Recent poll results and the Oldham victory show that Labour has bounced back: Ed Miliband must continue his progressive campaign to ensure Labour is an ally of people-based politics

In light of Alan Johnson’s recent resignation, and eight months after their general election defeat, Bryan Gould finds the Labour party to be in surprisingly good shape with a leader who is willing to admit the party’s past mistakes and reconnect with progressive voters.

The improvement in Labour’s fortunes is not just a matter of the encouraging bounce back in the polls or the Oldham by-election victory. It is not even the choppy water already encountered by the coalition government or the prospect of the much stormier seas yet to come. Labour, it seems, has started to feel good about itself again. And paradoxically as it may seem, that perception is strengthened rather than reversed by the Shadow Cabinet reshuffle forced by Alan Johnson’s resignation.

This is partly because it is now becoming clear – assuming that it wasn’t on the day after the election – that, as Ed Miliband said in his recent Guardian article, Labour may have lost the election but the Tories failed to win it. That failure was more than a statistical fluke; it was a reflection of the fact that progressive opinion in Britain is in the majority. Labour lost because it failed to represent that opinion. It now sees the need and the opportunity that remedying that failure represents.

But Labour’s improved morale is also the consequence of the canny strategy being pursued by its new leader. Ed Miliband has been criticised, in media accustomed to a diet of constantly manufactured headlines, for a lack of action. But what he has done has been well directed.

He has understood the need to distance himself and the party from New Labour. Newness is of course and by definition a wasting asset, but Miliband recognises that “New” Labour was a victim not just of the passage of time but of its own hubris, as he highlighted in recent speech to the Fabian Society.

He has accordingly done what is needed to acknowledge the most egregious of New Labour errors – the invasion of Iraq, the obeisance to the City, the tolerance of widening inequality, the “intense relaxation” about the “filthy rich”, the genuflection to market forces, the subservience to President Bush; the list must be ended for reasons of space rather than because it has run out of items.

The one significant area where the new leader has seemed reluctant to start afresh has been the economy. The uncertain response to the government’s deficit inherited from the Brown government has left the coalition government free to re-write history and to invent a new narrative which lays the deficit at Labour’s door.

Miliband has seemed content to allow unfolding events to conduct the argument for him. Fortunately for him, Alan Johnson (whose appointment as Shadow Chancellor was in any case a puzzle) has forced his hand. Ed Balls seems certain to carry the argument to the Tories, and to expose the supposedly inevitable cuts as an ideologically driven attack on public spending in principle and as precisely the wrong response in economic terms - a response which guarantees a longer recession and tougher times.
But Labour’s bounce back is more than merely the renunciation of particular items on the agenda of the new leader’s predecessors. Miliband has begun the task of rebuilding the values and principles on which a modern progressive party must operate.

In doing so, he has of course half an eye on disappointed and disaffected Liberal Democrats. This is partly a matter of electoral calculation and none the worse for that. But the attempt he makes to re-position what, in today’s Britain, should constitute the progressive force in British politics, while of obvious interest to many Liberal Democrats, is also critical to Labour’s future.

His starting point seems to be that New Labour’s fundamental mistake was to abandon Labour’s historic mission by aligning itself with the big battalions. Those big battalions included most notably the rich and powerful who had most to gain from the unfettered operation of market forces. By not challenging the seemingly infallible market, New Labour’s supposedly progressive interventions to achieve social justice were frustrated, and economic efficiency suffered as well.

But the powerful forces with which New Labour aligned itself were not limited to those who were dominant in the market. To many of those ordinary people who expected the support of a progressive government against those big battalions, the government itself was one of the oppressors. Ed Miliband is clear that New Labour’s betrayal of its natural supporters was a double let-down; they not only left many defenceless against the economically powerful but they used the power of government to reinforce that sense of powerlessness by failing to listen to what ordinary people wanted.

In arguing that Labour must now correct those mistakes, the new Labour leader seems to adopt a more progressive view of politics which corrects the inevitable concentration of power in a few hands. Dominance of an unfettered market is one obvious form of that concentration. A government that is unresponsive to the people is another. The role of progressive politicians should be consciously to counteract those concentrations of power, and to ensure that power is as widely diffused as possible throughout society.

This kind of thinking is not new. It gains increasing expression in the many voluntary and community-based activities and initiatives that are springing up around the country. The task for progressive politicians is to show that government is an essential ally, and not an obstacle, to this kind of people- and community-based politics. People who are active in politics will be more effective if the government is on their side. That, after all, is what Labour came into being to achieve.