had captured key policy-making institutions at transport house and foisted doctrinal policies upon the party.'²⁴ Ben Pimlott, Harold Wilson's biographer, argued,

²³. Public Sector Group minutes, 2 May 1972 and 15 March 1973.

²⁴. George Jones, 'A Left House Built on Sand', *Socialist Commentary* (November 1978), pp. 12-13, p. 12.

'Labour's drastic proposals had much more to do with the single-minded zeal of a few individuals on the NEC Home Policy Committee and the leftward drift of an uncomprehending Labour Movement, than with any newfound faith in a planning panacea among policy-makers in general.'²⁵ Labour elaborated a comprehensive programme but the party's leadership was unable to resolve its contents.

By the time members of the shadow cabinet learnt about this programme it was too late. In the spring of 1973 Crosland offered some ineffective resistance. At a joint meeting of the shadow cabinet and the NEC on 16 May 1973, nearly every parliamentarian spoke against the substance of the proposals. They concluded significant emendations would be made. Instead, either unwilling or unable to intervene on a process that had considerable momentum by this stage, the NEC agreed the draft without major alterations and a few days later *Labour's Programme 1973* was published. Fratricidal conflict over policy became public. Venomous disputes persisted for the next decade or so. In 1976, James Callaghan Labour leader and prime minister, was reported as calling the research department 'a disgrace'.²⁶ In that year and in 1982, the party published comprehensive programmes. In the case of each there was a clear fracture between the views of the parliamentary leadership and those contained in the new documents.

Labour Party Policy-Making: the Policy Review

In May 1989, Labour published *Meet the challenge, make the change*. On the face of it there are some similarities with the process by which this document was drafted and that used for programmes produced in the 1970s and early 1980s. Once again, the party relied on a network of committees onto which outside experts were drafted. The similarities are, however, extremely superficial. Under Neil Kinnock's leadership, following Labour's catastrophic 1983 general election defeat, important changes were made to the party's policy-making structure. Those changes were consolidated and furthered after another electoral reversal in 1987. Kinnock was scathing about the policy-making process that he had inherited on becoming leader in October 1983.

The committees that drafted *Meet the challenge, make the change* were smaller than previous ones and contained fewer outside specialists. The committees consisted of members of the NEC and the shadow cabinet: accordingly parliamentarians were there as of right and not purely co-opted onto them. They enjoyed an enhanced status and a greater capacity to participate: they took involvement more seriously than in the recent past. The research department remained important and indeed there was a continuity of personnel with the 1970s: Geoff Bish remained as director of research. But the leader's office that serviced Kinnock was vastly expanded in size. A member of Kinnock's staff attended each committee and was able to exercise considerable influence upon its deliberations. They were able to monitor the proposals that emerged. At the same time, the party's research staff was reduced in size and scope of tasks. Members of the shadow cabinet directly supervised the work of a new Economics Secretariat which was relocated to Westminster. Reducing the input from the party's centralised bureaucracy, MPs took a direct role in the appointment of these staff. On several occasions, they relied on a loose network of economists based around Oxford.

²⁵. B. Pimlott, *Harold Wilson* (London: Harper Collins, 1992, p. 665.

²⁶. *The Guardian*, 28 May 1976.

For much of the 1980s, two economists, John Eatwell and Henry Neuburger, were based in the leader's office. Eatwell, A Cambridge university don, was especially important in drafting speeches and in shaping Kinnock's outlook. The final version of Labour's policy review owed much to him. In a marked break with the nationalistic interventionism that had characterised party policy in the 1970s and 1980s, it emphasised a European outlook, in which a Labour government would work with the market, seeking to correct failures, as and when, they occurred. This approach owed much to the views contained in Andrew Shonfield's 1965 classic *Modern Capitalism*, a volume that had had much influence on Eatwell and upon Andrew Graham, an Oxford economist who advised John Smith, the shadow chancellor. In late 1989, Eatwell was also directly involved with the party's decision to endorse the European Exchange Rate Mechanism and to prioritise low inflation as the central objective of economic policy.

Several important contrasts can be drawn concerning Labour's policy-making between the 1970s and the late 1980s. The party leadership made some important changes to its policy-making structure. They reduced the size of the party's bureaucracy and they increased the number of political advisers. They brought in specialists to work with the party leader and with other key figures. These advisers focused on particular portfolios and were closely associated with particular politicians. Most obviously, Eatwell worked not for the party per se but directly for Kinnock.

The result of this alignment was that monitoring policy outputs was less problematic than during the 1970s. The party adopted a series of policy commitments that reflected the desires of the leadership. As an attempt to signal the credibility of the party's programme, however, the policy review was not entirely successful. Some aspects of the review were well received by the press and by the electorate. Doubts remained about other elements, most notably the party's capacity to control public spending and limit taxation levels.

Labour's use of specialist advice was not unproblematic. On occasion, advisers clashed, albeit for the most part in private. Thus, after 1989, Eatwell became embroiled in disputes with Neuburger, who by this stage worked for, and was closely associated with Bryan Gould, shadow secretary of state for trade and industry. A more serious episode occurred at the party's 1989 conference. A group of academics and specialists had helped Gould work on the party's industrial strategy. Their proposals were published as a pamphlet in which Neuburger and Malcolm Sawyer, another economist, indicated that relatively low inflation was not intolerable. Although economically defensible, the claim was injudicious for those in the party leadership who wished to establish Labour's anti-inflationary credentials. *The Sunday Times* ran the story as front page news and the BBC repeatedly pressed John Smith, as shadow chancellor, about it in an extended interview, much to his obvious discomfort. He disowned the argument: 'I explicitly disavow it here and now.' When the pamphlet was republished as a book, the comments on inflation were emended. Even so at least one frontbench spokesperson tried to prevent publication. On this occasion, academic advice failed to generate the kind of credibility benefits to which the party aspired. Far from it, the economists' signals, whilst economically coherent, proved to be politically problematic.

2 (c) Labour Party Policy-Making: Shaping New Labour

Between 1994 and 1997, Tony Blair and Gordon Brown recast and repackaged Labour. As part of this process further changes were made to the party's policy making procedures. The policy review committees were streamlined and downgraded in importance. The leadership established a new policy forum with a new policy committee. In practice, however, much of the focus for policy-making came from set piece speeches given by Blair and Brown. These speeches gave clear signals about the party's intent once elected to office: their contents fed directly into party documents. The research department was further downgraded as part of this process. At the same time the leaders' office and that of Brown as shadow chancellor were bolstered in size and influence.

Blair and Brown each had economists working as advisers during the run-up to the 1997 general election. Blair appointed Derek Scott, whilst Brown took on a Financial Times leader writer, Ed Balls. These advisers had a significant impact on the party's policy proposals.

For the most part, Blair took relatively little interest in economic policy. He gave one major speech, however, on the subject, the prestigious Mais lecture in May 1995. Drafted by Scott, the speech was significant in mapping out an uncompromising anti-inflationary strategy as the foundation for Labour's economic approach. Brown gave a string of speeches over this period, containing a range of proposals and commitments. On entering office in May 1997, he then sprung a major surprise by making the Bank of England operationally independent as his first decision. Just before joining Brown, Ball had laid out his views on Bank independence (which he favoured) and other economic issues in Fabian pamphlet: one commentator calls it an 'essential tract'.²⁷ Peston concludes that Balls 'deserves as much credit – probably more – than anyone else for the creation of the modern Bank of England.' This decision is not the only one that can be directly attributed to Balls' influence: other commitments include the use of fiscal rules in the conduct of policy and the emphasis laid on transparency. Peston quotes one of Brown's colleagues, 'He sensibly does not get drowned in the detail; he thinks strategically. The technical stuff is for Balls, Ed takes the nitty-gritty off him, relieves him of the minutiae.'²⁸ Another of Brown's biographer's comments, 'Most importantly, Balls was prepared to undertake the grind to produce the fine economic detail that was beyond Brown's experience.'²⁹ Balls also shaped the general discourse within which Labour's economic measures were discussed: his outlook, very much that of a conventional new classical economist, emphasised the importance of transparency and credibility in policy, issues previously little associated with social democratic programmes. In office this capacity to mould broad policy debates transmogrified into a gate-keeping role: 'Ed has had important intellectual input in key policy', argues Robert Chote of the Institute of Fiscal Studies, but more than that, 'officials have learned to treat him as a the gateway to the chancellor.'³⁰

The appointments of Scott and Balls acted as important signals. Derek Scott's attachment to Labour was delicate: an adviser to the Labour government he had left

²⁷. Robert Peston, *Brown's Britain*, p. 118.

²⁸. R. Peston, *Brown's Britain*, p. 111.

²⁹. Tom Bower, *Brown*, p. 104.

³⁰. Quoted by Laura Barton, 'Can I count on your vote?', *The Guardian*, 29 April 2005.

the party in the early 1980s as it shifted leftwards. By the early 1990s, he worked in the City. Blair's decision to employ him in this regard was intentional, aimed at reassuring financial institutions about Labour's modesty and probity: one of the Labour leader's biographers comments that Scott was 'deliberately chosen from the City rather than academia, in part to give a clear message.'³¹ The choice of Balls was equally significant. Oxford and Harvard educated, he came to enjoy a high profile as an economics adviser, signalling the credibility of Brown's proposals. A *New Statesman* profile at the end of 1996 stated, 'Brown needs a professional economist who goes out into the academic community and can drum up ideas and put them into formal policy-making.'³² Within months of coming to office, and being appointed as Brown's economic adviser, Balls mapped out Labour's economic trajectory to a group of professional academic economists in Edinburgh. Though given under Chatham House rules, Balls revised and published it, an indication of his public position as a key architect of New Labour's stance on these matters.³³ A plethora of other public speeches followed until he stood down as Chief Economic Adviser in the summer of 2004.

In 1999, after being in office for a couple of years, Charlie Whelan, Brown's press secretary resigned 'after he became a public figure in his own right ... When spokesmen become as famous as the people they represent, it's time for them to go.'³⁴ The contrast between Whelan and Balls is striking. I am not suggesting that Balls is as recognised as Brown: he is however manifestly a public figure whose status represents as indication of the legitimacy of Labour's economic approach. At a seminar in Downing Street around that time, Larry Summers, Treasury Secretary in the Clinton Administration, heaped public praise on Balls to a audience including financial journalists. A profile of Balls campaigning during the 2005 general election gives an telling anecdotal account of his status. Dictating a press statement, he says 'Are you going to do that as a Gordon quote? You can do that as a me quote if you like.'³⁵ There can be few first time parliamentary candidates whose views might be of similar interest to those of the Chancellor.

In the run-up to the May 1997 general election, Labour also made use of think-tanks in shaping its policy outlook. In particular the Institute for Public Policy Research had been founded in the late 1980s to act as a kind of leftwing centre for policy development. On a couple of occasions it served as the basis for research initiatives, the Borrie Commission on social justice and the Bain Commission on wealth creation. Both provided a useful way for the Labour leadership to by-pass the traditional centres of power within the party and to get contentious and difficult proposals taken seriously.

Conclusions

Over the last quarter of a century the British Labour party has re-cast its policy commitments, especially concerning economic policy, in a dramatic fashion. Such reformulations have owed much to shifting currents of political power within the

³¹. Anthony Seldon, *Blair*, p. 240.

³². *New Statesman*, 1 November 1996.

³³. Edward Balls, 'Open Macroeconomics in an Open Economy', 22 October 1997.

³⁴. R. Peston, *Brown's Britain*, p. 89.

³⁵. Quoted by Laura Barton, 'Can I count on your vote?', *The Guardian*, 29 April 2005.

party, to different perceptions of electoral alignments and their import, and to varied ideological visions. However, I suggest that the party's research staff and outside specialists have shaped much of the detail of the economic programmes mapped out by the Labour party in this period. In each of the three cases I have examined, economists working with party staff offered a significant input. Stuart Holland, together with Terry Pitt and Geoff Bish, mapped out an interventionist agenda of nationalisation and planning that defined Labour's outlook between 1973 and 1983. John Eatwell, again with Bish and other economists based in the party, offered Labour an Europeanised approach of selective interventions to correct market failures. And Ed Balls detailed a strategy based on the importance of credibility and transparency in the conduct of economic policy. These were specific proposals; each also shaped a more general discourse. With Eatwell and Balls, Labour also sought to offer signals about the credibility of its policy.

I am not unaware of the difficulties in demonstrating the importance of economic advisers and research staff. The evidence is ambiguous: interpreting such data is not straightforward. But identifying other potential sources for Labour's transformation is equally problematic. The key technical features, the minutiae, of New Labour's economic outlook - a commitment to rules, the prioritisation of low inflation as the central goal of policy, the adoption of a series of microeconomic measures to secure improved productivity - do not reflect manifest ideological commitments. Far from it, Labour's ideology is too diffuse to explain this kind of policy detail. Nor does this programme reflect electoral constraints because voter preferences do not offer a detailed guide to policy decisions made by the party. To be sure, Labour was forced after successive electoral defeats to adopt new policies. But the experts advising the party shaped those measures. In this way, previously non-social democratic measures, such as the importance of tackling inflation and adopting rules, were adopted. To neglect the changing role of officials and advisers, would result in a distorted perspective regarding policy making and a misguided stance on the kind of party New Labour has become.