

Gordon Brown's attempt in the summer of 2007 to bring a number of Liberal Democrat peers into his government reopened the debate about co-operation between the two parties. In the event, Menzies Campbell blocked the move, ruling out the prospect of any Liberal Democrat parliamentarians accepting ministerial positions in this parliament. Campbell claimed that the 'political chasm' between the parties on issues such as nuclear energy, Trident, ID cards, public services, council tax and the war in Iraq made such a deal impossible to countenance.

But is he right? Is the fissure in progressive politics as wide as he suggests? In seeking to answer this question, this paper focuses not on the detailed policies of each party, which in any case are subject to regular revision, but on the underlying values, instincts and attitudes that shape those policies. It sets out, in broad terms, each party's approach to the key policy challenges of the day and seeks to identify whether some form of cross party collaboration is possible. Finally, it explores what all of this might mean in the event of the next general election resulting in a hung parliament.

Values and approach

When Gordon Brown became Labour leader in June 2007, he talked of his conviction "that each of us has a responsibility to each other...that when the strong help the weak, it makes us all stronger". Using the language of moral collectivism, he promised to harness "the driving power of social conscience" and "the better angels of our nature" in pursuit of his overarching goal: the creation of a "progressive consensus" in British politics.

Few, if any, Liberal Democrats would take issue with this statement of intent. The traditional liberal concern for the underdog places the party unequivocally on the progressive side of British politics. Indeed, Menzies Campbell has repeatedly talked of the need to make Britain "fairer" – a word used sparingly and tentatively by Tony Blair, but more regularly and with apparently greater conviction by his successor.

When viewed from a traditional left-right perspective, the two parties appear to be working towards similar goals. Both are deeply committed to tackling poverty, reducing inequality and expanding the 'life chances' of the most disadvantaged.

In contrast, the two parties are far apart on their approach towards security and liberty. The government's introduction of what the Liberal Democrats view as draconian anti-terror legislation has exposed an enduring and profound

LIB-LAB:

can Labour and the Liberal Democrats co-operate?

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difference between the two parties that is likely to shape relations between them for the foreseeable future.

Other differences relate to their attitude towards the appropriate role of the state – across all areas of public policy. Both Gordon Brown's political philosophy and his record in office reveal a strong and enduring faith in the ability of central government to deliver profound societal change.

Liberals have always been more sceptical. Vince Cable, the Liberal Democrat Deputy Leader and Shadow Chancellor, believes that alongside Gordon Brown's undoubted political strengths lies "a major intellectual and practical failure: to

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grasp the limits of the capacity of government bureaucracies to function efficiently, let alone achieve social and economic transformation”. In recent interviews Brown has appeared to accept some of these criticisms, telling the BBC, for example, that: “I have learned that top-down, ‘pulling the lever solutions’ are not always the ones that are going to work best.” However, it remains unclear whether he is willing to adopt the pluralist approach to politics – in which power is widely dispersed – that liberals espouse.

Some commentators argued that Gordon Brown’s attempt to build an inclusive government of “all the talents” signalled a move in this direction. To the Liberal Democrats, however, the episode served only to underline the degree to which Gordon Brown misunderstands the meaning and essence of pluralism.

Verdict: Both parties share a broad commitment to making Britain a fairer, more equal society. But their agreement breaks down. On the key issue of where the balance should be struck between collective security and individual liberty there is a gulf between them that is unlikely to narrow for some time. Brown’s proven instinct for centralised administrative control and micro-management is also at odds with liberal notions of good governance.

Constitutional reform

The issue of how Britain should be governed has long been central to the Liberal Democrats’ political outlook. Their key demands – which include a transformative package of parliamentary reforms (underpinned by the introduction of proportional representation for the House of Commons) and a radical decentralisation of power (including revenue raising powers) – would fundamentally change the way in which Britain is governed.

Gordon Brown unveiled his own constitutional reform package in early July 2007. The proposals are widely regarded as sensible and practical, but limited in scope. They will strengthen the accountability of the executive to Parliament, but they fall well short of the ‘big bang’ approach to democratisation and decentralisation that the Liberal Democrats have called for. A move to set up citizens’ panels and forums are as far as Brown has gone in this regard. The new prime minister has also signalled his intention to consider introducing a British bill of rights and even a written constitution, although these were presented as long term aspirations rather than immediate priorities. The same goes for Lords reform, which has now been put off until after the next election. The Liberal Democrats will look for action on these issues, as well as on electoral reform where Brown has promised a further review.

Verdict: Wide-ranging constitutional reform remains key to any meaningful co-operation between the two parties. Brown has made some tentative moves in a direction that will appeal to Liberal Democrats but is unlikely to go as far as

most Lib Dems would want. The localism agenda (including the introduction of local income tax in place of the council tax) is particularly important to the Liberal Democrats. But the introduction of some form of proportional representation for Westminster almost certainly remains the *sine qua non* for any formal coalition.

Security and home affairs

There has been a noticeable softening of the government’s rhetoric on issues relating to security, crime and anti-social behaviour since Gordon Brown became prime minister and appointed Jacqui Smith as home secretary. On the key issue of counter terrorism there have also been some small changes of substance – a national border force is to be set up, as the Liberal Democrats had suggested, and the government has promised to consult the opposition parties over a review of telephone intercept evidence. The prime minister has also pledged to set out a national security strategy, which will be fully scrutinised by the relevant select committees in Parliament.

The fundamentals, however, remain unchanged. Security policy is likely to be one of the key issues in the next general election and for this reason, if no other, Brown is highly unlikely to change tack substantively. The prime minister believes that the Conservatives, as well as the Liberal Democrats, are on the wrong (i.e. unpopular) side of the argument and is reported to be preparing to press home his ‘advantage’ on counter terrorism, not least by asking Parliament to approve an extension to the current 28 day time limit on detention without charge. Whether the Conservatives will stand their ground on this and other civil liberties issues is not yet clear, but the Liberal Democrats certainly will. This is likely to keep them at loggerheads with the government for the remainder of this parliament.

Cross party agreement also looks some way off on the issue of crime and punishment. Nick Clegg, the Liberal Democrat shadow Home Secretary, has repeatedly expressed his exasperation with the government’s unceasing attempts to appear ‘tough’ on crime, particularly through its approach to sentencing. He claims that the government’s stance has blocked discussion of imaginative policy responses and “immobilised progressive politics in Britain”.

On crime and punishment, confrontation, rather than co-operation, is the most likely outcome

Verdict: Brown has indicated that he intends to continue with the approach of his predecessor. Confrontation, rather than co-operation, is the most likely outcome.

The economy

Liberal Democrats have made a number of criticisms of Gordon Brown's decade-long management of the economy. For example, Vince Cable has repeatedly warned that the economy has become unbalanced by asset bubbles (particularly the housing market) and by the dangerous rise in consumer debt. He has also been critical of the lack of fiscal transparency that characterised Brown's time in the Treasury, particularly in recent years.

Despite this, most Liberal Democrats acknowledge that Brown has presided over a sustained period of stable economic growth while pursuing, with some success, a progressive and redistributive agenda. That he has managed to do this at the same time as maintaining Britain's reputation as an open, free trading economy – pushing at the limits of public tolerance of immigration and foreign investment – earns him the broad approval of economic liberals. As a result, Liberal Democrats are not calling for a radical change in direction. But they will continue to push Brown to go further in 'locking down' economic stability, for example by allowing independent scrutiny of the Treasury's fiscal rules.

Verdict: Despite their differences, it seems unlikely that Gordon Brown's management of the economy will become an area of fierce political contention between Labour and the Liberal Democrats.

Foreign policy and defence

In recent years, the conduct of British foreign policy, particularly in the Middle East, has been one of the main dividing lines between the two parties. The Liberal Democrats led the opposition to the invasion of Iraq and repeatedly clashed with Tony Blair over his approach to Israel/Palestine and Lebanon.

The new prime minister has sought to distance himself from the Iraq war decision, and has sought to neutralise the issue further by securing the orderly withdrawal of British troops from Basra. A hint of Brown's approach to international relations more generally came with his promise of a "new multilateralism". This too will be welcomed by Liberal Democrats, who place great store in the importance of the United Nations and

the other international and regional institutions. Building broad and legitimate coalitions is not only important in the security context of course. It is also crucial to the fight against global poverty and climate change – two areas where the Labour Party and the Liberal Democrats are in broad agreement about what needs to be done.

With regard to Britain's approach to the European Union, some are predicting that, in style at least, Brown will adopt a more sceptical tone, as he did during his time in the Treasury. This could prompt some tensions with the more pro-European Liberal Democrats. The importance of these tensions should not be overstated, however – Brown is no 'europhobe' and the Liberal Democrats have been careful to adopt a more 'realist' tone in recent times, talking up the need for reform in Brussels, particularly with regards to the EU budget and the CAP. Certainly, the differences between these two broadly pro-European parties are slight compared with the differences between either of them and the avowedly eurosceptic Conservative Party.

Where the two parties appear to disagree sharply is over the issue of Britain's independent nuclear deterrent. But a closer examination of their respective positions suggests that this difference may be exaggerated. Both the government and the Liberal Democrats are in favour of renewing Trident at a reduced level. They differ only over the speed at which that renewal should proceed.

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Verdict: With Tony Blair gone, and British troops already withdrawing from Iraq, the gap between the two parties on foreign policy issues should narrow. But future events in the Middle East may well create fresh divisions between the parties, particularly if the stand-off with Iran over its nuclear programme were suddenly to intensify. Such an outcome would obscure the significant overlap that exists between the parties on big issues such as Europe, climate change and global poverty.

Education, health and housing

Gordon Brown has indicated that education, health and housing represent his three priorities for the coming year.

In response to Conservative claims that he represents a "roadblock to reform", the new prime minister began by coupling his pledge to increase education spending with a promise of further structural change. In particular, he committed himself to increase the diversity of

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provision through an extension of academies and private sponsorship. More recently this promise of reform appears to have been diluted, not least by the new Secretary of State for Children, Schools and Families, Ed Balls, who has declared that his intention is to focus on "standards, not structures".

Similarly the pace of reform in the health service appears now to be slowing. Not only has the new Health Secretary, Alan Johnson, announced a "once in a generation review" of policy, but he has also pledged to "give the NHS the sustained period of organisational and financial stability it requires".

Brown has indicated that his third priority for the coming year will be housing. Spurred into action by the complaints of aspiring home owners about affordability, and of tenants in the social housing sector about availability, he has promised to dramatically increase the rate of house building – as Liberal Democrats have long advocated.

Verdict: The two parties agree on the need for more housing. But they have, in recent times, taken quite different approaches to public services reform. While both the Labour and the Liberal Democrat parliamentary parties are split between those who favour the introduction of choice and competition into public services and those who do not, it is the 'market sceptics' that have held sway within the Liberal Democrats in recent years (as shown by the party's opposition to the 2006 Education Act, for example). Whether this will remain the case is difficult to predict with confidence, as is the likely impact this issue will have on Lib Dem-Labour relations. If, as has been hinted, Gordon Brown is intending to slow the pace of reform significantly in the coming period, the issue will lose much of its political salience.

Environment

In each of Gordon Brown's first nine budget addresses, he mentioned the environment on average only once. In his tenth and final budget a couple of months ago, he mentioned it 16 times.

Whether Brown will be prepared to turn his new green rhetoric into action remains unclear. To date, he has shied away from taking some of the difficult decisions the Liberal Democrats

have pledged to make with regards to 'green taxation', arguing that to do so would damage the UK's competitiveness. During his ten years as Chancellor, pollution taxes fell as a percentage of GDP. Brown has instead argued in favour of working internationally to reach 'cap and trade' agreements such as that entered into by EU member states. The Liberal Democrats support such initiatives, but reject the claim that there is an 'either/or' choice between multilateral and unilateral action. The new prime minister has also signalled his support for a new generation of nuclear power stations, which Liberal Democrats oppose.

Verdict: With the Liberal Democrats committed to an £18 billion 'green tax switch' (introducing new environmental taxes while cutting income tax), they will be looking for evidence of real commitment from the government. Should that be forthcoming, cross party collaboration in a variety of forms would become a real possibility.

Conclusion

The Liberal Democrats and the Labour Party – partners in the anti-Conservative alliance of the mid 1990s – have been driven apart by events over the last decade. While they still share a desire to build a fairer, more equal society, they have divided sharply over the 'war on terror' and the associated curtailment of civil liberties.

Should Gordon Brown succeed in drawing the poison of the Iraq war from the British political debate, relations between the parties would inevitably improve. If, at the same time, he was to display real leadership on the environment and a genuine willingness to disperse and decentralise power, the prospect of meaningful Lib-Lab co-operation would once again become real.

For his part, Gordon Brown is likely to look for evidence that the Liberal Democrats are developing a coherent, practical and responsible programme for government. He should be reassured in this regard by the party's growing willingness to take tough decisions on taxation and spending in pursuit of their social and environmental goals.

There is, however, no immediate prospect of co-operation except perhaps on specific issues such as climate change. That could change by the start of the next parliament if the two parties were to meet the key policy tests each sets for the other. Even then, however, the road towards a formal governing coalition could remain blocked by two factors:

- Parliamentary arithmetic: as the failure of the Blair-Ashdown coalition plan in 1997 demonstrated, bringing parties together when there is no pressing need to do so is extremely difficult.
- Disagreement over electoral reform: some movement towards the introduction of a new voting system for the House of Commons is likely to remain a non-negotiable precondition for Liberal Democrat participation in a coalition government.