



Third Way, Again

Tony Blair, Former Prime Minister of the United Kingdom

I remember the 1999 Florence Conference on Progressive Governance conference so well. It came at a time of great tension in Europe and the Balkans. It was the first time anyone could recall that a Democrat U.S. president and progressive left European politicians had come together on the same platform to celebrate what we had in common.

So there we were late at night in the sumptuous Florentine surroundings, where the very walls and paintings were suffused with political history, debating political ideas—actually, a new political idea.

This could never have happened without President Bill Clinton, who had the intellectual skill to converse in terms the European left could understand without alienating the American public.

But it also came at the right time in the shift in political zeitgeist.

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Just before the advent of a new century, it became very clear the old policy thinking had to change.

The 20th century revealed that without the capacity of the state to guarantee certain key protections and provide basic services for citizens, then the objective of a more just society in which opportunity would be opened up to all could not succeed. In this way, we needed to tax fairly and to spend in order to attain social justice. And we built the institutions of the welfare state.

However, over time as the institutions of collective power grew and ordinary people became payers of tax, it became plain that the state could also abuse power, spend unwisely, and be a vested interest standing in the way of necessary change. Likewise, the civil society counterparts of the state—trade unions—could do the same.

Hence, the concept of the Third Way came about, which was and is essentially a project of modernization. The world has changed, and we must change with it. This is not about abandoning principle; on the contrary, it is about applying it but with the courage and imagination to do so in the light of a world vastly different from the one of previous generations. It is absolutely rooted in the progressive, not conservative, tradition of politics. But it accepts as a reality that for the original goals of progressive politics to be achieved, we have to reform the way that collective power, including state power, operates. We have to make sure the state, if it spends, spends wisely; that services are run for the benefit of those who depend on them; that issues like crime, seen as the preserve of the right, are taken seriously by the left; and that we are the champions of a competitive and entrepreneurial private sector, as well as organized labor.

It is great that Third Way ideas are back in vogue. This is not just in parts of Europe.

Virtually wherever I go in the world from Latin America to the Far East, Third Way thinking is getting a hearing. This is for a very simple reason: It speaks to the critical balance that most sensible people want to strike in public policy. That is a balance that unites a thriving private sector with an efficient and competent public sector, providing services of quality to the citizen and social protection for those who are vulnerable. And it focuses on practical, evidence-based policies that work, not on ideological solutions that may get a round of applause among party activists but are completely unrealistic in the real world.

Looking back at the commentary of the time is instructive. Many accused both me and German Chancellor Gerhard Schroeder of acting like conservatives, and we were told our reforms would never work. In fact, he laid the basis for the German economic modernization, and I won three consecutive elections for full terms of government by implementing reforms—previously, the British Labour Party had never won even two.

Today, the Third Way is more relevant than ever. We can see this around the debate in Europe. The right wants austerity; the old left resists the necessary structural reform. The result is perilously close to stagnation, with a real risk of a political fallout that overwhelms sensible mainstream European politics. In fact, what is clear is that we need policies for growth combined with structural reform. The political leaders trying to make such reforms need to know that their economies can grow. Fiscal policy must encourage this and not leave everything up to a monetary stimulus that can keep the euro alive but cannot by itself make the eurozone economy healthy.

The center ground of politics—in Europe, including the United Kingdom—is in danger. It doesn't usually make the most noise. It operates best in the quiet chambers of analysis and reflection. It seeks to build consensus rather than exploit rifts. But it is still where a large part of the public wishes to congregate. They urgently need the leadership of people like Italian Prime Minister Matteo Renzi, French Prime Minister Manuel Valls, and, most recently, Canadian Prime Minister Justin Trudeau. There couldn't be a better time to renew the Third Way.

