

Commentary

What is the Point of the Labour Party?

The first two years of the Starmer government have not necessarily turned out to the advantage of the Labour Party. One important question posed by the government's travails concerns who is best suited to be the Prime Minister. This is likely to be resolved at a pace that is non-synchronous with the publication schedule of a quarterly journal. But a second, more existential, question is about Labour's aims and strategy. What exactly is Labour trying to achieve in government? Why, given the variety of other liberal, left and nationalist options that now exist for the electorate, is it specifically important to have a Labour Party as the leading force on the British centre-left? These are questions that will take much longer than the sugar rush of a few months of leadership drama to resolve.

Of course, the tactical exigencies of the next few years have thrown up a strong negative rationale for anyone on the left or centre to back Labour. Unfortunately, the most powerful driving motive in left-wing politics until the general election has become preventing Nigel Farage from entering 10 Downing Street and introducing Trump-style conservatism to the UK. But there are other anti-Reform options available to voters. Labour still requires a convincing narrative about why it should be the leading force in any nascent popular front-style mobilisation.

One possible answer, recently expounded by *Times* columnist Daniel Finkelstein, is that Labour should simply embrace a new 'logical' identity as a party of middle-class liberalism and abandon its apparently weakening historic ties with the working class. Finkelstein's argument is that the coalition crafted by Labour's founders between the unionised working class, socialist idealists and middle-class liberals has become unglued, never to be put back together again. A socially conservative working class will now vote Reform or, at a pinch, Conservative, he thinks, and

socialists will now vote Green, leaving Labour with a 'logical' electoral pitch as the party of liberalism.¹

A lot hangs on what 'middle-class liberalism' might mean in this context, but, insofar as it implies a positioning that seeks to bypass the politics of material inequality, then Labour should ignore such siren voices. Above all, Labour should resist any conflation of a traditional workerist Labourism with a social democratic politics aimed at reducing economic inequality and insecurity. Labour's deep history is certainly one that grew out of the labour movement in the early twentieth century and had a proud association with unionised workers in industrial employment. No doubt the symbols and rhetoric of today's Labour Party still call upon that heritage and tug powerfully at the heartstrings of party members and elected officials. But the contemporary Labour Party is more fundamentally a creation of the late twentieth century, not the era of the General Strike. Specifically, Labour's guiding purpose today was forged by the highly unequal social consequences of deindustrialisation and Thatcherism.

In the 1960s and 1970s, Britain had a low level of income inequality, similar to other European countries such as France or West Germany. By the 1990s, Britain ranked among the most unequal in Europe. Labour's worldview was powerfully shaped by this (at times) traumatic period of economic change, when a rapid transition away from industrial employment was juxtaposed with tax-and-spend policies that increased—rather than decreased—inequality.

Labour's renewed purpose, as it emerged shell-shocked into the twenty-first century, was principally to make Britain's new service-sector economic model fairer. The

¹D. Finkelstein, 'No leader can bind fractured Labour now', *Times*, 12 May 2026.

legacy of the Conservative governments between 1979 and 1997 was in fact an economy that required greater levels of public spending—rather than less—since the loss of well-paid industrial employment left a labour market with a long tail of insecure, casualised jobs. Labour is the party most comfortable with using the state to remove children from poverty, to boost the incomes of median and low earners, to reduce the economic insecurity of a deregulated labour market and to widen educational opportunity. The image of Labour as in hock to a nostalgic working-class identity effaces this more modernist mission to tackle post-Thatcher material inequality in Britain. The consequences of that inequality still ramify across British society—and democracy—posing tough questions about the basic fairness of our institutions.

Opinions will differ on the success of the Blair/Brown and Starmer governments when measured by this metric. But the most plausible case for Labour as the leading party on the British left is the priority it accords to these

distributive goals. Indeed, looking to the future, it seems that new and troubling questions about social justice will be posed by the likely impact of artificial intelligence on the labour market, a debate that Labour ought to be leading. Such are the table stakes for those who now seek to lead the Labour Party. To hold a winning electoral hand will require further serious debate about inequality and the trade-offs that are entailed by any concerted effort to address it. How should the state be reformed to promote a more egalitarian politics and society? How can equality-promoting measures be made compatible with the pressing need for higher economic growth? How can a politics focussed on material inequality mobilise a broad-based electoral coalition? Whoever is the party leader, these are the hard questions that Labour will need to answer.

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