

LABOUR'S FUTURE

Why Labour lost in 2015
and how it can win again

*Report of the independent inquiry
into why Labour lost in 2015*

London 2016

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The Inquiry Team

Jon Cruddas (chair)

Nick Pecorelli

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Preface

We set up an independent inquiry into why Labour lost in 2015 because we wanted hard empirical evidence on the record that couldn't be ignored. Labour will only be able to form another government by learning the lessons of defeat.

The Inquiry included Compass, Progress, the Co-op Party, the Fabian Society, the Labour Group of the Local Government Association, and the Trade Union and Labour Party Liaison Organisation.

Over the summer of 2015 we published our findings in a series of messages on Labour List and the New Statesman website. We republish them here, and also include unpublished messages on Scotland, the General Election campaign, and the 5 May 2016 election results.

The published messages generated a great deal of debate. Many who wanted a different and better Labour Party disputed the Inquiry's findings on voters' views on reducing spending, and on welfare and immigration. But, in the aftermath of Labour's defeat, our findings have been backed up by the great majority of polling and research findings (see Appendix 1). The voters preferred the Tories' offer and that is why they won.

Our task now is to take note of why we lost and build a future for the party. This doesn't mean adopting the Conservatives' approach. It means building a vision of the country based on Labour's values of family, work, fairness and decency, and rooted in the concerns of the people we represent.

The report is made up of ten messages that create a detailed picture of what voters think about Labour. It also includes three lessons we can learn from these findings as the first step on the road back to a Labour government. If read thoroughly this report contains many opportunities for Labour.

It is now one year since the May 2015 election, the second successive catastrophic defeat for Labour. Will Labour now confront the scale of the challenge it faces? The question is open. As a party we are yet to address it. Labour's future is at stake.

Jon Cruddas

(Chair of the Independent Inquiry into why
Labour lost in 2015)

12 May 2016

Executive Summary

The Independent Inquiry has ten messages and three lessons.

Ten messages

1. A tsunami of aspirant voters sank Labour and the pollsters. Voters abandoned Labour because they believed Labour lacked economic credibility and the perception was that it would be profligate in government. In contrast, they trusted the Tories with their economic security.
2. Labour lost because voters didn't believe it would cut the deficit. The Tories didn't win despite their commitment to cut spending and the deficit: they won because of it. The Tories were trusted to manage the country's finances, Labour was not.
3. Labour is losing its working-class support and UKIP is reaping the benefits. Since 2005 it has been socially conservative voters who are most likely to have deserted Labour.
4. Labour hasn't been this far from the electorate for a generation. In each of the last two general elections, but particularly in May 2015, Labour has marched away from the views of voters on a series of issues that are fundamental to the party's electoral prospects – including welfare, public services and business.

5. Labour is becoming a toxic brand. It is perceived by voters as a party that supports an 'open door' approach to immigration, lacks credibility on the economy, and is a 'soft touch' on welfare spending.
6. Scottish voters are more 'progressive' than those in England and Wales but they do not inhabit a completely different universe. Scottish voters are not the same as those in England and Wales, but many share the same concerns. An anti-austerity message has more potency in Scotland than in England and Wales, but it still remains a minority position and did not appear to be the main reason for the SNP's electoral success.
7. Surprisingly, Labour is still the least toxic party in Scotland. Despite Labour's electoral calamity in 2015, our poll suggests the party has some hope of recovery.
8. Identity underpins the SNP's success. Scottish identity is not only very important to more voters than English or Welsh identity is to the English and Welsh; it is also seen as important across a wider range of values groups. The SNP has succeeded in attaching patriotism to 'progressive' values.
9. Voters unambiguously heard a clear message about economic stability from the Tory campaign, but were much less certain about Labour's message. Whatever Labour thought its message was, the public was either unclear about it, or saw it as being about protecting public services.

-
10. Labour is on life support in England and Wales, without signs of resurgence in the areas needed to build a winning coalition. It faces a monumental challenge in Scotland.

Three lessons

1. **Labour must be economically radical, fiscally prudent**
Labour did not recognise the fact that the electorate is both economically radical and fiscally prudent – but fiscal responsibility trumps economic reform. If people do not trust Labour with their taxes they will not support it, however much they might agree with its economic policies.
2. **Identity and belonging drive politics**
Labour has to stop patronising socially conservative UKIP voters and recognise the ways in which UKIP appeals to former Labour voters. To build enough bridges to get its voice heard again amongst these voters, it needs to develop a politics that is radical on the economy and small-c conservative – supporting the values of family, work and country.
3. **Labour is becoming an exclusive brand**
The desertion of socially conservative voters in England heralds a broader trend of working-class voters' detachment from Labour. The Labour Party is now largely a party of progressive, social liberals who value universalist principles such as equality, sustainability and social justice. It is losing connection with large parts of the voter

population who are either pragmatists in their voting habits or social conservatives who value family, work, fairness and their country.

Introduction:

The Independent Inquiry

Labour lost in May 2010 and it lost again in May 2015. It lost badly both times. Following the defeat in May we set up the Independent Inquiry to provide empirical analysis of why Labour lost. We wanted to understand the longer-term social and economic trends shaping Labour's future, and identify the kind of political renewal needed if the party was to recover its connection with voters. This report sets out the reasons why Labour lost, the lessons the party needs to learn, and how it can win again.

Our findings tell a disturbing story of a Labour Party that is not only out of touch with the country but is becoming progressively more so.

After May 2015 we conducted two separate polls. One was with a representative sample of 3089 English and Welsh voters, and the other was with a sample of 1094 Scottish voters. The Scottish poll followed more or less the same format as the English and Welsh poll, but took account of the different political parties and circumstances in Scotland.

We used the YouGov panel and the results were analysed by The Campaign Company (see Appendix 2 for the polling methodology).

Alongside this conventional polling we used Values Modes analysis. This is based on the work of the psychologist Abraham Maslow, and provides a more complex understanding of the electorate by dividing the population into three main values groups, based on their dominant motivations.

The first values group are the Pioneers, who currently make up 34 per cent of voters. They are spread evenly through different age groups. Pioneers are socially liberal and more altruistic than most voters. They are at home in a metropolitan and cosmopolitan culture, and with its universalist values. As the name suggests, they value openness, self-fulfilment and self-determination. They are more likely to vote according to their personal ideals, based on principles such as caring, justice and a desire to end inequality. They tend to be better off than the majority of voters and to have been to university. Pioneers now make up a large majority of the Labour Party membership.

The second group are Prospectors. These voters are acquisitive and aspirational. Their priorities are to improve their social status and material wealth. They value a good time, the trappings of success, and the esteem of others. They typically have little or no interest in politics. They vote pragmatically for whichever party they think will improve their financial circumstances. They also want to back winners. Their transactional approach to voting means they form a high proportion of non-voters and switch voters. They tend to be younger, and currently make up 37 per cent of voters.

The third group are Settlers. Members of this group are socially conservative, and are concerned with home, family and national security. They value a sense of belonging, their own cultural identity and the continuity of their way of life. They want to avoid risk. Tradition, rules and social order are important to them. They tend to be amongst the older age groups and currently make up 29 per cent of voters.

These value groups function like archetypes. They describe some key matrices of cultural traits and patterns of behaviour, while avoiding fixing voters into simplistic and unchanging

categories based on income, demographics or other visible attributes. Each individual has elements of all three values, and their proportions shift and alter throughout our life course. The polling is designed to capture the value that is dominant, and shapes the motivation of an individual and his or her voting intention.

Chapter 1:

England and Wales

A tsunami of aspirant voters sank Labour and the pollsters

We conducted two polls in England and Wales. One in November 2014 with a representative sample of 2020 and one after the May election with a representative sample of 3089 people.

By comparing the two polls we can see, for voters in each values group, the shift between how they said they would vote in November 2014 and how they told us they actually voted in the election.

In our November poll Labour was 6 per cent ahead, in line with other national polls at the time. But in our poll after the election, the Tories were 8 per cent ahead, again in line with the election result in England and Wales.

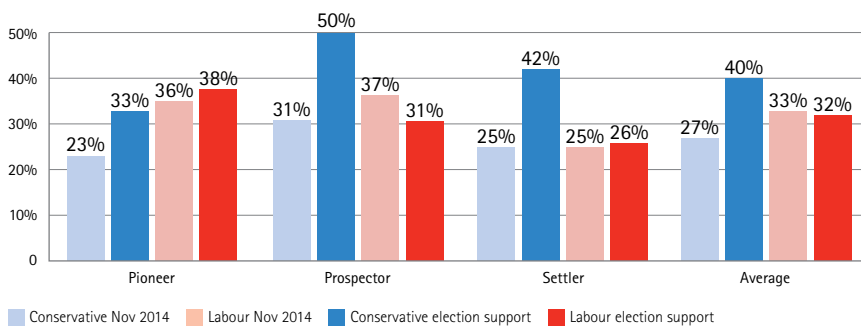
In both polls Labour was weakest amongst socially conservative Settlers and strongest amongst liberal progressive Pioneers. Nevertheless, it did keep hold of its support among both values groups.

The Tories improved their position among both Pioneers and Settlers, but this was at the expense of the smaller parties. At the election Labour remained ahead among Pioneers (5 per cent), but among Settlers it ended up significantly behind the Tories (16 per cent).

However it was the pragmatic-minded Prospectors who dealt Labour its devastating electoral defeat. In our poll in

November 2014 Labour was 6 per cent ahead of the Tories in this values group. By the election it was fully 19 per cent behind. Prospectors who had said they would vote Labour or who had considered voting Labour swung behind the Tories, who secured a phenomenal 50 per cent of all voters from this values group.

Figure 1: Shift in voting patterns by values



These aspirant voters responded to the Tory messages on a strong economy, low taxes and sound finances. They abandoned Labour because they believed it lacked economic credibility, and there was a perception that it would be profligate in government. Pragmatically minded Prospector voters, concerned about their financial prospects, secured the Conservatives an unexpected victory. The harsh reality for Labour was that in the polling booth it looked vulnerable on economic credibility and it posed an untenable risk for too many aspirant voters.

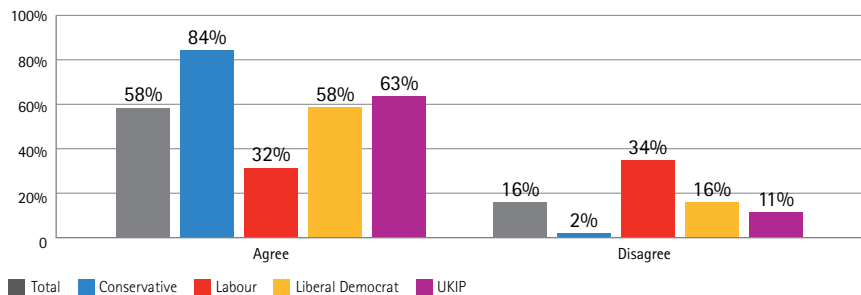
Labour lost because voters didn't trust it to cut the deficit

The Tories didn't win despite their commitment to cut the deficit; they won because of it. Voters rejected Labour because they did not trust the party to cut the deficit. Fifty-eight per cent

agreed that 'we must live within our means so cutting the deficit is the top priority'. Just 16 per cent disagreed. Almost all Tories and a majority of Liberal Democrats and UKIP voters agreed.

Amongst working-class C2DE voters, 54 per cent agreed and 15 per cent disagreed. Labour voters were evenly divided; 32 per cent agreed, compared to 34 per cent who disagreed.

Figure 2: 'We must live within our means so cutting the deficit is the top priority'

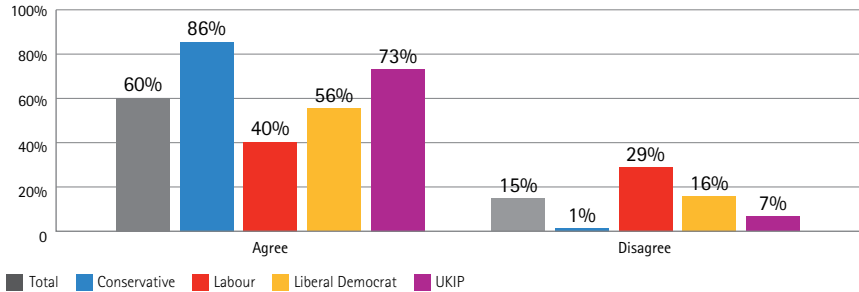


The Tories won because voters believed they would cut the deficit, even though a majority understand that the economic system is unfair. The Tories' message on the deficit was clear. Labour's was not. The Tories were trusted to manage the country's finances. Labour was not.

The idea of a progressive alliance with the SNP in government was unrealistic. Labour's defeat in Scotland should not be seen as an argument for a leftward shift in England. The SNP's support for an anti-austerity politics served to increase English voters' sense of the risk that Labour represented.

Sixty per cent of English and Welsh voters agreed that they 'would be very concerned if the SNP were ever in government', compared to 15 per cent who disagreed. A majority of Conservative, Liberal Democrat and UKIP voters agreed, as did 40 per cent of Labour voters.

Figure 3: 'I would be very concerned if the SNP were ever in Government'

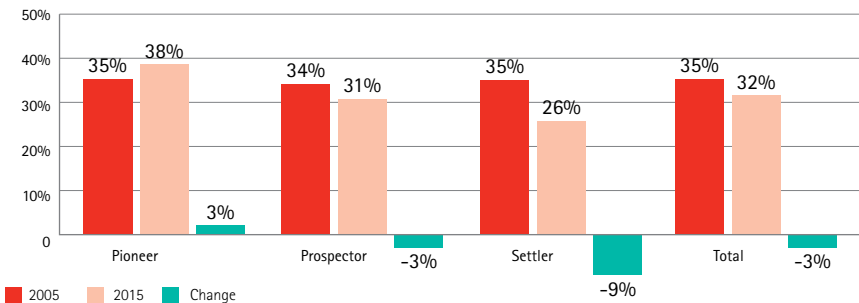


Labour is losing its working-class support, and UKIP is reaping the benefit

Since 2005, it is socially conservative voters who are most likely to have deserted Labour. Our polling suggests that UKIP has benefitted most from the collapse in this group’s support for Labour.

In 2005, Labour’s vote was evenly spread across the three values groups. But in the period up to 2015 there was a significant shift. Labour’s vote share increased among Pioneers and fell modestly among Prospectors. But among socially conservative voters it fell heavily, down from 35 per cent to 26 per cent.

Figure 4: Change in Labour's vote between 2005 and 2015 by values group



In the same period the Tories modestly increased their vote share among Pioneers, from 31 per cent to 33 per cent. Among Prospectors they increased it from 45 per cent to 50 per cent. And among Settlers they held their ground, with 42 per cent in 2005 and in 2015.

Overall it is UKIP that has benefited from Labour's collapse among socially conservative voters. In 2005 UKIP's vote share among Settlers was 4 per cent, but by 2015 this had increased to 24 per cent, only 2 per behind Labour. What is more, Settlers are twice as likely to be from socio-economic groups DE as AB. So, to an electorally significant degree, the collapse of Labour's socially conservative Settler vote represents the collapse of its traditional working-class base, once tribally loyal to the party.

In our research we asked voters the main reason they chose the party they voted for in the 2015 election. Socially conservative Settlers were more likely than other values groups to mention immigration, toughness on welfare, standing up for our country, Europe (either a referendum or pulling out) and fiscal responsibility. Seventy-nine per cent considered immigration to be the most important issue facing the country.

Amongst voters generally there are three main anxieties about immigration. The first is competition on jobs and wages. The second is the impact on services and provision such as housing and welfare. And the third is the loss of culture and community. Among the socially conservative Settlers, the second and third of these are the most potent.

We can see how UKIP has picked up support amongst former Labour voting Settlers. Home and a sense of belonging is important to 83 per cent of UKIP voters. Their English or Welsh identity is important to the same degree, at 83 per cent.

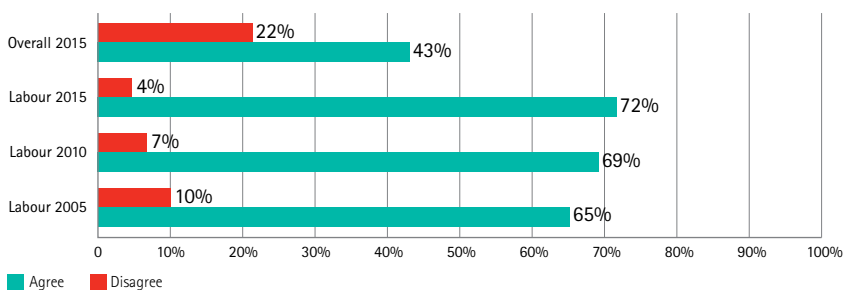
Labour hasn't been this far from the electorate for a generation

In each of the last two general elections, but particularly in May 2015, Labour marched decisively away from the views of voters on a series of measures on the economy, business and welfare.

Labour increasingly attracts voters who want to see redistribution of wealth from rich to poor, but who also hold views that are out of step with the wider electorate. This reinforces the Inquiry's finding of a growing cultural divide between the socially liberal, progressive Labour Party and large parts of the electorate who either vote pragmatically or who are socially conservative.

This divide is growing, and it is evident across a number of areas that are fundamental to the Party's electoral prospects: the deficit, the welfare system, public services, personal financial interest and business. Let's take each in turn, beginning with wealth redistribution.

Figure 5: 'I am most likely to vote for the political party that redistributes wealth from rich to poor'

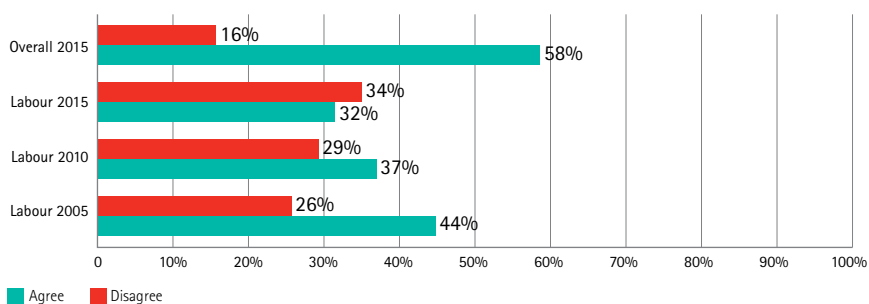


Labour voters have consistently been more committed to redistribution than the voters of other parties, but this has become even more pronounced since 2005. Seventy-two per cent of 2015 Labour voters agree that they are ‘most likely to vote for the political party that redistributes wealth from rich to poor’, while 43 per cent of the wider electorate agree and 22 per cent disagree.

On the deficit, 58 per cent of the electorate agree with the statement ‘we must live within our means, so cutting the deficit is the top priority’, against 16 per cent who disagree with it. We can also identify the changing attitude of Labour voters to this statement over the period since 2005.

Amongst Labour’s 2005 voters, 44 per cent agreed with the statement, compared to 26 per cent who disagreed. By 2015 there had been a significant shift in attitude. Amongst 2015 Labour voters, 32 per cent agreed with the statement, compared to 34 per cent who disagreed.

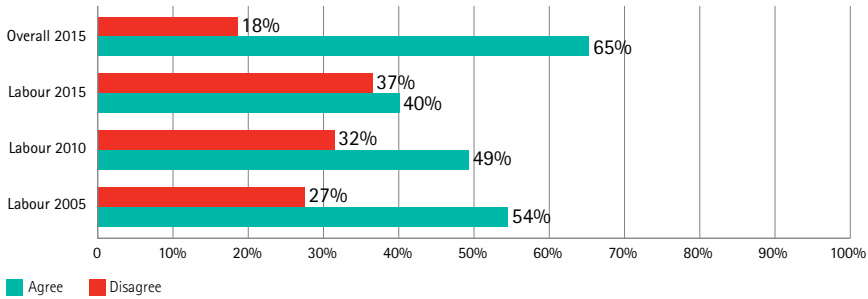
Figure 6: ‘We must live within our means – so cutting the deficit is the top priority’



On welfare, Labour had similarly increased its distance from the electorate. Sixty-five per cent of the 2015 electorate agreed (strongly or tend to agree) that ‘our welfare system is too generous to people who aren’t prepared to work hard for a

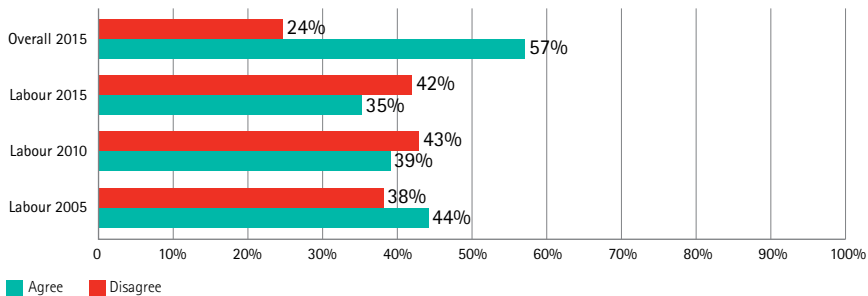
living', compared to 18 per cent who disagreed (strongly or tend to disagree).

Figure 7: 'Our welfare system is too generous to people who aren't prepared to work hard for a living'



Amongst Labour's 2005 voters, 54 per cent agreed with the statement, compared to 27 per cent who disagreed. By 2015 there had been a significant shift in attitude. Forty per cent of 2015 Labour voters agreed with the statement, compared to 37 per cent who disagreed.

Figure 8: 'I don't care whether a service is publicly or privately run, as long as it works well'



On public services, 57 per cent of the 2015 electorate agreed with the statement 'I don't care whether a service is publicly or privately run, as long as it works well', while 24 per cent

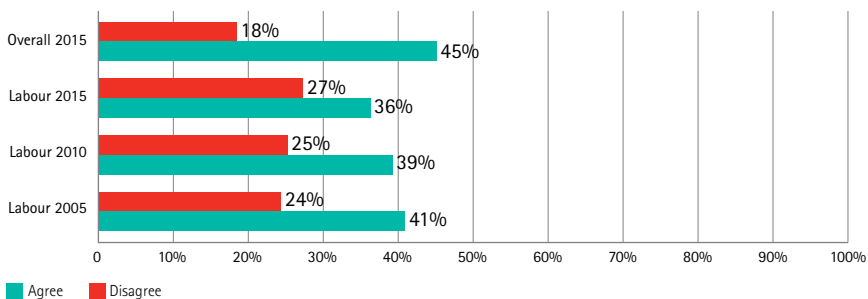
disagreed. Amongst 2005 Labour voters, 44 per cent agreed with this statement, against 38 per cent who disagreed.

Amongst 2015 Labour voters, only 35 per cent agreed, with a larger proportion, 42 per cent, disagreeing.

The growing distance between Labour and the 2015 electorate was also reflected in attitudes toward financial self-interest. Forty-five per cent of the electorate agreed that they were, 'most likely to vote for the political party that puts my financial interests first', against 18 per cent who disagreed.

Forty-one per cent of 2005 Labour voters also agreed with this statement, against 24 per cent who disagreed. But among 2015 Labour voters, 36 per cent agreed and 27 per cent disagreed. Again this reflects Labour's loss of pragmatic voters whose principal concern is their own material interest.

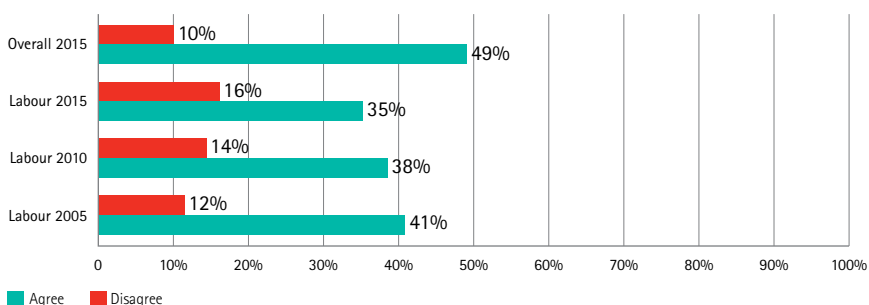
Figure 9: 'I am most likely to vote for the political party that puts my financial interests first'



Finally, in attitudes toward business 49 per cent of the 2015 electorate agreed that they were 'most likely to vote for the political party that knows the importance of supporting businesses to grow'. Just 10 per cent disagreed.

Among 2005 Labour voters 41 per cent agreed with this statement and 12 per cent disagreed, but by 2015 this had narrowed to 35 per cent who agreed and 16 per cent who disagreed.

Figure 10: 'I am most likely to vote for the political party that knows the importance of supporting businesses to grow'



Labour is becoming a toxic brand

We asked voters a question about their voting preference. Did they 'always vote' for a particular political party, 'sometimes vote for it', 'consider voting for it', or 'never vote for it'.

In 2011, the Campaign Company used the same YouGov panel to ask almost 2500 voters the same set of options for Labour, the Conservatives and the Liberal Democrats. Our 2015 survey differed only in having a slightly larger sample and in including UKIP.

To determine the toxicity score for each party we measured the proportion of the electorate that said they would 'never vote' for a particular party.

In 2011, the Conservative Party was clearly more toxic than Labour. Despite Labour's defeat in the 2010 general election, only 31 per cent of voters said they would never vote Labour, while 40 per cent said they would never vote Conservative. In 2015 the toxicity gap between the two parties had all but disappeared. Thirty-six per cent of the electorate said they would never vote Labour and 38 per cent said they would never vote Conservative.

Labour is now as toxic in the South – the South East (outside London), South West and East Anglia – as the Tories are in the North. Forty-two per cent of voters in the South said they would never vote Labour, and 43 per cent of voters in the North said they would never vote Conservative. The full significance of this for Labour lies in the fact that it must win 27 seats in the South to gain a majority of one on a uniform national swing.

The regional dimension to Labour's toxicity is compounded among the over-60s, who are the age group most likely to vote. Forty-five per cent say they will never vote Labour, and just 30 per cent say they will never vote Conservative. Unless Labour detoxifies its brand with the grey vote it will find it all but impossible to win a majority again.

Figure 11: Toxicity by values group – % of voters who say they will never vote Labour or Conservative

	All electorate	Altruistic voters (Pioneers)	Aspirant voters (Prospectors)	Socially conservative voters (Settlers)
2011 Conservative toxicity	40	45	34	40
2011 Labour toxicity	31	28	28	35
2015 Conservative toxicity	38	44	30	35
2015 Labour toxicity	36	27	39	43
Current toxicity gap (Conservative minus Labour)	2	17	-9	-8

Between 2011 and 2015 Labour's toxicity score among altruistic Pioneers remained stable, down one per cent from 28 per cent to 27 per cent. But among aspirant Prospectors it increased by 11 per cent, from 28 per cent to 39 per cent.

Among socially conservative Settlers it increased by 8 per cent, from 35 per cent to 43 per cent. Labour is now more toxic among socially conservative voters than the Conservatives on 37 per cent and UKIP on 35 per cent.

The main cause of Labour's toxicity amongst socially conservative voters is their perception of its 'open door' approach to immigration. Amongst aspirant voters the main cause of Labour's toxicity, and one shared by socially conservative Settlers, is its lack of credibility on the economy. Both believe Labour is a 'soft touch' on welfare spending.

Chapter 2:

Scotland

Scottish voters are more ‘progressive’ than those in England and Wales but they do not inhabit a completely different universe.

Scotland has more Pioneers than England and Wales (41 per cent compared to 33 per cent). It has correspondingly fewer Prospectors (35 per cent) and Settlers (25 per cent). While the largest values group in England and Wales is Prospectors, in Scotland it is the Pioneers.

Scottish voters are more likely to support ‘progressive’ positions than their more small-c conservative English and Welsh counterparts.

For example, 58 per cent are most likely to vote for a political party that redistributes wealth from rich to poor, compared to 43 per cent of English and Welsh voters. Fifty-five per cent said the welfare system is too generous to those who aren’t prepared to work hard for a living, compared to 65 per cent of English and Welsh voters.

This pattern is consistent across the questions we asked. The difference is statistically significant. Scottish voters are not the same as those in England and Wales. However the messages on the economy and many other issues that have traction in England and Wales also have traction in Scotland.

On the question of public spending and the deficit, 58 per cent of English and Welsh voters told us we must live within our means. Cutting the deficit was their top priority. Fifty-one

per cent of Scottish voters agreed. An anti-austerity message has more potency in Scotland than in England and Wales, but it still remains a minority position. The SNP's adoption of 'anti austerity' messaging did not appear to be the main reason for its electoral success.

Surprisingly, Labour is still the least toxic party in Scotland

Despite Labour's electoral calamity in 2015, our poll suggests the party has some hope of recovery. Fifty-seven per cent of Scottish voters agreed that 'the Labour Party is in a mess and needs a serious overhaul'. However its toxicity score – the number of people who say they will never vote for it – is 31 per cent, compared to 36 per cent across England and Wales.

Labour is the least toxic party north of the border. Toxicity scores are 34 per cent for the SNP, 52 per cent for the Liberal Democrats, 64 per cent for the Tories, and 76 per cent for UKIP.

In England and Wales, Labour is becoming toxic among Settlers and Prospectors. In Scotland its strong support (those who say they always vote Labour) is skewed slightly towards Prospectors, as is the Conservative Party's. Its toxicity score is fairly even across all three values groups.

The SNP is noticeably less toxic among Pioneers in Scotland (28 per cent), but it is more toxic among Settlers (36 per cent) and particularly Prospectors (45 per cent). But because there are more Pioneers in Scotland than in England and Wales, it gives the SNP an advantage Labour does not

have in England and Wales, with its lower toxicity score among Pioneers.

A notable feature of Scottish politics is the hostility toward the Conservative Party. Voters are almost three times more likely to blame the last Conservative government than Labour for cuts in public spending (42 per cent to 15 per cent). And a substantial 64 per cent are 'anxious about the future' with the Conservatives in government.

Identity underpins the SNP's success

Eighty-two per cent of those who voted for the SNP in the 2015 general election said they also voted Yes in Scottish independence referendum of 2014.

Pioneers are the most likely to strongly agree that Scotland should be an independent country (40 per cent), compared to 22 per cent of Prospectors and 29 per cent of Settlers. Only 19 per cent of Pioneers strongly agree that 'I would be very concerned if the SNP were ever in government', compared to 48 per cent who strongly disagree. Among Settlers, 28 per cent strongly agree, compared to 30 per cent who strongly disagree.

The picture of attachment to Scottish identity and British identity is very different from attitudes to English and British identity south of the border.

In England and Wales, 33 per cent of voters say their English or Welsh identity is very important to them, exactly the same number who agree that their British identity is very important to them. In Scotland, however, 42 per cent of voters say their Scottish identity is very important to them,

compared to only 24 per cent who say their British identity is very important to them.

But it is the relationship between values and patriotism that highlights the real contrast. In England, English identity is heavily skewed towards Settlers (45 per cent say it is very important to them compared to just 18 per cent of Pioneers). In Scotland, Scottish identity is not only very important to more voters, it is noticeably more broadly based across all values groups. Pioneers in Scotland care about their Scottishness. The SNP has succeeded in attaching patriotism to ‘progressive’ values.

Figure 12: Importance of identity

Identity – very important (%)	Pioneers	Prospectors	Settlers	Overall
Scottish Identity	40	44	45	42
British Identity in Scotland	16	33	29	24
English (Welsh) identity	18	37	45	33
British identity in England and Wales	24	38	40	33

We asked Scottish voters open questions about the election campaign and the main reason for voting for a given political party (see chapter three below for England and Wales). Their answers reinforced the significance of national identity. Forty-five per cent of those who voted for the SNP specifically highlighted more powers to Scotland or better representation of Scotland’s case. This compares to just over 3 per cent who voted for the SNP because of its anti-austerity position, 2 per cent who voted for it as a protest against Labour, and under 2 per cent who voted for it because of its socialist principles or policies.

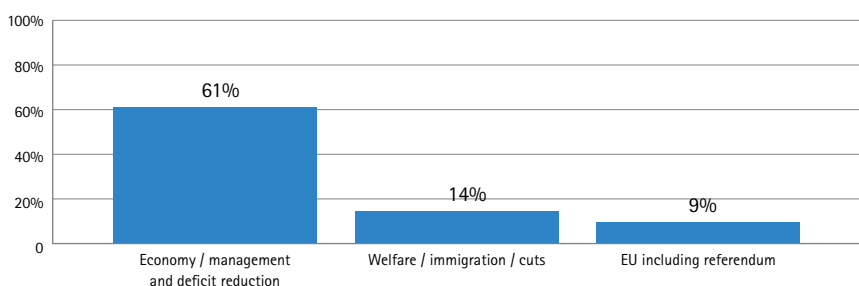
Chapter 3:

The election campaign in England and Wales

Voters unambiguously heard a clear message about economic stability from the Tory campaign but were much less certain about Labour’s message, generally believing it was about protecting public services. They voted accordingly.

We asked a series of open questions on the campaign messages people heard, and the main reason they voted for the party they chose. The Campaign Company developed a coding framework, and each response was allocated a code. The responses and codes were then aggregated to summarise the overall responses.

Figure 13: Conservative main message



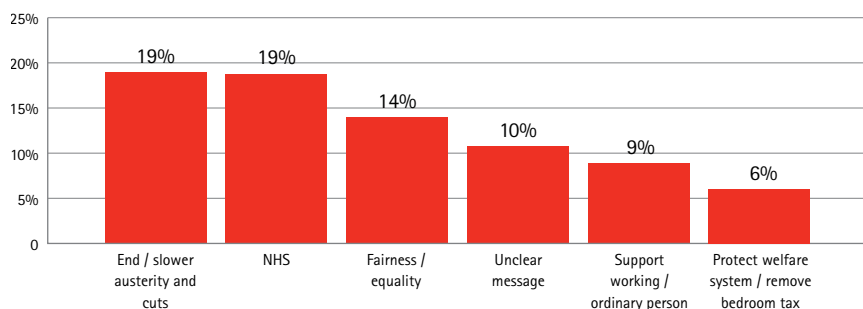
For each of the four major political parties we asked ‘what do you remember was their main message in the run up to the last general election?’. For the main Conservative message, 61 per cent of respondents cited various aspects of economic

management, predominantly ‘economic stability’ and ‘deficit reduction’. Fourteen per cent mentioned something connected with welfare, immigration or cuts, followed by 9 per cent who highlighted the EU, particularly the offer of an in/out referendum.

Perceptions of Labour’s main campaign message amongst respondents were less clear cut. Nineteen per cent said it was connected with slowing down cuts or protecting services generally (with 6 per cent also saying something specifically on protecting welfare or about the bedroom tax). Nineteen per cent specifically mentioned the Health Service, and 14 per cent highlighted general issues about ‘Fairness and Inequality’. The fourth most frequent perception was the 10 per cent whose response was ‘unclear message’. In contrast only 1 per cent described the Tory message as unclear.

Issues such as ‘fiscal rules’ or ‘controls on immigration’ that were highlighted in the campaign got almost no mentions. Whatever Labour thought its message was, the public was either unsure about it, or saw it as being about protecting public services.

Figure 14: Labour main message



These responses to our open questions on the election campaign corroborate the second inquiry message we learned

from our closed questions. Labour lost because voters believed it would not reduce the deficit and public spending. The Tories won because of their commitment to cut the deficit, not in spite of it.

Many respondents gave non policy-specific answers about why they voted for the party they chose. For example, they replied, 'I always vote for them', 'I like the local candidate', or 'to keep another party out'. However, a clear picture still emerges. A third of Tory voters said they did so because of something connected with their economic stewardship, including their deficit reduction plans (33.5 per cent), and another 27 per cent said something positive about their policies or values in general. Five and a half per cent said that they voted Tory to keep out Labour or the SNP, and 3.5 per cent mentioned leadership in a positive light (1 per cent made negative comments about Labour's leader).

Again, the reasons for voting Labour were less clear cut. The top three answers, all with close to 10 per cent were 'to keep the Tories out', 'long term loyal supporter' (compared to just over 4 per cent of Tory voters who gave this reason), and 'social justice and inequality'. Twenty-nine per cent mentioned something more generic about values, or Labour having the best policies.

The two biggest reasons for voting UKIP were immigration (23 per cent) and issues connected with getting out of the EU/sticking up for England (19 per cent); 11 per cent either said something about UKIP 'telling it like it is/honestly', or supported it because it was an anti-establishment party.

The biggest single reason Liberal Democrats gave for their choice was related to the local candidate (15 per cent). Seven per cent said it was to keep the Tories out, and half as many (3.5 per cent) said it was to keep Labour out.

Chapter 4:

The 5 May elections

Labour is on life support in England and Wales, without signs of resurgence in the areas needed to build a winning coalition, and it faces a monumental challenge in Scotland.

Despite the dire predictions, there was no collapse in Labour's support. The party kept control of key councils. Sadiq Khan won a convincing victory in London. But Labour is hanging on in Labour areas, and losing everywhere else. The Conservatives are unpopular, but Labour is not making the necessary gains against a Conservative government at this favourable point in the electoral cycle. It had a net loss of seats and no net gain of councils.

Colin Rallings and Michael Thrasher, the recognised experts on local elections, have calculated a national equivalent vote share from council elections. This provides a snapshot of country-wide voting preferences, which can tell a great deal about future election performance. Incumbent governments on average improve their percentage of the vote by 5 to 6 points at the following general election, whilst the main opposition party usually loses 2 to 3 points.

Labour's national vote share on 5 May was 33 per cent. This is a fall of 5 per cent on their 2012 vote share, when the same seats were last contested. In the May 2015 general election that followed, Labour gained 30.5 per cent of the vote.

The 5 May elections were the first time that a new leadership – of either the Labour or Conservative Party – has

not made substantial gains in its first year of opposition. In the past these gains have been made whether or not the party went on to win the subsequent election. To compound this failure, Labour's vote share compared to 2012 was somewhat flattered, because votes were concentrated in Labour-held seats.

Figure 15: Comparable local election opposition performance

First election as leader	Labour (NEV)	Conservative (NEV)	Opposition lead	Seats +/-
1981 Foot	41%	38%	+3%	+988
1984 Kinnock	37%	38%	-1%	+88
1993 Smith	39%	31%	+8%	+111
1995 Blair	47%	25%	+22%	+1,807
1998 Hague	37%	33%	-4%	+256
2002 IDS	33%	34%	+1%	+238
2004 Howard	26%	37%	+11%	+288
2006 Cameron	26%	39%	+13%	+316
2011 Miliband	37%	38%	-1%	+857
2012 Miliband (direct comparable election to 2015)	39%	33%	+6%	+823
2016 Corbyn	33%	32%	+1%	-18

Source: Rallings and Thrasher, local elections National Equivalent Vote (NEV)

There are few signs of Labour rebuilding its national coalition. Labour's support amongst socially liberal Pioneers is solid, but the party continues to fail to connect to voters in areas where there are more aspirant Prospector and more socially conservative Settler voters. Labour's vote, as in 2015, is being amassed in Labour areas, which will not help it to win a majority of seats. If anything, the 5 May results indicate

a continuing shift towards Pioneers and away from aspirant Prospectors and socially conservative Settlers.

London has a higher percentage of Pioneers and socially liberal Prospectors, and fewer Settlers, than anywhere else in England. Sadiq Khan won in London with a strong mayoral campaign that married fairness themes with a pro-business and aspirational message. But just outside the M25, in socially conservative Thurrock, Labour continued its trend decline, losing 4 council seats to UKIP in what is Labour's number eight target seat for the general election. The continued loss of Labour's previously core support among the socially conservative working class was also seen in places such as Plymouth.

Labour performed better in areas where voters are more likely to be socially liberal Pioneers than in areas with more Settlers or Prospectors. Unfortunately for Labour, many of its key marginal seats lie in these latter areas. In places like Derby West (-3), Bury North (-2) and Plymouth (-1), where Labour went head to head with Conservatives, seats were lost. In Nuneaton, a key Middle England marginal that became emblematic of Labour's defeat in 2015, there was a Labour-to-Conservative swing of 11 points, greater even than in the general election.

In Scotland Labour's fall to third place is its worst showing since 1910. It faces a monumental challenge in rebuilding a winning coalition.

The 5 May elections in Scotland revealed one interesting new development. The SNP's early base of support was among socially conservative voters, but these results suggest that the SNP's socially conservative voters are now going 'home' to the Conservative Party. Scottish politics appears to be polarising between progressive Scottishness and socially conservative unionism. Labour is lost in Scotland.

With four years to go to 2020, Labour remains on the defensive. Its high performing local authorities show enough life to hold onto power. But this was an election in which Labour's biggest weaknesses, on immigration and the economy, were not on the ballot in most areas. Where Labour was weak in 2015, it has shown little sign of resurgence, and there are clear signals of further atrophy.

The long-term trend of losing the support of socially conservative voters seems to have continued. Apart from the mayoral election in London, Labour's performance in direct contests against the Conservatives was abject when compared to what would be expected of an opposition at this point in the electoral cycle. The results were not as bad as predicted, but unless Labour learns the lessons of 2015's defeat, its general electoral prospects remain very poor

Chapter 5:

The lessons of defeat

The economy

The failure of Labour's 2015 general election campaign to craft a clear message must find its causes in the party's lack of a clear narrative prior to the election. Labour lacked a simple and coherent story about the economy. The Inquiry's findings about voters' views on cutting public spending and the deficit have caused the most controversy amongst Labour supporters, but voters did not trust Labour with the country's finances.

There has been criticism of the question asked about spending and the deficit, but we gave balance to the questions, and we asked people to agree or disagree with a number of other statements related to the economy. Forty-three per cent agreed that 'I am most likely to vote for the political party that redistributes wealth from rich to poor', against 22 per cent who did not. And 44 per cent agreed (37 per cent amongst Labour voters) that 'I am most likely to vote for the political party that puts my financial interests first', against 17 per cent (27 per cent amongst Labour voters) who did not.

As the statement on wealth distribution reveals, the electorate holds radical opinions on the economy. They understood the Tories were unfair. Sixty per cent agree with the statement 'the economic system in this country unfairly favours powerful interests'. This rises to 73 per cent amongst UKIP voters and 78 per cent amongst Labour voters.

Labour did not recognise that the electorate is both economically radical and fiscally conservative. This failure to recognise and understand the electorate was matched by voters uncertainty about Labour. Only 14 per cent of voters thought that Labour had the right principles and the right policies. Amongst Labour voters this rose to only 41 per cent. And 31 per cent of voters simply didn't know what Labour stood for.

Although the electorate in England and Wales is both economically radical and fiscally prudent, fiscal responsibility trumps economic reform. If people do not trust Labour with their taxes they will not support it, however much they might agree with its economic policies. This is the iron law of Labour credibility, and understanding this must inform its political message and its policies. Break the law and fail.

To win again Labour will need to develop a new political economy. It needs an approach that is pro-business and pro-worker and combines financial prudence with economic radicalism.

Culture and identity

The success of the SNP, and the response to the SNP amongst Welsh and English voters, reflects the growing political salience of a politics of identity and belonging, and the increasingly federal nature of the UK. Forty-two per cent of Scots say their Scottish identity is important to them, while 33 per cent of English and Welsh say that their English or Welsh identity is important to them.

Scotland poses a dilemma for Labour. It has a different political tradition and its voters are more progressive and

collectivist minded than in England. The English tend to be more individualistic and have a more small-c conservative disposition. To win again Labour will need to develop a more federal politics to accommodate the paradoxes of radical and conservative dispositions and our national cultural differences.

Labour has to win back socially conservative working-class voters in the South and North if it is to build a majority in England and win the election in 2020. To achieve this it will have to reach out across a growing cultural divide. We can get a measure of the cultural distance between Labour and these voters on four key political issues – immigration, Europe, crime and welfare.

Ninety-one per cent of UKIP voters agree with the statement ‘There are too many foreigners in my country’, compared to 46 per cent of Labour voters. Fifty-five per cent believe that Europe is the most important issue facing the country, compared to 17 per cent of Labour voters. Eighty-seven per cent agree with the statement ‘Criminals should be punished with maximum prison sentences to make them learn their lesson’, compared to 62 per cent of Labour voters. On welfare 79 per cent agree with the statement, ‘Our welfare system is too generous to people who aren’t prepared to work hard for a living’, compared to 40 per cent of Labour voters.

Despite these differences, bridges can be built. Socially conservative Settlers eschew risk and want financial stability. The more pragmatically minded can be won back if they can be persuaded to trust Labour with the economy and their taxes. The creation of an English Labour Party could appeal to their patriotism and regional identities.

More traditionally minded Settlers often hold conventionally left opinions. Seventy-three per cent of UKIP voters agree that ‘The economic system in this country unfairly favours

powerful interests', compared to 78 per cent of Labour voters. And attitudes on immigration can be more nuanced. Ninety-three per cent of UKIP voters agree with the statement that 'Government should be firm on immigration and firm on discrimination', compared to 72 per cent of Labour voters.

Labour has to recognise the ways in which UKIP appeals to former Labour voters and develop a politics that is both radical and conservative. It needs to recognise the vital importance of culture, belonging and identity, and so build enough bridges to get its voice heard again amongst these voters.

Labour has to stop patronising socially conservative UKIP voters. They are not apolitical. Fifty-five per cent consider their political beliefs are important to them, compared to 58 per cent of Labour voters. Ninety-three per cent consider their moral values important to them, compared to 90 per cent of Labour voters.

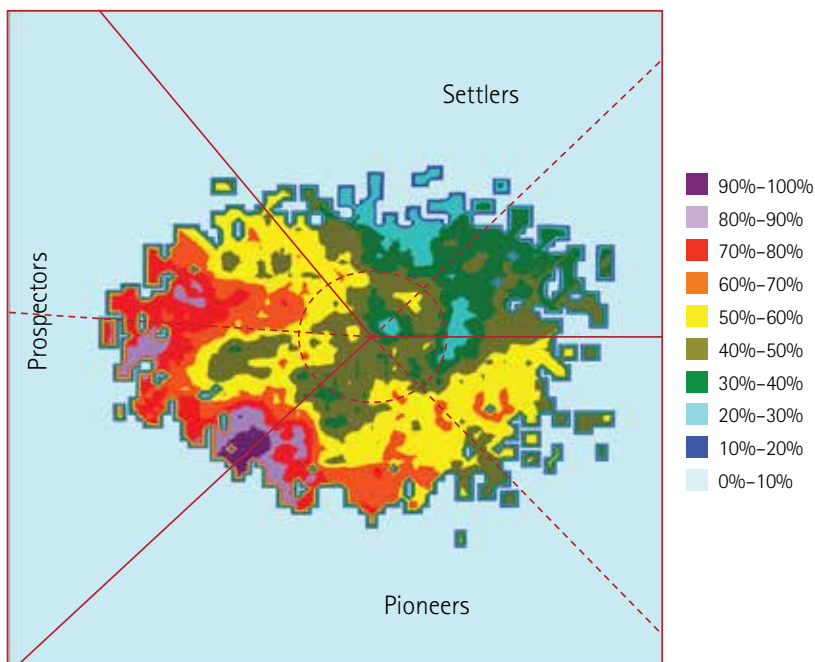
Values

The desertion of socially conservative voters in both 2010 and 2015 heralds a broader trend of working-class voters becoming detached from Labour. The Labour Party is becoming more culturally exclusive. It is now largely a party of socially liberal progressive minded Pioneers who value universalist principles such as equality, sustainability and social justice. Its growing cultural exclusiveness is losing its connection with large parts of the voter population who are either pragmatists in their voting habits or who have a small-c conservative disposition, and who value family, work, fairness and their country.

This goes some way to explain the extraordinary contraction in Labour's electoral appeal, so that it is effectively concentrated in one cultural segment of the population – those who tend to be socially liberal, progressive minded and higher educated. It is a trend that is linked to the Labour brand becoming increasingly toxic amongst voters.

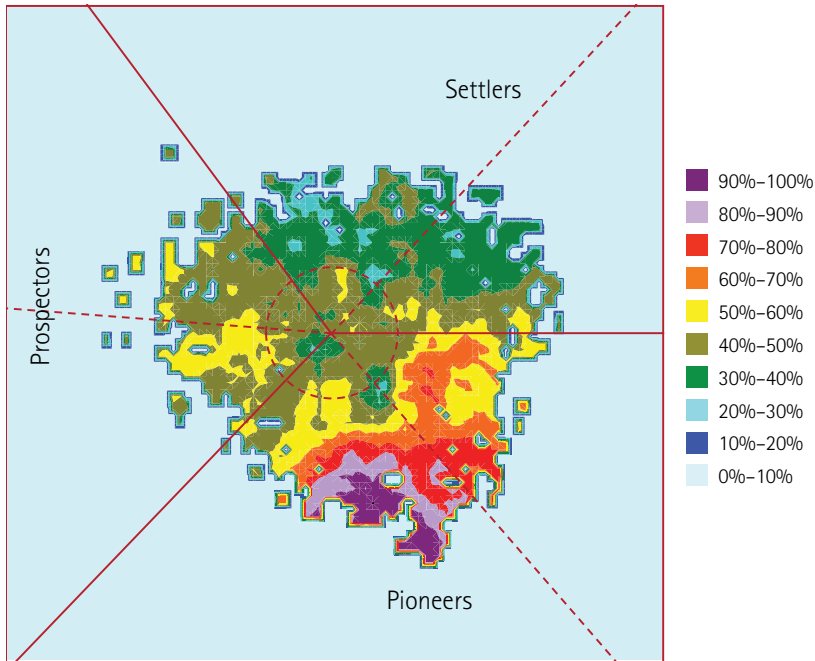
The heat maps below provide graphic illustrations of this trend leading up to May 2015. (The maps use the Values groups described on page 12.) Despite Labour's weaknesses among Settlers, its pre-election support shows a reasonable spread among Prospectors and Pioneers.

Figure 16: Labour support – November 2014



The election result shows the consequence of the current location of Labour's support within the voter population, as its support among Prospectors retrenches.

Figure 17: Labour support in the General Election



These maps reveal the contraction in Labour's electoral appeal. Their support in the election was concentrated among the Pioneers – effectively one cultural segment of the population. In contrast, the Tories managed to position themselves in a more balanced way across the voter population, winning over the centre ground where values are softer, doing well among Settlers and dominating among Prospectors.

Labour is becoming dangerously out of touch with the electorate, and at the time of writing appears unwilling to acknowledge this growing estrangement. Labour's historical task is to represent the interests of working people in government. That means listening to the people, trusting their judgment, letting them decide the destiny of their country. And it means recognising when we have got it wrong, and learning from our failure.

Conclusion: Labour's future

The evidence presented by our Independent Inquiry in this report shows Labour in danger of becoming a party of sectional interests, irrelevant to the majority of working people in the country. The results of the 5 May local elections do not alter this trend.

To win again Labour must broaden out its politics and its culture in order to reconnect with the whole country, not just segments of it. Sadiq Khan's fantastic win in London's mayoralty election does not alter the evidence. It shows that in our values and political preoccupations we are not reflective of the majority in the country. And we are drawing our representatives from too small a pool of people.

The future success of the party will grow out of its renewal. Labour came back from defeat in the 1950s following a period of debate about the direction of the party. As Clement Attlee asked in 1952, 'Where do we go from here?'. The party asked the same question in the early 1990s and won three terms in office. Our Inquiry offers the party evidence of its need for another period of rethinking, change and renewal. We must once again ask ourselves where we go from here. Labour's future depends on the answers we all come up with.

Appendix 1:

Evidence based resources

The publications below provide a measure against which to judge the findings of the Independent Inquiry.

Baston, Lewis, *Labour must win England with a bigger swing than 1997 to win power*, LabourList 2016: <http://labourlist.org/2016/02/labour-must-win-england-with-a-bigger-swing-than-1997-to-win-power/>

Bbm campaign, *Listening to Labour's Lost Voters*, 2015: www.scribd.com/doc/271940748/Listening-to-Labour-s-Lost-Labour-Voters-bbm-Research-July-2015

Byrne, Liam, *Reshaping the Radical Centre*, Red Shift 2015 <http://liambyrne.co.uk/wp-content/uploads/Reshaping-the-radical-centre-v4-0.pdf>

Frayne, James, *Overlooked but Decisive*, Policy Exchange 2015: www.policyexchange.org.uk/images/publications/overlooked%20but%20decisive.pdf

Masters, Anthony, *The Selectorate and the Public*, 2016: <https://anthonymasters.wordpress.com/2016/02/24/the-selectorate-and-the-public/>

Mattinson, Deborah, *Out of the Darkness*, 2015: www.itv.com/news/2016-01-25/revealed-secret-labour-report-calls-on-party-to-atone-for-its-past/

Morris, James, *Feeling Blue: why Labour Lost and how it can win again*, Greenburg Quinlan and Rosser, 2015: www.gqrr.com/articles/2015/8/18/feeling-blue-why-labour-lost-and-how-it-can-win-again

Smith Institute, *Red alert why Labour lost and what needs to change?*, 2015: <https://smithinstitutethinktank.files.wordpress.com/2015/07/red-alert-why-labour-lost-and-what-needs-to-change.pdf>

Sturgis, Patrick, *Report of the Inquiry into the 2015 British general election opinion polls*, British Polling Council 2016: <http://eprints.ncrm.ac.uk/3789/>

TUC, *UK post election poll*, Greenburg Quinlan and Rosser 2015: www.gqrr.com/uk-post-election-2

Warren, Ian, 'Under Jeremy Corbyn, there's a chasm between labour members and the general public', *Huffington Post*, 23 February 2016: www.huffingtonpost.co.uk/ian-warren/labour-polling_b_9299050.html

Appendix 2:

Polling methodology

Methodology

We used a post-election survey of 3089 adults in England and Wales and 1094 in Scotland. The fieldwork was conducted from 30 June 2015 to 1 July 2015 using YouGov's online panel. The results were weighted to be representative of their respective populations. Findings were analysed by The Campaign Company, a partner company of the Market Research Society.

The survey used Likert questions to test key propositions and political messages, including questions with framing from different sides of the political spectrum. The purpose was to measure their resonance with the electorate, not to lead respondents.

The survey included a number of free-text questions to capture respondents' explanation of their voting decision and perception of the campaign in their own words. These free-text questions were coded with a separate code frame developed for each question. The coding frames captured nuanced difference between responses which were then consolidated thematically to form the main categories of responses in this report.

Values Modes

A key component of the analysis was the use of Values Modes segmentation. This is a psychographic segmentation tool

created by Cultural Dynamics Strategy and Marketing Ltd (CDSM), which is used to understand populations based on their motivations and values.

Values Modes was developed through the British Values Survey, which CDSM Ltd have conducted since 1973. Alongside attitudinal and perception questions, the British Values Survey asks more abstract questions to identify respondents' values and motivations at a visceral, emotional level. For example they ask whether someone feels it is important to have lots of possessions or whether they care about what others think of them. Through analysis of the correlations between the over 1000 questions asked, patterns in the population are identified based on dominant psychological motivation.

The three main Values Modes segments are Pioneers, Prospectors and Settlers, with each comprising of four sub-groups.

Pioneers. Socially tolerant or liberal

- More positive about social change and diversity
- More post-materialist; want a fairer society
- Split between optimists and those who are concerned about the future of society
- Looser knit and more diverse social networks

Prospectors. Aspirant and focused on economic maximisation

- Generally optimistic about the future
- Socially conservative or liberal
- Hierarchy, status and respect important
- Not interested in causes

Settlers. Socially conservative

- Anxious about economic security
- Desire to belong, therefore culture and identity important
- Pessimistic about the future and nostalgic for the past
- Tight-knit networks

Additional data sources

The Inquiry used the data from two additional online panel surveys to analyse trends. The 2011 data is taken from a YouGov online panel survey of 2474 GB adults, with fieldwork conducted 15–16 September 2011. The 2014 Values Modes data is from CDSM Ltd's November 2014 British Values Survey. This was an online panel survey with fieldwork conducted by GMI with a sample size of 2020 representative of the UK population.

One Nation Register