British Parties and Multi-Level Politics

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Introduction

The devolution reforms of the late 1990s in the United Kingdom have created a fascinating laboratory for the analysis of how political parties interact with their institutional environment. Although this is not the first time that a democracy with a consolidated party system has embarked upon far-reaching decentralization of its political institutions, Britain's shift away from an uncommonly centralized set of institutional arrangements constitutes a particular challenge for one of the world's oldest party systems. This article seeks to address some important questions arising out of this shift: How have Britain's statewide political parties adapted to multilevel electoral competition and new territorial units of government? What does this tells us about the relationship between institutions and party behaviour?

In our response to these questions, we draw on the well established rational choice institutionalism literature pioneered by authors such as Cox (1997), Aldrich (1995) and others. This literature is invoked in Kollman and Chhibber's fascinating recent study (2004) of the emergence of statewide party politics in established democracies, which posits a clear relationship between changes in the territorial location of government power, and the degree of homogeneity of voting behaviour across the territory of the state. Politicians respond to the incentives provided by the electoral institutions and the level of centralization of executive and legislative responsibilities, and aggregate into political parties in such a way as to maximize their control over the policy levers of most concern to them. According to this approach, decentralizing reforms are likely to lead to centrifugal dynamics in the party system, providing political entrepreneurs with enhanced incentives to form territorially based parties, and placing statewide or national-level parties under pressure to redistribute power internally in favour of subnational elites. The longevity and apparent institutional solidity of the UK's major political parties provide an excellent opportunity to subject this hypothesis to close scrutiny.

Although in the following pages we find some evidence of such dynamics in the British case, we invoke a slightly different theoretical approach in order to provide a more complete picture of what has happened to the UK party system since

devolution. Recent contributions to the debate on how political parties work internally (Panebianco 1988, Katz and Mair 1995) have shown the wide variety of ways in which parties' internal dynamics and organizational inertias filter, absorb and even overturn the pressures arising from institutional change. Politicians may have incentives to behave in certain ways to enhance their power, but they generally do so within political organizations which have their own histories, ideological traditions, formal rules and standard operating procedures, and even personal relationships. Parties are not unitary actors, but neither are they simply the sum of the individual interests and ambitions of their members. Parties, and particularly long-serving parties such as those in the UK, must be counted as part of the institutional furniture of a state, and the outcomes of institutional reforms cannot be predicted without understanding the internal life of parties.

In the following pages we examine the ways in which the three largest statewide parties in the United Kingdom – the Labour party, the Conservative party, and the Liberal Democrats – have responded to the challenges posed by the devolution reform in Great Britain (Northern Ireland, which has no significant UK-wide parties, is left out). We focus in particular on three broad areas of party activity: political recruitment and candidate selection, election manifestoes and campaign strategies, and party strategies and policymaking in the state institutions (Hopkin 2003, Hopkin and van Biezen 2005). After a brief background introduction, we consider the three parties in turn, and then draw some general conclusions (which remain necessarily tentative given the short time elapsed since the reforms were made).

The British Statewide Parties Before Devolution

Devolution has affected all three principal statewide parties in significant ways, but the asymmetrical nature of the reform, and the parties' different levels of support in the devolved territories, have demanded each to develop a distinct response. The devolution reforms introduced substantial changes to party politics in Scotland and Wales, yet had no direct implications for England, the home of 85% of the British population (although the reform of local government in London soon after devolution has had major ramifications for party politics in the capital). Devolution has therefore had most impact on the parties which have had disproportionately strong

representation in the devolved territories in recent elections: the Labour party and the Liberal Democrats. In the case of the Labour party, its position as the governing party which initiated the devolution reforms and has governed since has accentuated the importance of these institutional changes.

Devolution has had disproportionate effects on the Labour party, which is historically the dominant party in Wales, and in recent decades has been the dominant party in Scotland too. Labour has taken more than 45 per cent of the Welsh vote in every postwar election apart from 1983, and even in that low watermark election the party still won more than half the Welsh seats in Westminster. Labour's hegemonic status meant that on the eve of the devolution reform, 34 out of 40 Welsh MPs had been elected on the party ticket. Although in Scotland Labour's dominant position is less overwhelming, its vote share has still averaged more than 40 per cent in postwar Westminster elections, and in 1997 56 out of 72 Scottish MPs were elected on the Labour ticket. The territorial spread of the Labour vote implied that devolution brought both opportunities and threats. On the one hand, Labour could be confident that its longstanding electoral strength would enable the party to win power in the new devolved institutions, ensuring that the devolution reforms would lead to a sharing of power within the governing party, rather than with rival parties. On the other, the empowerment of the Scottish and Welsh party machinery could lead to internal tensions, as the party elites in the devolved territories used the new institutions to challenge the UK-wide leadership. Moreover, tensions were likely to arise between Labour's representatives in the new devolved institutions, and the well established Labour members of the Westminster parliament, who were likely to see the emerging devolved elites as a threat to their power. Finally, the push for differentiation inherent in the devolution project was likely to destabilize Labour by forcing it to deal with different parts of the party advocating and implementing different, and possibly contradictory, policies.

Because of unitary and centralized nature of the British political system, the Labour party lacked an internal organizational structure capable of managing such interterritorial tensions. Although the party in Scotland and Wales had distinct titles - Scottish and Welsh Labour party - and their own executives, party conferences, and headquarters, this autonomy was more apparent than real. Before devolution, the party units in Scotland and Wales were effectively regional offices of the UK Party. Senior officials, including the Scottish and Welsh secretary or shadow secretary, were

appointed by the party leadership in London, finance came from central party funds, rules for candidate selection were determined by the UK-wide National Executive Committee, and policy agendas were driven by developments at the UK-wide level. With the creation of a new tier of government in Scotland and Wales likely to be controlled by Labour, there was significant potential for interterritorial tensions within the party, a picture further complicated by divisions over the devolution issue within the Labour party in Wales.

For the Liberal Democrats, devolution was more an opportunity than a threat. Although the party tended to win slightly fewer votes in Scotland and Wales than in the rest of the UK, in Scotland the Liberal Democrats and their predecessors (the Social Democrat Party-Liberal Alliance) had been disproportionately successful in winning parliamentary representation at Westminster. Moreover, in both territories the collapse of the Conservative vote in 1997 allowed the Liberal Democrats to claim the status of 'official opposition', as the only statewide party apart from Labour to win representation at Westminster. The use of proportional representation in devolved elections therefore presented the party with an opportunity: if Labour failed to win majorities in Scotland and Wales, the Liberal Democrats – strong supporters of the devolution reform – would be the natural coalition partner. For a party so unfairly treated by the Westminster electoral system, this constituted a vital opportunity to exercise power beyond the local level. A further asset was the party's federal internal structure, which was more consistent with the changing state structure than that of the other parties, and which could prove attractive to the electorate in the devolved territories.

Finally, the Conservatives ostensibly stood to lose from the devolution settlement. The party was traditionally far weaker in Wales, and in recent decades Scotland, than in England, and the 1997 election was a disaster in both territories, with (remarkably) no seats at all in Westminster, and vote shares falling below 20 per cent. On top of this, the Conservatives had opposed devolution, sometimes quite vehemently, posing the problem of how to respond to the new institutions that Labour was committed to creating. On the more positive side, the Conservative party's looser internal structure was potentially better equipped than Labour's to deal with differentiated territorial politics, and the use of proportional representation in the devolved elections would at least guarantee the party some seats in the new institutions, which would contribute to rebuilding its shattered organization.

Devolution and Party Organization: The Creation of New Party Elites

One of the potentially most destabilizing features of devolution in the United Kingdom is that it has led to the creation of new political elites at the territorial level, but not uniformly throughout the state. This raises a number of issues for the cohesion and functionality of the statewide parties in particular. The main 'problem' for such parties is that devolution creates an arena of electoral competition in which association with the institutions of the central state may be a disadvantage. This gives statewide parties' candidates in devolved elections an incentive to differentiate and distance themselves from their central party leaderships, or even push for internal decentralization. However, too much internal differentiation can threaten a party's cohesion and its ability to govern at the central level, as well as undermining the power of central state institutions, an outcome central party elites would seek to avoid. In sum, statewide parties have to secure broad party unity and maintain the consistency of their political message, whilst allowing their representatives in the devolved institutions sufficient autonomy to respond to voter demands. The tension between these two potentially incompatible objectives was particularly strong within the governing Labour party.

Labour faced a series of conflicts over candidate selection in the approach to the first elections to the devolved institutions in 1999, and again in the London mayoral elections of 2000. The background to these conflicts was the party's reform of its selection procedures at the statewide level in the late 1980s and early 1990s, which established selection through membership ballots ('one member one vote') for Westminster candidates, and selection through an electoral college of party members, affiliated trade unions and party representatives in Parliament for the national party leader (Norris and Lovenduski 1995, Hopkin 2001, Russell 2005). This 'democratization' of the selection process was in part offset by the institution of a central shortlist of 'vetted' prospective candidates, which allowed the party leadership to exclude troublemakers before they were able to test out their support amongst party members. One casualty of this arrangement was Gareth Hughes, a leading Welsh Labour Action activist, who failed to make it on to the shortlist (Bradbury et al, 2000). Candidate selection by membership ballots for 'approved' candidates proved particularly troublesome in Scotland and London. In Scotland, party officials

approved only 167 out of 534 aspirant candidates, apparently excluding many on purely political grounds (Shaw 2001). One rejected candidate, the Westminster MP Dennis Canavan, left the party and managed to win election to the Scottish Parliament as an independent. Even more spectacularly, in London Ken Livingstone stood as an independent in the mayoral election after failing to win the party nomination (this time determined by the electoral college system), and won, defeating the official Labour candidate. Although Labour's selection process did allow the leadership to shape the emerging party elites in Scotland, Wales and London, these high-profile rebellions caused some damage to the party's image.

In both Scotland and Wales, tensions arose over the very leadership of the party at the devolved level. The party leaders in the two territories were elected by the electoral college mentioned earlier, which downgraded the membership vote, opening up possibilities of leadership manipulation, although the two winning candidates were widely perceived as natural choices. In Scotland, the party was led into the 1999 elections by Scottish secretary Donald Dewar, a longstanding campaigner for devolution who was also close to Tony Blair and the London leadership. But with Dewar's untimely death in 2000, the party was forced into a change in leadership: his successor Henry McLeish adopted a more distinctive discourse, but was forced out within 18 months over allegiations of misusing public funds. Only with the second succession did the leadership issue finally settle, with the unopposed election of Jack McConnell, a politician lacking strong ties with UK-level politicians, but at the same time comfortable with many of the key features of the New Labour programme. In Wales, internal conflict was sharper. The leader elected in 1998, Ron Davies, was soon forced into resignation because of revelations about his personal life, and the central party leadership did not regard the second-placed candidate, Rhodri Morgan, as an acceptable choice. Blair therefore threw his backing behind a new challenger, Alun Michael, who prevailed in the electoral college, but was fatally weakened by his poor performance in the membership ballot (Flynn 1999, Osmond 2000). Labour's performance in the 1999 Welsh Assembly elections was below expectations, and Michael's perceived closeness to the London New Labour elite was blamed by many for Plaid Cymru's success in traditionally Labour areas. Within a few months, a sector of Labour's Assembly Members forced Michael out, voting in Morgan as the new leader and First Minister.

These reverses demonstrated the limitations of centralized party management in the new, post-devolution context. Because the symbolic, and practical, significance of devolution ran very much counter to centralized, uniform solutions, attempts to control the party elites at the devolved level were perceived as clumsy and illegitimate. Those who lost out when the central leadership pulled rank could appeal to the principles of autonomy and self-government to mobilize opposition to New Labour's 'control freakery' (Jones 2001). Although the UK Labour party leadership was determined to maintain its authority across the national territory, these episodes of internal conflict and the party's indifferent performance in the devolved elections did lead to a change of tone, and some organizational concessions. In 2000 control of leadership selection procedures was devolved to the Scottish and Welsh parties, although within the framework of centrally prescribed principles (Labour Party, 2000), and a year later the NEC devolved the power to determine candidate selection procedures (Labour Party, 2001). The timing of these changes may reflect the central party leadership's declining interest in controlling Scottish and Welsh internal party business once the devolution institutions had bedded down. However, it is equally likely that these reforms were forced upon the party in the light of its inability to impose its will once the devolution process started.

The other statewide parties have similar internal arrangements for candidate selection, with both deploying membership ballots and shortlisting approved candidates. There have, however, been fewer cases of obvious heavy-handedness on the part of the UK-wide leadership, although for rather different reasons. Candidate selection for the Scottish and Welsh Conservatives did not prove particularly controversial, perhaps because of the London-based party leadership, mired in an acute internal crisis, was more concerned at recovering its core vote in the South of England than in improving its feeble showing in the devolved territories, where there was no realistic chance of exercising any real power. This interpretation is supported by the party's difficulty in choosing a candidate for the London mayoral elections, with the winning candidate in the party 'primary', Jeffery Archer, facing prison, and the second-placed candidate, Steven Norris, initially vetoed by the local London Conservatives before being reinstated by the central leadership (Tomaney 2000).

The Liberal Democrats have therefore proved the only mainstream statewide party able to avoid open internal conflicts, almost certainly because the party is unique in having a genuinely federal structure, which makes it constitutionally

impossible for the central party leadership in London to interfere with the candidate selection process in Scotland and Wales. Potential candidates are approved by the party's state organizations (ie the subcentral level), and elected in membership ballots. Such arrangements leave little scope for central leadership to interfere in political recruitment at the devolved level. The party's financial structure, in which the Scottish and Welsh party organizations are able to keep control of their own funding through membership subscriptions and donations, provides a further safeguard against central imposition. Of course, as a party accustomed to decades of opposition at every level except local government, the risks of internal disagreement have generally been rather less serious for the Liberal Democrats than for the other two parties with aspirations to govern both at the devolved and the UK-wide level. Even so, the party leadership in the Scottish Parliament has faced sporadic discipline problems which have undermined the party's relationship with its Labour coalition partners. This suggests that the party's reluctance to impose central control over candidate selection issues perhaps has a cost in terms of reduced cohesion.

The Message: Party Programmes and Campaigns at the Devolved Level

Devolution poses one obvious problem for any political parties competing across the whole territory of the state: by allowing different levels of government to adopt different policies, it makes it more difficult for parties to maintain a uniform political discourse, and creates pressures to decentralize internal decision making processes. Where non-statewide or ethnoregionalist parties are present, the statewide party elites in the devolved territories may have incentives to emphasize their differences with the central party leadership, and differentiated political discourses can then be legitimized by the electoral process at the devolved level. These dynamics pose a particular challenge to the British political system, since the 'Westminster model' (Lijphart 1999) of majoritarian party competition has traditionally placed a premium on party cohesion, and voters have tended to punish parties displaying acute internal divisions.

Again the impact of these changes were likely to be especially important for the Labour party, which from 1999 on has been in government at Westminster, in both Scotland (in coalition with the Liberal Democrats) and Wales, and finally in the new London Assembly. The risks of devolution for Labour lay in two areas. First, in both Scotland and Wales Labour is directly challenged by nationalist parties targeting

its traditional electorate. Second, the internal ideological division between 'old' and 'new' Labour had a territorial component, with the traditional working class Labour electorate having greater weight in both the devolved territories than in the UK as a whole. Party managers at the UK-wide level were concerned to prevent the nationalists making inroads into the Labour vote, whilst ensuring that the laboriously constructed 'new Labour' image was not threatened by a return to an 'old Labour' discourse in the devolved territories. Success for nationalists would undermine Labour's defence of the devolution project as a whole, whilst any revival of 'old Labour' at the devolved level would undermine the party's centre-oriented strategy for competing against the Conservatives in Southern England.

The British Labour leadership's close monitoring of candidate selection was matched by careful management of the electoral strategy adopted by the party in the devolved elections of 1999. In Scotland, central intervention had been necessary to curb the autonomist pretensions of sections of the Scottish Labour party who argued that devolution in the UK state should be matched by a decentralization of decision making power within the party itself (Hassan and Lynch 1999). The party executive in Scotland was maintained under the control of new Labour loyalists, and the party manifesto for 1999 was based on the Labour government's Scottish Office policy since 1997. Tellingly, Blair imposed the use of name 'Scottish New Labour', and the party's campaign paid a great deal of attention to the 'separatist threat' posed by the Scottish National Party, a move which prioritized the smooth progress of the devolution process over the electoral interests of the Labour party in Scotland. Similarly, the imposition of a Blairite loyalist – Michael - as Labour leader in Wales ensured a political message consistent with the priorities of Millbank (Labour headquarters in London). The campaign was run by Peter Hain, a government minister in London, and like in Scotland emphasized its opposition to the 'nationalist madness' of the ethnoregionalist party in Wales, Plaid Cymru. In Scotland, Labour's performance was satisfactory, losing a small portion of its vote share but winning enough seats to dominate the new Executive and blocking the progress of the nationalists. However in Wales, perhaps as a result of the controversy over Alun Michael's selection as leader, Labour was badly hit by low turnout and Plaid Cymru made significant progress, meaning that Labour fell just short of its expected majority in the new Assembly.

Having secured the establishment of the devolved institutions under Labour dominance, the British Labour leadership changed its approach, loosening central control over the devolved elites. This more relaxed approach did not, however, have any automatic or mechanical effects on the consistency of the party's message at the different levels. In Scotland, the new leader Henry McLeish, although a former Scottish Office minister, marked some distances with the Labour government in London, using the term 'Scottish government' and proposing controversial bills in areas such as land reform, the banning of hunting, and health care. This had little effect on the 2001 Westminster election, with McLeish campaigning side by side with Scottish secretary Helen Liddle, and Scottish Labour performing almost identically to the British-wide party. His successor Jack McConnell promoted the idea of the Scottish Labour Party being its own boss, reflected for instance in its the decision to self-finance its 2003 Scottish parliament campaign (Bradbury & Mitchell, 2002). However, in programmatic terms McConnell was comfortable with Blairite rhetoric on public sector reform and law and order issues.

The retreat of Millbank had more striking effects in Wales, where Rhodri Morgan made more open play of his programmatic and discursive distinctiveness from Tony Blair, ostentatiously rebranding the party as *Welsh Labour*, rather than *New Labour*, at the Spring 2000 Welsh conference (Morgan, 2000). Morgan's pitch in the 2001 general election campaign talked of 'clear red water' between London and Cardiff, and the party adopted a more decisively pro-devolution stance. The party's partial recovery from the 1999 electoral disaster suggested this strategy was successful: in 2001 the party picked up over 48 per cent of the vote in Wales, whilst in the second Assembly elections recovered some ground at Plaid's expense, winning 30 of the 60 Assembly seats, enough to govern alone. However, the distinctiveness of the Welsh Labour discourse should not be exaggerated: in the 2001 statewide elections, Morgan campaigned alongside Welsh secretary Paul Murphy, and Tony Blair, who publicly recanted from his previous opposition to Morgan (Edwards 1999) quite happy to appear with the Welsh leader on the campaign trail. To an extent, the slogan of 'clear red water' effectively disguised the fact that Morgan had adopted a conciliatory stance on Assembly powers, and had not sought significant constitutional reforms to the status of the Welsh Labour party.

For the Conservatives, dealing with devolved elections posed two apparently intractable problems. For one, the Conservatives had made opposition to

constitutional reform, and devolution in particular, a *leitmotif* under Thatcher and Major, and had campaigned against the new institutions in the referenda called to approve Labour's proposals in 1997-8. Perhaps because of this, the Conservatives' remarkable electoral collapse in 1997 left them in particular disarray in Scotland and Wales, without a single Westminster MP in either, and consigned to third place in the former. The only advantage of this situation was that the party could attempt to deal with devolution in the relative obscurity of opposition.

Very different strategies were adopted in the two territories. In Scotland, the Conservatives had a long tradition of organizational autonomy, and some sectors of the party were timidly favourable to some form of devolution. In the context of the organizational reforms of the British-wide party under William Hague, various options for a distinctive Scottish party structure were considered, including the radical proposal for an independent party loosely affiliated to the UK Conservatives on the 'Bavarian' model. The model ultimately adopted saw the creation of a constitutionally sovereign but Scottish party, electing its own leader and with powers over candidate selection, programmatic development and campaigning, but federated with the UK-wide organization (Scottish Conservatives 1998a). The Scottish party also took steps to address the causes of its particular unpopularity in Scotland, establishing a policy commission chaired by the Tory moderate Malcolm Rifkind which advocated acceptance of devolution and even support for distinctive Scottish Executive policies, such as the abolition of university tuition fees and free long-term care for the elderly (Scottish Conservatives, 1998b). However, there were limitations to this approach. First, the new party constitution also provided for a Scottish party chairman appointed by the British-wide party leader, creating some confusion over the extent of the Scottish Conservatives' commitment to a distinct identity (Seawright, 2002). Second, the British-wide Conservative campaign in the 2001 Westminster elections maintained a sceptical line on devolution, going as far as to advocate exclusing Scottish and Welsh MPs from voting on 'devolved' issues relating only to England. It is therefore perhaps not surprising that the 2001 elections saw the Conservative vote decline still further in Scotland, whilst in devolved elections the party only just escaped being pushed into fourth place. In Wales, the Conservatives had no traditional of distinctive organization or identity, and large sectors of the party elite were deeply hostile to devolution. An internal commission found little support for a constitutional change to the Welsh party's status, and the Welsh Conservatives remained

subordinate to the British-wide leadership. The party was quite divided over how to react to devolution, and sent out mixed messages, although its identity as an 'English' party appeared to be consolidated by the large number of English residents standing for the party in 2001, and by its opportunist attacks on the cost of devolution in the 2003 Assembly elections.

The Liberal Democrats, as a formally federal party, were in some ways best placed to exploit the opportunities presented by devolution (Ingle 1996). Its party constitution, inherited from the predecessor Liberal Party, allowed the Scottish and Welsh parties were able to elect their own leaders, develop their own programmes and policies and determine their own internal rules and procedures. This fitted in well with their statewide discourse emphasizing a new, fresh approach to politics, involving greater openness and decentralization in the system of government. The party's federal structure allowed the independence of the Scottish and Welsh parties to be celebrated as a competitive advantage; one party representative boasted that in the 2003 devolved elections, the Liberal Democrats in Scotland and Wales did not even exchange drafts of their respective manifestos before their publication. In practice however policy and strategy tended to be coordinated across the party, and organizational procedures such as gender-balanced shortlists for candidate selection were adopted across all territories. This appeared to be an ideal combination for addressing the challenges of the devolved institutions, although finding such a balance was far easier for a relatively minor party such as the Liberal Democrats which lacked a major role in government at the statewide level, and could therefore ignore sensitive issues of intergovernmental relations. The British-wide party leadership was happy to allow the Scottish and Welsh parties to develop their own initiatives, helped by the fact that its main electoral rival at both levels was the Labour party, allowing for a degree of consistency in approach.

In all three of these cases, the job of reconciling the programmatic positions of the devolved parties with the British-wide party was made significantly easier by the response of the media to devolution. Whilst the Scottish and, to a lesser extent, the Welsh media could focus on devolved politics at the expense of the UK-wide agenda, the English-based media paid scant attention to developments in the devolved territories. This meant that even where parties' inconsistencies were exposed, the vast majority of the electorate remained largely unaware, and divergences had few electoral costs.

Governing at Multiple Levels: Coalition Strategies and Policymaking in the Decentralized State

Perhaps the most important challenge posed to statewide parties by devolution is the potential for policy decisions made at one level to undermine party policy at another. This is of course most problematic when the same party is governing at two different levels but following different policies. These kinds of contradictions threaten the credibility of central governments in particular, and undermine attempts to 'sell' policy achievements in election campaigns. At the same time, when different parties govern at the different levels, devolution opens up opportunities for opposition parties to stake claims for returning to power at the central level. In the British experience so far, Labour has governed at both levels for the whole period, and therefore it is the effects of multilevel government within governing parties that most concern us.

Labour have enjoyed a number of advantages in dealing with the effects of devolution. The first of these is the enormous majorities the party enjoyed at Westminster for the first few years of devolution, and the relatively unthreatening condition of the official opposition, the Conservatives. This took the pressure off the British-wide party leadership, allowing it to look benignly on policy differentiation in Scotland and Wales secure in the knowledge that the government's programme in Westminster could not easily be derailed. Another significant advantage is Labour's long history as a unitary party, which implied that divisions on left-right grounds were more powerful than territorial disagreements. Finally, as the instigator of devolution, Labour was relatively comfortable with the basic principle of decentralization (with the exception of sectors of the Welsh party), and could therefore credibly justify any policy inconsistency in terms of the broader goal of a more responsive political system.

In Scotland, where the devolved institutions have the most developed powers, serious disagreements with the Labour leadership in London have so far been avoided. Significantly, Scottish Labour has renounced any use of the limited fiscal autonomy afforded the Holyrood Parliament, thus avoiding tensions with the UK government over the extremely sensitive issue of tax. The Labour government's expansion of public sector spending, which under the Barnett formula benefits Scotland disproportionately, allows the Scottish Executive to respond to voters'

demand for improved services without having to resorting to differentiated taxation levels. This bargain, facilitated by the Scottish leadership's substantial adherence to the broad New Labour agenda, defuses the most serious political dangers inherent in devolution. It is notable that much of the distinctiveness of the Scottish Executive's programme is due to the presence of the Liberal Democrats as junior coalition partner: policies such as the replacement of university tuition fees with a graduate tax, or free personal care for the elderly, were driven largely by the dynamics of coalition. The main risk of this distinctiveness is that English voters could demand to know why Labour has not introduced such voter-friendly policies into its Westminster programme; however, the relatively low profile afforded the devolved institutions by the English media have allowed Labour to ignore the inconsistency. Moreover, the partnership with the Liberal Democrats has been easily accommodated; the two parties had worked together in the prepared of devolution in the Scottish Constitutional Convention, and indeed some tentative cooperation between the two parties was also established at Westminster. The helpful parliamentary arithmetic, the media's lack of interest in policy differentiation and the benign climate in terms of public finance have helped smooth over the more obvious points of tension between the parties, and between different levels of the same party.

From the Liberal Democrats' point of view, coalition strategy in Scotland has also been relatively uncontroversial. The party's long-term aim at the UK-wide level has to usher in an electoral reform which would provide it with a presence at Westminster consistent with its vote share, and place it in a pivotal position in coalition politics. Cooperation with Labour – which has flirted with the idea of electoral reform in the past – in the devolved institutions fits neatly into this long-term strategy. Involvement in government in Scotland has allowed the Liberal Democrats to claim credit for popular policies on tuition fees and health care, and enhance the party's credibility as a governing force.

The situation in Wales has been slightly more complex for both parties. First, after Michael's dismissal the new Welsh Labour leadership made more ostentatious breaks with New Labour orthodoxy, pushing for further devolution and rejecting policies such as the promotion of faith schools, the use of school league tables, and the establishment of Foundation Hospitals. As in Scotland, however, these distinctive policies have not caused too many difficulties for the Labour government at the UK-wide level, although Tony Blair faced a little embarrassment in the 2005 general

election campaign when presented with evidence that the Labour-dominated devolved administrations had failed to improve health services despite increased public investment. Coalition dynamics were unpredictable in Wales. The Welsh Liberal Democrats were not expecting Labour to fall short of a majority in the new Assembly, so no deal was struck before the 1999 elections (Deacon 1998), and Alun Michael rejected coalition talks, preferring a minority administration. When his position weakened, it was the Liberal Democrats who chose not to cooperate. In the event, a Labour-Liberal Democrat deal was eventually struck, but the 2003 elections returned a Labour majority, cutting the experience short. There is no evidence that the Liberal Democrat leadership at the UK-wide level were closely involved in these decisions, and on two occasions during the crises of 2000 national leader Charles Kennedy confirmed that the Welsh party had to make its own decision. Interestingly however, the Welsh Liberal Democrats did seek the advice of their Scottish counterparts throughout the negotiations, establishing an unprecedented level of co-operation between different territorial units of the party. This suggests that the centre-periphery dynamics within statewide parties should not be seen as a zero-sum game, and that new organizational practices can emerge to address the potentially conflictual implications of decentralization.

On the whole, the electoral verdict suggests that however well these situations were managed, there were costs involved for the party governing devolution. Certainly Labour lost ground in electoral terms as a result of devolution, losing votes in Westminster elections in both territories between 1997 and 2005, and polling historically poorly in the devolved elections in both territories in both rounds of voting (although its 2003 result in Wales was better than in 1999). It is difficult to say whether its status as a governing party at the UK-wide level was responsible for its weak performance at the devolved level, although Labour's apparent role as guardian of the union was perhaps unpopular amongst some voters. The Liberal Democrats, on the other hand, gained in both territories in general elections (decisively so in 2005), and gained very slightly between 1999 and 2003 in the devolved elections. This positive but not overwhelming result suggests the advantage of coalition government for minor parties, which can claim credit for policy concessions, but escape responsibility for unpopular measures, particularly if they are in opposition at the central state level. The Conservatives made little progress at either level, although the reasons for this appear to have little to do with devolution. The party's marginal

position in the Scottish and Welsh representative institutions, and their distance from the other likely governing parties on most issues, suggest the party faces severe structural difficulties in the devolved territories.

Conclusion

This article has attempted to bring together some preliminary findings on the impact of devolution for Britain's statewide parties some seven years after the devolution reforms were initiated. The relatively unchanging parameters of British politics in this period, with a high degree of continuity in the government at both central and devolved levels, advise caution in interpreting the results so far. We have yet to see any alternation at either level, nor has their been any experience of radically opposed parties having to deal with each other either at the same level of government or on intergovernmental issues. To that extent the full consequences of devolution remain to be seen.

What can be concluded so far is that the statewide party which faced most pressure as a result of the changes, the Labour party, has coped reasonably well with the challenges of multilevel politics, and its steady electoral decline over the post-1998 period can not reasonably be attributed in any direct way to devolution. After a conflictual start, intraparty relations have bedded down, and (largely informal) arrangements have been established for coordinating policy development and political strategy at both levels. Perhaps the most worrying development for Labour is the much lower share of the vote it has won in the devolved elections compared to Westminster elections, which may suggest that its self-proclaimed role as the party binding Scotland and Wales to the rest of the UK exposes it to extensive protest voting. The more positive outcome for Labour is that it has managed to avoid the party's internal contradictions over policy becoming too visible for voters in England, where the most decisive battles for government power at the central state level take place. The Conservatives' reluctance to mobilize on purely 'English' issues (particularly on public finance), and the English media's lack of interest in the devolved institutions, have helped Labour significantly in this respect.

Labour has also managed to avoid the need for any root-and-branch organizational reforms which could have undermined its cohesiveness. The relatively centralized unitary model it has largely maintained since devolution has proved

sustainable. At the same time, the Liberal Democrats' radically different decentralized model has also proved functional, and perhaps surprisingly, bilateral Welsh-Scottish cooperation has helped maintain party cohesion without the need for heavyhandedness on the part the British-wide leadership. Finally, the Conservatives have combined the centralized model in Wales with a decentralized model in Scotland, without this distinction making any noticeable difference to its fortunes in the two territories. This mixed picture implies that the 'rational choice institutionalist' prediction of party politics adjusting to shifts in the territorial location of government power has so far not been fulfilled. Instead, longstanding structures and practices have largely remained intact within the three main statewide parties in the UK, and the adjustments that have taken place have been relatively insubstantial. This lends support to the alternative 'historical institutionalist' hypothesis of substantial party organizational 'stickiness', with procedural and institutional legacies adapting rather incrementally to change in the absence of radical breaks or traumas. The apparent stability of the British party system during this period, with Labour remaining the dominant party and the other parties making less than spectacular progress in challenging that position, has allowed party managers to 'muddle through', avoiding the complications and risks of large-scale internal organizational reform.

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