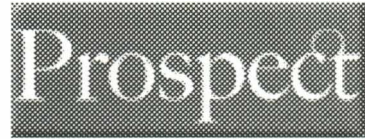


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Third way, phase two



March 2001

The ideas associated with the third way are still the wave of the future for progressive politics.

By Tony Blair

The ideas associated with the third way are still the wave of the future for progressive politics. From latin america to Europe to parts of Asia, third way politics, or "progressive government" as some describe it, is exerting a huge influence on global politics. Parties and governments struggling to make sense of a new world, yet determined to cling on to a belief in social justice, have used the third way as a means of modernising their approach to politics whilst holding true to fundamental values. For the most part they have succeeded. In the process, they have spoken directly to the many people who embrace the modern world but are apprehensive about its effects on them: people who are torn between wanting the benefits of new technology, but fear its consequences, people who want more individual choice but regret the loss of community.

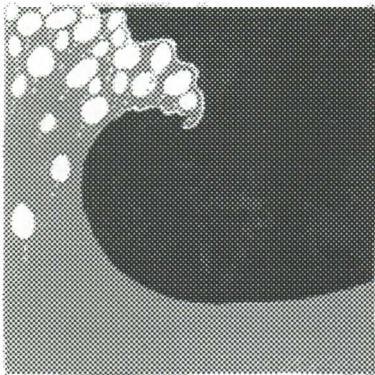


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Ironically in Britain, where New Labour pioneered some of these ideas, the third way is often disparaged as "meaningless," "reheated liberalism," "neither one thing nor the other." In a manner wearily familiar to practitioners of centre-left politics, the left has joined in the attack mounted by the right. For the right to attack is eminently sensible: nothing is more threatening to its political prospects than the spectre of a centre-left not merely electorally revitalised but, after the collapse of communism, ideologically regenerated. But for the left itself to join in is a curious form of self-mutilation. Constructive criticism is healthy; lazy negativism is not. I want to lay to rest some of the myths around the third way. It is not a third way between conservative and social democratic philosophy. It is social democracy renewed. It is firmly anchored in the tradition

of progressive politics and the values which have motivated the democratic left for more than a century. It is a third way for Britain because it represents a third phase of post-war history--following the settlements of 1945 and 1979. It is a third way for the left too. In the last century, the tradition of social liberalism emphasised individual freedom in a market economy. Social democracy used the power of government to advance social justice. The third way works to combine their commitments in a relevant way for the 21st century.

The new progressive politics has two driving concepts behind it. First it defines a new role for *collective* action--national and local government, voluntary and community organisations, trade unions--which advances the interests of the *individual*. The purpose of such action is to empower individuals to fulfil their potential and meet their responsibilities. It is not about dictating to the individual; it is not about the supremacy of the collective good over individual aspirations. It is there to help people make the most of themselves, recognising that in unequal societies, in the absence of such collective help, only the privileged few will get the chance to succeed.

But it does *not* stand for rigid forms of state ownership or provision. It is pragmatic as to whether public or private means are the best delivery mechanism. This is why reform of public services and

- of the role of government are high on the policy agenda of every progressive government.

Secondly the third way represents a historic realignment of economic and social policy, at a time when the old boundaries between economy, state and society are breaking down. For years, the economic framework of the British left was dominated by questions of public ownership. Markets were poorly understood, their obvious limits leading the left to neglect their great potential for enhancing choice, quality and innovation. When the contradictions and economic inefficiencies of communism, and even some of the planning of traditional democratic socialism, finally became evident, it seemed easier for the left to opt out of serious economic policy. We were the "social" party.

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This was, and is, a position of wholly unnecessary defeatism and weakness. In reality, a whole new economic agenda is before us, one that sharply divides the centre-left from the right, and which plays to our strengths. Effective markets are a pre-condition for a successful modern economy. The question is not whether to have them, but how to empower individuals to succeed within them. What used to be socially important is now an economic imperative. Individuals need opportunities as well as safeguards within the market--above all opportunities to gain new knowledge and skill to develop their potential. Without the assertion of equal worth, without the extension to all of basic entitlements at work, and without investment in their talents, both economy and society are impoverished. Social exclusion, poor education, high unemployment, racism and sexism, are not just socially wrong but economically inefficient. A tough criminal justice system which does not tackle the causes of crime never works. That is why the social indifference of laissez-faire seems so bankrupt--as an economic as well as social policy.

In the UK, we have the opportunity to combine values traditionally associated with Europe--fairness, solidarity --with the economic dynamism traditionally associated with the US. But our insights about collective action and political economy, apply not just to our country, but to relations between countries. Nations, to be powerful as well as successful, need to work in alliance together. The problems can be tackled in no other way. Isolation is contrary to Britain's true national interest; international engagement is its proper expression. The intellectual ascendancy of these ideas does not provide grounds for complacency. Governments can only win re-election if they deliver, and work each day to earn trust. But successful delivery is just the start; re-election depends on renewal, and the development of new ideas based on close analysis and real imagination. That is why it is important to understand the nature of the new phase we are in. In the 1990s the arguments for the third way in Britain were pitted against the still strong forces of the new right and the old left. The new right argued that problems of inequality, social exclusion and long-term unemployment were the price of a dynamic economy. The old left increasingly saw that the old nostrums--nationalisation, crude demand management, even protectionism--were inadequate, but insisted that revisionism was no different from capitulation.

The challenge for centre-left parties was to show that while economic and social change had destroyed traditional models of socialism, new means could serve old ends. Here our record in government is important. Unemployment, child poverty and crime in Britain are down; school test results, nurse and doctor numbers, capital investment, are rising sharply. Revived progressive parties have proved their competence in government. Having successfully colonised the political mainstream, we can now reshape its content.

But the world has not stood still since the early 1990s, and neither must we. Technology has continued to transform public and private choices; the fall of the Berlin Wall is no longer a recent event. Successful societies will be those that can adapt rapidly to the demands of such profound change. In Britain we are still coping with our recent inheritance: macroeconomic instability,

underinvestment in public services, chronic social exclusion and isolation in Europe. Our challenge is to make good these legacies, but also to move on--to grapple with new issues. I want to highlight six of them. First is the challenge of harnessing the new technologies to create wealth and meet human need. The challenge is local and global, economic and social, from the advance of an economy based on knowledge, to the stark issue of feeding a world population that will rise in 15 years from 6.1 billion to 7.2 billion. An explosion of knowledge is spawning dynamic new industries in IT and biotechnology, and at the same time offering startling new possibilities for how we live our lives. In every case--from GM foods to stem cell research--we need to be sure that there are the right safeguards in place to give the public confidence, and the right legal structures to encourage enterprise with responsibility. Technology is a servant not a master. But I am convinced we must encourage science to push forward the boundaries of knowledge if we are to address what in historical terms is the most momentous issue of our times--creating environmentally sustainable growth.

Second is the challenge of transforming education. If everyone is to thrive in a society founded on knowledge then it is essential that everyone has the chance to pick up the learning habit and realise their full potential throughout their life. This is partly about standards in the basics. Hence our first-term preoccupation in Britain with transforming teaching and standards in primary schools. It is about the personalised curriculum, which aims to develop in every child the field in which they have most talent. It is also about our universities, which have the capacity not merely to educate more students, but also contribute to economic dynamism. But it is also about culture--a culture of high expectations and high performance. We will know we have succeeded when "too clever by half" is no longer an insult, and when teaching is recognised alongside the law or business as a profession of the highest status and regard.

Throughout my life, I have seen a struggle to understand, manage, and if possible reverse national decline.

Third is the challenge of inequality and social mobility. This requires that we reshape the welfare state to cope with new patterns of ageing and poverty. Within developed countries, long-term unemployment, pockets of exclusion, high crime and drugs have scarred millions of lives. Hence in Britain our emphasis on active labour market policies, particularly for the young unemployed, lone parents and others in danger of exclusion from the world of work. But tackling exclusion is about more than preventing the development of an underclass. It is also about developing genuine social mobility throughout society: opening up the professions, rewarding merit, fostering entrepreneurship.

Fourth is the challenge of modernising and overhauling government itself and public service provision. The development of an entrepreneurial, high-status public sector is a great project for any progressive government in Britain. In the heyday of mid-20th-century social democracy, when the challenge was to deliver basic social rights to a mass working class, uniform public services, if possible of high standard, were an advance. Today, "one size fits all," is untenable. We are on the cusp of a sustained and substantial increase in public investment. We must not be the defenders of the status quo in public services or the welfare state. Our measures of reform, to boost professional capacity and decentralise power as well as to increase accountability, must deliver *effective* spending, not just *big* spending.

Fifth is the challenge of renewing democracy and overcoming the alienation and disconnection from politics that is a marked feature of our times. Democracy needs to respond to peoples' demand that they have a right to be listened to even if decisions do not always go the way they want. Reform is important at all levels, but I believe the renewal of local civic engagement is as important now as it was in the 19th century, when our great cities led national progress.

Sixth is the challenge of international engagement. Every country depends on the development of

legitimate global institutions that govern trade, finance and the environment. This is a matter of morality and enlightened self-interest. But for Britain there is a special dimension to this challenge. Since the second world war, we have in the main been at peace with other countries, but we have never made our peace with the emerging world order. Now, if we fall between Europe and America, we will be influential with neither. If we continue our engagement with a reformed and enlarged Europe, we will preserve our relationship with America. As a politician, one feature of these six tasks strikes me forcibly. All are issues on which the centre left is better placed to respond with practical solutions than the right. All are essentially challenges to our capacity to cooperate, to share, to work together.

The values of the centre-left have changed little in 200 years. They derive from our understanding of the world around us--understanding that people are cooperative as well as individualistic, that the growth of human knowledge has been a great liberator, that the world is interdependent as never before. But they are based on certain deeper truths as well--above all that social justice for each of us depends on social justice between all of us.

But the means have changed. You can see it in the invention being devoted to what is in effect a new wave of public services--the University for Industry, welfare to work, Surestart, NHS Direct. You can see it in the energy that is released when power is passed downwards--as with the parliament in Scotland and the assembly in Wales, the RDAs at regional level, the beacon local authorities, the neighbourhoods gearing up for regeneration. And you can see it in the confidence of much of our voluntary sector --the social entrepreneurs who are often playing a leading role in developing new ways of working. Who stands against us? Certainly the forces of reaction, a small "c" conservatism, rooted in old class structures and unaccountable privilege. The xenophobia of the new right feeding off fears and insecurity. The extreme greens who are anti-science fundamentalists.

With us are most of the public who always wanted an economically competent government that shared their sense of social justice. With us too are most of the dynamic currents in intellectual life--the cutting edge work in social sciences is about the nature, limits and dynamics of cooperation, about trust and social capital, knowledge and human capital. The tide of debate has swung back to community, mutual responsibility and a cautious internationalism. It is now the right which is in crisis, torn between a social conservatism that leads it to denigrate minorities, and a commitment to free markets that leaves people at the mercy of change. Politics in all countries today is about how to combine dynamic markets with strong communities. But there is a specifically British dimension to this debate. Throughout my life, I have seen a struggle to understand, manage, and if possible reverse national decline. Today, I believe that global change presents us with an opportunity to turn traditional British characteristics into a source of strength in the new century. The world into which we are moving will put a premium on flexibility, fairness, creativity. Although we are world renowned, justly, for ancient institutions, it is these characteristics which define the best of Britain today. And it is the job of politics to ensure that they are given every opportunity to develop. As we move towards the fourth anniversary of our election, Britain is catching up on the basics. Now we can think about lengthening our stride, and renewing our mission to create a relevant and radical politics for the 21st century. The third way was always intended to renew and modernise progressive politics, not find a soggy compromise between left and right. Ideas are the key; and the tide of ideas is flowing in our direction.

Tony Blair is the prime minister.

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