Which way Liberal Britain?
The rise, fall and resurgence of British liberalism

Odd Einar Dørum: A common vision of social liberalism
Charles Kennedy: In view of a liberal Britain
Lord Ashdown: The historical case for British liberalism
Øivind Bratberg: Labour and Liberals: the progressive dilemma unresolved

British Politics Society, Norway, established in June 2006, is politically neutral and has no collective agenda apart from raising the interest and knowledge of British politics among the informed Norwegian public.

Board Members: Øivind Bratberg (President), Kristin M. Haugevik (Vice President), Atle L. Wold (Scholarly Responsible), John-Ivar S. Olsen (Secretary)
Postal address: P.O. Box & Blindern, N-0313 Oslo, Norway  •  E-mail: mail@britishpoliticssociety.no  •  Website: www.britishpoliticssociety.no.
From Whigs to Liberal Democrats

- 1681: The two political “parties” of Whigs and Tories constitute themselves during the Exclusion Crisis (unsuccessful attempt to prevent James Stuart from succeeding to the throne as James II).
- 1721-42: Whigs dominate politics in Britain during Sir Robert Walpole’s long tenure as “Prime Minister”.
- Mid-18th century: Party system comes into disrepute due to corruption, and the Tories are increasingly tainted by “Jacobitism” – alleged support for the exiled Stuarts. By the late 18th Century, most politicians in Britain view themselves as Whigs. The party system has been “dissolved”.
- 1790s: Polarisation in politics between liberal/radical and conservative views. PM William Pitt and his Cabinet are branded “Tories” for their conservatism.
- 1832: Liberal Whigs under the Earl Grey push through reform of the electoral system. This opens up for a larger electorate and more well-organised political parties.
- 1859: Liberal Whigs merge with the Peelites (former conservatives) and Radicals to form the Liberal Party.
- 1886: A faction, opposing “Home Rule” for Ireland, secedes as the Liberal Unionist Party.
- 1916: David Lloyd George takes over as PM after challenge to Asquith government. Liberal Party split between the two leaders.
- A series of secessions follows, the party falling apart into the Coalition Liberals (supporters of Lloyd George) and the Independent Liberals, reunited in 1923.
- 1931: A faction forms the Liberal National Party, while another faction centred on Lloyd George and his family becomes the Independent Liberals (1931).
- 1935: Lloyd George’s Independent Liberals rejoin with the rest of the Liberal Party.
- 1935-1980s: Liberal Party steadily loses ground as Labour emerges as the “radical alternative” to the Conservatives.
- The 1980s: New ground opens up as the Liberals in alliance with the new Social Democratic Party (1982-88) challenges, and almost equals Labour in electoral support.
- 1988: The two parties merge to form the present-day Liberal Democrats. The new Liberal Party secedes. Paddy Ashdown is elected the Lib Dems’ first party leader.

Liberalism under review

What remains of Britain’s liberal legacy? The question seems pertinent today, at a time when liberal values are discussed throughout Europe in the light of personal freedoms, civil rights (as exemplified by debates on anti-terror laws), local democracy, and environmental protection. To none of these issue areas do liberal parties hold a monopoly, yet such parties are strongly present in many a national debate and have advanced in electoral terms. This is also the case in Britain, where the Liberal Democrats since their re-formation in 1988 (see below) have been progressing steadily.

This issue of British Politics Review is attributed to liberal and Liberal politics alike, attempting to put into perspective the philosophical basis of liberalism as well as the more specific party-political dimension. We are honoured to introduce as guest writers the two former party leaders of the Liberal Democrats, Lord Ashdown and Charles Kennedy, along with the former party leader Odd Einar Dørum of the Norwegian liberal party Venstre.

Additionally, Øivind Bratberg analyses the party dynamics of Liberals and Labour on Britain’s centre-left, while Kristin M. Haugevik presents the barriers of the electoral system that continue to frustrate the Liberal Democrats’ presence in Parliament. Philip Grey accounts for the particular Welsh dimension of Liberalism, while Dag Einar Thorsen gives a historical tour of liberal ideas in Britain. Finally, John-Ivar Svinsás Olsen offers a view of the financial liberalism that have contributed to maintaining Britain’s – and in particular London’s – role in the global economy.
A common vision of social liberalism

By British Politics Review Guest Writer Odd Einar Dørum, Member of the Norwegian Parliament

Odd Einar Dørum has played a pivotal role in the Norwegian liberal party Venstre. Party leader 1982-86 and 1992-96, Dørum has also been Minister of Transport and Communications (1997-99) and Minister of Justice and Police (1999-2000, 2001-05). First elected to the Norwegian Parliament (Stortinget) in 1977, Dørum is today a member of the standing committee on Education, Research and Church Affairs. His party, rejuvenated during the last decade-and-a-half, today holds ten members of parliament, its highest tally since 1969-73.

The British Liberal Democrats share many of the same ideological roots as their Norwegian sister party Venstre. Great political thinkers such as John Stuart Mill, Jeremy Bentham, Thomas Hill Green and later L.T. Hobhouse – to mention a few – have been a crucial in formulating the ideology of social liberalism which both the Lib Dems and Venstre adhere to.

These thinkers – often referred to as the New Liberals – collectively and individually made a strong case against laissez-faire classical liberalism and in favour of some degree of state intervention and regulation. The New Liberals saw freedom and individual liberty as achievable only under favourable social circumstances that are secured by a relatively strong welfare state. The state is not seen as a goal in itself, but rather as a tool for its citizens. Neither should the role of the state be that of a “nanny-state”.

This ideological strain has been the underlying raison d’être for both Lib Dems and Venstre, and a natural point of departure when formulating practical policy at home and abroad.

The common ideological ground shared by Venstre and British liberals has made it natural for the parties to keep in close touch. Throughout my whole political career I have enjoyed close personal contacts with British liberals, first in the Liberal Party and – after the merger between the Liberal Party and the Social Democratic Party (SDP) in the late 1980s – in the Liberal Democratic Party. Obviously, the same applies at the party level. For Venstre it has been very important to learn from the experiences of British liberals, as well as gaining inspiration and receiving practical advice on political issues. In my opinion, the relationship between the liberal parties of Norway and Britain has undoubtedly been mutually rewarding on a policy level.

Environmental issues have particularly brought liberals in Norway and Britain together in recent decades. Before the general elections in Norway in 1985, I worked closely with then-leader of the Liberal Party, the Scottish politician David Steel, as well as the liberal MP David Alton, in a campaign against acid rain. The campaign culminated with the three of us delivering a fresh Norwegian salmon to Margaret Thatcher in 10 Downing Street. I pointed out that, in order for Norway to continue delivering top quality salmon, it was crucial that Britain also addressed the acid rain issue. The salmon was presented as “one of the last of its kind”, an effective way of highlighting the problem of acid rain and illustrating the international complexity of the issue.

A year later, in 1986, I cooperated with David Steel and Jim Wallace, another Scottish politician, in a campaign against the expansion of the Dounreay nuclear facility in the Scottish Highland area. The campaign was originally initiated by a local group in Orkney and Shetland, CADE (Campaign Against Dounreay Expansion), which was based in Wallace’s constituency. In Norway, the campaign became a success. By late 1987, it had collected over 250,000 signatures and was approved by 19 county councils and 280 local councils. The fact that we shared a common cause with British liberals undoubtedly helped legitimise and give strength to our campaign. I like to think that the campaign in Norway also made a difference in Britain; by the mid-1990s, the Dounreay reactors had been shut down and the decommissioning programmes had started.

In the future Venstre will continue our good relationship with the LibDems, especially through Liberal International and the European Liberal Democrat and Reform Party of which we are both members. Although the British electoral system consistently and systematically discriminates a third party, I feel certain that the LibDems will continue to do well in the elections. Recent polls certainly look promising, with the LibDems hovering around one fifth of the vote. However, it remains uncertain whether we will see a change from the “first-past-the-post” electoral system to a reformed system that more accurately reflects the political preferences of Britain’s population.

For Venstre it has been very important to learn from the experiences of British liberals, as well as gaining inspiration and receiving practical advice on political issues.”

“The two parties have followed a parallel course. Both parties have also remained loyal to their core issues: Environment, social responsibility, education, civil liberties...”

In the first years of the new century, social liberal parties throughout Europe experienced significant electoral successes. Like Folkpartiet Liberalerna in Sweden and Radikale Venstre in Denmark, Venstre and the LibDems have done comparatively well in general elections. As such, the two parties have followed a parallel course. Both parties have also remained loyal to their core issues: Environment, social responsibility, education, civil liberties, and so on. From my current position as chief spokesman on education issues in Venstre, I draw much inspiration from what the LibDems have done in the fields of education and research in recent years.

In the years to come, the LibDems will continue our good relationship with the Liberal International and the European Liberal Democrat and Reform Party of which we are both members. Although the British electoral system consistently and systematically discriminates a third party, I feel certain that the LibDems will continue to do well in the elections. Recent polls certainly look promising, with the LibDems hovering around one fifth of the vote. However, it remains uncertain whether we will see a change from the “first-past-the-post” electoral system to a reformed system that more accurately reflects the political preferences of Britain’s population.

...and was approved by 19 county councils and 280 local councils. The fact that we shared a common cause with British liberals undoubtedly helped legitimise and give strength to our campaign. I like to think that the campaign in Norway also made a difference in Britain; by the mid-1990s, the Dounreay reactors had been shut down and the decommissioning programmes had started.

In the future Venstre will continue our good relationship with the LibDems, especially through Liberal International and the European Liberal Democrat and Reform Party of which we are both members. Although the British electoral system consistently and systematically discriminates a third party, I feel certain that the LibDems will continue to do well in the elections. Recent polls certainly look promising, with the LibDems hovering around one fifth of the vote. However, it remains uncertain whether we will see a change from the “first-past-the-post” electoral system to a reformed system that more accurately reflects the political preferences of Britain’s population.

...and was approved by 19 county councils and 280 local councils. The fact that we shared a common cause with British liberals undoubtedly helped legitimise and give strength to our campaign. I like to think that the campaign in Norway also made a difference in Britain; by the mid-1990s, the Dounreay reactors had been shut down and the decommissioning programmes had started.

In the future Venstre will continue our good relationship with the LibDems, especially through Liberal International and the European Liberal Democrat and Reform Party of which we are both members. Although the British electoral system consistently and systematically discriminates a third party, I feel certain that the LibDems will continue to do well in the elections. Recent polls certainly look promising, with the LibDems hovering around one fifth of the vote. However, it remains uncertain whether we will see a change from the “first-past-the-post” electoral system to a reformed system that more accurately reflects the political preferences of Britain’s population.

...and was approved by 19 county councils and 280 local councils. The fact that we shared a common cause with British liberals undoubtedly helped legitimise and give strength to our campaign. I like to think that the campaign in Norway also made a difference in Britain; by the mid-1990s, the Dounreay reactors had been shut down and the decommissioning programmes had started.

In the future Venstre will continue our good relationship with the LibDems, especially through Liberal International and the European Liberal Democrat and Reform Party of which we are both members. Although the British electoral system consistently and systematically discriminates a third party, I feel certain that the LibDems will continue to do well in the elections. Recent polls certainly look promising, with the LibDems hovering around one fifth of the vote. However, it remains uncertain whether we will see a change from the “first-past-the-post” electoral system to a reformed system that more accurately reflects the political preferences of Britain’s population.

...and was approved by 19 county councils and 280 local councils. The fact that we shared a common cause with British liberals undoubtedly helped legitimise and give strength to our campaign. I like to think that the campaign in Norway also made a difference in Britain; by the mid-1990s, the Dounreay reactors had been shut down and the decommissioning programmes had started.

In the future Venstre will continue our good relationship with the LibDems, especially through Liberal International and the European Liberal Democrat and Reform Party of which we are both members. Although the British electoral system consistently and systematically discriminates a third party, I feel certain that the LibDems will continue to do well in the elections. Recent polls certainly look promising, with the LibDems hovering around one fifth of the vote. However, it remains uncertain whether we will see a change from the “first-past-the-post” electoral system to a reformed system that more accurately reflects the political preferences of Britain’s population.

...and was approved by 19 county councils and 280 local councils. The fact that we shared a common cause with British liberals undoubtedly helped legitimise and give strength to our campaign. I like to think that the campaign in Norway also made a difference in Britain; by the mid-1990s, the Dounreay reactors had been shut down and the decommissioning programmes had started.

In the future Venstre will continue our good relationship with the LibDems, especially through Liberal International and the European Liberal Democrat and Reform Party of which we are both members. Although the British electoral system consistently and systematically discriminates a third party, I feel certain that the LibDems will continue to do well in the elections. Recent polls certainly look promising, with the LibDems hovering around one fifth of the vote. However, it remains uncertain whether we will see a change from the “first-past-the-post” electoral system to a reformed system that more accurately reflects the political preferences of Britain’s population.
In view of a liberal Britain
By British Politics Review Guest Writer Charles Kennedy, MP for Ross, Skye and Lochaber.

Charles Kennedy was leader of the Liberal Democrats from 1999 to 2006. Since entering Parliament in 1983, he has been party spokesman on a wide range of issues, from Scotland, social security and health to EU affairs - first for the Social Democratic Party and, since the 1988 merger, for the Liberal Democrats. As leader of the Liberal Democrats, Kennedy took the party through a number of difficult decisions, most notably its opposition to the invasion of Iraq. The election of May 2005 returned 63 Lib Dem MPs, numerically its best result since the 1920s.

It is the leitmotif of our times; the shift in political discourse away from traditional ideas of left and right to a different dynamic - of societies and polities more (or less) liberal.

Britain is no exception. The recent electoral gains made by the Liberal Democrats - now with our strongest parliamentary representation in over eight decades - testify to an increasing concern amongst voters for authentically liberal issues. In a generally to an increasing concern amongst voters for representation in over eight decades – testify – now with our strongest parliamentary gains made by the Liberal Democrats – Britain is no exception. The recent electoral change in the character and leadership of the other main opposition party, the Conservatives. David Cameron's much vaunted "liberal conservatism" represents an acceptance that the politics of demagoguery and intolerance are no longer welcome in a Britain that wants desperately to be at ease with itself.

Their sudden conversion to environmentalism is also welcome. We've long been the strongest advocates of a coherent and aggressive policy to tackle the threats to our environment – policies which will mean sacrifices have to be made. Ironically, both opposition parties have faced up to this; both have proposed tax plans that will boost green taxation and provide a disincentive for frequent air travel – although as yet the Tories have failed to condemn nuclear power or propose a plan that will give sufficient weight to the principle that the "polluter pays".

Meanwhile the government has vacillated with the Prime Minister simply refusing to countenance serious measures to save the environment – arguing that it is "unreasonable" to ask people to make lifestyle changes. As ever it has been the Liberal Democrats taking the hard choices, and offering the British people a politics in tune with our needs today and the needs of our children in the future.

This then has been our role in the last ten years; the party making the running, the party of vision – the first to propose independence for the Bank of England, the first to embrace the environmental challenge, the first to warn of the potential dangers of illegal war abroad, and the first to defend our authentic liberal way of life. We have been the party making the running; people have responded to that. We must remain in the future as brave and bold as we have been in the past – to answer the questions of our stormy present and provide a greener, fairer, more liberal Britain in the future.
Paddy Ashdown was leader of the Liberal Democrats from the party’s inception in 1988 to 1999. From a background in the military and the foreign service, Ashdown entered Parliament as a Liberal in 1983. Elected leader of the new-founded Lib Dems in 1988, Ashdown faced the task of building and presenting the party’s public profile. By the 1997 election, his efforts were crowned by the party winning 46 seats, more than doubling its representation in Parliament. After resigning from the leadership, Ashdown was the UN’s High Representative for Bosnia and Herzegovina from 2002 to 2006. In 2001 he was knighted by monarch, priest or lord.

British politics and society today has been shaped in hugely important ways by its Liberal inheritance. Indeed, until the early years of the twentieth century, it was possible to think of Britain as primarily a Liberal country.

Liberalism is essentially a child of the Enlightenment, that extraordinary period in the seventeenth and eighteenth centuries when people throughout Europe threw off the shackles of the feudal order and began to question everything their predecessors had taken for granted – the divine right of kings, the tenets of established religion, the principle of inheritance as the basis of political authority.

The spread of books and newspapers, the development of the scientific method, the acceptance of reason and rationality as a guide to action – all mark the beginning of the modern age and its most important characteristic, the belief in the right of the individual to make decisions for him- or herself, rather than having them dictated by monarch, priest or lord.

Liberalism was and is the political expression of this belief in individual freedom. This gives Liberal political parties some distinctive characteristics, including an inherent scepticism towards authority – as I know well from my eleven years as leader of the Liberal Democrats! – and a predisposition to question tradition and received wisdom.

Unlike conservatism, Liberalism is a philosophy of change – Liberals believe that the world can be made a better place – but unlike socialism or communism, it does not have a defined perfect end-point – that “better place” changing, determined by the evolving desires of individual men and women.

Unlike revolutionaries and authoritarians, Liberals are reformists, achieving change by persuasion, education and rational argument, not by the imposition of beliefs from above.

The publication of the recent Dictionary of Liberal Thought here in the UK by the Liberal Democrat History Group (Politico’s Publishing, 2007) – to which I was privileged to contribute the foreword – has helped me think through the ways in which these values have been expressed by Liberal thinkers and politicians throughout the history of these islands.

“The early Liberals – the Whigs of the seventeenth and eighteenth centuries – fought to curb the power of the monarchy, to establish the rule of law and to create equality of respect before the law.

Although out of power during most of the turbulent period of the French Revolution and Napoleonic wars, they nevertheless argued for reform, not repression, as a response to the growing demands for greater freedom of expression. The Whig approach to reform, coupled with more radical demands from outside Parliament, laid the foundation for the gradual extension of the franchise throughout the nineteenth and early twentieth centuries, converting Britain slowly into a mass industrial democracy.

At the same time Liberals were at the forefront of economic liberalisation, spearheading the campaign for free trade which took root not just in Britain but throughout Europe, marking what was perhaps the first real era of “globalisation”, from the 1850s to the 1870s. There was a strong economic case for free trade, but Liberals always promoted it for political reasons too: free trade helped to forge links between nations, bringing peoples together and reducing the likelihood of war. Liberals sought to establish the rule of law abroad as they did at home...”

“...and a predisposition to question tradition and received wisdom.

Similarly, they supported the freedom of oppressed peoples and nationalities; testifying, it was an international rather than a domestic issue – the struggle of the Italian nationalists for freedom from Austria – that in 1859 brought together Whigs, radicals and Peelites (former Conservative supporters of free trade) to form the modern Liberal Party.

This party went on to develop in significantly different ways from liberal parties in continental Europe. Acceptance of the New Liberal philosophy of social reform, which justified a more interventionist role for the state, allowed it to adjust successfully to the rise of organised labour in the early twentieth century. It was the great reforming Liberal government of 1906-14 that laid the foundations of the activist welfare state – graduated taxation, higher taxes on unearned than on earned income, old-age pensions, social insurance – that Labour governments were to build on after 1945. But this was for identifiably Liberal reasons, in the name of setting people free from the shackles of poverty, unemployment, ill-health and ignorance.

Thus the British Liberal Party became and remained clearly a social-liberal party, unlike many of its foreign counterparts, which dwindled into insignificance in the contest between the new socialist parties and their conservative opponents.

Liberals were reformists, achieving change by persuasion, education and rational argument, not by the imposition of beliefs from above.

The early Liberals – the Whigs of the seventeenth and eighteenth centuries – fought to curb the power of the monarchy, to establish the rule of law and to create equality of respect before the law.

Although out of power during most of the turbulent period of the French Revolution and Napoleonic wars, they nevertheless argued for reform, not repression, as a response to the growing demands for greater freedom of expression. The Whig approach to reform, coupled with more radical demands from outside Parliament, laid the foundation for the gradual extension of the franchise throughout the nineteenth and early twentieth centuries, converting Britain slowly into a mass industrial democracy.

At the same time Liberals were at the forefront of economic liberalisation, spearheading the campaign for free trade which took root not just in Britain but throughout Europe, marking what was perhaps the first real era of “globalisation”, from the 1850s to the 1870s. There was a strong economic case for free trade, but Liberals always promoted it for political reasons too: free trade helped to forge links between nations, bringing peoples together and reducing the likelihood of war. Liberals sought to establish the rule of law abroad as they did at home...”

"There was a strong economic case for free trade, but Liberals always promoted it for political reasons too: free trade helped to forge links between nations, bringing peoples together and reducing the likelihood of war. Liberals sought to establish the rule of law abroad as they did at home..."
Continued: The historical case for British liberalism

By Lord Ashdown

Although in Britain the Labour Party was a growing presence in Parliament, this was largely due to an electoral pact with the Liberals; Labour at that time displayed neither the ability to survive by itself nor any distinctive political programme.

Whether the decline and disintegration of the Liberal Party between 1914 and the 1930s was inevitable is one of the great unanswered questions of British political history. There is plenty of evidence to suggest that it had adjusted successfully to the new environment of mass industrial democracy, retaining its pre-eminence as the main progressive party, and was set fair to preside over a further period of gradual reform, as it had done since the 1830s.

In reality, however, the strains of fighting the Great War left it split into two warring factions just at the time when another extension of the franchise was bringing millions of new voters into the electorate. After a series of political misjudgements, it effectively ceded the role of leading progressive party to Labour, which by then had developed a philosophy, and policies to match, which were more in tune with the rise and eventual dominance of socialist and corporatist thinking in the first six decades of the twentieth century.

This in turn had important consequences for British history. Most obviously, the Labour Party has simply not been as good at winning elections as it had been the Liberals. In the period of Liberal–Conservative competition between 1859 and 1914, Liberals were in power for thirty years (55 per cent), whereas in the period of Labour–Conservative competition from 1945 to the last election, 2005, Labour governed for only twenty-five years (42 per cent).

Even discounting the inter-war period during which Labour and the Liberals battled for the progressive vote – which saw predominantly Conservative governments – the weakness of Labour’s popular appeal has ensured that the twentieth century in Britain has been mainly a Conservative era.

And even when Labour has been in power, it has failed to follow a consistently reformist line – most recently and disappointingly, some would argue, in the period of “New Labour” government after 1997, and when it has reformed it has imposed its policies from the top down, rather than through persuasion from the bottom up.

So there is a strong case to be made for Liberal values once again to inform government in Britain. Our belief in freedom leads us to argue for a government which is run as directly by individuals and communities as possible – decentralised in scale, the needs and wishes of ordinary people, and one which trusts people to take more responsibility for their own future, in stark contrast to today’s over-centralised and over-regulated Britain.

Our belief in social justice and freedom for all leads us to fight against the substantial inequalities of income, wealth and access to services that Thatcher’s Conservatives created and Blair’s Labour has done almost nothing to diminish.

“Our belief in freedom leads us to argue for a government which is run as directly by individuals and communities as possible – decentralised in scale, responsive to the needs and wishes of ordinary people, […] in stark contrast to today’s over-centralised and over-regulated Britain.”

“[E]ven when Labour has been in power, it has failed to follow a consistently reformist line – most recently and disappointingy, some would argue, in the period of “New Labour” government after 1997, and when it has reformed it has imposed its policies from the top down, rather than through persuasion from the bottom up.”

Our belief in the rule of law and the preservation of individual liberties against the power of an over-mighty state leads to our efforts to ensure that measures taken in the name of the war against terror do not destroy the civil liberties they are supposed to be defending.

Our belief in internationalism and the creation of effective international institutions makes us strong supporters of the European Union, a reformed UN and, where necessary, multilateral intervention subject to the rule of law. Liberals have noted the massive shift of power into the global arena, where it is subject neither to control nor governance. We have always believed that ungoverned power produces lawlessness and instability; indeed, our belief in the principle that where power goes, governance must follow, has been one of the wellsprings of our reformist tradition. It follows, therefore, that we accept that one of the most important challenges of the modern age is to bring governance and the rule of law to the global space.

This principle is nowhere more clearly evident than in the need to respond to what many argue is the greatest danger the world now faces, that of catastrophic climate change. International cooperation is needed to combat a problem that faces all countries, rich and poor. A commitment to social justice is needed to accept that unless the rich countries take the first steps to reduce the pollution they have themselves caused, we will never persuade the developing world to follow suit.

The liberal belief in active government is necessary to ensure that effective laws are passed limiting pollution from industry, and making the investments, in renewable energy and public transport, that are necessary for the long term. And the liberal commitment to individual freedom is needed to set individuals and communities free to use their innovation and imagination in working out their own green lifestyles.

Until a century ago, it could be argued that Britain was primarily a Liberal country. Given the steady decline in support for the two other main parties since the 1970s, it may be the case that over the next few decades this will come to be said once more.
Labour and Liberals: the progressive dilemma unresolved

By Øivind Bratberg

One centre-left? More than seven decades after the fall of Liberalism as a dominant political force, British politics is today a two-and-a-half-party affair, where the Liberal Democrats play the role as second opposition.

There is nothing unique in this story of a liberal party’s downfall, nor in its renewed vigour in the shape of the Liberal Democrats. What is particularly interesting in the British case are the many similarities between Liberals and Labour – and their collective failure to snatch political power from the Conservatives. Labour’s inability to unite a broad centre-left in Britain is one explanation of why the twentieth century became predominantly Conservative. A Labour Party historically destined to replace the Liberals has never been able to cover a “broad church” to the same extent as the Tories. Meanwhile, Labourites and Liberals have been sufficiently different – or stubborn – not to join forces and take advantage of a potentially forceful centre-left.

In British politics there has rarely been space available for a third party. The House of Commons - as it developed over the course of the eighteenth century - had little room for a second opposition party, nor did the electoral system (of single member constituencies) help to promote such a result. Until the First World War the two dominating forces were the Conservatives and the Liberal Party. The great personages of late-Victorian politics, Benjamin Disraeli and William Gladstone, epitomised the struggle between Tory and Liberal rule, both on a platform where moral virtue, social peace, trade and Empire were essential pillars.

Arguably, the Liberal Party’s success was to some extent a product of this particular era, where a rising middle class joined forces against the landed interests protected by the Tories. To the Liberal melting of different radical groups, the early twentieth century marked the end of a period of political power - a development fairly reknown in west European countries. With extension of the vote and the growth of a conscious working class, socialism entered the scene.

The death of the Liberal Party, and the arrival of its Labour successor, is recaptured in George Dangerfield’s The strange death of liberal England (1935). In Dangerfield’s account, the 1910-14 challenges were too multi-faceted for any government to contain: working-class rebellion and aspiring female voters represented troubles at home; in Ireland, Home Rule, and particularly, the Ulster question, was taking Britain close to civil war. In parallel with all this, Asquith’s Liberal government had taken on the House of Lords in a battle over the division of power between the houses.

With the War arriving in 1914, domestic issues were pushed off the agenda. Four years later, with universal franchise established and domestic stability regained (except for the Irish question, to be settled in the years 1921-22), the Liberal Party did not recapture lost ground. Instead, it slowly faded away as a electoral force, overtaken by Labour during the 1920s. James Ramsay MacDonald’s 1924 government was but a prelude: twenty-one years later, Labour beat Winston Churchill for the mandate to reconstruct post-war Britain.

Clement Atlee’s government was meant to build the platform for an era of Labour rule. Yet, from that government’s downfall in 1951 till Tony Blair’s arrival in 1997, Labour would spend only eleven years in government, the Conservatives thirty-five. Harold Wilson and James Callaghan were the only Labour Prime Ministers in No. 10. Labour proved to be Britain’s second party, usually in opposition under Conservative government.

Some consolation to Labour could be drawn from the centrist agenda of successive Tory governments, which largely maintained the mixed economy and welfare state established after the War. Labour ideas were institutionalised in the post-war British consensus. Equally, while the Liberal Party shrank to near oblivion in the post-war years, liberal ideas maintained their relevance: Keynes and Beveridge, architects of the fiscal policy and the welfare state of this era, were both Liberals.

Nevertheless, political power is what determines a party’s success, and here, Labour – and, to a much larger extent, of course, the Liberals – has failed spectacularly. What has become of the idea of centre-left coalition during this period? Certainly, the way in which Tony Blair handled the issue holds the mark of realpolitik. David Marquand’s The Progressive Dilemma (1991) was applauded by Blair, who enthused in Marquand’s analysis of the twentieth-century split of Britain’s centre-left. Prior to the 1997 election, coalition talks were intense between Blair and the Liberal Democrats front figures Paddy Ashdown and Roy Jenkins. With the Labour landslide, however, all plans of coalition fell to the ground. Today, Labour is not willing to contemplate proportional elections (a key claim of the Liberal Democrats) and were a coalition to be considered, it would be strictly as a last resort.

Nevertheless, in view of the present political situation, Gordon Brown may be forced to consider precisely such a plan. With Labour now falling below the majority mark in opinion polls, the thought of a Lib-Lab coalition may well resurface before expected election in 2009. A not improbable outcome is a hung Parliament where the Liberal Democrats could act as the decisive majority-builder. Brown, never a coalition supporter, has with New Labour seen in practice how his party alone can cover the broad centre-left. This is a strategy he wishes to maintain.

“Brown, never a coalition supporter, has with New Labour seen in practice how his party alone can cover the broad centre-left. This is a strategy he wishes to maintain.”

The idea of combining radical and credible politics, deep and broad support, takes us back to Labour’s progressive dilemma, the inability of the party to unite a broad non-conservative Britain. New Labour would claim to have finally succeeded in the task by absorbing both the traditional left and a sufficient portion of the progressive middle class. With the post-Blair era approaching, however, the party may be forced to rethink and consider the option of coalition to maintain its majority. Such a proposition will indeed be met with opposition in Labour, be it “New” or “old”, which during the twentieth century, despite electoral setbacks, grew deeply accustomed to the tradition of only two dominant parties. From this perspective, the Liberal Democrats are seen as a nuisance more than an ally.

Progressive then the majority may be, but single-party rather than coalition governments is the stuff that British politics is made of. That is also why the progressive dilemma, for all its twentieth-century flair, promises to remain a centre-left challenge in the future.
Today it is actually possible for a party to win the majority of seats in the House of Commons without having obtained the majority of the popular vote. This famously happened in the general elections in 1974, when Labour formed a government despite having received a smaller share of the popular vote than the Conservative Party.

Another consequence of the very same default is that election outcomes do not reflect the appeal of minority parties such as the Lib Dems. As pointed out by the French sociologist Maurice Duverger in the 1970s, majority voting election systems typically produce two-party systems ("Duverger’s Law"), as they systematically discriminate against small parties.

In Britain, the FPTP system has de facto rewarded concentration of support in specific geographical areas. This has been unfortunate for the Lib Dems, whose electoral support has been relatively widely spread, thus resulting in strong, but valueless second or third places in many constituencies. For example, in the 2005 general elections, the Lib Dems obtained 22.1% of the popular vote, but was still cut off with only 9.6% of the seats in the House of Commons (62 MPs). By comparison, Labour received "only" 35.3% of the popular vote, but was rewarded with 55.1% of the seats (356 MPs).

These and other shortcomings of the current electoral system were addressed in an independent report on the electoral system, ordered by the British government, in 1998. The central recommendation of this report was that "the best alternative for Britain to the existing FPTP system is a two-vote mixed system".

Unfortunately for the Lib Dems, however, there are few indications that changes in the electoral system will take place any time soon: Following the 2005 general election, Lord Falconer, the Lord Chancellor and a prominent Labour politician, stated that the current electoral system had “worked for some time” and that he was “not sure there [was] pressure for a change.” Later, Tony Blair himself pointed out that an electoral system based on the principle of proportional representation could be “unfair as well” as it might lead to “a result where a small party actually holds the balance of power”.

Ironically, the latter may very well become reality also with the current electoral system, should the next general elections result in a so-called “hung” Parliament.

Further reading:

Figure 1: Lib Dem turnout in the British general elections 1992-2005

<table>
<thead>
<tr>
<th>Year</th>
<th>Popular vote</th>
<th>Percentage of seats</th>
<th>Number of seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>17.8 %</td>
<td>3.07 %</td>
<td>20 (out of 651)</td>
</tr>
<tr>
<td>1997</td>
<td>16.8 %</td>
<td>6.98 %</td>
<td>46 (out of 659)</td>
</tr>
<tr>
<td>2001</td>
<td>18.3 %</td>
<td>7.89 %</td>
<td>52 (out of 659)</td>
</tr>
<tr>
<td>2005</td>
<td>22.1 %</td>
<td>9.60 %</td>
<td>62 (out of 646)</td>
</tr>
</tbody>
</table>

Welsh Liberalism: past and present

By Philip Grey

Liberalism in bloom

At last year’s autumn conference, held at the National Library of Wales in Aberystwyth, Assembly leader of the Welsh Liberal Democrats, Mike German, called his party “the original Party of Wales”. In an era of partly devolved government, with a Welsh General Election around the corner, German’s claim would seem to be well worth making during the campaign, but as he points out, very few people in Wales are aware of the nation’s Liberal past. What, then, is that past, and how does it relate to present-day Welsh Liberalism?

The general election of 1868 marks a crucial starting-point in the rising fortunes of the Liberals in Wales. Coming just fifteen months after the Parliamentary Reform Act had increased the franchise significantly, the election signalled the beginning of the end of a long tradition in Wales that had enabled wealthy Conservative landowners to hold their seats from generation to generation, frequently uncontested. At the time the importance of the election results may not have been fully comprehended as the Tories only lost four seats, and most of the victorious Liberal candidates were Whigs on the right of the party, rather than radicals on the left, but some results, for example Merthyr Tydfil, where new voters expressed significantly, the Liberal Party towards the end of the Liberal Ascendancy in Wales.

An immediate consequence of the election was that some landlords evicted tenant farmers for voting Liberal. This action created “martyrs” for the Liberal cause and fuelled a growing feeling of resentment towards high rents and insecure tenure, and ultimately led to the formation of radical land policies, and the 1872 Secret Ballot Act.

Over the next twenty years radicalism and nationalism grew steadily. Liberal policies became national policies. The first distinctively Welsh Act of Parliament was a product of the old Liberal call for temperance, the 1881 Welsh Sunday Closing Act. Similarly, the Welsh Intermediate Education Act of 1889 set an important precedent for separate laws for Wales. And although the Liberalism of densely populated industrial south-east Wales was very different from the Liberalism of rural Wales, radical Nonconformity created common ground and united Welsh Liberals behind the issue of disestablishment in a way that the contentious issue of Home Rule never could. In the 1906 general election, the new generation of radical middle-class Nonconformist Liberals, spearheaded by Lloyd George, won thirty-four of the thirty-five seats. The Liberal Party had become the Party of Wales. Hence, German’s claim stems from the fact that the first distinctively Welsh policy proposals emerged from within the Liberal Party towards the end of the nineteenth century. The key issues included temperance, tithes, education, land reform, home rule and disestablishment, and the policy proposals were extremely radical, as they involved challenging the established positions of wealthy landowners and the Anglican Church.

The short-lived Liberal ascendancy in Wales blossomed between 1868 and 1914, looking its most resplendent in 1906. Today the daffodil has become a leek, still Welsh, still Liberal, but very, very green.

During the twentieth century the Labour Party benefited from the middle-class roots of the Liberals. Significantly the one seat the Liberals did not win in 1906 was Merthyr. By 1924 the old liberal policies were out of date. So where does Welsh Liberalism stand today? On the issue of Home Rule, the current Liberal Democrat position mirrors the federal structure of the party. The Welsh Liberal Democrats are campaigning under the slogan Fair Green Future. They want to increase the local government franchise by allowing 16 year olds to vote. Another pledge is classes sizes of twenty-five in primary schools (as with many issues, Lloyd George had his own views on education and believed that classes of seventy would be just as efficient as small classes). However, recently there has been very much talk of composting units, renewable resources, municipal waste targets, energy efficiency and the no-carbon economy. Welsh Liberalism has gone green.

I cannot resist concluding with two emblems of Wales, the daffodil and the leek. Daffodils are known for their brilliant golden yellow corona and petals. In Wales, they flower for a brief spell in the spring. The leek is related to the onion and has flat green leaves. They usually reach maturity in the autumn months. The short-lived Liberal ascendancy in Wales blossomed between 1868 and 1914, looking its most resplendent in 1906. Today the daffodil has become a leek, still Welsh, still Liberal, but very, very green.
Mother of the free?
By Dag Einar Thorsen

Essence of liberalism. Is there a specifically British contribution to political thought and theory? In one sense, that question seems easy enough to answer. Britain is, after all, the birthplace of liberalism and modern-day liberal democracy. This rather grandiose claim becomes even more plausible if one counts the Thirty-Two Colonies as a part of Britain, up to the time of their independence at the end of the eighteenth century. And Thomas Jefferson's Declaration of Independence is, in this, a concise recapitulation as well as an unforeseen consequence of a century of British liberal, political thought. This entails that the very first liberal democracy in the world, the United States, is different in the world, the United States, is different from all others – at least the United States of America, whose written constitution they greatly admired.

Out of nearly two centuries of sectarian strife, countless insurrections and civil wars, nothing shorter than a new theory of government was born in Britain in the latter years of the eighteenth century. Over the course of the following century, political liberalism gradually became a time-honoured political philosophy in its native country, and was in due course exported to the rest of the world, where it became the ideological basis of modern-day liberal democracy. This new way of looking at questions concerning with what, and with how much, the state ought to concern itself, was the result of dearly bought experiences. It took several generations of religious and political intrigue and political violence to eventually pave the way for a climate of compromise and flexibility in the affairs of state.

The term “liberalism” properly designates, not exclusively or even primarily the free-market fundamentalism of late, but rather a loose collection of normative, political philosophies which share the belief that government ought to be limited, and that the integrity and liberty of the individual citizen is inviolable. For these reasons, liberals who otherwise disagree on practically everything else believe that the state ought to erect a barrier of fundamental rights and liberties around each individual person beyond which nobody, not even the state itself, ought to venture.

The old Whig Party was eventually supplanted by the Liberal Party, who, alongside the reorganised Conservative Party became one of the two main parties in Britain from the 1850’s on, to the rise of the Labour Party in the first third of the twentieth century. Liberalism also became the ideology of Britain’s leading political philosophers, and has been used to describe the political thought of such diverse thinkers as Richard Cobden, John Stuart Mill, T. H. Green, and Bernard Bosanquet. During these eighty odd years, Britain witnessed the gradual decline of the Liberal Party, which was relegated from first to third place in terms of electoral support. At the same time, however, the ideology of liberalism became, to an ever increasing degree, a shared inheritance among all the major players in British politics. One might say that the price of the triumph of liberalism was that the Liberal Party itself became an irrelevance.

A contemporaneous set of novel contributions to both British and Western political thought is however the “social liberalism” of, among others, L. T. Hobhouse, John A. Hobson, John Maynard Keynes, and William Beveridge, all of which situated themselves within or to the left of the Liberal Party. They were all united by a belief in the traditional tenets of British liberalism – popular government and individual liberty – which they combined with a conviction that the state ought to alleviate what Beveridge called “avoidable evils”, by putting up a welfare state in order to ensure full employment, decent living conditions for all, and the eradication of abject poverty.

After World War II, liberal thought was developed further under the shadow of the rivalry between Western, liberal democracies, and Eastern, nominally Communist, dictatorships. Philosophers interested in political questions, such as Isaiah Berlin and Karl Popper, repaid their debt to the country which took them in as refugees by giving a rigorous defence of its constitution, as well as those of its allies. The main point in that defence was that human beings flourish most when they are given a generous measure of “negative” liberty, i.e. liberty from persecution, government control and the crushing forces of totalitarian philosophical systems. It is, they say, from historical experience that we will learn of the merits of liberal democracy, and of the fraudulent simplifications which are the usual offerings of its real existing alternatives.

But where does liberalism stand today, in a world more complicated than ever? Has the British tradition of liberal thought still something important left to say? My answer to both questions is “yes” In a world marked by an endless “war on terrorism”, against real and imagined enemies alike, we still got to hold on to our respect of each other’s humanity and liberty. In this discussion, there can be no doubt that liberalism has arguments to offer. If liberal democracy can be defended in theoretical as well as practical terms, we will have achieved something significant.
The comparative advantage of liberal London

By John-Ivar S. Olsen

**Competitiveness.** While working out of Japan this spring, I was made aware of an initiative to improve Tokyo's competitiveness as an international financial centre.

The coming of a new Japanese administration led by Prime Minister Shinzo Abe had presented the “Tokyo Army of American and British financial analysts” with a window of opportunity. Ministers within Abe’s administration were worried that Tokyo’s financial markets were losing out on business, not only to the international centres in London and New York, but also to regional hubs like Singapore, Hong Kong and Shanghai.

Eager for a bigger slice of the cake, the Ministers turned to the foreign financial services community for advice. The (mainly) British and American lawyers, accountants and economists duly delivered a list full of the usual suspects; the importance of fairness, transparency and openness of the Japanese financial markets, calls to reduce levels of corporate tax and introduce more flexible labour markets, and doing away with the Japanese language barrier.

Whether the Japanese politicians will take on board these fundamental changes remains to be seen. In the meantime, London and New York remain the world’s only two truly international financial centres, where business is conducted between organisations from all over the world using financial instruments from all over the world. And although New York still dwarfs London in terms of total market capitalization, London’s LSE (“London Stock Exchange”) and AIM (“Alternative Investment Market”) have proved far more attractive for global companies seeking to list their shares.

While the US accounted for 35% of all share offerings in 2001, the same figure was down to a mere 20% in 2006. A total of 30 foreign companies have left NSY (“New York Stock Exchange”) and NASDAQ for London since the end of 2004, taking the number of foreign companies on LSE and AIM to 91, four times as many as in New York. The trend is set to continue, as companies from China, India and Russia see London as the place to go when listing their shares internationally.

The movement of shares, capital and companies across the Atlantic prompted the mayor of New York Michael Bloomberg, together with New York Senator Charles Schumer, to commission a report from McKinsey & Co. The “Bloomberg report” states that if the movement is not checked, New York could lose its top spot in the world of finance to London within the next 10 years. The report cites the Sarbanes-Oxley Act of 2002 as one of the main reasons for the demise. This piece of legislation, passed by US lawmakers in 2002 after the Enron-scandal, adds a small fortune in extra audit expenses for any company that lists its share on a US stock exchange. Last but not least, the report points out that post 9/11, attracting the foreign professionals that any international financial centre requires has proved increasingly difficult because of caps on the number of foreign visas under US immigration rules.

Part of the problem for the financial industry in New York, is that despite its importance for the rest of the country, it remains only one of many important industries within the US. The health of the City of London, meanwhile, is central to the state of the British economy. Thus the business and financial community within London’s square mile has always been able to rely on very close ties to any British government, Labour or Conservative. Gordon Brown proved no exception to this rule, when he created the one-stop regulatory authority for FSA (“Financial Services Authority”) back in 1997. While other regulatory bodies in the USA, Asia and Europe prefer prescribing rules, the FSA puts more emphasis on communication between the regulator and the regulated, working closely with the industry itself.

Will the good times last for London? Britain is “only” the fifth biggest economy in the world, and the City will have to continue to punch above its weight if it wants to keep on track with New York, which no doubt will bounce back sooner rather than later. However, aside from all of London’s obvious strengths, such as its flexible labour laws, benign regulatory regime and efficient regulatory authority, one of the main advantages the City holds over its competitors is the UK’s relaxed, or liberal, attitude towards everything foreign – whether labour, goods or finance.

Not only is London one of those few cities that continue to attract some of the best and brightest professionals from continental Europe, Asia and America, it is also a city at ease with the large, foreign communities required to create the deep pool of talent to keep on track with New York. London could lose its top financial centre if the flow of talent from the US is not checked.

Liberal Britain - a bibliography

**Liberalism broad and deep.** Covering both party politics and liberal philosophy, the literature on British liberalism is extensive. The following list offers just one of a few glimpses into a broad and fascinating field of study.

**Liberal thought:**
**General reference:**
**Classics:**
- L.T Hobhouse (1911) Liberalism and Other Writings.
- John Locke (1690) Two Treatises of Government.

**Liberal politics in Britain:**
Would you like to become a member of the British Politics Society, Norway? Membership is open to everyone and includes:
- Subscription to four editions of British Politics Review
- Access to any event organised by the society
- The right to vote at our annual general meetings

Your membership comes into force as soon as the membership fee, NKR 50,- for one year, has been registered at our account 6094 05 6778.

For more information see our website at www.britishpoliticssociety.no

What will become of British politics after Tony Blair leaves the stage?

The next issue of British Politics Review looks at the political situation in Britain with the forthcoming departure of the prime minister in mind. Which policies are to be expected from Labour post Blair, and what could be Gordon Brown's contribution?

What alternative visions compete for political success in Britain? Which would be the implications of Conservative success, or Liberal political power?

Finally, what are the issues predominant in British politics of 2007, and what is to be expected in the years to come? British Politics Review tries to discern some of the most central dimensions.

Contributions on the subject from readers of British Politics Review are very welcome. Please get in touch with the editors for further details.

The summer edition of British Politics Review is due to arrive in August 2007.

Forthcoming edition of British Politics Review