

Social Democratic Party

Dick Newby examines the legacy of the SDP to the modern-day Liberal Democrats, in terms of policies, procedures and people.

What did the SDP bequeath



IT IS A measure of the success of the Liberal Democrats in bringing together the SDP and the Liberal Party, that it has taken quite an effort of will for me to even begin to answer the question of what contribution the SDP made to the Liberal Democrats. Twenty-eight years after the merger and thirty-five years after the formation of the SDP is definitely a long enough period to enable one to attempt an answer to the question, but equally, it is also long enough to forget some of the salient characteristics of the pre-merger parties.

At the time of the merger, Sir Leslie Murphy, one of the SDP trustees and a former chairman of the National Enterprise Board, said bleakly 'There's no such thing as a merger. There are only takeovers.' And he was in no doubt that the SDP was being taken over. In their magisterial book about the SDP, published in 1995, Ivor Crewe and Tony King were equally stark: 'The Liberal Democratic Party differs very little from the old Liberal Party'. And in thinking about this article I asked Tony Greaves – a fierce critic of the merger

at the time – what he thought. 'We've got a liberal [or possibly Liberal] party', he said, 'with an SDP constitution'.

Where does the truth lie? I'd like to look at this under the three headings of procedures, policies and people.

Procedures

The predecessor parties were organised in quite different ways. The Liberal Party had grown organically over a long period. Its membership criteria were in places quite vague – the West Country, for example, boasted many 'seedcake' members, i.e. people whose contribution to the party's resources came not from paying a subscription, but in helping at social functions to raise funds. Membership records were kept only at constituency level and there was a deep suspicion of the national party getting anywhere near them. It had long-established and largely autonomous Scottish and Welsh parties and variably

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strong regional parties in England. Its policy-making was undertaken by a large annual Assembly, attendance at which, though linked to local party membership, was effectively open to all members. In between, it had a quarterly Council, comprised of about two to three hundred members and having a somewhat ambiguous role in formulating and commenting upon policy and strategy. These structures were cherished by many of those who took part in their deliberations, but to outsiders often looked rather chaotic.

The SDP by contrast was a party formed by a national initiative whose first members were largely gleaned from a national newspaper ad (in *The Guardian* on 5 February 1981). It wanted to look dynamic, professional and modern, and a national computerised membership system with membership payments by credit card were seen as embodying this. Its leaders were used to ministerial power and a hierarchical manner of working. The SDP was a unitary GB-wide party and its Scottish, Welsh and English regional structures were relatively weak. Its policy-making body – the Council for Social Democracy (CSD) – was elected by local parties and was relatively small: some 400 members. It met three times a year. It determined policy in a deliberative way, with Green Papers produced by expert groups followed by White Papers, which became the basis for policy. It was keen to promote the role of women and had entrenched positions for women on its National Committee and on candidate shortlists. (A proposal to require equal male/female representation on the CSD was however lost following a tied vote at the CSD and its rejection in a subsequent all-members' ballot.) It was keen on all-member elections conducted by post.

Many of its features were a response to the perceived failings of the Labour Party constitution, which to the SDP leaders had enabled a combination of dedicated activists (often Trotskyite entryists) and union bosses to take decisions at the expense of ordinary members.

These different approaches formed the basis of the many and various disagreements which had to be resolved during the merger negotiations in the autumn and winter of 1987–8. It is noteworthy that the three conflicts which almost led to the collapse of the negotiations and certainly

took up most time and energy proved to be transitory. The first related to the name of the new party. The name finally chosen – Social and Liberal Democrats (witheringly described as 'Salads' by the media) – only lasted until 1989. The issue of whether there should be a reference to NATO in the preamble (on which the SDP negotiating team successfully dug in their heels) became largely irrelevant after the fall of the Berlin Wall and was duly dropped. And the initial policy statement – the so called 'dead parrot' document (see below) – didn't even survive the negotiating process. Its anodyne successor was soon superseded and even more quickly forgotten.

The constitution which emerged had a number of features which reflected previous Liberal Party practice. This is most noticeably seen in the provision for Scottish, Welsh and English parties, where provisions from the Liberal constitution were largely transposed. There was a row about the role of English regions, with some wanting them to have the same powers as the Scots and Welsh. In the end, this matter was resolved by allowing them to apply for state party status if they wished. To date none have done so. There was also strong Liberal resistance to positive provision for women and this was largely successful – with long-lasting results. And the constitution's preamble – a powerful if little read document – bore a strong relation to its Liberal Party predecessor.

The SDP did however leave its mark on the constitution in a number of crucial respects:

- The new party adopted the SDP's national computerised membership system. At the time this led to many of the informal Liberal Party members disappearing as members. The system has nonetheless proved its worth, enabling the party to communicate directly to members, however weak the local party might be, and to have an efficient method of collecting subscriptions and raising funds. It is noticeable that the surge in membership after the recent general election happened almost entirely online. Having a longstanding national membership system in place enabled the party to transition relatively smoothly to the digital age. If it hadn't been in place from the start it would have surely had to be introduced at some later stage

Left: platform at Council for Social Democracy meeting, Kensington Town Hall, May 1985; at right, Dick Newby

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- All-member elections. The party's leader and president are elected via all-member postal ballot and lay members of the party's federal bodies are elected by postal ballot of conference representatives (now changed to all members). Although costly, there can be little doubt that this system leads to a higher level of participation than any plausible alternative and allows all members to (rightly) feel that they have a say in who runs the party.
- A clear and deliberative policy-making system. The party largely adopted the SDP's two-stage policy-making approach. Under it, a working group is typically set up to consider a policy area. It produces a consultative document which raises the key issues and sometimes offers suggested responses to them. This is discussed at a consultative session of conference. At the next conference, a final draft document is produced and voted upon. It differs from the SDP approach in that the first stage of the process typically raises the key issues for debate without offering a proposed answer whereas SDP drafts were more like government green papers which set out clear proposals and ask for comments. The current approach has the twin advantages of allowing the maximum number of party members to participate in the process – either by joining the working group or by taking part in the conference debates – and avoiding policy-making being undertaken without due deliberation. Its disadvantage is that it is slow and cumbersome. This problem has been partly overcome by allowing stand-alone and emergency policy motions to be debated by conference. Having chaired one of these groups which went through the full deliberative process – on tax policy – I am a firm supporter of the system.
- The old Liberal Council was not retained and the conference now meets twice a year, a durable compromise between former SDP and Liberal Party arrangements

Even Crewe and King acknowledged the SDP influence on the Lib Dem constitution, which, they state 'clearly resembles that of the SDP – David Steel's hated Liberal Council has gone – and their party organisation has acquired some of the SDP's high-tech professionalism. Compared to the old Liberal party, the new party's ethos is also altogether more managerial and disciplined, less eccentric and archaic, more geared to power and less to protest.'

This last point is very relevant to our experience of government. For all the cost to the party of being in coalition, the party's decision-making processes meant that it survived the experience in one, albeit smaller, piece. This was down to two main things. First, the initial decision to enter coalition was endorsed with an overwhelming majority at a special conference before the coalition formally began. And subsequent conferences

had unconstrained debate on the party's stance in government, which in the case of the Health and Social Care Bill of 2011 led to Lib Dem ministers securing major changes to the Bill. These processes cannot of course be simply ascribed to SDP influence – a stand-alone Liberal Party would have no doubt undertaken broadly similar steps. But the party did behave in an extremely sober and disciplined manner – which was exactly what the SDP negotiators were hoping for in 1987.

Policy

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It has to be remembered that the single biggest impetus for the creation of the SDP was not over what is conventionally described as policy. It was over the decision of the Labour Party at its January 1983 conference to give the biggest share of votes for the leader of the Labour Party – some 40 per cent – to the unions. This was thought to be anti-democratic by the putative leaders of the SDP, who saw it as being the means by which the unions could effectively decide who any Labour prime minister was going to be. This was obviously an issue which was unique to the Labour Party. There was of course also much in Michael Foot's policy agenda with which the SDP founders disagreed – notably defence, Europe and state intervention in the economy. As far as the policy content of the Limehouse Declaration is concerned, much of it was already in line with Liberal Party policy. There was reference to an open and classless society, to promoting cooperatives and profit-sharing, to greater decentralisation of government and to the EU. There was also reference to a more equal society as a key policy goal of the new party and to the UK's active participation in NATO. The issue of NATO membership as a key plank of the party's policy was challenged in the merger negotiations (see above), but was never seriously disputed by a Liberal assembly. As for equality, this was not a word as often used by Liberals as social democrats, but as a principle it did not jar – and was included into the preamble of the new party's constitution as one of three key values, on a par with liberty and community.

The various joint policy statements and manifestos which were issued during the Alliance years were generally relatively easy to craft. There was a major row over nuclear weapons in 1986, but this was caused as much by David Steel giving a pre-emptive interview about the proposed policy to *The Scotsman* as by the policy differences themselves.

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autumn conference he advocated a 'social market economy' – which was seen as a break from the corporatist approach of the past. He proposed jettisoning a number of such corporatist approaches: he opposed incomes policies, argued in favour of trade union reform and reduced state involvement in the economy. He saw this as the best way of boosting economic growth, which in turn would allow more expenditure on social policies. He was greatly influenced by businessman David Sainsbury, then an SDP trustee and subsequently a Labour minister in the Blair government, who had advocated this 'tough and tender' approach to the economy. This was a distinctive new approach and fed through to Lib Dem economic thinking.

The policy issues which nearly wrecked the merger negotiations themselves were bizarre. They sprang not from a difference between the parties but the fact that the offending document was written by researchers to Bob Maclennan (who had insisted on a new policy statement to form part of the merger package) with no effective consultation with anyone (and certainly not the negotiating teams). They were produced in haste and included a number of measures – for example the extension of VAT to food and children's clothing – which neither party would ever have voted for. The whole document was disowned in the most humiliating of circumstances by the Parliamentary Liberal Party, amidst a widespread chorus of disapproval. An anodyne replacement document was hastily drafted to take its place, which simply drew on previous policy.

Once the new party was established, its worthy policy-making procedure swung into action. Though ex-Liberals were numerically dominant in the Commons parliamentary party (only two former SDP MPs, Bob Maclennan and Charles Kennedy survived), Paddy Ashdown's inclusive style of leadership did not show bias towards policy ideas coming from Liberals as opposed to former SDP members. The most distinctive single policy innovation of these years – the proposal for an extra 1p on the rate of income tax – though sounding impeccably social democratic, was actually first proposed by Matthew Taylor and adopted with the support of Alan Beith (the then Treasury spokesman). David Owen's advocacy of the social market economy was not carried forward by former members of the SDP during the Ashdown years, partly because there was no senior ex-SDP figure in parliament who had a particular interest in the subject. And in the early post-merger years many former SDP members who had joined the new party were rebuilding careers outside national politics.

When Charles Kennedy succeeded Paddy Ashdown as Lib Dem leader, the first and last former member of the SDP to hold that position (except for Robert Maclennan's brief period as joint leader before Ashdown's election), he did not do so with a detailed innovative policy programme. Charles believed in a small number of big things

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passionately – fairness and internationalism principally – but he was not temperamentally a policy wonk. Ironically, the policy for which he will be best remembered – his opposition to the Iraq war – might more easily be expected to come from a former Liberal than a strongly Atlanticist member of the SDP.

During Charles' time as leader, policy debate in the party was shaken up by the publication of *The Orange Book* (in 2004). *The Orange Book* sought to update liberal thinking on social and economic issues and included contributions by a number of senior former SDP members including Vince Cable and Chris Huhne. Charles Kennedy wrote a preface which endorsed the book – though not all its specific ideas – by saying that it drew on Liberal (rather than social democratic) traditions. Indeed the book was portrayed – unduly crudely – as being right-wing and somehow against the traditions of the party. Vince Cable's contribution was a particular challenge to many traditionalists, calling for a reduced role for the state in supporting business and 'a mixture of public sector, private and mutually owned enterprises [competing] to provide mainstream [public] services.'

The leadership election between Chris Huhne and Nick Clegg was, more than its predecessors, one of fundamental policy stance. Nick stood as a centrist who wanted greater equality of opportunity and worried less about equality of outcomes. Chris Huhne stood more firmly on the centre left and eschewed the word 'centre'. The difference between them was partly about language – people who came from the SDP would rarely if ever say that they belonged to the political centre (even if they did) – but also about redistributive substance.

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brought together university research and private sector development skills. But it also included more traditional areas of support, such as the packages needed to ensure that the large motor manufacturers increased their investment in the UK and improvements in skills, led by the great expansion of apprenticeships. There was also a big push to increase the proportion of women on the boards of the largest companies and to introduce joint parental leave. There was little if anything in this which a traditional Liberal would object – and indeed the comprehensive package of measures designed to strengthen employee share ownership which was also introduced under the guidance of Lib Dem BIS Ministers, was very much a core Liberal policy. But the mindset which lay behind it, of using all the levers of state to support competitive, innovative private sector initiative represented a distinctive SDP approach.

People

It is easiest to see the contribution of the SDP to the Lib Dems by reference to people. When the merged party was formed, some two-fifths of the members of the SDP joined. I do not know how many of them remain members to day, but as I travel round the country, I rarely make a visit without someone identifying themselves as a former SDP member.

At the national level, it is easy to spot the key people. Of the two SDP MPs who joined the merged party, Charles Kennedy went on to be president (1991–4) and leader (1999–2006), presiding over the largest number of Lib Dem MPs in the party's history (sixty-two at the 2005 general election). Robert Maclennan was also president (1995–8), and became a peer and a leading party spokesman on constitutional reform. Indeed, his leadership, from the Lib Dem side, of the Cook–Maclennan talks, in the run-up to the 1997 general election, played a major part in the Blair government adopting such a large raft of constitutional reform measures, despite the lack of interest in the subject by Blair himself.

In addition to Kennedy and Maclennan, Ian Wrigglesworth also served as party president (its first, from 1988–90). He subsequently became party treasurer and is now a peer. A number of prominent SDP members were elected to the Commons after 1988, most notably Vince Cable and Chris Huhne.

Of the SDP negotiating team which drew up the merger with the Liberal Party, all those who remained active in the party (with the exception of Charles Kennedy) were appointed at some stage to the House of Lords – namely Lindsay Northover, Tom McNally, Ben Stoneham, Shirley Williams, Ian Wrigglesworth, Willie Goodhart, Bob Maclennan and myself. (Being a Liberal negotiator was almost as effective a route to the Lords, with eight negotiators subsequently getting peerages, although some high-profile figures, such as Adrian

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Slade and Des Wilson did not.) And indeed, because only two of the initial Liberal Democrat MPs were from the SDP, members of the former party were more prominent in the Lords. The first four leaders of the Lib Dems in the Lords were from the SDP – Jenkins, Rodgers, Williams and McNally – and John Harris and John Roper were the first two Lib Dem Lords whips.

The SDP provided a number of the members of the coalition government: in the Commons, Paul Burstow, Vince Cable, Ed Davey and Chris Huhne; in the Lords, Tom McNally, Lindsay Northover and myself.

In local government, former SDP members also made a significant contribution, although local government was always an area where the Liberals were stronger. In Leeds, Mark Harris led the Lib Dem group in the period during which we jointly ran the council with the Conservatives. In Liverpool, Flo Clucas was deputy leader of the council, and Serge Lourie was leader in Richmond.

The wider political legacy

The SDP didn't just leave its mark on the Lib Dems. Both in terms of constitution and economic policy, it influenced Blairite New Labour. But its main broader legacy was in providing the training ground for politicians of other parties.

Three members of the current cabinet – Greg Clark, Chris Grayling and David Mundell – were members of the SDP (a fourth, Liz Truss, is a former Lib Dem) and in the Lords, Tory peers Andrew Cooper, Danny Finkelstein and John Horam were SDP members (John Horam being one of the party's founding MPs). SDP-ers on the Labour benches include Roger Liddle and Parry Mitchell. Andrew Adonis is now, as chair of the Infrastructure Commission, an independent peer.

Many more SDP members never joined the Lib Dems and were lost to politics, but from anecdotal experience and chance meetings, they seem to have frequently prospered in their subsequent careers, many in the public services.

A personal perspective

When I joined the SDP as secretary to the parliamentary party in April 1981 (a few weeks after the party's launch), I would have been appalled at the thought that the new party would at some stage merge with the Liberals. I naively thought that we could fundamentally change British politics ourselves and, whilst we were happy to work with the Liberals, those of us from a Labour Party background tended to view them as rather woolly and chaotic (particularly if you were brought up in an area, as I was, where the Liberals had virtually no local presence).

From 1983, however, I have had no doubt that a merged party was the best way forward. I discovered, somewhat to my surprise, that I had a tremendous amount in common with my Liberal

colleagues. I think also that I myself have become more liberal over the years. As a young man, I had great faith that the state could solve all society's ills and this is why I joined the Labour Party. I supported the idea of a hierarchical approach to managing public policy and shared the Fabian view that an elite of public-spirited men and women running Westminster and Whitehall really did know best.

The SDP approach was one in which strong leadership and a disciplined party would drive forward social and economic change. As we discovered in the coalition government, you do need strong leadership and discipline in parliament if you are to achieve anything. But the attitude of mind which I associate with Liberals and liberals – of questioning everything, of putting the individual rather than the group or class at the centre of everything, and the recognition that public servants are sometimes the most determined opponents of change rather than its willing agents – is one which I now almost completely share. David Owen was completely correct when he realised that the merged party would be less biddable than the SDP and would challenge its leaders more. He was wrong in thinking that this was a bad thing. Having been a party manager in various guises for my whole political career, the argumentative, rumbustious democracy of the Lib Dems has often been frustrating. But it is the quality which has kept the party alive during its most difficult periods. And it is undoubtedly one of the things which attracts new members to the party today.

Conclusion

Having set out the contribution made by the SDP to the procedures, policies and people of the Lib Dems, how do I rate their significance?

On procedures, the imprint is clearest. The two key things bequeathed to the new party by the SDP were a more disciplined policy-making process and a more modern and efficient system of membership and fundraising. It is hard to believe that these changes would have been introduced as early – if at all – by the Liberal Party on its own. And both, I believe, have been crucial.

On policies, the impact has been less decisive across the piece, but in one respect critical. With the exception of economic policy, the Lib Dems' current policy platform is little different from that which the Liberal Party would have adopted on

its own, and the party's trademark priorities – on Europe, human rights, devolution and decentralisation for example – bear an essentially Liberal stamp. However, as I argue above, the party's economic policy does reflect SDP thinking to a greater extent. It was the rigour of thinking in this area – led by Vince Cable – which provided the basis of our ability to agree an economic strategy with the Conservatives in government. Given that this was the most important single plank of the coalition programme – and despite the fact that Vince increasingly chafed against it as the coalition wore on – this was a decisive contribution.

On people, SDP-ers have played a large part in the leadership of the party at national and local level. Neither they – nor their Liberal opposite numbers – sought to gain a partisan advantage within the new party. Perhaps the party's weakness immediately after merger facilitated this – when you are in survival mode, you cannot afford the luxury of factions. But from my perspective, I do not believe that this was the principal reason. I think that members of the SDP had, by 1988, realised that they were also liberals and that their outlook on politics was extremely close to their Liberal colleagues. Not all of them would necessarily have wanted to admit as much at the time – we hadn't altogether shed our tribal attitudes – but I believe it was essentially the case.

In February 2016 Shirley Williams retired from the House of Lords. It was an important watershed. Shirley had started her political life in the aftermath of the Second World War and had indeed attended the founding conference of the German SPD in 1948. She has pursued the goals of equality, liberty and community with a striking consistency in over sixty-five years of political activity. She realised early on in the life of the Alliance that she was working with fellow spirits in the Liberal Party and she steadfastly supported the merger and the new party. She embodied all that is good about liberalism – tolerance, open-mindedness, generosity and an unquenchable reforming zeal. She undoubtedly enriched the new party.

Shirley is of course unique. But I believe that she reflected attitudes which others from the SDP tried to bring to the Liberal Democrats. They did not conflict with the attitudes of Liberals but complimented them and so strengthened the party. That was what we sought to do at the point of the merger – and have continued to do ever since.

Dick Newby joined the SDP shortly after its formation in 1981; he was the party's chief executive from 1983 and was secretary to the merger negotiations. He was the English party's first treasurer, Paddy Ashdown's press officer during the 1992 general election and deputy chairman of the 1997 general election campaign before being made a peer in 1997. He was subsequently the party's Lords Treasury spokesman (1998–2012), Charles Kennedy's chief of staff (1999–2006) and government deputy chief whip and Treasury spokesman in the Lords (2012–15). He is now the Lords group's chief whip.

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