Southern Discomfort

by Giles Radice
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Introduction

'We seem to be having an endless recession.'
'If you lose your job, the chances are that if you get another, it'll be longer hours and smaller wages.'
'We're living off savings and I just don't know what we'll do the month after next.'
'People can't afford eye tests and dental checks. It's like before the NHS when people couldn't afford to get better.'
'We live in a more violent society.'
'We used to have school books for everyone. Now we have sponsored swims for basics.'

These are not Labour voters speaking. They are the responses of Tory voters in the key South-East marginals. As such, they demonstrate only too clearly the scale of Labour's election defeat and the mountain which it still has to climb. For although these voters are clearly dissatisfied with many aspects of Tory Britain, they were still not prepared to vote for the Labour Party.

Labour suffers from a crippling political weakness in Southern England. Although Labour did relatively well in London, it still holds only 10 seats out of 177 outside London and south of a line from the Wash to the Bristol Channel - a marginal improvement compared to 3 in 1987, but still a very disappointing result. Even including London, it won a mere 45 out of the 261 seats in Southern England.

It is, of course, true that there were other regions where the party failed to capture its target seats, including the North West, the East Midlands and Yorkshire. But Labour has a substantial presence in those parts of Britain and remains the largest party in Scotland, Wales, the North East and the North West. Furthermore, there are not enough extra seats to be won in these areas to guarantee a Labour victory. Labour cannot win without doing better in the South. In several ways the key to a Labour victory lies in the South. The Southern part of England has well over a third of the total number of seats in
Great Britain - and the number is likely to increase following the Boundary Review. What is even more disturbing is that those marginal seats where the Labour Party did badly outside the South tend to be constituencies with 'Southern' characteristics - that is to say they have a suburban location, high home ownership, and an above average population of white-collar and skilled manual workers. This suggests that Labour's 'Southern' problem is more than geographical. It is also associated with social change. In other words, if there is ever to be another Labour victory, the party must respond to underlying shifts in popular attitudes which have already taken place in the South but which are now beginning to occur elsewhere.

This pamphlet is a study of political attitudes in five marginal constituencies in the South East which Labour failed to win at the 1992 election - Gravesham, Harlow, Luton South, Slough and Stevenage. It has been conducted at two levels; first, through interviews with party members, candidates and local journalists; and secondly, through a qualitative survey of 'wavering' Tory voters. I am grateful to the Rowntree Trust for giving me a grant which has enabled the Fabian Society and me jointly to commission a qualitative survey by GMA Monitor Limited (the full findings of which are available from the Fabian Society, price £15). I would like to thank Deborah Mattinson and Rachel Nobes for their valuable work. David Cowling, Peter Kellner and David Lipsey for their wise advice, and Simon Crine and Stephen Tindale at the Fabian office for their sustained assistance. Once again, I am indebted to Penny Cooper for her excellent research contribution and to Gillian Jacomb-Hood for her skill with the word processor.
Labour's 'Southern' problem

Labour's weakness in the South is well illustrated by the following figures. In October 1974 when the party last won an overall majority (albeit a very small one), Labour held 80 seats south of a line from the Wash to the Bristol Channel and 29 seats outside London.

In April 1992 the party won only 45 seats in this area and only 10 outside London. In the South East, outside London, the Labour Party is in an even weaker position. In 1992, it won only 3 seats in the region, capturing only 2 of its 10 target seats. The detailed comparative figures for the South East for the April 1992 and October 1974 elections confirm just how far the party's electoral fortunes have deteriorated. In 1974, Labour won 17 seats in the region; these comprised four in Hertfordshire, three each in Essex, Hampshire and Kent, two in Bedfordshire and one each in Buckinghamshire and Oxfordshire. Now the party holds one seat each in Essex, Hampshire and Oxfordshire - and none at all in Hertfordshire, Kent, Bedfordshire and Bucks. Labour's decline is particularly striking in Hertfordshire, where most Conservative MPs have large majorities and only Stevenage is now considered as a genuine marginal. Taken as a whole, the South East (excluding London) has become one huge Tory safe seat, with the Tories getting 55 per cent, the Liberals 23 per cent and Labour only 21 per cent.

In the post-election Fabian Review, The Fourth Defeat, the Labour candidate for the Hertfordshire constituency of Hertsmere, David Souter, wrote of the disappearance of 'a Labour voting culture' in the county, while Anthony King in The Daily Telegraph described how a combination of distrust of Labour and changing social and economic conditions had broken the habit of voting Labour in the South East. The Labour Party has itself recognized that social change is a crucial factor in Labour's decline. A report produced for the Shadow Cabinet and the NEC after the 1987 election warned that, while Labour's traditional support in manufacturing industry, in trade unions, among manual workers and on council estates was being eroded, the Conservative 'core' amongst white-collar workers, those not in unions, and home owners, was expanding. One estimate of the 'natural' level of support in 1987 (that is to say the level of support that might be expected from underlying trends) was about
39 per cent for the Tories and only about 35 per cent for Labour. During the nineties, these underlying social and economic trends are likely to continue to work to the advantage of the Tories.

Nowhere are these unfavourable trends to Labour more obvious than in the South. In the South East (outside London) owner occupation is the highest in the country. Fewer work in manufacturing and more in financial services than in any other region. There are more white-collar employees and more qualified workers. Despite the recession, it remains by far the most prosperous part of the country, with the highest income per head, more dishwashers, telephones and video recorders. Over a third own shares.

The recession has hit the South East hard. The collapse of the housing market has led to thousands of reposessions and to hundreds of thousands owning homes less than the value of their mortgages. The slump in construction and the shrinkage of the financial sector has resulted in unprecedented unemployment in the South East, with the latest figures rising above those of the East Midlands. Southerners also complain of education and health service cuts, rising crime figures, and of an overcrowded and often polluted environment. Yet, despite being hit worst by the recession, the South East (outside London) returned 106 Conservative MPs out of 109 at the 1992 election, a position which could even be consolidated by the Boundary Review.

**Why did Labour fail in 1992?**

To help find out why Labour did not win more seats in the South East, I interviewed party workers and candidates and local journalists in five marginals (Gravesham, Harlow, Luton South, Slough, Stevenage), which Labour failed to gain. At first glance, all these constituencies appeared highly winnable. Though there were some of the symbols of a reasonable standard of living such as extensive owner occupation, a high level of car ownership, and good quality shops, these seats were not the affluent 'blue chips' of the Tory heartlands. Four out of five had Labour councils. There were obvious signs of recession - 'to let' notices in the high streets, rising unemployment, families finding it difficult to make ends meet. Indeed, if the constituencies had been in the North, one would have expected most of them to be certain Labour gains.

Each constituency had special factors. For example, race was mentioned in Gravesham, Slough and Harlow. Harlow and Stevenage are new towns, in which many former council tenants have bought their own houses. Memories of the 1980s were strong in Stevenage, formerly represented by Shirley Williams, who left the Labour Party to help set up to set up the SDP. In Slough, a 'spoiler' describing himself on the ballot paper as the 'Labour candidate', received 699 votes, more than the 514 Tory majority.

However, despite these special factors, there was a wide degree of consensus as to the reasons for Labour's defeat. All agreed that there was a last minute swing away from Labour to the Tories - though this was probably not
so much a switch in voting intentions from Labour to the Tories as the consequence of a large number of 'don't knows' and some Liberals finally deciding to vote Tory. Experienced canvassers said they had never met so many 'don't knows'. People were scared off voting Labour because of their distrust of its general competence and its ability to manage the economy. They thought Labour would make a mess of things' said one candidate.

They detected a popular impression that Labour did not understand people who wanted to better themselves. One Harlow journalist said 'Essex man is alive and well. These are very materialistic people who will judge you entirely on the basis of tax policies. You can't be seen to be taking things away from people'. A Stevenage CLP member said 'People feel that they have grown out of Labour if they have a house and car'.

There was a general view that Labour's tax proposals had created a problem in the South because of the £21,000 threshold. 'It is an income to which many in the South aspire.' However, the party's difficulties had been greatly compounded by the barrage of propaganda in the Tory press, particularly the Sun. 'In the end most voters believed their taxes would go up under Labour.'

A majority of those interviewed also mentioned Neil Kinnock as a factor deterring waverers. In contrast, John Major was a plus for the Tories, in part because he was not Mrs Thatcher. One activist said 'People thought that there had already been a change of government - from Thatcher to Major - and so Major escaped being tarred with the recession or poll tax brush.'

Looking to the future, most welcomed the new leadership of John Smith. One candidate said 'He stands for ideals but has a reputation for being careful with money'. Another said 'Being a Scot, he should believe in Labour being the party of opportunity'. However, everybody interviewed wanted the Labour Party to pay more attention to the South. As one experienced party member said, 'the problem with the Labour Party is that all its most influential opinion formers come from the North'.

All agreed that Labour's organisation had improved considerably from 1987. However, there was a consensus that Labour should do far more telephone canvassing. 'We never saw the Tories - they were always on the telephone to the floaters.' One candidate made the interesting suggestion that as well as targeting marginals, constituencies in the same area should be grouped together. 'Grouping constituencies around a marginal will help build up a more widespread habit of voting for the party. Labour has to become more visible again in the South East'.

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Why waverers did not vote Labour

It is not sufficient to consider only the views of local party activists. Labour’s problems need to be looked at through the eyes of the actual voters whose support Labour needs to gain if it is to win the next election.

That is why we commissioned a qualitative survey of voter attitudes in the same five South East marginals. This section presents a brief portrait, based on that research, of ‘wawering’ voters in these five marginals. These voters are drawn from the white collar and skilled manual groups – in the jargon of the pollsters, the C1s and C2s. Labour has a big lead amongst the DEs – the unskilled and those living on state benefits. But this group amounts to only 32 per cent of the electorate. It is the C1s (25 per cent) and C2s (26 per cent) who not only represent the majority of the electorate but are also the crucial swing voters whose behaviour decides the outcome of the election. According to the ITN exit poll in 1992, Labour is still doing badly amongst the C1s and C2s. Its 1992 share of both groups was lower than in 1979 (1 per cent less among the C1s and 3 per cent less among the C2s). The section tries to explain why so many of them ended up by voting Conservative.

The interviewees chosen had all voted Conservative but had seriously considered voting Labour. They were all in the 25-50 age group and all had children. Interviewees were asked to carry out a written ‘trigger’ session (a word association technique where they recorded their reactions to the words ‘Labour’ and ‘Conservative’) and to record their spontaneous thoughts on the best and worst aspects of both parties. They were shown written quotes, as prompts, such as ‘opportunity for all’ or ‘equality for all’ which were discussed. They then discussed issues such as education, taxation and the economy. Finally they described what they felt the next five/ten years might hold for themselves and for the country.

The key point about these ‘waverers’ is that they consider themselves upwardly mobile. They want to improve the standard of living and quality of life for themselves and their families. They are Britain’s ‘aspirants’.
Typically, the men are employed as engineers, electricians, printers, salesmen, retail managers, clerks, painters and decorators and plumbers. The women, most of whom go out to work, many part-time, are employed as shop assistants, typists, receptionists and hairdressers.

The majority of them own their homes, many through ‘Right to buy’ schemes. Home ownership is a potent symbol of their aspirations and achievements. It’s what you would dream of, having your own place, you think I’m doing really well, my own house, nice furniture, little garden, and all that.’

Their life styles are home and family orientated. ‘The family’s my hobby really’, said one man. Gardening and DIY come top of their list, while sport and keep fit activities are also popular. Significantly, the most popular newspaper is the Sun, though often with a qualification. ‘Just for a laugh really’. Women are much less likely to buy or read a daily paper, though they read women’s magazines. Men watch sport, quiz and news programmes on TV; women prefer ‘soaps’ and popular drama. Those that read books regularly are likely to read thrillers, romantic or ‘raunchy’ novels. In the last few years most holidays have been taken in Britain.

Crucially, many no longer consider themselves to be ‘working class’. ‘In a way, we are not working class any more.’ The main reason for this change is that they believe that ‘class’ no longer has much relevance to their own lives. They believe that they have ‘got on’ by their own efforts and not with the aid of a group or class. Indeed, for many ‘the working class’ represents a past from which they have escaped.

Hopes and fears

All those interviewed believed that their personal circumstances had improved considerably over the decade. Increased wages and home ownership were mentioned by many. ‘Five years ago we were doing well - in work, had a good job, moved into another house - couldn’t look back, we were just going forward all the time.’ But most also thought that things had got much worse for them in the last few years. ‘We are now going backwards.’ The mood of almost all the interviewees was insecure, almost fearful. Recession had hit many hard. A large minority in each group had experienced unemployment at first hand. ‘I’ve applied for 220 jobs since I lost mine in March - along with the other thousands.’ Even those in work were concerned that they might become unemployed. ‘There’s always that fear at the back of your mind.’ Others complained about working longer or less social hours for less or the same pay.

The high cost of servicing a mortgage is adding to their worries. ‘We all fell into the trap of borrowing easy money - now we’re paying for it and it’s very hard.’ As a consequence of these financial pressures, many had not been able to afford a holiday. ‘With the mortgage and everything, it was just too much.’

Looking ahead over the next five years, most had scaled down their ambitions. Instead of expecting continuing improvement in their personal
fortunes, they would be happy to maintain the status quo. 'I don't necessarily want to be better off, to improve myself... the main thing would be to keep my present standards - not to drop down.'

Their recent experience has profoundly affected their view of how Britain has changed over the last decade. Their attitude is highly critical. They referred specifically to the recession and unemployment, under-funding of the NHS and education, repossessions and homelessness, and an increase in personal debts. More generally, they maintained that people were 'more aggressive', that society was 'more greedy and violent' and there was too much 'dog eat dog'. Positive comments, which had often to be prompted, included home ownership and the 'right to buy', lower inflation, decline in the power of the unions, the return to basics in education and the fact that now 'people are individuals'.

Their attitude to politics and politicians is usually sceptical. The women tend to express less interest in politics than the men. 'I'm paying more attention than I used to, but I still feel very naive about politics'. There is a common view that most politicians 'were in it for themselves' and spend too much time bickering. 'They scream at each other in parliament - and that's our future they're talking about.'

Some, mostly women, believed that the answer was to have more women in parliament. Others favoured a coalition government 'just for a few years, to get us out of this mess', while a few supported the use of more referenda. 'Otherwise you're stuck with them for four or five years - they can do anything'. However, there was an acceptance that the country had to have politicians. 'Somebody has to do the job - and at least we can turn them out.'

Political values

One of the most revealing aspects of the survey was the reaction to a number of political statements presented to the interviewees. As well as an overall cynicism about the language used by politicians, the response showed a rejection of what they perceived to be some of Labour's core values, particularly equality of outcome, and support for ideas which, over the last decade, have come to be associated with the Conservatives.

The statement 'equality for all' provoked derision. 'Rubbish - bloody rubbish.' The aim of equality, defined in terms of outcome, is perceived as impossibly idealistic, as well as probably undesirable in practice. 'It would never work in practice'. Equality is thought to be a Labour idea, as well as an example of Labour's hypocrisy. 'Labour believe that everyone should be equal - except themselves of course.'

The statement 'the way to a better Britain is to distribute the country's wealth more fairly - more for the poor and less for the rich' also met with derogatory laughter. For many, it raised questions about the deserving and undeserving poor. 'There will always be the lazy - why should we fill their
pockets?' Others felt that talent ought to be rewarded. 'I admire people like Richard Branson who worked his way up from the market stall.'

Clearly, the main objection to redistribution was that they themselves would be classed as rich. 'Whether I agree depends on whether it's my wealth they're sharing out.' All associate redistribution with Labour's tax policies. 'Why should you pay more tax if you work bloody hard - £21,000 is not a lot of money.'

There was some backing for the statement 'we need a fairer society,' though doubt was expressed about its meaning. 'Who decides what's fair or unfair?' Most perceived it as coming from the Labour party. 'Sounds like Neil Kinnock - they'd have taken from the have froms and given to the have nots.' However, some thought it could have been said by John Major. 'He's a man of the people.'

There was general agreement with the statement 'we need to recreate a strong sense of community', but scepticism about whether it was possible to achieve. 'It's inbred in people now that you have to think of yourself - not you as a team of part of a community.' Community was perceived to be a Labour idea. 'Labour would say it. The Conservatives are not community people - more high powered business people.' Disturbingly, the statement provoked racist reactions in two constituencies. 'Community in Britain is not going to work where you have a multiracial society.'

There was, however, stronger support for more individualistic values such as opportunities and choice, which were usually associated with the Conservatives. 'Freedom for the individual' was too abstract to have much resonance, though most agreed that it was a Conservative idea. One interviewee remarked 'It is obviously Conservative. The Labour party would put you in a group.'

There was unanimous agreement with the aspiration of 'opportunity for all'. This was perceived to be a Conservative value and crucially different from equality. 'Opportunity suggests to me that you are going to strive for it - it's a Tory word - equality is I can sit back and have it on a plate.' John Major means that if you want something, you should be able to achieve it. He has done it himself.' The Conservatives could claim this because they encourage house buying and setting up businesses. 'If Labour said this they would be talking about minority groups like gays and lesbians.' Few felt that 'opportunity for all' could be Labour nowadays. 'Kinnock might say it but you wouldn't believe it.'

The statement 'It will be vital to nurture talent and success' was received positively but again it was thought to be Conservative. Some saw flaws in the Tory claim 'It's not happening, even clever people from University are sitting at home'. But nobody saw this as a Labour statement. 'Labour don't use the word success - don't believe in go-getters - they want everyone to be the same.'

Statements such as 'we will protect your basic rights' or 'greater party democracy' failed to arouse much enthusiasm or interest. 'Rights' were
thought to be Labour territory if they referred to health and education and Conservative territory if they referred to individual rights. As to party democracy, one interviewee accused the Labour Party of concerning itself too much with internal party matters and too little with the affairs of the nation.

Asked where their loyalties lay, most agreed with the statement ‘my only responsibility is to my family’, though often with qualification. ‘I’ll help someone else if I have something left over.’ However, most interviewees were extremely sceptical of claims by the political parties or politicians to put ‘family values’ first.

**Party images**

Most saw Labour’s image as unappealing. When asked to put down the first thing that came to their minds about the Labour Party, the most common responses were Neil Kinnock, trade unions/strikes and high tax, followed by extremism, NHS, ‘working class’, of the past, for the poor and losers. When requested to put down the party’s positives and negatives, almost half could not think of anything positive to say. The most common positive answers of the remainder were that the party was ‘in opposition’, and its policies on health and education.

Other replies included ‘caring’, lower unemployment, ‘got their own house in order’ and ‘for the elderly’. The main negatives were taxation, strikes and unions, the past, ‘old fashioned’, and weak, while other responses were ‘lost direction’, extremism, economic mismanagement and ‘dishonest’.

In subsequent discussion, the interviewees amplified the written answers. Labour was led by unpopular politicians. ‘I could never go for Neil Kinnock.’ The party was thought to be dishonest, to make empty promises, and to rely too much on image. ‘They’d promise you the earth, but when they got in, they’d forget about it.’ ‘No consistency - Labour has switched policies, so you cannot believe what they say.’ Labour politicians wear suits because they think they ought to - to try to get you to take them more seriously. Labour was seen as weak, out of touch and ‘out of power too long’. It was thought to be economically incompetent. ‘The country would go into liquidation.’ They do not trust the people to whom Labour listens, such as the unions, while Labour local authorities are perceived as handling financial matters badly. Most fundamentally of all, the party was not perceived to offer any obvious benefits to them. ‘They’d look after the poor.’ They believed in too much positive discrimination - ‘for gays, ethnics’. Labour might be for the working class, but people don’t think they’re working class any more.

In contrast, the image of the Conservative Party was far more attractive to the interviewees. Its leaders were more popular. ‘John Major has a quiet strength.’ For some, even Mrs Thatcher remained a plus for the Tories. The Conservative Party was more realistic. ‘They don’t promise the earth.’ Astonishingly, given the impact of the recession, Tories were perceived as
competent. ‘They have got inflation down.’ Above all, the Conservatives offered tangible benefits. ‘Taxes are low.’ They introduced the ‘right to buy’. ‘Our living standards have increased.’

When asked why Labour lost the election and why the Conservatives won, their answer was clear. Despite dissatisfaction with the Tories and desire for change, the interviewees were simply not prepared to take a risk that might endanger their fragile prosperity. ‘Right up until the day I thought I might give Labour a go, but on the day I just felt I couldn’t do it - things have been bad enough for us as it is.’ Every single interviewee felt that he or she would be worse off under Labour.

‘£1,000 per family in tax - I think that’s what they said.’ They wanted better health and education services but they felt that they could not afford to pay for it. Some remarked on the paradox of arguing for improved services while not being prepared to pay higher taxes. ‘We want the earth don’t we - I mean we’re all sitting here moaning about the run down of hospitals but we don’t want to pay for them to be improved.’

Above all, there was a fundamental lack of trust in the Labour Party which allowed Tory attacks, particularly about tax, to strike home. ‘People have had it hard under the Conservatives ... we thought it would get worse under Labour.’ You wanted to believe them - your heart said Labour, but your head said Conservative.

The Major government was ‘the devil you know’ - the lesser of the two evils. On the whole, Major was not blamed for the recession which was thought to be caused either by Mrs Thatcher or by world recession. The Tories were thought to be better managers of the economy. ‘They understand business and they’ve got the City on their side.’ The interviewees trust the business men to whom the Tories listen. They also got marks for ‘telling it like it is’. And the government was thought to be ‘strong’. Above all, the Conservatives got the credit for the prosperity of the last decade. ‘I must be honest and say that we’re doing all right - pretty well really - compared with ten years ago. And none of it would have happened if Labour had got in instead.’

**How the waverers see issues**

Health and education - both ‘Labour’ issues - remain important. With respect to health, all want more beds, reduced waiting lists, and better nurses. For most, privatisation in this area is still a bad thing. ‘I wouldn’t want to live in a society where you’d have to pay for something when you walked through the doctor’s door.’ But a minority aspire to private medicine. ‘It's just wanting the best for your family.’ Labour are perceived as having the best policies in this area but there is doubt as to whether a Labour government would spend the extra money effectively. ‘They pour in money and a lot would be wasted.’ All claim that they would happily pay extra if they could be guaranteed that it was going on health and would be spent properly.
Turning to education, the interviewees want ‘no nonsense’ basics (the three Rs), discipline and smaller classes. They believe that standards are lower than before, though there has been some improvement recently. Conservative ‘cuts’ are universally unpopular: as with health, the interviewees claim that they would put up with higher taxes if the money was spent on education. There is general agreement that a Labour government would be likely to give a higher priority to education, but some suspicion that Labour politicians, and particularly some Labour councils, take a ‘sloppy’ liberal attitude to teaching and discipline.

The interviewees were asked about equality for women. There was agreement as to its desirability, but great cynicism about the involvement of politicians. They start whittering on about child care and you think ‘Oh! it must be election time.’ There was not felt to be a lot to choose between the two parties in this area - men thought that the Conservatives had more women politicians, while women thought Labour had more. One commented ‘Conservatives convey the image of successful women, Labour of campaigning women.’ Women were more in favour of ‘positive discrimination’ than men, but the consensus was that jobs should be decided on the basis of ability.

Most remain pessimistic about the economy. ‘Shops and businesses are closing every day.’ Most, especially women, are unclear on what needs to be done, though some argue for lower interest rates and incentives for industry. They still believe that, in contrast to Labour, the Conservatives are natural managers of the economy. ‘They understand money - goes without saying.’ There were some revealing answers about income distribution and tax. There is respect for the ‘rich’ (being ‘comfortable rich’ was defined as being in the £50-60,000 bracket). ‘Good for them, if they’ve worked hard and done it on their own.’ The poor are not respected - their poverty is sometimes perceived to be their own fault. ‘Some people spend their whole lives on benefit - don’t want to work.’ The interviewees felt themselves to be both rich and poor - rich enough to own their homes, poor enough to be ‘struggling to survive’.

All agreed that taxes were a necessary evil, though few understood the details of the system (such as banding, national insurance, etc). Significantly, many favoured indirect rather than direct taxes. ‘Then you have a choice - you can spend if you can afford it.’ The idea of hypothecated taxation also received support. ‘I thought it was a good idea when the Liberals said they’d put on an extra penny just for education.’ Health and education were the top priorities for increased spending. Child benefit and pensions were far less popular. One woman said ‘I don’t see why the state should pay me to have children.’ There was also support for means testing. ‘It should go to the people that really need it.’ All perceived Labour to be the party of high taxation and, despite the Shadow Budget, believed that they would lose out financially under Labour.

The ‘aspiring’ voters of the South thought about turning the Tories out, because they felt ‘insecure’ and dissatisfied with the state of the economy and
with the health and education services. But, in the end, they could not bring
themselves to vote Labour, because they feared that it might make things
worse. For them, the Conservative party was the lesser of two evils. A Luton
journalist summed it up best. 'They did not want to rock the boat by opting for
an uncertain future. If Labour got in, someone might pull the rug from under.
People were really frightened - they didn’t want to do anything to upset the
basic equilibrium of their lives'.

They did not trust the Labour Party. While they perceived Labour as ‘caring
and fair’, they do not believe the party is capable of running the economy. Even
more important, they do not believe that it understands, respects or rewards
those who want to ‘get on’. Far from encouraging talent and promoting
opportunity, Labour is seen as the party that is most likely to ‘take things
away’. From the perspective of the aspirant voters, voting Labour is simply
not ‘in their interests’.

The message of the survey is that if Labour is serious about assembling a
winning majority, it has to take into account the aspirations and interests of
these crucial groups of potential ‘swing’ voters. It cannot afford to rely simply
on its ‘core’ voters because there are not enough of them. Labour must win the
support of more of the C1 and C2s if it is ever to achieve power again.

This will be a difficult but not impossible task. The ‘aspiring’, both from the
South and elsewhere - those who have bought their own homes, invest in
personal pension schemes, may own shares, may not belong to unions and live
outside the big conurbations and industrial centres - do not trust Labour. But
they are not committed to the Tories either.

After all, many of them seriously thought about voting Labour, some even
going as far as the polling booth before making up their minds to vote Tory.
They remain worried and insecure about their future. The point to understand
about these voters is that they judge political parties by the benefits - both
actual and potential - which those parties offer themselves and their families.
It is up to Labour to convince them.
What Labour must do

Analysis of the unfavourable social trends, outlined in Part 1, and the hostile attitudes to Labour revealed in the survey in Part 2, could lead to the pessimistic conclusion that the party can never win.

After the 1992 election, the late Peter Jenkins asked in The Independent 'If Labour could not win an election in such uniquely favourable circumstances, against a government self-condemned to fight at the bottom of a business cycle, then when in heaven's name could Labour ever hope to win?' Jenkins' judgement was that 'Labour lost because it was Labour' and that, because it could never adapt sufficiently fast or fully enough to social change, the party was destined to go on losing.

One of Neil Kinnock's most valuable legacies to his party is that, in contrast to the early 1980s, he has given Labour the will to win. Lack of power is not only deeply frustrating and ultimately corroding for politicians. Most important, it also means that Labour is unable to improve opportunities for all or help the poor. And without power, or its prospect, Labour's raison d'être will gradually disappear. As happened with the French Communist party, perpetual opposition will sentence Labour to terminal decline. It will also condemn Britain to being a virtual one-party state, with, as in Japan, the right always in power at national level.

However, not many Labour MPs or supporters fully understand just how radically the party has to change if it is to win power again. The comforting idea that the 35% of the popular vote which Labour won on 9 April was a stage on the road to inevitable victory, an 'Everest half-climbed', and that 'one last heave' will somehow get John Smith to 10 Downing Street, ignores the underlying social and economic realities. The unpleasant truth which has to be faced is not that Labour underpolled in 1992 but rather that 35% represented a result close to the best that today's Labour Party, even after Neil Kinnock's reforms, and even one led by the authoritative John Smith, can ever achieve.

This does not mean that there is some inexorable 'iron law' of politics which prevents Labour from winning. But it has to take into account the hopes and interests of the 'aspiring' groups of voters, particularly in the South. More fundamentally, it has to decide what it stands for. Under Neil Kinnock's
courageous leadership, Labour abandoned a number of unpopular and out-dated policies. But it failed to put forward an effective alternative to the Tories. By the next election, it has to present a positive and confident message which is in tune with the times. This will involve profound shifts in image, policies and organisation. In short, the Labour Party will need a new identity.

The party of the individual

The new Labour Party must show that it stands for the freedom of the individual. As our research shows, it is still too identified with groups. It is thought to be the party which, as one respondent said, would ‘rather group you together’.

Labour cannot afford a class approach. The ‘aspiring’ voters do not consider themselves to be working class. Certainly Labour needs to retain and if possible increase its share of the manual working class voter. A sizeable minority of manual workers, particularly in the south, vote Conservative. But, while keeping its working class base, it will also have to widen its appeal to other groups, especially the ‘aspiring’ voters. Significantly, this is precisely the course that Labour has always followed when it has won elections. In 1945, 1964, 1966 and 1974, Labour won because, at the same time as rallying its traditional working class vote, it was also able to attract support across the class divide.

But rejecting a political approach based on class is not only a matter of electoral calculation. Such an approach is also alien to the party’s values. Labour works for an open society in which all individuals, irrespective of class, race or gender, are able to develop, achieve and fulfill their abilities and potential. Of course, many of those who are likely to benefit from a Labour government - whether over education, health, pensions, or jobs - are likely to consider themselves ‘working’ class. But they will be able to obtain access to better education, a better health service, high pensions and more secure employment, not because they are ‘working class’ but because as individual citizens they are entitled to basic social rights. Labour advocates not the victory of one class or group over another but a genuinely classless approach in politics and society.

Nor can Labour find salvation as a purely trade union party. It is wrong in principle for Labour to allow itself to be dominated by interest groups, however important and powerful. It should be, and be seen to be, a broad-based national party, concerned with individual rights and opportunities. In any case, with the decline in union membership, a Labour victory cannot be based on union votes alone. Of course, the party must maintain close links with the unions. It will also be essential for more trade unionists to join the party. And a large proportion of trade unionists, hopefully a majority, will continue to vote Labour. But our relationship with unions will have to be redefined.

Above all, that means reforming the party structure. The dominant position
of the unions is a product of the party's history. Most parties of the left in European politics have some kind of relationship with the unions. But, in contrast to Labour's trade union-dominated federal structure, most continental Socialist parties are individual membership parties in which the trade unions have no formal position. The NEC's recently established trade union review committee must come forward with far-reaching proposals so that the party's decision-making can in future be based on one member, one vote. In this way, Labour will be demonstrating that it is a democratic citizens' party.

As our research shows, Labour should also beware of being perceived as being exclusively concerned with minority groups. Of course the party should be committed to equal rights and be firmly against discrimination. But Labour will never be able to ensure a fair deal for minorities unless it gets the support of the majority. The problem with an aggressive 'minorities' strategy is that it turns off the majority and is, therefore, against the best interests of those it seeks to assist.

Nor, in a 'two thirds, one third' society in which the majority of the population has a genuine stake in society, can the Labour party afford to be solely the party of the poor. Of course the Labour party must continue to campaign against poverty. But, if Labour is materially to assist the 'have nots', it has to gain power; and it can only achieve power if it obtains the support of a significant section of the 'haves'.

**Against vested interests**

Labour must be the party which, as Tony Blair wrote in *The Fourth Defeat*, 'stands up for the individual against the vested interests that hold him or her back, wherever they are'. This is a potentially radical and rewarding definition, which not only reminds us of the deficiencies of many of the private centres of power, but also forces us to re-examine our own ideas about the state.

Labour should be the party that campaigns against monopolies, including the monopolistic professions. It should speak up for the consumers everywhere, for example over the often grossly inadequate financial services which the banks and the City institutions provide. It should also question its own vested interests, particularly in the unions, when it thinks they are wrong.

Traditionally, Labour has been the party of state intervention and the welfare state. There has been much in that tradition of which we can be extremely proud, including, of course, the National Health Service. But too often the Conservatives have been able to portray Labour as unthinking defenders of inefficient bureaucracy at a time when, as our research shows, a more prosperous electorate wants not only more effective services but a more varied set of choices. It is a serious criticism of the Labour Party that John Major was able to get away with the claim that the Citizens' Charter was a Conservative idea. It ought to have been more obvious that, in any clash with
state bureaucrats, Labour was on the side of the individual.

The case for common public services is still widely accepted, as our survey makes clear. And there is a general, if vague, desire for 'everyone to pull together'. But Labour is suspected of being uncritically in favour of state provision and state 'handouts'. We have to make it clear that the only valid argument for community action is to enable individuals to achieve what they are unable to achieve by themselves. The state is a means, not an end. The individual must always come first.

On the other hand, once the party has convinced voters of its 'individualistic' credentials, it is in a far stronger position to argue for the need for greater social cooperation. Britain in the 1990s will need a stronger basis of common purpose than unbridled individualism. If welfare services are to continue to meet the needs of the majority, then a long-term commitment to high quality, collective provision will be required. If the environment is to be protected, then it will have to be on the basis of community planning. A balance has to be struck between individual interest and the common good - and Labour is well placed to strike it.

Opportunity for all

Labour must also be clear about what it means when it talks about equality. Too many voters think that the party is against 'people getting on'. As one interviewee in the survey said, 'Labour don't use the word success - they don't believe in go-getters but want everyone to be the same'. Labour is thought to be about 'levelling down' rather than 'opportunity for all' - a fatal electoral handicap in a 'two thirds, one third' society.

I believe that, in the world of the 1990s, the Labour Party must stand for 'opportunity for all' rather than 'equality of outcome'. Writing in 1956, Anthony Crosland argued in his *Future of Socialism* that socialism was about equality. He was strongly in favour of 'equality of opportunity' because it would create a more meritocratic society. He pointed out, however, that in the Britain of the 1950s there could not be genuine 'equality of opportunity' without a substantial reduction in existing inequalities. He also thought that in the 'class ridden' Britain of that period 'equality of opportunity' would need to be accompanied by measures, particularly educational, to break down social barriers. Crosland made it quite clear, however, that he was not advocating 'equality of outcome', that he had serious reservations about greater equality of income from work and that 'a definite limit exists on the degree of equality which is desirable'.

Since Crosland wrote *The Future of Socialism*, there have been major social changes. The trend towards home ownership, given a substantial boost by 'right to buy' schemes for council houses, has ensured the overwhelming majority of the population a real stake. The widespread abolition of the 11 plus, the establishment of comprehensive secondary education (not yet
threatened by the Conservatives), and the expansion of higher education have helped create a more mobile society. And the enormous rise in material standards has revolutionised popular tastes and living styles. Of course, there are still gross inequalities which disfigure Britain, including large-scale relative poverty and massive inherited personal fortunes (a transfer between generations which has little economic or any other justification) to which Labour supporters are rightly opposed.

But neither in the 1990s nor at any time is it fair or practical to argue for 'equality of outcome'. Talent and responsibility must be rewarded. Incentives are needed to ensure that people work and save. Different people have different needs. Above all, there is the unacceptable cost to liberty which a literal interpretation of 'equality of outcome' would involve.

Rather, Labour must argue with vigour for opportunity for all. Labour's definition is, however, very different from that of John Major. For there to be real opportunity there must be a good deal less inequality, particularly in education - a crucial point which Conservatives almost always ignore. And Labour supporters cannot accept the continuing existence of substantial pockets of poverty, alongside vast inherited fortunes. Glaring inequalities such as these have always to be called into question because they are not 'fair'. Fairness, not equality of outcome, should be the objective.

Labour must be the party of genuine opportunity, as it was when it won the 1964 election. In 1964, it was Harold Wilson's commitment to open up education and modernize outdated institutions and attitudes which gained the Labour Party support across social groups. In 1996 or 1997, Labour must be once again the party which wants to break down barriers to upward mobility and promote chances for individual achievement and success. As Simon Crine puts it in *The Fourth Defeat*, Labour must hoist the banner of opportunity, so that 'the old coalition of self interest and liberal conscience can reassemble for another and more successful assault on the party of privilege'.

**Managing capitalism better than the Tories**

One of John Smith's main tasks over the next four years is to persuade the voters that Labour can manage capitalism better than the Tories. A great advantage which the Conservative Party has had in the last decade is that people believe, despite the contrary evidence, that the Tories understand 'business'. If Labour is to win at the next election, then it has to show that it can be trusted to run the economy.

Labour's failure to accept the market economy fully has been a major handicap. It has enabled Conservative politicians to make the voters' flesh creep by claiming that Labour's ultimate objective was to establish in Britain the kind of authoritarian and arthritic command economy which was ultimately responsible for the collapse of the Soviet empire. Its ambivalence over
the role of the market and private enterprise has also meant that Labour has found it difficult to criticize the market effectively, to develop a credible model of state intervention and to benefit politically from popular support for welfare services.

The starting point must be the admission that the market economy has been remarkably successful in bringing prosperity and that state ownership is an ineffective way of generating wealth. Both on grounds of liberty and efficiency, Labour should symbolically declare its support for the market economy. The most obvious way to do this is by revising Clause Four of the party’s constitution which still advocates ‘the common ownership of the means of production and distribution and exchange’. It would be absurd for the Labour Party to fight the 1996 election on a doctrine in which it no longer believes.

Paradoxically, once the Labour party has officially accepted the market economy, it will be in a much stronger position to reject the overwhelming claims about the supremacy of markets made by the Right. The reality is that without the intervention of government, markets would either not be able to function at all, or would work imperfectly, or would operate against the interests of the public. Government action will always be necessary in areas where the market is ineffective or has to be supplemented or guided. Even where markets work effectively, rules, regulation and supervision will be required. In short, as much competition as possible, government intervention where necessary.

Labour will also be in a better position to criticize the Tories for failing to redress the glaring weaknesses of British capitalism - the lack of investment in education and training, in research and development, and in vital infrastructure services. It will also be well placed to develop an alternative economic policy to that of a do-nothing government, which is possible even within the framework of the Exchange Rate Mechanism (ERM). This should involve using fiscal measures, especially investment in infrastructure projects, to help revive the economy.

Above all, Labour has to demonstrate to the electorate, particularly the upwardly mobile voters of the South, that it can be trusted to run the economy. As Peter Kellner has put it in The Independent, ‘Only by exorcising its historic claim of replacing capitalism can the party think, and sell, serious thoughts about how to bring capitalist prosperity to all’.

**Tax and spending**

Labour has rightly decided to put off any detailed policy changes until much nearer the next election. It is, however, important that it draws the right conclusions on policy from the 1992 election defeat, particularly with respect to the views of the crucial ‘swing’ voters.

One critical and controversial issue is tax. The three month pre-election
onslaught by the Conservatives, particularly the bogus claims that every voter would have to pay an average of £1250 extra a year in tax under Labour, undoubtedly struck home. An independent assessment of Labour’s Shadow Budget by the Institute of Fiscal Studies showed that 8 out of 10 would have been better off. Yet the ITN exit poll, which produced a reasonably accurate prediction of the final result, revealed that 49 per cent thought that they would be worse off and only 30 per cent believed that they would be better off.

It is clear from my discussions with local parties and parliamentary candidates in South East marginals that they considered that tax was a key reason why wavering voters were turned off Labour. All the CLPs cited examples of pensioners and others earning not much more than £7,000 who thought that they would pay more tax under Labour. Every man and woman in the qualitative survey felt that he or she would be worse off under a Labour government. Some had formed their opinions from misrepresentations in the tabloids, particularly The Sun.

But even when their knowledge of Labour’s tax proposals was reasonably accurate, they found the £21,000 threshold ‘too close for comfort’. Though few received as much as that, it was a figure to which many in the South East could aspire. Despite all the efforts of the Shadow Treasury team, nobody trusted Labour on spending. They believed the Tory propaganda that the commitments set out in the manifesto would inevitably lead to tax increases.

What lessons should the party learn from its difficulties over tax and the 1992 election? Some of our critics in the media (for example The Times and The Economist) urge us to abandon redistribution altogether.

This is not an inevitable conclusion. What is essential is that taxation should be ‘fair’ - that is to say that there should be a progressive direct tax structure by which the ‘better off’ should pay more in tax as a proportion of their income than the less well off. Unlike the Conservative Party, Labour believes - and should continue to believe - that the heaviest burden should fall on the broadest shoulders.

However, few in the Labour Party any longer believe that it is possible to finance benefits to the needy by ‘soaking the rich’. Denis Healey’s comment in his autobiography is apposite: ‘Any substantial attempt to improve the lot of the poorer section of the population must now be at the expense of the average man and woman, since the very rich do not collectively earn enough to make a difference.’

When the Social Justice Commission to be set up by John Smith is considering its proposals, it must stress that no group, particularly £20-30,000 earners, should be heavily and sharply penalized and that, if necessary, changes should be phased in over the lifetime of a parliament. The regional impact of taxation must also be taken into account. Despite the recession, incomes per head in the South East remain about 26 per cent higher than in the rest of the country (Lloyds Bank Economic Bulletin August 1992). This is
why tax thresholds which appear relatively generous in my constituency seem far more threatening in the South East.

Equally important, future spending commitments, if they have to be made, should be made very cautiously indeed and always with the maximum attention to electoral advantage. The increases in pensions and child benefits promised by the Labour Party at the last election probably won Labour few extra votes and, on the evidence of the qualitative survey, had little positive impact in the Southern marginals. The cost of these promises was so great that the party was forced to explain in advance where the money to pay for them was coming from. Hence the need for and the subsequent shape of the Shadow Budget.

There are some other tax and spending issues which must be considered by the Social Justice Commission. Is there any room for hypothecated taxes to pay specifically for improvements in such vital public services as education and health? The qualitative survey suggests that there might be support for this idea. And should there be an increased role for indirect taxation? Once again, the survey indicates that increases in indirect taxes are more tolerated than increases in direct taxes.

The Commission must also face up to the question of 'targeting'. Child benefit may have the advantage of going automatically to families in need. But as one woman in the survey remarked, the downside is that it also goes automatically to rich families as well. Is there now a case for relating child benefit to means, perhaps through the computerised tax system? More generally, is there not now an increasingly strong argument for integrating tax and benefits together, especially as this may provide a way round the practical and psychological disadvantage of 'targeting'?

**Housing, education and health**

Health and education usually show up at the top in poll surveys of key issues, with housing trailing behind. Judging from the qualitative survey, however, housing policy as it affects owner occupiers may well now be the most vital issue of the three for the ‘swing’ voters. Certainly worries about mortgage payments and repossessions were mentioned by many of the interviewees.

There is a message here for the Labour Party. In a ‘property owning’ democracy in which two thirds of dwellings in the UK and three quarters in the South East outside London are owner occupied, home ownership is crucial to the aspirations and ambitions of the majority of the electorate. In 1992, even a substantial majority of Labour voters were home owners (59% compared to 44% in 1979). At a time when the recession and high interest rates are causing great difficulties, there is a strong argument for giving Labour's policies on home ownership much greater saliency than in the past.

Of the other two issues, education is probably more influential than health for the waverers. This is because many of them have children in full-time
education. What they are concerned about are overcrowded classes, slack discipline and low standards. Despite the efforts of Labour's front benchers, Labour's education image is still being tarnished by a very small minority of Labour councils who are suspected of taking a 'sloppy' attitude to schooling. Clearly the party needs to put this right as quickly as possible.

There is also likely to be an advantage for the Labour Party in stressing its post-16 policies. A number of the interviewees in the survey felt that the Conservatives were not doing nearly enough to provide opportunities for school leavers. If Labour can convince people that it has a credible strategy in this area, it could conceivably become a symbol of Labour's commitment to equality of opportunity.

Health was thought to be Labour's 'trump' card during the election - and was also cited as important by the interviewees. But there is little evidence that it actually influenced their vote. Indeed, although they liked Labour's policies better, they thought that the Tories were better at getting value for money. The Labour party will rightly continue to stress the importance of the Health Service but it should not expect the issue to decide elections.

Rights and electoral reform

There is support for equal rights amongst the 'swing' voters, including the men. But the general cynicism about the motives of politicians combined with a dislike of strident campaigning and suspicion of the idea of 'positive discrimination' suggests that this is an issue which has to be handled with tact.

The way in which Labour puts the message across is as important as the message itself. The most effective means of persuading 'swing' voters that Labour is serious about equal rights is by having as many capable and sympathetic women as possible to represent the party in parliament. The style of male politicians is also relevant. Nothing alienates women voters more quickly than bombastic party spokesmen.

Southern 'waverers' show little interest or positive enthusiasm about action to protect their 'rights'. They are pleased to have the right to vote and are not convinced they need any extra protection. This is not an argument against Labour support for a British 'Bill of Rights' (for which there is an overwhelming case). But it is obvious that the Charter 88 Agenda has far more resonance in Hampstead or Cambridge than in Stevenage and Slough.

Proportional representation probably has more potential as an issue. But until the 'swing' voters acquire more confidence in the Labour party they are unlikely to vote for any change in the electoral system which is likely to lead to some kind of Labour government. That point is also relevant to the question of pacts or arrangements with the Liberals. The reason why so many potential Liberal voters turned in the end to the Tories was that they were fearful of letting in Labour. Before Labour decide whether to come to terms with the Liberals, it has to put its own house in order.
Conclusion

Despite limited gains, the 1992 election once again confirmed Labour's crippling weakness in the Southern part of England, particularly the South East.

Even more ominously for Labour's prospects, those marginal seats where the Labour Party did badly outside the South tended to be constituencies with 'Southern' characteristics - that is to say they have a suburban location, high home ownership and an above average proportion of white-collar and skilled manual workers - the so-called C1s and C2s. If Labour is ever to gain power, it has to win both more seats in the South and a larger share of C1s and C2s everywhere.

Our qualitative survey of 'waverers' voters in five of Labour's target South East marginals shows that many skilled and white collar workers are deeply concerned about the recession, fearful of losing their jobs and homes, and believe that the NHS and education are seriously underfunded. But despite their fears and insecurities, they voted Conservative in 1992 because they did not trust the Labour Party. While they perceive Labour as 'caring' and 'fair' they do not believe that the party is capable of running the economy. Even more important, they do not consider that it understands, respects or rewards those who want to 'get on'. Far from encouraging talent and opportunity, Labour is seen as the party that it is likely to 'clobber' people. From the perspective of the 'aspiring' groups, voting Labour is not seen to be in their interests.

Labour must treat the findings of our research with the utmost seriousness, especially as it confirms the findings of other surveys. These aspiring but worried people not only make up the majority of the electorate, but also represent the crucial 'swing' voters who will decide the next election. Labour cannot win by relying on its 'core' voters amongst the unskilled manual workers because there are not enough of them. It has to take account of the aspirations of these waverers and convince them that it is on their side. This will be a difficult but not impossible task. For if the 'aspiring' voters do not trust Labour, they are not committed to the Tories either. Indeed, many only made up their minds at the last minute and sometimes even in the polling booth.

But the Labour Party will only gain their support if it is prepared to make
radical changes in image, policies and organisation. Our research shows that Labour can no longer find salvation as a class or trade union-dominated party. It must be the party of the individual citizen, which not only bases its own decisions on one member, one vote but speaks up for the individual against all vested interests. As in 1945 and 1964, it must be the party of genuine opportunity, ready to break down barriers to social mobility and promote individual life chances. Opportunity for all and fairness rather than the unachievable equality of outcome should be Labour’s aim.

Labour has also to demonstrate that it can manage capitalism better than the Tories. The symbolic act of rewriting the outdated Clause IV (iv) of the party constitution should assist the party to criticise more effectively the market economy’s many shortcomings and to develop a credible economic alternative.

With respect to tax and spending, it is vital that spending commitments, if they have to be made at all, are made very cautiously indeed. Our survey reveals that the increases in pensions and child benefits promised by the Labour Party at the last election had little positive electoral impact. In addition, their cost was so great that the Party was forced to explain in advance where the money was coming from. The tax issue has to be handled with great care. Though Labour is right to continue to believe that the heaviest burden should fall on the broadest shoulders, it must take into account the regional impact of any taxation changes. Tax thresholds which appear generous in the North seem far more threatening in the South East. Other questions which were raised by the interviewees in our survey and which Labour has to consider include the possible role of hypothecated taxes (to pay for increases in education and health), the balance between direct and indirect taxation, and more ‘targeting’ of benefits.

Judging from the evidence of our survey, housing and education may be more important electorally than health. As 59% of Labour voters are now homeowners, the Party should give its policies on home ownership greater saliency. And if Labour could convince people that it has a credible strategy for post-16 education, that strategy could conceivably become a strong symbol of Labour’s commitment to opportunity for all.

This pamphlet demonstrates the scale of the task facing the Labour Party. But there is no iron law of politics which prevents us winning again. However, if we are to achieve a Labour victory at the next election we have to be prepared to adopt a new identity which is in tune with the times. In short, we have to become a new Labour Party.
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Southern Discomfort

Labour failed in the General Election to make the breakthrough for which it hoped in Southern marginals such as Stevenage and Slough. Why do many voters in these key constituencies continue to withhold their trust and their votes from the Labour Party, ensuring in effect the continuation of Conservative rule? Is it because they are satisfied with Conservative performance? Or do they simply not believe that Labour could do any better?

This pamphlet is based on research carried out by GMA Monitor for the Fabian Society among floating voters in marginal seats who had considered voting Labour but in the end voted Conservative. The research reveals that, far from being contented, many people did want change, but thought that a Labour government would mismanage the economy, increase taxes and deliver the country into the hands of the trade unions. More generally, many respondents felt that Labour - seen as a class-based party rooted in the past - had nothing to offer upwardly-mobile families such as their own.

Giles Radice MP considers the implications of these findings, and recommends a series of radical changes to the Labour Party to overcome this electoral hurdle, including:

- emphasising its role as the party of the individual, both in its policies and in its internal organisation;

- rewriting Clause IV of the Party's constitution to symbolise the acceptance of capitalism;

- reflecting regional differences in income in its tax plans and exploring the scope for more hypothecated and indirect taxation.

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