



Findings from the Economic and Research Council's  
Research Programme on *Devolution and Constitutional Change*



## *Devolution Briefings*

### *The Labour Party and Devolution*

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#### **Key Points**

- Devolution has set in motion decentralising trends which are beginning to challenge the idea of a national, Britain-wide Labour party. These trends may prove a threat to the Labour party's identity
- The Labour party has not adopted a regionalised or 'federalised' structure. The National Executive Committee may need to move towards such a structure by having formal representation from Scotland and Wales.
- In practice, the Welsh and Scottish Labour parties already enjoy considerable autonomy, and the party will face pressure to formalize this.
- Considerable uncertainty remains over how far the Scottish and Welsh Labour branches and ministers are constrained by Westminster Labour policies. The party may need to devise an internal party settlement to distinguish between 'English' and 'UK' government policies.

#### **Introduction**

*'Ever since the referenda in 1997 made devolution to Scotland and Wales a reality the Labour Party has studiously avoided the central question it raises: should a political party devolve as much autonomy to its members in Scotland and Wales as Westminster has done to the Scottish and Welsh people?'*

So declared Mathew Taylor, a former senior party official and currently a Downing Street advisor in the *Guardian* in May 1999. Even now, over seven years since the referenda, his question remains unanswered.

The Labour party has a vital function in the British devolution settlement. Essentially devolution has released Scotland and Wales from the constraints of being governed by Scottish and Welsh secretaries of state responsible to the UK Cabinet, leaving both Labour-led devolved governments almost complete discretion on how they spend their allocations from the UK government and, for Scotland, considerable freedom to draw up new legislation across a wide range of domestic policy areas. Of course, the assumption at the time of

devolution was that Labour would remain the dominant political party in both nations and as such implement Labour policy across the country.

The party itself has not followed the logic of devolution in its own organisational structure. It has not adopted either a formally devolved or a 'federal' structure, unlike the Liberal Democrats who have a federal structure, but like the Conservatives. This apparent mismatch between a unitary party and a devolved government system raises important questions about how far those at the centre can and should seek to control the two nations, and about the nature of party identity and affiliation within the contemporary Labour party.

### **Can a Centralist National Executive Committee accommodate Devolution?**

The NEC has changed significantly over recent years. In 1997 *Partnership in Power* introduced the National Policy Forums to take over the NEC's policy making role. But the NEC retains formal control over rule-making and interpretation. Where any dispute over 'the meaning, interpretation and general application of the constitution, standing orders and rules' occurs, the decision of the NEC – subject to modification by Conference – is final. Thus, for example, while power to amend the Scottish and Welsh party rules is vested in their Conferences, this is subject to NEC approval. Moreover, the NEC is the body through which the Westminster leaders must act if they wish to intervene in candidate selection decisions or methods anywhere in England, Scotland and Wales.

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How has the NEC responded to governmental devolution in Scotland and Wales? It has certainly been slow to adapt. The Scottish and Welsh parties are not formally represented as the states or Länder are in the Australian Labor and German Social Democratic parties. As one NEC member observed: 'the NEC probably always has been an English Executive Committee, not only English but London' and another: 'The NEC is a very anglocentric body'. Nonetheless, the NEC includes (and has included) several prominent Scottish Westminster politicians, but very few Welsh Westminster politicians.

The NEC itself has retained a strong English focus not least because it functions both as the (de facto) 'English Executive Committee' and as the (British) National Executive Committee. It has not formally recognised nor differentiated those two functions. This English focus is powerfully reinforced by Labour's current electoral arithmetic: the Westminster leadership's strategic electoral calculations are dominated by the need to retain English marginal seats (which far outnumber those in Scotland and Wales). Thus Scotland and Wales face an attitude of benign indifference from the centre.

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The party leadership in London remains cautious over moves towards a devolved party structure, let alone a federal party structure. As a senior national party official stressed: 'we are acutely aware that we can't risk serious differences between the UK and the devolved bodies. If we did this would leave things open for the media to present us as a divided party'. Cohesion and solidarity are seen as a precondition of effective party government.

Those at the centre see party devolution as a potential threat to the ‘ethos’ which acts as a glue within the party, the values ‘enshrined in our new Clause 4’ that ‘binds the party’.

The emphasis on cohesion is driven by the over-riding imperative of electability at the British level and the assumption among the party leadership is that a party must present an image of unity to succeed electorally. In the harsh and unremitting gaze of a frequently hostile media obsessed with ‘splits’, any signs of disunity could be relentlessly exploited and used to demolish public trust in the Labour Government. Such is the compelling lesson of the past, Tony Blair has declared: ‘The Labour Party must never again lose the competence or capacity to govern because of internal differences’.

The interventions, by central Labour leaders, in the leadership contests and candidate selection processes in Wales and Scotland were not as extensive as many commentators have alleged. But the Scottish and Welsh party authorities - acting to some degree at the behest of the centre - did attempt to sift out those regarded as undesirable, though these efforts did not always succeed. The impression of ‘control-freakery’ by the party leadership, especially over the leadership contest in Wales, did damage Labour electorally. Tony Blair and central party officials have recognised this as a serious miscalculation and subsequently endorsed Rhodri Morgan, implicitly admitting that it had been a mistake to try to over-control the party in Wales.

### **National Policy Forums**

The Policy Forums do have a territorially dimension as they are organised at National, Scottish, Welsh and English regional levels. The new National Policy Forum took over the policy development function from the National Executive Committee (NEC) and annual Conference, although Conference formally retains the last word. The Scottish and Welsh forums feed into the policy platforms for the party in those two nations, but are detached from the national (British) forums. Unlike the NEC the National Policy Forum (NPF) does have regional representation with 22 out of 180 members elected by regional boards or conferences, with both Wales and Scotland allocated eight members (two from the regional Labour Party, five representing local CLPs, and one from local youth sections).

Assessments so far suggest that the policy forums have had a limited impact on Labour policy, not least as senior Whitehall ministers have taken tight control over the final drafting of general election manifestos. Significant changes in government policy, too, often take place mid-term rather than as a result of manifesto pledges introduced prior to an election.

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Many new and controversial policy initiatives during the present Labour government – like foundation hospitals, top-up university fees and specialist secondary schools which, moreover, have emanated from policy advisers within Number Ten and not from within the policy forums. The policy forum members themselves often feel compelled by norms of party solidarity and pressing electoral expediency to temper any policy differences between them and the party leaders, fearing that such differences are likely to be presented by the press as ‘divisive’ and, therefore, damage the party electorally.

The existence of separate policy forums in Scotland and Wales has at least created channels for difference and, therefore, possible policy divergence with England. However, these forums fall short of being federalist as they do not formally feed into the NPF.

### **The Welsh and Scottish Parties**

The Scottish and Welsh parties face electoral challenges distinct from those at the British level. In both nations the rise of the Liberal Democrats as a ‘third force’ and the nationalist party electoral threat (though this was less potent in the 2003 devolved elections) is challenging the traditional, two-party system. The Scottish Executive has been run by a Labour-Liberal Democrat coalition since 1999 and in Wales a similar coalition government existed between 2000 and 2003.

The Liberal Democrats have exacted concessions creating significant policy divergences from the centre (for example over higher education tuition fees, free personal care for the elderly, free prescription charges for certain groups). Thus the combination of coalition government and different electoral and party systems confronts Scottish and Welsh Labour with a quite distinctive set of pressures and strategic choices compared with those facing the Party nationally and they require freedom to manoeuvre to respond to them.

Both the Welsh and Scottish Labour parties enjoy more freedom to develop their own policies than many had originally expected. The Scottish and Welsh Labour Parties have become less machine-like and more open and pluralist, with younger and more professional politicians and, not least, a majority of women ministers in the Welsh Cabinet.

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Paradoxically Labour ministers in Edinburgh and Cardiff have full discretion in devolved matters yet, in their party roles, the centre formally at least retains overall authority. Necessarily the existing tier of party organisation in Scotland and Wales (executive committees, conferences, regional administrative offices) has been supplemented by new ones, notably the Scottish and Welsh policy forums and Parliamentary and Assembly groups.

However, the unitary nature of the Labour party means that the *formal* responsibility for devising, amending and interpreting the rules, and control over party administration and finance still lies with the centre. The national rule book stipulates that ‘the general provisions of these rules shall apply to all units of the party’, including the Scottish and Welsh executives.

Even so the new pluralism of the Scottish and Welsh parties has not prevented ministerial domination of policy-making. Labour ministers in both nations have been able to get their policy agenda accepted within their parties, though some concessions have been made to union pressure, for example in Scotland over employment rights to workers transferred to the private sector under Private Finance Initiative (PFI) projects.

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Ministers dominate the internal Labour policy processes. This dominance, however, is based on consent and reflects an extensive policy consensus within the party and the absence of the conflicts which have, in the past at the British level, characterised relations between (Westminster) parliamentarians and the wider party. This consensus, too, reflects how the left-right cleavage has virtually evaporated, especially within the Scottish party where the left-right struggle dominated the party in the 1980s and 1990s.

Similarly the constituency parties no longer form platforms for left-wing insurgents, in part because of the decline in grassroots activism. Meanwhile, within the Scottish Parliament and Welsh Assembly party discipline is more relaxed and consensual than is the case for the Westminster Parliament. Again the small size of the legislatures and very personal quality of relationships within them, as well as the absence of ideological polarisation, contribute to this limited emphasis on party discipline

### **Policy Divergence – What scope do the Scottish and Welsh parties have to rewrite Labour party policy?**

Policy differences between Labour at Westminster and in Scotland and Wales should not be seen in ‘left-right’ terms or as indicative of party disunity. Inter-party competitive electoral pressures, at least in principle, tilt the Welsh and Scottish Labour towards the left rather than to the right (as in England where the Conservatives are the main opposition). For in both nations the main electoral threat is from nationalist parties occupying the same social democratic ground as that of Labour and (in Scotland) from parties further to the left.

*“If anything the Scottish party is moving closer to the Westminster party”*

Central-periphery policy differences do not follow left-right lines. If anything the Scottish party is moving closer to the Westminster party. For example, like the Westminster government, it is following a ‘hard line’ on law and order and is seeking greater control over the delivery of education and health services. Similarly, recent policy papers tabled before the Scottish Policy Forum in preparation for the 2007 Scottish Elections propose following the Blairite emphasis on choice in public services, a greater use of the private sector, and the introduction of foundation hospitals and a variation on specialist schools.

In contrast, Labour in Wales has continued in its rejection of specialist schools, foundation hospitals, tests for children and has also been more cautious than Scotland in introducing PFI projects. Wales, too, has reorganised its health service to make the new Local Health Boards (the Welsh equivalents to the English Primary Care Trusts) coterminous with local government boundaries (unlike the English PCTS) (but note that the legislation to do so was incorporated into Westminster legislation with little controversy in Whitehall).

*“it is difficult to find much evidence of an ideological rift between these Welsh policy positions and current Westminster policy”*

Yet, despite Rhodri Morgan's occasional attempts to articulate a Welsh way, at a very general level, it is difficult to find much evidence of an ideological rift between these Welsh policy positions and current Westminster policy. The policy papers and announcements of these positions eschew such justifications and emphasise practical policy considerations and responsiveness to expert opinion and reports. Welsh ministers, advisers and senior civil servants interviewed in the course of this research downplayed any interpretation that implied any serious dissent from a central party policy and argued that these policies reflected reasonable and pragmatic policy adaptations.

### **Intergovernmental Relations: 'Comradely Connections'**

What is the significance of common Labour party membership across the two levels of government for intergovernmental relationships (IGR)? The formal IGR mechanisms, particularly the Joint Ministerial Committee, have proved to be of limited significance. The formal organisational Labour party channels have not played a role in conflict management nor in imposing formal party discipline on the Scots and Welsh. Rather party membership is significant in terms of what one former secretary of state called the 'comradely connections' with Scottish and Welsh ministers, connections which considerably ease those relationships.

However, tensions have arisen such as over the then First Minister, Henry McLeish's decision to introduce free personal care for the elderly, after this policy (a recommendation of the Sutherland Royal Commission on Long-Term Care reporting to the UK government) had been emphatically rejected by the Westminster. Much arm-twisting took place until the UK Government belatedly realised that the opposition parties, in conjunction with the Liberal Democrats, would regardless force the policy through the Scottish Parliament.

In practice, then, the Scottish and Welsh administrations are not perceived to have strayed far from central Labour party policy and certainly not demonstrated any left-learning ideological differences of the sort espoused by many Labour local authorities during the turbulent 1980s. Tensions have arisen over only a few issues. Nevertheless, over issues in which no knock-on effects for England or for matters under Westminster jurisdiction have been anticipated, the attitude from the centre has been one of what we have called 'benign indifference'.

### **Conclusion**

Historically Welsh and Scottish Labour have been integral parts of a unitary Labour party focussed on winning power in Westminster. The party has retained its unitary structure in formal, constitutional terms. The party has made some adaptations to devolution but in a piecemeal fashion and has not embarked on a strategic, post-devolution rethinking of its institutional machinery.

*"the attitude from the centre has been one of what we have called benign indifference"*

The NEC remains a centralist body with ultimate powers of intervention and a strong English focus. This centralism is reinforced by its de facto role as the (English) executive committee and the current Labour leadership's stress on the votes of middle England. But the mechanisms of party discipline are too blunt to be used by the centre to manage the affairs of the two Celtic parties. In particular, the initial candidate and leader selection processes

reflected the competing forces within the local Labour elites as much as any imposition of central control.

Party leaders appear uninterested in a federalist solution. They see such a move as likely to dilute the valuable Labour brand, and they see it as essential that they retain the ability to specify the brand that defines its place in the political spectrum and is the focus for supporters' generalized loyalties.

Nonetheless, Labour centrally has permitted the Scottish and Welsh significant delegated powers and, in practice, considerable freedom to manage their own affairs and for the Labour leaders in the Parliament and the Assembly to make their own policies in light of their own circumstances. Labour centrally, too, has not sought to use the governmental machine to impose its own policy views on the two nations.

In general the centre has been content that the Scottish and Welsh leaderships should have prime responsibility for managing internal party disagreements. Undoubtedly it prefers to devolve responsibility for reconciling internal conflicts to *reliable* territorial managers.

*“the Scottish and Welsh parties and governments are peripheral to the concerns of the Westminster Labour leadership”*

The challenge for the party leadership, both within Parliament and the Party Headquarters, has been and is how to ensure that a national, ‘New Labour’ party brand or identity survived devolution. Yet, the implications of this commitment are not clear. The extreme asymmetry of the UK devolution settlement, and the consequent pattern of electoral incentives and internal party power balance means that the Scottish and Welsh parties and governments are peripheral to the concerns of the Westminster Labour leadership and, accordingly, typically experience an attitude of ‘benign indifference’ from Westminster. The crucial test may be how Labour adapts a situation where all British administrations are no longer under its control.

*This Devolution Briefing was written by Martin Laffin, Eric Shaw and Gerald Taylor. It draws on research carried on in their project on the Role of the Political Parties in Intergovernmental Relations as part of the ESRC research programme on Devolution and Constitutional Change. Further papers detailing the research are available from Martin Laffin, Durham Business School, University of Durham, Mill Hill Lane, Durham DH1 3LB. Email: [martin.laffin@durham.ac.uk](mailto:martin.laffin@durham.ac.uk).*

The Devolution and Constitutional Change Programme was set up by ESRC in 2000 to explore the series of devolution reforms which have established new political institutions in Scotland, Wales, Northern Ireland, London and the other English regions since 1997. It has commissioned 35 projects around the UK to carry out top-class academic research and to contribute to the policy debates surrounding devolution.

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