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Left, Right and the Third Way

Stephen Driver and Luke Martell

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Abstract

New Labour claims to have discovered a third way between Old Left and New Right, with policy implications that break with established debates and policy alternatives. But what does the third way mean in terms of values and its approach to policy? We argue in this article that Labour's third way does not transcend Old Left and New Right. Left and Right remain important markers for contemporary policy and politics but the third way does combine them in significant new ways. Between Old Left and New Right, we argue, there is not just space for one third way but for many, with varying values and policy positions.

The idea of a 'third way' is one of a number of attempts by Labour modernisers to find a synthetic term or language to capture New Labour politics. New Labour has been projected as the party of 'one nation' concerned with 'the many not the few', and as a government capable of undertaking a programme of modernisation to build a 'new Britain'. Ideas of 'stakeholding' and 'social exclusion' and the emphasis placed on 'community' have also figured prominently. The idea of a third way is attractive to Labour modernisers because it appears to challenge conventional notions of a political Left and Right – and thus reinforces the 'newness' of New Labour. Speaking just a month after Labour's landslide victory in 1997 to a meeting of the European Socialists' Congress in Malmö, Sweden, Blair said: "Our task today is not to fight old battles but to show that there is a third way, a way of marrying together an open, competitive and successful economy with a just, decent and humane society" (Blair 1997).

New Labour's search for a third way between the Old Left and New Right comes at the end of a century littered with similar attempts to break the political mould. Some of these, like Lloyd George's coalition government and later the SDP, have searched for a political middle ground between Left and Right. Some have come from the Right, whether from mainstream Conservatism (for example, Macmillan's 'middle way') or from far-Right political movements. Others have emerged from the Left: democratic socialists, social democrats and market socialists searching for third ways between social democracy and Stalinism, reform and revolution, or capitalism and communism.

Contemporary third way thinking in Britain has emerged out of the reform to the centre-Left worldwide since the early 1980s. In Britain and the United States, New Labour and the New Democrats, faced with the hegemony of radical conservative governments espousing economic liberalisation, have been concerned with finding a politics which might mark a break with their own parties' past and conservative governments in office (Driver and Martell, 1998). Ideas of a third way have been particularly relevant in such contexts. Whether they have preceded and guided policy development or resulted from *ex post facto* rationalising of ideas or a bit of both is open to debate. In this article we shall attempt to

assess what Labour modernisers like Blair mean by the third way. Is it simply a receptacle for all things New Labour is not, too vague to have any definite positive implications? Or does it have some substantive meaning which provides a useful guide for public policy making? Does it make the old politics of Left and Right redundant or does it just combine them in a contradictory and incoherent way? And if it aspires to transcend traditional political divides and labels to what extent can the third way still remain a political project for the Centre-Left? Does it, in fact, disguise a shift to the Right, marking a new consensus between Labour and the Conservatives?

Defining the third way

Our focus in this article is on third way ideas in Britain – in particular as articulated by New Labour and commentators who have engaged with Labour modernisers and the policies of the Labour government. Attempts to define a third way fall into two categories. The first begins by stating what the third way is not; the second, what it is or might be – and obviously the first approach can be followed by the second. Clearly it is in the nature of third or middle way politics to rely in part on definitions which are negative or relational in character. A third or middle way must logically stand in some relation to at least two others. What the nature of the relationship is between the elements is significant and cannot be deduced: is it a compromise, a synthesis or just the third of three, for example?

What the third way is not

Within New Labour politics, the third way is defined as ‘beyond Old Left and New Right’ (Blair, 1998; see also Blair and Schroeder, 1999). The definitions of ‘Old Left’ and ‘New Right’ used in third-way thinking are thus significant; as is the meaning of ‘beyond’. By ‘Old Left’, Labour modernisers have in mind the social democratic Labour politics of the post-war period – in particular, of a post-1960s liberal hue. Generally, by ‘Old Left’ (or ‘Old Labour’), Labour modernisers mean the Keynesian, egalitarian social democrats who tended to favour state and corporatist forms of economic and welfare governance within the context of a mixed economy. Labour modernisers accuse this ‘Old Left’ of being too statist; too concerned with the redistribution (and tax-and-spend policies) and not the creation of wealth; too willing to grant rights but not to demand responsibilities; and of being too liberal and individualist in terms of social behaviour and social relationships such as the family. So, if the ‘Old Left’ are all of these, then New Labour’s third way is concerned to find alternatives to state provision and government control; to promote wealth creation by being fiscally ‘prudent’; to match rights with responsibilities; and to foster a culture of duty within ‘strong communities’.

By ‘New Right’, Labour modernisers have their sights fixed on Thatcherite Conservatism. New Labour accuses successive Conservative governments – and here they echo significant voices on the Right (Gilmour, 1992; Gray, 1993; Scruton, 1996) – of being the slave to neoliberal dogma by favouring market solutions in all cases; by having a laissez-faire view of the state; by promoting an asocial view of society; and by championing economic individualism which places the value of individual gain above wider social values. So, if New Labour opposes the New Right way, as well as the Old Left way, then a third way could promote wealth creation and social justice, the market and the community; it could

embrace private enterprise but not automatically favour market solutions; it could endorse a positive role for the state – for example, welfare to work – but need not assume that governments provide public services directly: these might be done by the voluntary or private sectors; and it could, above all, offer a communitarian, rather than individualist view of society in which individuals are embedded in social relations which give structure and meaning to people’s lives – and that it is the role of governments to promote ‘the community’ as a way of enriching individual lives.

There are obvious problems with defining the third way simply in terms of what it is not. It can appear negative, lacking substance. As Stewart Wood suggests, it is “product differentiation without really knowing what the product is” (Halpern and Mikosz, 1998: 7). Ralph Dahrendorf has argued that this negative approach is significant because “when you define yourself in others’ terms, you allow them to determine your agenda” (Dahrendorf, 1999). There is, moreover, the tendency to create soft and often ill-defined targets which turn complex political formations into caricatures (see Vincent, 1998 for a good discussion of ‘old’ and ‘new’ ideologies). New Labour’s view of the Old Left, for example, is a catholic one (Shaw 1996; Hirst 1999). It combines disparate political positions under one label – from the social democracy of Tony Crosland in the 1950s and 1960s (itself a ‘middle way’) to the state socialism of the Alternative Economic Strategy in the late 1970s and early 1980s. New Labour’s view of the New Right has similar faults. In particular, it suffers from an exaggeration of the neoliberal influence on Conservative governments in the 1980s and 1990s – any government which continues to spend over 40% of GDP can hardly be described as *laissez faire* – at the expense of acknowledging their Conservative social interventions, the growth in economic regulations and the centralisation of government.

The advantage to Labour modernisers of this negative or relational approach is to highlight – and exaggerate – the novelty of New Labour. Continuities with the Old Left – or at least parts of it – are downplayed, as are continuities with Conservative policy making in the 1980s and 1990s – except, of course, where it suits New Labour to appear ‘tough’, on inflation or trades unions, for example. This is not to suggest that New Labour is simply a more up-to-date version of a post-war Labour government – there are too many important discontinuities – and nor is New Labour simply a continuation of Thatcherism. But it seems reasonable to suggest that if a third way is neither Old Left or New Right, then it – or the political territory where it might be found – can cross the centre ground of politics from Left to Right: and that a third way politics might embrace not just the Centre-Left but include more traditional ‘one nation’ strands of Toryism, as well perhaps as more recent notions of ‘compassionate conservatism’ (see Dionne, 1999).

This brings us to the question of what ‘beyond’ means and to the nature of the relationship between the various ways. Does ‘beyond’ here mean further on in comparison with (ie, with the Old Left and New Right); or superior to; or simply apart from or in addition to? Is New Labour’s understanding of a third way – indeed, what the government is doing in practice – a break or continuation with the past? Blair’s position on the third way is that it represents a ‘modernised social democracy’. In other words, the third way is a path on the centre-Left of modern politics. This qualifies the meaning of ‘beyond’. While it might retain some sense of progression - the third way is at a (better) point further on – there are strong connections with the past. So, Blair argues, the third way offers an opportunity to advance traditional

centre–Left values using new policies which reflect the changing circumstances of the modern world.

What the third way is: conditions and values

Blair's attempt to substantiate a third way falls into three parts: first, the general conditions for a third way; second, its values; and third, the means required to achieve the ends given the conditions outlined in the first place.

The general conditions for third way politics rest on the argument that contemporary society is undergoing profound and irreversible changes; and that these 'new times' call into question established political and policy-making frameworks. The central theme here is 'globalisation'. In a speech in South Africa in January 1999, Tony Blair suggested:

The driving force behind the ideas associated with the third way is globalisation because no country is immune from the massive change that globalisation brings ... what globalisation is doing is bringing in its wake profound economic and social change, economic change rendering all jobs in industry, sometimes even new jobs in new industries, redundant overnight and social change that is a change to culture, to lifestyle, to the family, to established patterns of community life. (Blair 1999)

A third way, then, is required to cope with these 'new times'. For Blair, the Old Left – post-war social democracy – “proved steadily less viable” as economic conditions changed as a result of globalisation. In particular, the linchpin of post-war social democracy, Keynesian economic management to achieve full employment, partially repudiated by James Callaghan in the mid-1970s and again under question during Labour's Policy Review in the late 1980s, is seen as redundant in the context of a global economy. The economic liberalism of the New Right Thatcher governments, which “in retrospect” brought about “necessary acts of modernisation” (in particular, “exposure of much of the state industrial sector to reform and competition”), ultimately failed because of a political dogmatism which prevented it from dealing with the consequences of globalisation, such as social dislocation and social exclusion, which required more active government (Blair, 1999: 5–6).

Third way thinking supports the view that globalisation brings with it greater risk and insecurity, and that it is the role of policy making not to shield individuals from these but to provide the 'social capital' and 'proactive' welfare states which enable them to respond to them and prosper in the global age. And where globalisation is bound up with the new digital information and communication technologies and the 'knowledge economy', individuals need the education and training appropriate to these conditions. Public policy should support business in the creation of 'knowledge-rich products and services' which will be the source of future economic growth (Leadbeater, 1998). As a result, it is suggested, the competing goals of economic success and social justice/cohesion can be squared. Government promotes economic growth by creating stable macro-economic conditions; and its supply-side social interventions enhance individual opportunity (social justice) and increase non-inflationary growth, which together bring greater social cohesion by reducing social exclusion.

As we shall argue later, there are within third way thinking important divergences over the significance of globalisation and how a third way politics might or should respond to it. There are different views on the extent to which governments can or should control, regulate and respond to the global free markets at the heart of economic globalisation. There are also markedly different responses to the social changes which Blair alluded to in his South Africa speech.

If these, then, are the general conditions for a third way, what about the values that a third way politics might promote? There have been a number of attempts to pin these values down and we shall focus on the four identified by Tony Blair in his third way pamphlet for the Fabian Society: 'equal worth', 'opportunity for all', 'responsibility' and 'community'.

The first, 'equal worth', is the old liberal nostrum that all human beings are equal and should be treated as such and not discriminated against. The second, 'opportunity for all', reflects the New Liberalism in New Labour's third way: that substantive (or positive) freedom requires that individuals have the resources to develop their talents and exercise their liberty – rather than being concerned solely with the legal conditions which support individuals to lead free lives (negative freedom). Equal opportunities do not only go beyond the New Right, though. Blair attempts to make a distinction crucial to his third way: that 'opportunity for all' is principally concerned with opportunities and not outcomes:

The Left ... has in the past too readily downplayed its duty to promote a wide range of opportunities for individuals to advance themselves and their families. At worst, it has stifled opportunity in the name of abstract equality. (Blair, 1998: 3; see also Brown 1997)

By 'abstract equality' Blair means equality of outcome. While he goes on to suggest that "the progressive Left must robustly tackle the obstacles to true equality of opportunity", and that these might include "gross inequalities ... handed down from generation to generation", Blair offers a meritocratic understanding of equality – albeit qualified by ideas such as 'lifelong learning'. As we shall suggest later, the debate about equality goes to the very heart of third way politics.

The third of Blair's four values is 'responsibility' and links closely with the fourth, 'community'. 'Responsibility' reflects Blair's ethical turn spelt out in his 1995 Spectator lecture that "we do not live by economics alone": "a society which is fragmented and divided, where people feel no sense of shared purpose, is unlikely to produce well-adjusted and responsible citizens" (Blair, 1995). In a decent society, individuals should not simply claim rights from the state but should also accept their individual responsibilities and duties as citizens, parents and members of communities. A third way should promote the value of 'community' by supporting the structures and institutions of civil society – such as the family and voluntary organisations – which promote individual opportunity and which ground 'responsibility' in meaningful social relationships.

As we shall develop in this article, there is broad agreement over these values among third way writers (for example, Giddens, 1998; Hargreaves and Christie, 1998; Le Grand, 1998), though problems emerge over the interpretation of these values and the extent to which

they define a centre-Left political project (White, 1998). Meanwhile a key question concerns the means by which centre-Left values are put into effect, the third part of a substantive definition of a third way.

What the third way is: means and the role for government

Blair's pragmatic view of means is indicative of much third way thinking:

These are the values of the Third Way. Without them, we are adrift. But in giving them practical effect, a large measure of pragmatism is essential. As I say continually, what matters is what works to give effect to our values. (Blair, 1998: 4)

For Blair, as times change, so must the means to achieve centre-Left values; and it is these values, not the policies in themselves, which matter. This is the core of New Labour's case for a third way – and of Blair's assertion that the third way is a centre-Left political project.

Leaving aside whether means and ends can be separated like this, the third way debate about public policy reflects the Left's long preoccupation with the question of the appropriate role for government (and the state more generally) in a market society. As Bill Clinton and the New Democrats have claimed, the third way offers a new role for government between the liberal Left's attachment to 'big government' and the conservative Right's attempts to dismantle government; and this, in part, can be seen as a debate about the balance between the state and the market and the character of public policy instruments. What is common to the third way is the notion that there is an active role for government in contemporary market societies; and that this breaks with the state versus market approach which, it is suggested, typified the Old Left and New Right (it is questionable whether either of these were so dogmatic in practice). New Labour's third way pragmatism, Le Grand (1998) argues, lies in the fact that it has no automatic commitment to either the public sector (as Old Left social democrats did) or the private sector (as New Right neoliberals do). New Labour's third way approach to public policy breaks with the state/market approach in part by being more pragmatic and less ideological about them. As Downing Street policy adviser Geoff Mulgan suggested in 1993:

The changing balance between public and private sectors, state and market solutions, cannot be separated from the organisational forms and competences which each brings to bear. It is with these, and with public and private organisations' practical ability to recognise and solve problems in everything from energy to prisons and from universities to childcare, that any useful argument now has to begin. (Mulgan, 1993: 47)

Although, as we shall argue, the question of means – the types of public policy and agencies through which values might be pursued – also divides the third way internally: means and ends are less easily separated in practice.

Put more substantively, a third way approach to public policy, as a theoretical construct and something the Labour government is doing in practice, encompasses a number of features: the state working in 'partnership' with the private and voluntary sectors (eg the New Deal

and the Early Years Development Partnerships); government regulating and acting as guarantor but not direct provider of public goods or of basic standards (eg of local government services and the minimum wage); the reform or 'reinventing' of government and public administration (eg government departments and agencies working together to tackle complex social problems – so-called 'joined-up government'); the welfare state working 'proactively' to help individuals off social security and into work ('employment-centred social policy' or the 'social investment state'), not leaving it to market forces or direct state provision; government working to provide public goods (such as childcare, education and training) to underpin greater equality of opportunity ('asset-based egalitarianism'); government targeting social policy on the socially excluded, and at the same time encouraging greater individual responsibility for welfare provision (eg 'stakeholder pensions'); and government redrawing the 'social contract': rights to welfare matched by responsibilities, especially regarding work. A third way government might, then, be distinguished from an Old Left one by its willingness to find new forms of public intervention in the economy and society, in particular, by giving up its role as the direct provider of public goods; and from a New Right one by its willingness to embrace a wide definition of public goods, especially in social policy, and a more active and interventionist role for the state.

To be sure, the fact that a government espousing a third way pursues such policies does not make them original or exclusive to the third way. Many of the public policy instruments and reforms, like public-private partnerships or 'reinventing government', now seen as being at the heart of New Labour's third way were in fact significant features of previous Conservative administrations from which the third way is meant to be clearly distinguished. In this way, current third way thinking can be seen as marking some degree of consensus between Left and Right; and the Labour government's reforms as revising previous Conservative reforms, not overturning them entirely (for example, the retention of the purchaser-provider split in the NHS despite all the rhetoric about 'abolishing the internal market'). And not all third ways can be seen as coterminous with New Labour. There might easily be different third ways between Old Left and New Right. The fact that governments of the Right, whether at state level in the USA or national governments like that of Aznar in Spain, are attracted to so-called third way public policy instruments presents problems for any attempt to identify the third way as a uniquely centre-Left political project. Furthermore, not all New Labour policies, on the definition we have outlined, can be seen as third way. Attempts to give a third way meaning to foreign or defence policy, for example, artificially expand the third way to anything which can be defined as different to two alternatives, whatever they may be.

In the rest of this article we shall raise two interrelated questions. First, does the third way as outlined mark a significant break in political thinking and policy making? To what extent does it move 'beyond' notions of Left and Right – and what does 'beyond' really mean in this context? Second, is there one third way or a number of possible third ways? And if there is more than one, are all of them equally social democratic? This second question, we shall suggest, goes to the heart of the debate on the third way. Do the kind of values which Blair and others suggest clearly define a third way? Or is the debate over the interpretation of third way values (the question of what type of equality, for example) indicative of significant lines of division within the third way?

Does the third way mark a radical break?

The basic framework of third way arguments is that in changing economic and social circumstances, a new politics is required which departs from the major political paradigms of the post-war years: namely social democracy (Old Left) and Thatcherism (New Right). But to what extent does the third way dispense with the traditional divide between Left and Right, and with the established political categories of liberal, conservative and social democrat? Does it, as Bobbio (1996) has asked, transcend and make such categories redundant? Or is it simply a cobbling together of different intellectual positions which may or may not give rise to principles and practices which are contradictory and mutually undermining? There is a degree of ambiguity between and within advocates of a third way on these questions. Blair, for example, argues that “the third way is not an attempt to split the difference between Right and Left”, suggesting not a middle way but something more novel. He then states that the third way offers a new synthesis between liberal and socialist thinking: the third way “marks a third way within the left” (Blair, 1998: 1, italics in original). But some modernisers have their doubts. As Stuart White argues, the third way “can all too easily be taken to imply that we need, not to modernise, but to exit the social democratic tradition in pursuit of something wholly new and distinctive” (White, 1998; see also Marquand in Halpern and Mikosz, 1998).

Beyond Left and Right?

John Gray is the leading advocate of the argument for a new politics which transcends established political frameworks:

The place we occupy is not a halfway house between rival extremes. Our position is not a compromise between two discredited ideologies. It is a stand on a new common ground. (Gray, 1997)

Elsewhere he argues for his:

... conviction that the established traditions of British political thought: liberal, conservative and socialist, cannot meet the challenges posed by the technological and cultural environment of Britain in the late modern period. New thought is needed, in which debts to the past are light. (1996: 7)

The ‘debts’ Gray alludes to include, crucially, political values not just policy instruments – the dominant theme in New Labour thinking. He argues for a politics “beyond the New Right” (1993) and “after social democracy” (1996). Significantly for any debates about the third way, Gray suggests that:

Social democrats have failed to perceive that Thatcherism was a modernising project with profound and irreversible consequences for political life in Britain. The question cannot now be: how are the remains of social democracy to be salvaged from the ruins of Thatcherism? But instead: what is Thatcherism’s successor? (1996: 10)

For Gray, the 'communitarian liberalism' that he advocates rejects the social democratic value of equality and seeks instead to develop notions of 'fairness' and 'local justice'. Others have suggested that contemporary politics is undergoing a 'cultural turn' in which questions of identity have become paramount and that this culturalisation of politics is blurring Left/Right political distinctions. Anthony Giddens (1994 and 1998; see also Driver and Martell, 1999) argues that 'emancipatory politics' – concerned principally with questions of political economy; with the distribution of rights and resources – is giving way to 'life politics' – concerned principally with questions of identity and the quality of life. Giddens suggests that these shifts in contemporary political culture blur distinctions between Left and Right outside the domain of party politics:

... a whole range of other problems and possibilities have come to the fore that are not within the reach of the Left/Right scheme. These include ecological questions, but also issues to do with the changing nature of the family, work and personal and cultural identity. (Giddens, 1998: 44).

Left and Right concerns cut across these areas and they also sometimes fail to encapsulate differences between points of view on life politics.

Giddens also argues that traditional attachments of Left and Right to radicalism and conservatism respectively were becoming less and less meaningful after a decade of Thatcherite neoliberal radicalism and in a cultural environment he calls 'post-traditional'. New Labour has since conformed to Giddens' thesis by embracing a brand of social conservatism. For Giddens this makes it seem that Old Left–Right associations do not work anymore: particular views are no longer exclusively the property of one or the other. This is reinforced by the fact that popular attitudes do not so easily divide into consistently Left or Right positions as they used to. On many issues people divide into liberal or communitarian camps, for example, rather than Left and Right ones.

Such views suggest the moving of politics to areas beyond categories of Left and Right. But does this mean that Left and Right are transcended or synthesised or that they merely coexist?

Our argument is that the third way involves the combination rather than transcendence of Left and Right. Principles such as equality, efficiency, autonomy and pluralism, over which the Left and Right have long been divided, get mixed together rather than left behind. The novelty of the third way lies in this combination of Left and Right: it is a mixture which is neither exclusively of the Left or of the Right. In this way, the third way offers a politics which is beyond the closed ideological systems of Left and Right; but which still combines them both and remains within the tradition of middle way politics which has been a feature of much of 20th-century British politics – most notably New Liberalism, post-war social democracy and one-nation conservatism.

Blair has argued that public policy "should and will cross the boundaries between left and right, liberal and conservative" (Blair, 1995). In his Fabian pamphlet, he suggested that the third way offers "a popular politics reconciling themes which in the past have wrongly been regarded as antagonistic" (Blair, 1998: 1). So, a third way stands for social justice and

economy efficiency, individual autonomy and equality, rights and responsibilities, a successful market economy and social cohesion. It overcomes these bipolar divisions by suggesting that they are mutually supporting. Blair offers practical examples of third way policy positions which he sees as crossing traditional political divides: cutting corporation tax *and* introducing a minimum wage; giving the Bank of England independence *and* developing a programme of welfare to work; reforming schools *and* tough policies on juvenile crime; giving central government 'greater strategic capacity' *and* introducing devolution; more money for health and education *and* tight limits to the overall level of government spending. For Blair, the distinctiveness of these policies in terms of a third way is the italicised '*and*' in each case: it is in the combinations that the originality of third way thinking lies. And it is the combination which produces a politics which is both new – "beyond Old Left and New Right" – yet also rooted in centre-Left values.

The notion that freedom might need equality; that a strong community is the basis for individual autonomy; that economic efficiency should be tempered by social justice, and that rights must be balanced with responsibilities is, of course, hardly original – these are concerns which run right through, for example, New Liberalism. But what Blair's third way often appears rhetorically to do is to reconcile what are in the end irreconcilables. Where Left and Right mark out political positions which offer distinct and robust views on, say, liberty and equality, economic efficiency and social justice, and even on the balance between such principles, New Labour's third way can at times appear as if, as Albert Hirschman (1996) puts it, all good things go together – when very often they don't. It is in the end impossible to synthesise the counterposed options of Left and Right, social democracy, liberalism and conservatism. There are essential and irresolvable tensions between them and their principal values: equality, liberty and authority. What is possible is to manage the relationship between these political traditions: to find compromises not resolutions (see Martell, 1993 on the middle ground between socialism and liberalism). And such compromises come with price tags as principles and values have to be traded off against one another.

This is what we believe the third way to be essentially about: a more pragmatic political project which is willing to break free from what it sees as the straightjacket of left/right politics (see also Powell, 1999). And for this reason, the third way offers a wide and potentially fertile landscape for public policy making, although not one without pitfalls: for example, the internal coherence of public policy when different agendas are in play (see Paton in Powell 1999 on Labour's health reforms). For if compromises are to be struck and balances are to be found between different values and principles, then it is at the policy coal-face that such deals are to be made. Such a political project may actually be in a better position to tackle complex social problems, such as social exclusion, for the very reason that it is relatively light on ideological baggage – or at least willing to make compromises on its contents – and so can approach policy analysis and prescriptions whatever their origins so long as they work (Glennerster, 1999). The New Deal, important elements of which have been imported direct from American welfare conservatives, is a good example. The New Deal also illustrates how the principles of autonomy, opportunity and rights balanced with responsibilities might actually complement one another. Equally, it could be argued that Labour's policies in other fields, such as family and welfare, can complement one another (see Driver and Martell, 2000 for further discussion). It also allows the Labour government

to have a more pluralistic approach to policy making, in the sense that certain principles operate in some spheres of policy making and not in others. For example, rights-based liberal individualism in constitutional reform but social conservatism in education and the criminal justice system.

We would argue that this more pragmatic and limited notion of politics and public policy, not the more radical and synthetic one, better defines any third way – and in fact what the Labour government is doing in practice. Finding some balance or *modus operandi* between the demands of competing political values; recognising that different values (or combinations of values) may be more suited to different policy areas. These are the approaches which better define a third way and which better encapsulate what the Labour government is doing in practice. While this interpretation of New Labour recognises that reciprocity and mutual dependency between different values and policies is possible in particular circumstances, it is also aware that different interests remain at work and that tensions remain permanent features of the political and policy-making landscape. For example, giving the Bank of England independence to set interest rates and establishing a welfare-to-work programme may be a clever mark of third way policy making, balancing the principles of economic efficiency and social justice. But such public policy does not resolve the inherent tensions in any market economy between the inegalitarian outcomes of the market (outcomes which Blair and Peter Mandelson have publicly endorsed) and those egalitarian outcomes – ‘opportunity for all’ – which social justice demands. While a strong economy does support and underpin high rates of employment, as Blair and Brown argue, the principle of equality may demand public policies which directly impinge on the inegalitarian dynamics of the market, in particular through higher taxes to pay for social security and public services

A new consensus?

But is this more pragmatic notion of a third way simply the mark of a new consensus between Left and Right – in particular, a consensus based on the Thatcherite reforms of the 1980s and 1990s which New Labour has adopted and which has replaced the post-war social democratic consensus on Keynesianism and the welfare state? Does the third way debate obscure the more significant development of a post-Thatcherite consensus where on the big issues there is agreement between the major parties and it is only on detail that political actors part company? And does the notion of a third way, and the consensus which may lie behind it, raise concerns that debate about genuine contested political alternatives, the heart of an open, liberal democracy, is being foreclosed? For many critics the consolidation of Thatcherism is what New Labour amounts to and Blair is little more than the ‘son of Margaret’ (Hall, 1994, 1998; Hall and Jacques, 1997).

Certainly, the political agenda shifted to the Right under Mrs Thatcher and the main political parties now are fighting on a similar post-Thatcherite terrain. If this is true, however, it is not evidence for the ‘beyond Left and Right’ view. The new consensus consists of a shift from Left to Right, not one which goes beyond both to something new. The occupancy of positions has moved but the old divides on which they are based still remain. The ‘beyond Left’ view is also, on a factual level, too simple. The case for consensus is based on Labour’s adoption of an orthodox macro-economic policy which has low inflation as its central policy

objective and interest rates as the key policy instrument. While giving the Bank of England the power to set monetary policy marks a point of departure from previous Conservative governments, it is in other public policy areas – the labour market (the minimum wage, the Social Chapter), constitutional reform, public spending on health and education, the scale and scope of the New Deal – in which it is possible to identify imprints of the Left. Many of these differences involve a combination of small practical measures based in centre-Left values and involve important symbolic differences from the Right. Put simply, the third way is worth taking seriously because while the Labour government is doing things previous Tory administrations did, it is also doing significant things that they didn't; and this combination is challenging the Right to think again. 'Beyond Left' is also too simplistic because the third way beyond Blair, and beyond the third way itself, still includes distinctively Left-wing positions.

Third way or third ways?

Third way thinking, then, is not as radical as it often appears. But what are its dimensions? As we have suggested, the space between Old Left and New Right may not be as narrow as it first appears. If there is one third way in that space, there may be room for others (see Dahrendorf, 1999; Freedon, 1999). Different third ways might be more or less centre-Left in orientation: some social democratic, others not – and some to the right of the political divide. We want to examine in greater detail the substantive meaning of third way values and the politics and policy-making options they imply.

Giddens and Blair : new times and social democracy

Anthony Giddens is often styled as Blair's third way guru. But in terms of the issues to which Giddens sees the third way as being a reaction, on what he says underlies and shapes it, and, consequently, on some of the positive meanings of the third way, there are differences of emphasis between him and Blair. What kind of individualism? What kind of civil society? What kind of politics? What kind of equality? In Blair's and Giddens' answers to these questions there are differences in third ways between Old Left and New Right. Giddens gives different emphases to the social trends he sees as important – globalisation, detraditionalisation, value change in society, changes in social structure and ecological problems. Where they do identify similar significant social changes (for example, globalisation and individualism), Giddens and Blair sometimes define them differently. As we shall see below, Blair sees globalisation and the rise of individualism differently to Giddens and places less emphasis on factors such as the growth of ecological problems. Variations in the positive content of their third ways arise from such underlying differences of emphasis.

While they both stress the role of globalisation, Blair does not put the emphasis that Giddens does on institutions of global governance which might counteract economic globalisation (see also Held, 1998). Blair stresses the need to accept and learn to live with the global market economy. For critics such as Hutton (1998), for example, Blair is too acquiescent to the perceived globalisation of the world economy and to the limits this places on national economic policy making (see also essays by Marquand, Vandenbroucke, Hirst and Hutton, in Gamble and Wright, 1999). Where Blair does discuss transnational

political coordination, it is focused mostly on leadership in the European Union and prioritises the need for transparency and democracy in EU institutions rather than the more expansive ideas for global governance that Giddens discusses. Blair's emphasis is more passive and adaptive to globalisation than Giddens', although during the Kosovo crisis Blair did talk of permanent structures for international intervention in humanitarian crises.

The growth of individualism is another phenomenon Giddens and Blair both see as an important influence on politics – but they have different analyses of it. Giddens argues that the sort of individualism that has grown in society is not economic egoism and cannot be attributed to Thatcherism (Giddens, 1998: 34–7). It is a product of detraditionalisation and increases in choice; and more about moral uncertainty than moral decay. For Giddens, the growth of this sort of individualism requires, as a response, more active responsibility, reflectiveness and democratisation. There are crossovers here with Blairite ideas of individual responsibility and self-reliance concerning welfare reform, but also key differences. Blair explicitly does locate the growth of individualism in, among other things, the Right's economic egoism, the Left's social individualism and a more general process of moral decay. The active, reflective citizen in a radical democracy is Giddens' model. Blair puts more emphasis, in his response to individualism, on the notion of duty, on moral cohesion and those institutions such as education, family and the welfare state which he believes can and should enforce good behaviour. Giddens' solution is to emphasise active individualism where Blair's is to stress moral responsibilities and standards as an antidote to the individualism he identifies, a more communitarian response. In this respect, third way ideas can be divided between 'post-traditionalists' like Giddens and 'social moralists' like Blair.

Giddens also gives greater emphasis to post-materialist attitudes and quality of life issues expressed in 'life politics' or 'sub-politics'. He is conscious of risk, scientific uncertainty and ecological problems. He does not propose replacing governmental politics with 'sub-politics' but does suggest the latter should have a more important role. Blair's politics are less about quality of life issues beyond conventional economic and social policy concerns: while the Labour government has developed a quality of life index, it remains peripheral to the main body of policy making. The core of New Labour has little interest with active democratising processes for citizens in everyday life outside mainstream politics. To the disappointment of many environmentalists, feminists and others, there is little in Blair's politics which is a direct response to contemporary radical social movements or incorporates their concerns. The democratisation programmes of New Labour are of government not beyond government. When Blair discusses the need for 'a strong civil society' and 'civic activism', it is not social movement politics he has in mind. His concern is with individuals fulfilling their responsibilities as parents, criminals shouldering individual responsibility and the role of the established institutions of the voluntary sector and the family rather than radical, informal social movements.

Third way values in question: equality and community

Stuart White offers his definition of third way values (White, 1998). These, he suggests, are: 'real opportunity', 'civic responsibility' and 'community'. They tally more or less with those offered by the Labour leader we examined earlier. These values, White suggests, offer a

'general normative framework'. However, unlike Blair, White suggests that they are open to different interpretations, not all of which will fall on the centre-Left. This leads him to suggest two lines of division within the third way. The first between 'Leftists' and 'Centrists' concerns the nature of equality. Like Bobbio (1996), he identifies equality as a crucial issue which divides those on the Left from those further Right. The second line is between liberals and communitarians and concerns the degree of individual freedom in relation to community enforced norms.

There are two points of note which we shall pick up and develop from White. First, the interpretation of third way values is significant and marks out different political positions within the third way. What kind of equality is involved and what kind community and how much of each? There are divergencies among third ways on such questions. Second, the third way is concerned with means as well as ends. The varying means intended to achieve third way ends – governmental or more voluntaristic, for example – may also lead to a differentiation of third ways.

White's first line of division is between Leftist-egalitarian and more Centrist-meritocratic third ways (see also Holtham's distinction between the 'centre-Left' and 'radical Centre' in Halpern and Mikosz, 1998: 39–41). Leftists would like to see greater redistribution of income and wealth rather than of just asset-based opportunities; and critics such as Roy Hattersley (1997a, 1997b; see also Levitas, 1999) have condemned New Labour's shift from equality of outcome to meritocracy and inclusion as the principal aims of the third way. Differences between Giddens and Blair are evident on this question. Giddens is more egalitarian and launches a stern attack on the inadequacy of meritocracy and equality of opportunity alone:

Many suggest that the only models of equality today should be equality of opportunity, or meritocracy – that is, the neoliberal model. It is important to be clear why this position is not tenable. (1998: 101; also Giddens, 1999)

For Giddens equality of opportunity without egalitarian redistribution is self-undermining because it allows inequalities to grow which then prevent more equal opportunities. Inequalities threaten cohesion and send those at the bottom of society the demoralising message that they deserve to be there. Leftist egalitarians might even argue that lower ability (or even lesser effort) should not be a basis for economic inequality. Such a view supports policies such as increased taxes to fund higher public spending on education and health; universalism in welfare as a basis for common citizenship; and a more directly interventionist state which are to the left of Blair's third way.

The leftist position contrasts with Blair's and Gordon Brown's more meritocratic concept of equality (Brown, 1997). Blair's rhetoric stresses fairness and equality of opportunity rather than redistribution; and criticises the Old Left for having "stifled opportunity in the name of abstract equality" (1998: 3). To date, Brown's budgets, although mildly redistributive, have been more concerned with inclusion – getting people back into work – than with equality and the distribution of wealth and income in society. The Labour government's approach to welfare reform has been to target government help especially on the working rather than non-working poor and on families with children. The question this raises is

where the Leftist-egalitarian position stays within a third way beyond New Right and Old Left or where it begins to stray back into the territory of Old Left. White, who labels himself as a Leftist-egalitarian, and others like Will Hutton (1995), have suggested stakeholding, a more traditionally social democratic idea, as a more definite label for what they believe in.

A second line of division identified by White is between communitarians and liberals: between those who have a broad understanding of the range of behaviour for which the individual may be held responsible to the community, and for which the state may legitimately intervene, and those who have a much more limited notion. White argues that any third way view must have some commitment to civic responsibility. And it is New Labour's communitarian understanding of civic responsibility – its apparent willingness to set public policy which challenges liberal notions of the private sphere – which is distinctive, and which has drawn fire from, among others, the liberal Left for being too Conservative, too prescriptive, even socially authoritarian (most recently in *Marxism Today*, 1998; see also, Dahrendorf, 1999; *The Economist*, 1999). Indeed, one of the central Blairite arguments is that the Old Left were too socially individualist; and that family arrangements, for example, had become too subject to matters of choice and individual fulfilment over and above parents' responsibilities to their children and to the community. On welfare reform, in particular, the 'responsibility' for individuals to find work and to be self-supporting is evidence of the Labour government taking a third way position which is strongly communitarian. This aside, it is important to qualify the degree to which New Labour's third way is, as some have suggested, illiberal. On family policy, for example, where Blair has been accused by some of 'social authoritarianism', the actual policies often support diverse family forms: the Labour government, especially through Brown's budgets, has proved more neutral on the family than many expected (Driver and Martell, 2000).

This liberal-communitarian distinction conceals further differences in third ways – among liberals and among communitarians. Some who are liberal on social matters, for example, may be Left-egalitarian; less interventionist socially but in favour of greater economic interventionism and equality. It is conceivable that some who are liberal on social intervention could be more centrist-meritocrats, although this combination begins to move us to the Right rather than Left of centre. Similarly, those who are sympathetic to Labour's communitarian interventionism on social matters may be Leftist-egalitarians or more centrist-meritocrats when it comes to questions of economic equality. So, between liberal and communitarian third ways there may be differences and within each yet further third way approaches can be distinguished.

These distinctions leave out a third set of axes to do with the nature of communitarianism along which there is space between Old Left and New Right for third ways to differ. Different sorts of communitarianism can be progressive or conservative, voluntaristic or statist. As we have suggested, criticisms of Labour's communitarianism are often liberal and suspicious of prescriptive moralism. But another line of criticism could come within communitarianism from anyone at odds with its conservative content (again, see *Marxism Today*, 1998). This raises issues not of whether community should be promoted but of what sort of community – a 'progressive' community (which promotes modern teaching methods and support for non-nuclear family forms, for instance) or a more 'conservative' sort of community (which emphasises more traditional norms for teaching and the family).

Also glossed over by the liberal-communitarian distinction is a difference between voluntaristic and top-down communitarians. Again, the difference is not over whether greater community or shared moral norms are needed but, in this case, where these come from – state action or more organically. Those who stress the latter can include one-nation or ‘compassionate’ conservatives or Leftist communitarians of more voluntaristic, civil society and social movement traditions, in search of more community but not through state action. Those, like New Labour, who stress the former see governments – through exhortation, symbolic action and legislation – taking the lead in fostering community in society.

This is an example of where third ways diverge on means. How far does the third way involve the initiative of civil society or state? Should welfare be delivered by the state or by greater delegation to the private and voluntary sectors? Can a government committed to strong social objectives deliver on them without the old levers of powers – at least without resorting to new ‘cattle prods’ (see Coote, 1999)? Should welfare be universal or more targeted – and how might a shift to greater targeting impinge upon social democratic values? Does the third way imply global governance or national or local action? To what extent is cooperation between state and other actors, whether governmental or non-governmental, the best path forward? In this way, the third way can diverge on means – and the choice of means in each of these cases will affect the character of the ends reached.

Left, right and the third way

The third way is initially a negative programme, to go beyond Old Left and New Right, especially applicable to Anglo-American contexts where these alternatives have been prevalent. This is combined with an attempt to modernise in tune with new times in the economy, society and culture. But beyond this basis in negative opposition and modernisation there are positive meanings in terms of values (versions of equality and community) and means (the role for government). On such issues, Blair’s third way combines rather than transcends left and right but, in doing so, produces new configurations which in themselves may be neither Left nor Right. Combining Left and Right like this can be contradictory and mutually undermining, but not necessarily so. Left and Right can coexist in the third way. In fact, they can form mutually dependent and reciprocal relationships. But the positive implications of taking a third way are not pre-determined or singular. There are different possible meanings of what can be between Old Left and New Right. Variations in social changes identified will lead to different positive contents for the third way. And third ways can vary on the content of values such as equality, community and individualism, what these should mean and how much of each there should be. In identifying third ways old political labels continue to be useful. Versions of the third way are more Left or Right, more or less social democratic, more liberal or conservative; and criticisms and defences of Blair’s third way often break down along such lines. This casts doubts on Blair’s oft-repeated claim that the third way is necessarily a centre-Left project. A social democratic third way, whether it is actually called that or not, is discernible (see Gamble and Wright, 1999, on the ‘new social democracy’). Equally apparent are third ways to the Right which share little with the centre-Left however defined. In this way, Left and Right divisions, as Bobbio (1996) argues, as well as those between liberals and communitarians, progressives and

conservatives, have not been left behind. They rear their heads once again and define the positions on which we stand.

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