

# [Has welfare reform in the uk since 1997, been determined more by ideology or prag...](https://assignbuster.com/has-welfare-reform-in-the-uk-since-1997-been-determined-more-by-ideology-or-pragmatism/)

The purpose of this essay is to determine whether welfare reform since 1997 has been determined more by ideology or pragmatism. This essay offers a summary of public pronouncements made by some of New Labour’s leading thinkers in the years before they took office in order to then delve into the motivations behind them. While the focus on welfare reforms undertaken since 1997 rests with the Labour government’s policy toward the NHS, the essay establishes that there is a great deal of evidence to support the view that Labour have acted out of pragmatic considerations.

Nevertheless, it is argued that policy toward reforming one of the key elements of welfare in Britain, the National health Service, in the main, has been driven by ideology. Applauding the Attlee administration’s implementation and success of welfare policies such as the implementation of Beveridge’s National Insurance scheme, the National Health Service’s birth and a commitment to full employment, the newly elected Labour leader of 1995 posited a central strand of thinking within the ranks of the party’s modernisers. The party would ‘ think the unthinkable on welfare’.

‘ We need a new settlement on welfare for a new age, where opportunity and responsibility go together’ and the social policies of a future Labour government ‘ should and will cross the old boundaries between left and right, progressive and conservative’ (Blair, 1995). Welfare’s new remit was/is to ‘ equip citizens with the skills and aspirations they need to succeed’ which accordingly meant bestowing the ‘ core skill’ of ‘ entrepreneurship’ (Blair, 1998: 10-11) on welfare recipients in the context of what Brown described as an ‘ information age’.

The value of knowledge acquisition and it’s creative use necessitates that all workers be ‘ educated, responsive to change and involved’ (Brown, 1996; Fielding, 2003: 183). Also, the ideas of modernisers in thinking about how best to promote equality with regard to welfare services were reversed with regards to, say, the ideas Beveridge fifty odd years before. The emphasis now lay squarely on bestowing equality of opportunities upon those perceived to be in most need rather than engaging with welfare policies that sought to foster an equality of outcome.

‘ We reject equality of outcome’, said Gordon Brown in 1997, ‘ not because it is too radical but because it is neither desirable nor feasible’ (Brown, 1997). Such statements can be easily viewed as representative indicators of policy transformation and thinking, taking place during Labour’s journey from the electoral doldrums, signalled already by the party’s (under Kinnock) late 1980s policy review. This was itself prefigured by the neo-revisionists of the 1970s ‘ and some of the actions – if not quite all the thoughts – of the Callaghan government that lost power in 1979’ (Fielding, 2003: 208).

They also make clear the increasing endorsement of the final report of the 1994-published ‘ Commission on Social Justice’, the central theme of which came to be championed and put into practice after 1997 by chief propagators within the party. ‘ The polarities of the post-war period – individual versus collective, state versus market, public versus private – are giving way to a new recognition of their interdependence’ (‘ Report of the Commission on Social Justice’, Social Justice: Strategies for National Renewal, 1994: 84-85).

In the main, the central tenets concerning welfare policy would not be forestalled by Labour’s leading modernisers after 1997. The rest of this essay examines key elements of welfare reform since 1997 with the focus on the National Health Service (NHS). This essay also traces the roots of the reforms in order to determine the extent to which they were inspired by thinking based on ideology or pragmatism. Chris Smith had already stated by 1996 that ‘ There are some that argue that the best test of how progressive a welfare policy is, is the amount of money that is spent on it.

I disagree. High social security spending is a sign of failure, not a sign of success’ (‘ When The Music Stops, The Guardian, 07. 05. 96; Driver & Martell, 1998; 75) and the message that Labour in government would be ‘ wise spenders, not big spenders’ continued throughout Labour’s 1997 and 2001 election campaigns. The manifesto’s promise to stick to Conservative budgetary plans for it’s first two years in office, for example, was ‘ dictated by Blair’s desire to dissociate Labour from “ higher, indiscriminate and often ineffective” spending’ (Fielding, 2003: 187).

Government spending plans would no doubt alter the proportion of funds allocated to areas such as Education and Health and following the first two years of office, extra resources would spring, so it was predicted by Brown, in the main from economic growth. A key question concerned with what drove such thinking in the pragmatic sense involves analysis of how leading Labour modernisers viewed the reality of Labour’s electoral interests, the NHS and the realities of a reconfigured state-market system of relations, while keeping in mind they were following four successive Conservative governments.

There is also the view of capitalism’s development into the 1990s focused on the phenomenon of ‘ globalisation’, notwithstanding the term’s ambiguity and utter contentiousness, which Blair considers to be both ‘ inevitable’ and ‘ desirable’. Blair’s vision of a welfare system as a ‘ springboard to personal responsibility’ as forming part of a wider agenda for reform certainly fits into in the context of coming to terms with ongoing adjustments within the global economy which includes Britain’s more vulnerable position in the world economy (Hay, 1994).

Bulpitt (1986) identifies the main concern of political parties of Britain’s mainstream political culture. They are ‘ most concerned to win elections, and, in order to do so, search for a successful statescraft based upon effective part management, a winning electoral strategy, predominance in elite debate about political problems, and a governing competence, especially concerning policy implementation’ (Bulpitt, 1986: 34). Let us consider this argument in relation to what drove Labour’s eschewal of its ‘ tax and spend’ image, with particular regards to funding the NHS.

‘ The rise in poverty during the 1980s had seen health disparities increase in step: at the end of the 1990s it was calculated that a boy born into a poor family would die nine years before his most favoured equivalent’ (Fielding, 2003: 191). An issue of such importance became of special focus for Labour as they also recognised, as had their Conservative predecessors, that choice and level of convenience for patients had to be improved.

‘ We want to save the NHS’, trumpeted the 1997 party manifesto, specifically pledging to abolish the internal market and ‘ cut red tape’. The bureaucratic paper chase would cease and there was a clear commitment to raise spending in real terms every year. Labour charged that the Conservatives had failed to keep up with the needs of an ageing citizenry, though they would have been aware that Conservative NHS spending had increased annually since 1979 at rate of 3% after inflation.

However, Le Grande describes what took place between 1987 and 1990 as ‘ a major offensive against the bureaucratic structures of healthcare provision’ (cited in Wilding, 1997: 716). Radically changing the face of the NHS (along with Education, Social Care, Local Authority Housing and the role of the local authority more generally), the ‘ providing state – central and local – was significantly weakened and replaced by a more pluralist system of provision dominated by quasi or internal markets’ (Ibid.).

‘ A mechanism that killed a flock of ideological birds at one throw’ (Ibid: 719). Wilding suggests that such developments owed something to ideology, ‘ to an unproven faith in markets, for example’, coupled with the fact that social expenditure could no longer be financed painlessly from the fiscal dividend, and that the government needed to (a) hold down costs, (b) search for better value for money and (c) distance itself from the inevitable rationing and shortage problems (Wilding, 1997).

Though such radical reforms were absent from the Conservative Party’s manifesto of 1987, a review of the NHS was announced in January 1988 and the forthcoming reforms found were expressed in the National Health Service and Community Care Act (1990). The Tory manifesto of 1992 also pledged that it was ‘ totally committed to the National Health Service’ and this pledge was ‘ constantly reinforced by the Conservatives throughout the 1990s’. Lund argues that this was due to the Labour opposition’s argument that ‘ internal markets were a prelude to dismantling the NHS’ and that this claim ‘ made an impact on the electorate’ (Lund, 1999).

The stated premier aim for Labour became that of healthcare delivery, and the first two years in government saw the specifications of the policy take shape. The White Paper (The New NHS: Modern, Dependable) contained three main elements: the internal market would be abolished; GPs would be mandated to establish Primary Care Groups, in order that they, being closer to the patient, may purchase services on behalf of their patients; and the implementation of a scheme that would monitor and set the standards nationally and improve clinical care.

Andrew Denham (2003) discounts the idea that Labour’s approach to the NHS differed that much from the Conservative policy and that Labour’s policy was based on ideology, commenting that ‘ In fact, the rhetoric of change disguised a significant degree of continuity. First, the Conservative ‘ internal market’, based on (limited) competition, was replaced by (mandatory) collaboration between purchasers (health authorities and PCGs) and providers (NHS Trusts and local authorities) and annual contracts gave way to ‘ long-term’ (three year) service agreements.

Thus, the ‘ internal market’ introduced by the Conservatives was more superseded than ‘ abolished’ and the purchase-provider split remained. Secondly, while the GP fund-holding scheme introduced by the Conservatives was technically ‘ abolished’, in practice it was made compulsory. Instead of individual practices opting to hold a limited budget, PCGs were required to hold large sums (averaging ? 60 million per year) from which to purchase a substantial range of hospital and other services for their patients’ (Denham, 2003: 287-289).

The argument for Labour’s emphasis on delivery in health services being based on pragmatism, is evidenced also by the exponentially rising costs of medicine and an ageing population, totally unpredicted by the fiscally-conservative Beveridge Report. However, in considering Bulpitt’s emphasis on the ‘ electoral imperative’ of parties and parties’ concern to win elections, Denham’s account is highly plausible and convincing.

Concern over hostile media treatment and frustrated by the slow pace of reform, the Prime Minister announced in January 2000 on television that the percentage of GDP spent on the health care would meet the European average by 2004, rising from 7% to 7. 6%. And that growth in real terms would double in each year of the next five years’ (Ibid. ). An instant that reminded people of the Labour leadership’s NHS spending plans with a general election around the corner. Denham also identifies a strategy of putting the Conservatives on the defensive by way of setting such an ambitious budget for health spending: a ? 40 Billion ‘ programme of investment in the NHS to bring health spending up to French and German levels within five years’ (Ibid. ).

Evidence that such policies were motivated in the main by the need to enhance electoral appeal and thus remain in government is plentiful. Blair’s self-proclaimed pragmatism which includes an espousal of what he calls ‘ new politics’ (Blair, 1998) falls out of his elaboration of a ‘ Third Way’ while it ought to be remembered that the Third Way was reinforced by a series of seminars held with US President Clinton and easily the Third Way’s most senior theorist/exponent, Anthony Giddens.

Blair describes the third way as somewhere ‘ between unbridled individualism and laissez-faire on the one hand’ and ‘ old style government intervention, the corporatism of the 1960s social democracy, on the other’ (Ibid. ). But all ideas can be traced from somewhere and Blair is also keen to show that Labour’s finessing of ‘ equality of opportunity’ and thus his embrace of meritocracy, originated partly in European social democratic thinking but is not an accommodation with Thatcherism.

Tony Blair in the 1990s thought that the US was at the cutting edge of change in terms of capitalist development and hoped that Britain would emulate certain aspects of that and thus Blair’s party has also chosen to take philosophical inspiration from the American liberal tradition, particularly with respect to the thoughts of the influential American political theorist John Rawls and its influence on Brown’s social policy, in seeking to reduce inequality.

Anthony Giddens clarified Labour rhetoric suggesting that the ‘ Third Way’s pursuit of equality of opportunity did not imply a neglect of outcome. Indeed, he suggested, it made it even more necessary. This was partly because the promotion of greater opportunities would, if not corrected by government action, widen inequalities of outcome’ (Fielding, 2003: 182; Giddens, 1998: 101-104).

Third Way thinkers like Giddens and Blair have sought to renew ‘ the theoretical agenda of progressive politics …They have set out to show that the changes in the world economy and the aspirations of citizens in modern democratic societies have significantly transformed the world in which our traditional ideological structures and traditions function’ (Kelly, 2003: 245; also, Giddens ‘ Brave New World: The New Context of Politics’ in Miliband, 1994).

Kelly writes of a ‘ phenomenon’ at the heart of Third Way discourse: ‘ ideological disaggregation’, whereby the ‘ language of policy making and justification used by Labour’s leaders demonstrates some association between New Labour’s progressive agenda and revisionist social democracy and post-Thatcherite neo-liberalism (Ibid: 244). It is argued here that New Labour’s agenda for welfare reform has been influenced more by ideas that were attractive to the New Right and post-Thatcherite neo-liberalism.

Hay (1994) for example accepts that while the Labour Party has undergone a ‘ profound transformation of structure and policy’ also suggests that, in doing so, ‘ it has accepted the terms of a post-Thatcher, yet nonetheless Thatcherite settlement’. For Hay, even back in 1994, the Labour Party’s policy review of the late 1980s marked ‘ the symbolic return to consensus politics’ (Hay, 1994). This thought is reinforced if a broader historical perspective is taken of the battle of ideologies which saw the social democrats of the post-war period meet their nemesis in the ideologues of the New Right of the 1970s.

Le Grand (1997) writes of a battle of ideologies between the post-war social democrats and the New Right. The former grouping believed that ‘ knights’ acted as deliverers of social services, while the ‘ pawns’ simply received welfare. The knights, ‘ schooled in the prevailing ethos of public service’ (Driver & Martell, 1998: 92), might well work for a common purpose but nevertheless treated welfare recipients as ‘ pawns’, with no input into what or how social policy was provided. The New Right’s critique labelled the knights and pawns alike as ‘ knaves’.

That is to say that ‘ public servants are bureaucratic empire builders, not devoted servants of the common good; and those in receipt of welfare play the system for all it’s worth to further their own self-interest – the potential for fraud is endemic’ (Ibid. ). Like that of Adam Smith who declared that self-interest is rampant, this perspective, that there is an essential dishonesty between the producers and consumers, leads to the New Right’s definition of what should constitute social policy.

It is about turning ‘ private vices into public virtues’. Knaves ‘ must be confined to competitive environments which turn egotistic behaviour to the common good. Self-interest can thus have unintended beneficial consequences for society as a whole’ (Le Grand, 1997). The New Right hated the sentiment playfully phrased by Douglas Jay: that ‘ the men in Whitehall know best’ (Driver & Martell, 1998). Interestingly, we might take note of the following statement: ‘ Old ideologies die hard.

The idea that the state knows best and must monopolise service provision in case people make the ‘ wrong’ choices for themselves is a long established tradition both among socialists and paternalist conservatives. Tony Blair’s Labour Party has recognised that state monopoly is not always the best way to achieve society’s ideals; instead the key lies in ensuring that the people have economic power and that this power is fairly distributed. It is that which nursery vouchers offer. ’ (Glennerster & Le Grande, ‘ Tickets please, children’, The Guardian 05. 04. 95).

Obviously the post-1997 Labour Government quite quickly abolished this Conservative scheme but the quote reflects, according to Driver and Martell (1998), ‘ the mood [of] many modernisers on the Left’. ‘ The question of how welfare should be delivered does involve that most Thatcherite of questions: what are the limits of government? ’ (Driver & Martell, 1998: 102).

On this point, it can be argued that there is a direct similarity between the ideological impetus driving New Labour and the Right of the Conservative Party who ‘ had been interested in education vouchers for many years’ and had included such Tory luminaries as Keith Joseph. Joseph’s successor as Secretary of State for Education, Baker, had declared that he ‘ wanted to achieve the results of a voucher scheme, namely real choice for parents and schools that responded to that choice by improving themselves’ (Lund, 1999: 64). New Labour’s shift in welfare delivery can be seen to illustrate the party’s shift in thinking in the face of New Right thinking.