11 Has Social Democracy Failed in Britain?*
John P. Mackintosh** (1978)

It has often been said that the Labour Party in recent years has lacked books, theories, ideas of what it should be seeking in politics. The last major attempt to produce a theory of socialism appropriate to the post-war period was the late Tony Crosland’s *The Future of Socialism* published in 1956.¹ He shared these ideas with his close friend, Hugh Gaitskell. Although Gaitskell was replaced as leader of the Labour Party by an opponent from the Left, Harold Wilson, for practical purposes Crosland’s ideas continued to be almost unchallenged and dominated the Labour Governments of 1964 to 1970. After the 1970 defeat, there were attacks from a revived Left, though apart from Stuart Holland’s book, *The Socialist Challenge* (1975), these lacked a theoretical base. Much of the struggle was involved with pragmatic arguments over the Common Market. Yet despite this revival of a left-wing critique, the Labour Government which came into office in 1974 edged back towards a Croslandite position. By this time these views were being described as ‘social democratic’ in contrast to the unqualified socialism of the Left. When Mr Callaghan succeeded Mr Wilson in 1976, the social democrats felt discouraged and defeated. Their leader, Roy Jenkins, left British politics, but at the same time, if any ideas or policies could be said to have characterised Mr Callaghan’s very matter-of-fact and cautious government, they were the continuation of an approach which Tony Crosland had set out in 1956. So any reappraisal of the theoretical basis in which the Labour Party has rested in the past twenty years must begin with and focus on a critique of Crosland’s position.

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CROSLAND’S THESIS

Crosland had two objectives in his book, a negative and a positive. The negative one was to bring out the widespread but rather vague Marxist ideas which underlay much thinking in the Labour Party and to refute these ideas or, rather, to argue that they were totally out of date. The positive idea was to assert rather than demonstrate the moral objections to a class-divided society, to identify the root causes of these social evils and to indicate the kind of programme a Labour Government could pursue in order to remove these defects.

On the negative analysis, Crosland argued that the idea that capitalism was about to collapse was nonsense. He was writing at a time when the average annual growth rate was 3 per cent and when Mr R. A. Butler, speaking in 1954, could confidently forecast that the standard of living in Britain would double in twenty-five years. He said that the Marxist doctrine that the rich would get richer and the bulk of the population poorer till a crisis took place, was manifest rubbish. He pointed out that public ownership, which was supposed to cut down the number of those living on profits and thus diminish the class system, did not have this effect, whatever its other merits. In general, capitalism no longer had the confidence and the political power it had enjoyed before the Second World War. The climate of opinion had altered. Keynes had shown how a mixed economy could be changed in the public interest, trade-union power had grown at the expense of the management, and industry knew it had to justify its conduct in terms that the public could appreciate or it would be subjected to increasing public regulation. This was basically the old doctrine that political democracy gave the people enough power to ensure that private industry met public needs, together with the point that public ownership of itself did not alter class attitudes and divisions in a society which had these divisions built into its attitudes and institutions.

So the achievements of the 1945–51 Labour Government had had real value because they had demonstrated the power of democracy, its capacity to overcome private capitalism and to set up welfare schemes, a national health service and other forms of redistribution which reduced poverty and increased equality of opportunity. But all this had not ended class divisions in Britain. The society, though more egalitarian and more inclined to produce social justice, still contained gaps in people’s understanding of each other which did not occur in more social democratic societies such as those in Scandinavia or even in the United States. Crosland says relatively little about this, but his