Travels through
Coalitionland

Notes of disquiet and dissent

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About the author

Alex Marsh started his blog – *Alex's Archives* – in October 2010. The blog's audience has grown steady ever since. During 2012 it was regularly found among the Top 100 politics blogs in the UK on the ebuzzing.com monthly ranking. The blog covers a wide range of topics, but it returns regularly to issues relating to housing and social policy, economics and public policy, and political processes under the Coalition government. Alex's posts have also appeared on group blogs including Dale&Co., the Guardian Housing Network blog, and LSE British Politics and Policy.

Outside the blogosphere Alex's day job is as Professor of Public Policy at the University of Bristol, where he is currently Head of the School for Policy Studies. He has published articles in a variety of housing and policy journals. His most recent book is the *Sage Library in Housing Economics*, which he edited with Ken Gibb of Glasgow University.

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The coming of coalition

The formation of a coalition between the Conservatives and the Liberal Democrats was probably the only viable outcome of the General Election in May 2010. No other permutation of parties delivered a workable majority. It is likely that no other option would have been sustainable for more than a few months. A coalition between two unnatural bedfellows in the public interest looked like the only plausible way forward.

The Conservatives were at that time still projecting their carefully constructed image of compassionate conservatism. Not only were hoodies to be hugged, but it was claimed that there would be no cuts in frontline public services under a Cameron government and the NHS was safe in their hands. Many Liberal Democrats hoped the Conservatives truly had purged themselves of the toxicity that had earned them the label 'the nasty party'. Certainly that was my position. If that were the case then there was a chance of constructive coalition. The initial Rose Garden love-in, while faintly nauseating, was taken as a sign that perhaps the two parties could work productively together.

As time passes that view looks increasingly like the triumph of hope over experience. Coalition with the Tories has proved as unpalatable as the sceptics had feared.

The early months of the Coalition were characterised by a commitment to collective responsibility and displays of public unity. The Coalition Liberal Democrats owned the Government's decisions, however much they conflicted with their own party's values and agreed policy. The impact on the party's poll ratings was predictably dire. Only in late 2012 was there any recognisable attempt at greater differentiation between the parties. And that has so far been somewhat half-hearted.

By 2012 the cracks were, in any case, beginning to appear. The Tories had shed the thin veneer of compassion. The strategy of targeting austerity on the most vulnerable members of society becomes ever more apparent and ever more severe. Traditional Tory obsessions - with Europe, punishment, immigration, labour market deregulation, stigmatisation of the poor – reasserted themselves forcefully. Many Liberal Democrat supporters have ever more difficulty in signing up to the agenda. Disillusionment grows. Resignations from the party have been received. Memberships have lapsed. A process of self-selection is well under way. Many of the Liberal Democrats who remain are, by definition, those who do not find being shackled to the Conservatives quite so intolerable. But there are also some hardy souls who stick in there, hoping for the day their party returns to them.

Coalition was always going to be a journey that carried risks. It is rarely kind to the junior partner. The history of Tory-Liberal coalitions in Westminster is not an entirely happy one, especially for the Liberals.

The Liberal Democrat party is a broad coalition of perspectives across the left-right political spectrum. The glue that binds the party together is a commitment to personal

freedom, civil liberties and anti-authoritarianism. The spectrum of views within the party has grown broader still over the last decade following the incursion of members who are not shy in styling themselves as relatively undiluted economic liberals; even libertarians. For some party members of this persuasion coalition with the Tories has been relatively congenial.

In the past Westminster coalitions have led eventually to the fracture of the Liberal party. Some on the right of the party were drawn ever closer to the Tories, while others were repelled. This led members closely associated with the coalition to switch their allegiance to the Tories, while others sought to reinvigorate an independent Liberal party. The current coalition doesn't appear to be in that sort of territory at the moment. But it is a future that cannot be ruled out entirely.

Engaging

The nature of the Coalition's political agenda became apparent fairly soon after it was formed. Criticism and protest, originating from a wide variety of sources and perspectives, swiftly developed in response. My response was to engage with the agenda online.

I tentatively started blogging in the summer of 2010. I hadn't intended to. My first piece was written in response to a speech made by David Cameron in June 2010. I disagreed almost viscerally with his analysis of the problem facing the UK economy and the public sector's role in it. The sheer wrong-headedness of much of what he said was, as far as I was concerned, self-evident. But how to respond? Rather than just sit there seething at the idiocy on display I reached for the response that came most easily to me – I wrote some thoughts down.

That essay was primarily therapeutic. It was written to get the acute feeling of annoyance out of my system. In the absence of anything better to do with it, I posted it on the web in the only place I had available, which was pretty obscure. I'm sure it didn't get much of an audience, but I enjoyed the process of pulling it together and putting it out there.

There are hundreds – thousands – of bloggers out there. And that's just in the politics field. Each blogger has a different mixture of reasons for launching their thoughts on an unsuspecting world. A world that is – initially at least – largely indifferent to them. After a couple of early posts I concluded – to my own satisfaction, if no one else's – that I had something distinctive to say about what was happening. So I started blogging more regularly.

The quality of much current political debate – on all sides of the political spectrum – is rather poor. The problems the country faces are considerable. But their nature and extent are not brute facts that speak for themselves. They have to be interpreted and constructed. They can be manipulated to further implicit, and perhaps less laudable, ends. The way in which political arguments are advanced and abused; the way in which evidence is presented – even invented – in the course of attempts to persuade; the way in which policies that are inchoate – if not downright incoherent – are brought forward: these are all reasons why

critical engagement with the machinations of an increasingly insular political class is more important than ever. This is a big part of what keeps me blogging.

My perspective

I would locate myself at the maximal social liberal end of the spectrum of views within the Liberal Democrat party. I have no problem with the idea that there is plenty that can and should be done by the State and that the State can achieve things that are not possible for other bodies or through other social arrangements. State provision opens up the possibility for a level of genuine democratic accountability and control over services that cannot be achieved through other forms of provision. It can also overcome large scale co-ordination problems and deal with systemic risks in ways that are challenging or impossible through other mechanisms. On the other hand, I don't believe that it is sensible or wise for the State to control large chunks of economic activity. One cannot assume that, by definition, the incentives in the public sector are appropriate to deliver efficient and effective services. Some things are better achieved by markets plus suitable regulation, by mutual or not-for-profit providers, or by the voluntary and community sector. And we must be continually vigilant regarding the risks to civil and human rights of an over-mighty state seeking ever more power for itself.

This perspective puts me at a very different point on the political compass to that associated with the Liberal Democrat party leadership. Internal debates about whether the party has been taken over by the *Orange Book* Tendency[1] typically generate more heat than light. But there is little doubt that Cleggism is a philosophy infused with the simple verities of classical liberalism. It shares relatively little with the more subtle arguments associated with modern social liberalism.

It is therefore no great surprise that I have not felt very comfortable under the Coalition. Indeed, most of the time I feel we are visiting rather alien and uncomfortable political territory. It is not the decision to enter coalition that is troubling so much as the way the Coalition has gone about its business.

Coalition with the Tories often places Liberal Democrat Parliamentarians in difficult positions. The role of junior coalition partner has resulted in Liberal Democrats supporting arguments and defending policies that they would, I am sure, previously have criticised vigorously. While many hold fast to their principles, the compromises of coalition risk warping the party's values. Continued exposure to the sort of arguments propounded by the Tories – or Labour for that matter – can no doubt eventually reshape one's political perspective, unless one takes appropriate prophylactic measures.

The way in which the Liberal Democrats engage with the process of coalition is a recurrent theme on my blog. It is offering commentary from the sidelines. Like many

[1] Named after the perspective focused upon economic liberalism first set out by David Laws in D. Laws and P. Marshall (eds) (2004) *The Orange Book: Reclaiming Liberalism*, Profile Books.

commentators I have the luxury of not being forced into positions and decisions where values and principles will be compromised. The party leadership has been known to rail against criticism offered from such comfortable positions: writing them off as originating from those who prefer the carefree life of opposition to the challenges of government. To concede that point would be to accept the argument that power is the objective and, if necessary, principles can be jettisoned in order to keep hold of it.

In contrast, my view is that internal critics have a vital function. They can act as the conscience of the party. Unless there is challenge, the day to day frenzy of political action and the need for negotiation and compromise within coalition can lead to political drift. Positions are unconsciously and incrementally shifted to accommodate external interests. Without really realising it, over a period of months and years the party drifts a long way ideologically. Or there may be conscious attempts to subvert well-established positions and reposition the party to align more closely with a different set of interests. There need to be people willing to question and to refresh the collective memory of where we started and what we stand for. That is the only way for the party to keep anchored and not drift to its demise as a pale shadow of one of the other parties. Although I didn't start out to do so, over the last couple of years I have made a marginal contribution to that critical enterprise.

What follows

This book contains a selection of the essays that I have blogged since July 2010. The essays focus upon coalition politics, the role of the Liberal Democrats within the coalition, and the way in which Liberal Democrat policy and practice appears to be evolving. This is one among a number of themes I blog about regularly. Many of the original posts were triggered by a specific political development. However, they tend to be framed in terms of broader issues, values and principles.

I have not sought to structure the book thematically, although it will become apparent that certain themes and topics recur. Instead, the essays are arranged chronologically. They therefore offer a guide, albeit a very loose and imperfect guide, to aspects of the coalition's evolution. The essays have not been edited except to remove the odd presentational error or verbal infelicity that crept in to the online version.

Some essays contain speculations and predictions about the direction in which things appeared to be heading. Some of those predictions relate to the long term and have yet to be realised, or otherwise. Some are rather shorter term and we already have a good idea whether I was correct or wide of the mark. I have resisted the temptation to edit these posts. It would be misleading to rewrite history in order that I appear more insightful than I am. It just goes to prove that prediction is difficult, especially about the future, as the Danish physicist Niels Bohr famously remarked.

Many of the essays that follow are critical of contemporary political developments. Quite a few allude to what I think ought to happen; how I think things should be different; or the principles that should guide policy. These points are not elaborated at any great

length or in any detail. I am conscious that I could be – and on occasion have been - accused of playing a primarily subversive and destructive role. That has never been my intention.

I am thinking about developing a more systematic statement of my own position. But I do not attempt to set that position out here. This is a point I return to in the brief Afterword.

1. The excitement of the new?

Dave the Deficit Hawk

7th June 2010

As the first move to prepare us for the unpalatable medicine to be administered by the Chancellor on 22nd June, David Cameron's deficit reduction speech today gives us considerable insight into how this government is seeking to represent the issues.[2] It was eloquent in its silences and absence of specificity. If there has been a speech shorter on detail it would be hard to imagine.

Cameron is adopting a slightly cuddlier version of the 'There Is No Alternative' gambit: the government is 'driven by the urgent truth' that unless they act swiftly our national interest will suffer. The policy is, it is asserted, not driven by theory, ideology or any abstract desire to inflict cuts. This position lacks even superficial plausibility.

Of course it is hard to be against The Truth (urgent or otherwise). And the deficit situation is driven in part by the brute logic of arithmetic calculation and compound interest. But as soon as we move to invoke assumptions about the reaction of 'the markets' to a government's fiscal policy we are, to an extent, into the field of conjecture. Or, if one wishes to be rather more charitable, the world of theory. If we draw even the loosest analogy with Greece we must question whether that is plausible. Nobel laureate Paul Krugman has recently blogged on the peculiar and worrying way that the Deficit Hawks have captured the debate in most industrial countries. The markets seem less worried about the situation, beyond specific countries with long-standing structural problems, than governments assume them to be. To act as if the markets are spooked by government debt at the levels observed in most industrialised countries is, in Krugman's words, 'utter folly'. The theory being used to understand how these economic processes operate is, at best, approximate.

In Cameron's universe 'the markets' are invoked as a brooding malevolent presence: ready to punish and swift to pounce on any government with the temerity to step out of line. In which case one would think that his government would be rather keener to join colleagues globally in seeking to tame the beast, enhancing the welfare of all, except perhaps a few of the superrich. But perhaps not. One is reminded of tales of a bogeyman living under the stairs to frighten little children into behaving themselves and staying in their beds. And like the bogeyman, this is a fiction serving an alternative – dare one say ideological – purpose. Cameron omitted to make any reference to the recent catastrophic failure of the 'private sector' and the role of the bank bailout in the worsening of the public finances, and the responsibilities of the financial sector in contributing to sorting the resultant mess. That omission was eloquent. Instead the problem lies squarely with the public sector.

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[2] http://www.conservatives.com/News/Speeches/2010/06/David_Cameron_We_must_tackle_Britains_massive_deficit_and_growing_debt.aspx (Accessed: 18/11/12)

Cameron speaks of many countries around the world having to face the music and curb spending. If everyone acts on this impulse – propelled by the warnings of the Deficit Hawks – then we will be beyond double dip recession into far worse territory. Cutting the deficit too soon and too much will allow us all to explore once again the profound significance of Keynes' paradox of thrift. That is not an argument against having a credible plan. But a credible plan does not necessarily imply urgent and massive fiscal contraction.

The most elusive element of the Cameron agenda is what precisely it is that he is concerned about. He seems to operate in a simple binary universe in which 'the private sector' is good and 'the public sector' is bad. The term 'the public sector' is here being used to represent a rather vague notion of inefficient, wasteful and parasitic activity which is of no real value.

Yet this sort of simple distinction does not withstand a moment's scrutiny. The public sector is aimed, at least in principle, at socially useful activity. This is activity that is intended to allow citizens to realise their potential and to provide care, safety and comfort for the vulnerable or for whole populations. We might debate whether these activities are performed as efficiently as possible, but their purpose is largely not in question, outside more libertarian economic circles. On the other hand, a good proportion of what happens in the private sector is of dubious social value. If it was a straight choice between keeping one more nurse employed or one fewer fast food outlet open then many would think there was merit in taking the public sector option.

Yet, in Cameron's world the deficit needs to be curbed so money can be spent on things the government really wants to achieve such as 'improving the NHS, giving our children a better education, investing in our country's infrastructure'. But what does he think the money already borrowed has been spent on? Just such activities. The savings the government seeks are not going to be realised through reducing waste and enhancing efficiency, so we're much more likely to be getting less of the things that government really wants to achieve. In this context, it is peculiar that the Government is persisting with the Gove education bill: pretty much everyone, including the Treasury I believe, thinks that his proposed system is going to be more expensive (quite apart from being less democratic and less equitable). If there is ever likely to be a right time for this policy, it isn't now. This might suggest, of course, that some of the policy agenda is ideological after all.

After thirty years of privatisation it is, in any case, no longer appropriate to think in terms of a binary of public and private sectors. The sectors are now too interwoven and hybridised for that to be a productive approach. We need to think about the substance and social value of the activity, rather than the sector it occurs in, if we are to get anywhere near making 'progressive' cuts.

We could argue that in the 1990s private sector employment increased and public sector employment decreased. So were the Major years an oasis of entrepreneurialism? Once you net off the effects of policies such as the privatisation of British Rail more modest claims would need to be made. Given the level of subsidy to the post-privatisation railway one might be tempted to see it as no more than a statistical and accounting artefact that it is now considered to be a private rather than public sector activity. Similarly, the transfer of

hundreds of thousands of units of council housing to the housing association sector formally moved activity from the public into the private sector, without changing the social value of the activity dramatically. It is interesting that this has not stopped housing association chief executives feeling the force of the Government's ire over public sector fat cat salaries.

Conversely, the 2000s may appear to have witnessed an increase in public sector activity. The current Government is keen to point to this as indicative of an increasingly bloated public sector. But given that the nationalisation of the banks has moved economic activity from the private to the public sector the headline figures tell us little about public sector expansion, profligacy or inefficiency.

Over the coming months the government is planning a rethink of what the state should do and can afford to do, looking to the private and voluntary sector to take on a larger share of activity previously within the purview of the state. Whether this will save money or simply reduce the availability and equality of access to services is a moot point. It is very difficult to draw general lessons about effective institutional structures. And redrawing organisational boundaries tells us nothing about whether, when things go south, the government ultimately bears the risk. When government does continue to bear the risk then privatisation is a chimera anyway. Rethinking the role of the state would not be inappropriate – there is plenty of evidence and debate from the last 30 years to draw on and revisiting paths, however well-trodden, can be rewarding – but let's hope that critique is balanced and the appraisal of different models of service delivery is clear-eyed. Let us hope that the quality of thought that goes into the exercise is rather more sophisticated than that which has been on display so far.

Social housing: an unlikely new battleground?

6th August 2010[3]

In the weeks following the election the Coalition had very little to say about housing. The budget announced restrictions on the local housing allowance on the back of a narrative about needing to rein in the vast amounts being spent on multi-bedroom properties. We are yet to see what the consequences of this will be. But there is cause for concern.

In recent days housing has suddenly emerged as a new battleground, both inside and outside the Coalition. On Tuesday we had David Miliband invading Liberal Democrat territory with his advocacy of a Mansion Tax. On Wednesday we had pronouncements from David Cameron and Grant Shapps on future policy directions for social housing policy.

This is an unlikely battleground for two reasons. First, it is an area of policy in which, as Sara Bedford has recently pointed out[4], the Conservative stated in the run up to the election that they were not proposing change. In the light of previous experiences with schools and

[3] First posted at Liberal Democrat Voice (www.libdemvoice.org) (Accessed: 18/11/12)
[4] http://www.libdemvoice.org/?p=20562 (Accessed: 18/11/12)

the NHS, however, we are perhaps rapidly coming to realise quite what sort weight should be placed on such commitments.

Second, social housing has for many years been something of a policy backwater: vitally important to those affected, but not really the stuff that attracts front page headlines. Yet, the economic downturn and problems in the private housing market have resulted in rising waiting lists for social housing and more people with a personal interest in access to affordable housing.

So we have witnessed trailers for a series of policies.

Grant Shapps is continuing to press his ideas for national mobility schemes[5] – The Freedom Pass and a new National Home Swap database – and has mooted the possibility of a "right to move" for social tenants, although this is currently "just an idea".

Mobility schemes are a good thing. But their impact upon the social housing sector is always going to be modest. Low geographical mobility in social housing is not a major cause of worklessness among social tenants, for example. More important is the availability and security of the sort of jobs for which social tenants are qualified. Long distance mobility to access a relatively low skilled insecure job, while giving up your local social and family support networks, is a strategy that is only ever going to appeal to the few.

David Cameron, in contrast, has taken on "the biggy" by re-starting the conversation on security of tenure, even though his statements now appear not to qualify as Coalition policy.[6]

It is not so long ago that John Hills' report for the previous government tried to steer away from the suggestion that reducing security of tenure would deal meaningfully with problems facing social housing. Professor Hills argued for social landlords to be allowed to make a more varied offer to prospective tenants, tailored to their circumstances and needs.[7]

The arguments here are complex and the priorities to be reconciled are incompatible. They are fundamentally about whose welfare we value more. Families in overcrowded substandard accommodation 'deserve' and are entitled to social housing that better suits their needs.

Important arguments around adequate housing, child development and lifetime opportunities can be invoked. Older people live in properties which are larger than they currently require, but which have been their family home for decades. Such long-standing residents can often provide stability, local social capital and community leadership in areas characterised by a high turnover of households and weak social ties.

Forcing people to leave social housing when they no longer 'need' it will result in further concentrations of poverty in the social rented sector. It will set up incentives against seeking to improve one's circumstances – if it means risking one's home. New structures to prevent abuse – the application of protection from eviction legislation to the social sector – would need to be put in place.

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[5] http://www.bbc.co.uk/news/uk-politics-10855547 (Accessed: 18/11/12)
[6] http://www.libdemvoice.org/?p=20574 (Accessed: 18/11/12)
[7] http://sticerd.lse.ac.uk/dps/case/cr/CASEreport34.pdf (Accessed: 18/11/12)

One can see a new branch of the Judicial Review industry opening up. Reducing security of tenure and expecting people to move out when they are assessed as no longer needing their current home could bring us squarely into Article 8 – Right to respect for Private and Family Life – territory.

The issue of access to the existing stock of social housing is important: it crystallizes the values of a society. It fundamentally shapes society and the sustainability of neighbourhoods and communities. But, we shouldn't get distracted by rearranging the deckchairs on the Titanic.

The more pressing housing question is where new affordable housing is going to come from in an era of fiscal austerity coupled with a new era of devolved planned, while avoiding a descent into local exclusionism and NIMBYism.

There's no pleasure in saying 'I told you so' – but does it need saying?

12th August 2010[8]

Clarity of purpose is a virtue. But stubbornness doesn't necessarily win any plaudits when more flexibility is appropriate. The shock tactics of Osbornomics have now been fully embraced. The message is clear: this Coalition is not for turning.

In the run up to the Election the Conservatives and the Liberal Democrats adopted distinctive positions on the best approach to cutting the fiscal deficit. Despite Nick Clegg's apparent secret conversion to the Conservative position of early and deep cuts, the Liberal Democrat manifesto commitments were directed at cutting in 2011/12 and after, and the rhetoric around budget reductions was to proceed at a pace that would not endanger economic recovery.

In the face of another slew of data about poor economic prospects this week, it is worth revisiting the Liberal Democrats' original position on this issue. It is increasingly looking the more plausible and prudent of the two. If that position could have any traction on the direction of policy as we head towards the Comprehensive Spending Review (CSR) then some of the most serious negative impacts of the current strategy might be mitigated.

Each day we seem to receive a warning about the wisdom of the current strategy or new data that are read as indicating that the current strategy is having a serious negative impact in the short term. These warnings are not emerging from the usual suspects only. It isn't all special pleading. The head of HSBC expressed concern that there was danger that governments were "cutting into the muscle" of the western world. Commentators monitoring confidence, activity and employment trends in the private sector report a deteriorating picture. There are signs that the housing market is weakening sharply in advance of expected rises in unemployment. Talking about the economy in this way is in itself important.

[8] First posted at Liberal Democrat Voice (www.libdemvoice.org) (Accessed: 18/11/12)

One issue we face is that our understanding of the economy and how it will respond to the Coalition strategy is rather less well-founded than it might first appear. Macroeconomic policy is a matter of judgement rather than science, as anyone who has read the minutes of the Monetary Policy Committee will see only too clearly.

The sort of models used by the Treasury and others to estimate the impact of policy interventions struggle to account adequately for more qualitative factors like household confidence and expectations about the future. There is limited room for hopes and fears, the reactions of consumers to unknown but possibly negative events, the 'animal spirits' that Keynes considered fundamentally shape the fate of investment and the economy more generally. The economy is not a well-oiled and predictable machine to be finely tuned, it is a much more organic and irrational beast. One illustration of this point is the current puzzle of the absence of UK exports. Simple theory suggests that, other things equal, the recent depreciation of the pound should lead to increased demand for exports. But this hasn't happened yet. No one is entirely sure why.

It is clear that qualitative factors relating to emotion and confidence are fundamentally important in understanding the current economic situation. Many households already find their circumstances deteriorating as a result of cuts that are in train – cancellation of private sector contracts with the public sector and grants to the voluntary sector. The narrative of the near future is tailor-made to undermine confidence: swingeing public sector job cuts, restrictions in benefits, generally very choppy economic waters. It is not surprising that many are fearful. That leads households to hunker down and reduces effective demand. Rational private sector suppliers trim their sails accordingly.

The Conservatives believe that an automatic and predictable private sector revival will over the medium term more than compensate for the short term pain. They have yet to explain quite how such a revival will occur in a context where both domestic and overseas demand is weak. The private sector is unlikely to step in when it is not obvious that there is demand for its services from either private or public sector.

Contrary views range from the position that we should expect a prolonged depression, as suggested by the NIESR recently, to the position that the fiscal contraction, when its full impact begins to be felt in the autumn, will trigger a genuine double dip recession. If that happens then it will have been largely self-inflicted. A firm but less savage approach to the deficit could have achieved the same goal without losing the confidence (there's that word again) of the markets and without threatening to plunge the economy into territory not visited since the 1930s. In fact, an approach very like the one the Liberal Democrats advocated in the first place.

Self-denying … and self-defeating?

21st October 2010[9]

It may have been a "miserable little compromise" back in April but the Alternative Vote (AV) would now appear to be the big prize. The coalition has to hold together, whatever the cost, at least long enough to allow a vote on electoral reform. But will the way we get from here to there impact significantly upon what happens when we get there?

Only those on the inside know what's actually happening, but there are many competing readings of how things are playing out coalition-wise.

The most challenging reading for many Lib Dems is that the displays of unity between the coalition partners are genuine: the leadership has bought in to a right wing Tory agenda which could amount to the destruction of the achievements of the welfare state. Dark mutterings are rife about orange (book) Tories. Of leaders using the coalition as a pretext to ignore the party and jettison policy commitments they never agreed with in the first place. Some public pronouncements by the leadership don't help to dispel these fears. Reports of Liberal Democrats in government "going native" can only fuel this position.[10]

A more comforting reading might be that in private there are fierce battles being fought across clear ideological divides. But Liberal Democrats are having to hold the coalition line in public for the good of the country. There is also the possibility that disowning the agenda will come at an electoral price in 2015. If the Tories' shock therapy actually works then the Liberal Democrats would not be able to claim any credit. Others have queried whether this approach, based on a unified front above all else, is self-evidently desirable.[11]

An alternative reading is that the Liberal Democrats in government are denying themselves opportunities for dissent and differentiation from the Tories not so much for the good of the country but to hold the coalition together for long enough to achieve the prize of electoral reform. Conceding ground or agreeing to a range of measures that will be unpopular with sizeable portions of the electorate – from capping housing benefit to doubling tuition fees to the horrors of the CSR – will be a price worth paying if it delivers significant constitutional change.

My question is whether these self-denying strategies are likely to pay off politically. Or might they be self-defeating?

What will be in play when we get as far as a vote on AV?

On the one side, we have a technical change to electoral rules that will be hard to sell, will be perceived as more likely to deliver coalition government, and our coalition "partners" will feel little compunction in campaigning against.

On the other side, the electorate's only experience of coalition government. This entails a government "of millionaires" administering a massive fiscal shock in the knowledge that it will reduce the living standards of many, slash frontline services, and massively increase

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[9] First posted at Liberal Democrat Voice (www.libdemvoice.org) (Accessed: 18/11/12)

[10] http://www.libdemvoice.org/a-mixed-press-today-for-danny-alexander-21644.html (Accessed: 18/11/12)

[11] http://www.libdemvoice.org/opinion-our-ministers-need-to-communicate-better-and-fast-21655.html (Accessed: 18/11/12)

unemployment. The hope is for a medium term recovery in economic prospects: but that is still going to be a gleam in the Chancellor's eye come referendum time.

These conditions are not, let us say, entirely propitious for delivering voting reform. The economic circumstances mean that whoever was in power now would be faced with some very tough and unpopular choices.

Could it be the party's strategy of self-denial has made winning the AV game considerably more challenging? The Liberal Democrats could be seen as complicit with and/or no better than the Tories, so what is the point of changing the electoral system in a way that, primarily, increases the chances of the Liberal Democrats getting somewhere near power again? Voting down AV could be seen as sufficient punishment for the party's 'treachery' in failing to deliver on its distinctive agenda, even though that would be impossible as a junior partner in the coalition.

It may be that by focusing on the long game – what credit can or can't be claimed come 2015 – the party has not played its cards in a way that maximises the chances of success with AV in the shorter term. The worst case scenario would be that the AV vote is lost and the economy is still in the doldrums in 2015, so there is no credit to be had. That possibility can't realistically be discounted.

This makes the issue of how the Liberal Democrats position themselves in relation to the coalition agenda ever more pressing. A pessimist might say it's too late. The damage has already been done. An optimist might say that there is still time to demonstrate more clearly to the electorate what difference the Liberal Democrats have made to government. And why giving the party a greater chance of having a meaningful input into government would be a good outcome for all.

Making the coalition work, seeking electoral reform

23rd October 2010

In *Self-denying … and self-defeating* I offered some alternative readings of why the Liberal Democrats seemed to be willing to concede so much ground to the Tories, and what the consequences might be for the chances of success in the AV vote.

In response to the version posted over at Liberal Democrat Voice a further possible reading of the situation was offered: Nick Clegg's overriding priority is to demonstrate that coalition government can work. The aim is to show that coalition can deliver strong, pluralist government with a clear sense of direction, rather than being dysfunctional and expending much energy on bickering and in-fighting. This will demonstrate to the electorate that they can safely vote yes in an AV referendum without fear of a paralysis of leadership. I've been thinking about this. If true, then it suggests to me that Clegg is playing the game at a level of subtlety that will escape many people. I would argue that it is still self-defeating.

Yes, this approach offers the possibly of demonstrating, contrary to conventional wisdom, that it is possible for hung parliaments to deliver strong government with limited

apparent dissent and in-fighting. But it appears that it can only do so as long as one of the parties does not seek to stand up too strongly for its principles or to defend too vigorously key elements of the policy platform upon which it was elected.

But in the case of the current government this approach has just delivered large dollops of the sort of stigmatising and victimising agenda that few, apart from the minority of real right wing headbangers, can support with a clear conscience.

I fully support the move away from FPTP to some more proportional system. But it seems to me that few voters are going to support electoral reform for the sake of a system that is "better" in the abstract while discounting the evidence in front of them of what sort of incoherent nastiness coalition government can deliver.

The more I think about it the more it seems to me that the obstacles to electoral reform presented by the current economic context mean that it may have been an unachievable objective right from the start. Even if the current government had been a coalition with Labour and was seeking AV or PR (a very big if, of course) on the back of the less drastic programme of cuts Labour had committed themselves to, it may well have been so negatively received that the AV vote would still have been scuppered.

I hope I'm wrong. But I fear that the cause of electoral reform is already lost, even were the Liberal Democrats to start to be much more robust in spelling out the (positive and restraining) influence they have had on the coalition agenda. If that is the case then Liberal Democrats will be looking long and hard at whether the coalition with the Tories has been worth the political, social and economic cost.

The poverty of Nick Clegg's "new" progressives

24th November 2010

Nick Clegg's Hugo Young speech last night is already generating plenty of comment in the old and new media.[12] It was structured around a distinction between "old" and "new" progressives which is highly contestable. The characterisation of "old" progressives was not even a gross simplification. It was a caricature which, as Next Left has pointed out, is not readily anchored in any identifiable thinkers or contemporary policy position.[13] Clegg's view of old progressives – which would appear to encompass quite a chunk of his own party – is that they have both a simplistic and a static view of the world. To say that it was a straw man, or straw person, would be to do a disservice to cereal-based hominids.

On the other hand, "new" progressive policy would appear to encompass everything that Clegg and his new friend Dave are planning to do.

Clegg's speech undoubtedly focused upon some of the most pressing issues facing policy, but it would be possible to spend a long time pulling apart the vagueness, inconsistency, and absurdity that are embedded within it. One of the things that Clegg is

[12] http://www.guardian.co.uk/politics/2010/nov/23/nick-clegg-hugo-young-text (Accessed: 18/11/12)
[13] http://www.nextleft.org/2010/11/does-cleggs-philosophical-pitch-stack.html (Accessed: 18/11/12)

very weak on, it seems to me, is chronology. For example, no party was planning not to cut the deficit over the relatively short term, so the idea that the alternative to the Coalition's shock tactics is to leave vast mountains of debt for our children to deal with is nonsense – if by that Clegg means that when our children reach prime wage earning age they are subject to a vastly higher burden of tax to pay for this generation's profligacy. Equally, he tries to argue that rather than focusing on the redistribution of income now we should focus on social mobility and equality of opportunity. Of course no liberal could sensibly disagree that social mobility and equality of opportunity are desirable, but we have to keep a sense of perspective over how these mechanisms work and over what timescale. The pupil premium might well be a great idea, but as a matter of logic it's going to take more than a decade before it could have any impact upon anyone's chances of getting into Oxbridge, for example. Meanwhile there are people with insufficient resources to live on *now*.

But rather than go through the speech in forensic detail I wanted to pick up on just one point. It either displays the disingenuousness or poverty of thought behind the speech. That is for the reader to decide.

A key theme of Clegg's speech was "poverty and fairness". In this part of the speech Clegg argues that:

> Old progressives see a fair society as one in which households with incomes currently less than 60% of the median were to be, in Labour's telling verb, "lifted" out of poverty …
>
> the weakness of the old progressive approach is that it leads to huge amounts of money being devoted to changing the financial position of these households by fairly small amounts — just enough, in many cases, to get them above the line. But poverty plus a pound does not represent fairness …
>
> The other weakness of this approach is that it pays insufficient attention to the non-financial, dimensions of poverty, particularly in terms of access to services. Of course it is better to have more money, even if it is only a little more. But poverty is also about the quality of the local school, access to good health services and fear of crime.
>
> So the old progressive approach to poverty is too narrow. But it is also too static. Can we really think that a society in which people are temporarily lifted above a statistical line by a few pounds is, in the long run, fairer than one in which opportunity is genuinely dispersed and people's future life chances are fundamentally improved?
>
> Inequalities become injustices when they are fixed; passed on, generation to generation. That's when societies become closed, stratified and divided. For old progressives, reducing snapshot income inequality is the ultimate goal. For new progressives, reducing the barriers to mobility is …
>
> The shift, from a static, income-based definition of fairness to an approach focused on mobility and life chances also informs the government's approach to the funding of higher education.

This argument shows a breathtaking failure to acknowledge how poverty has been understood and analyzed. Since Peter Townsend's work in the 1970s argued for the idea of relative poverty there has been an acute awareness that poverty is about more than income: it is about linking an absence of income to barriers to social participation (ie. the non-financial dimensions).

Equally importantly, from the mid-1990s a considerable amount of effort has been put into moving beyond poverty to think in terms of social exclusion. Interestingly, "social exclusion" is a term that appears to have been excised from the political lexicon. Social exclusion is precisely a multi-dimensional process which recognises that social participation and life chances can be impaired through complex and interlinked financial and non-financial mechanisms that act to compound disadvantage.

Under the previous government the Cabinet Office commissioned a substantial programme of work from a range of research teams to develop the theory and measurement of social exclusion. A landmark publication was the 2007 report by researchers at the University of Bristol *The multi-dimensional analysis of social exclusion*.[14]

Indeed, Nick Clegg might like to peruse the archives of the Cabinet Office because it is very easy to discover that there has been quite a bit of more sophisticated thinking done on this topic and that much of it was done in his vicinity (an overview of the issues can be found here[15]).

We could no doubt interrogate other areas of Clegg's speech and find them similarly wanting. But that isn't really the point. The country faces pressing issues and identifying routes forward in the face of fiscal austerity is a formidable challenge. Policy needs to tap into the highest quality analysis available to maximise the chances of success. On last night's performance, the signs that it is currently doing so are not encouraging.

Exit, voice, loyalty: What's a LibDem to do?

10th December 2010

For the second day running a confluence of events got me thinking. At lunchtime yesterday I had an interesting discussion triggered by a recent paper (here for those who can access it[16]) that uses Hirschman's famous *Exit, Voice, Loyalty* framework to examine recent developments in education policy in the UK.[17] Hirschman's framework has been applied in a number of policy fields including, probably most prominently, the reform of public services.

Later on, in the aftermath of the tuition fee vote, I was mooching around the Liberal Democrat blogosphere and encountered a thought-provoking post by Richard Huzzey on Liberal Democrat Voice, explaining why he felt that resigning from the party was the only

[14] http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.127.339&rep=rep1&type=pdf (Accessed: 18/11/12)
[15] http://www.cabinetoffice.gov.uk/media/226130/understanding.ppt (Accessed: 18/11/12)
[16] http://onlinelibrary.wiley.com/doi/10.1111/j.1467-9515.2009.00681.x/abstract (Accessed: 18/11/12)
[17] A.O. Hirschman (1970) *Exit, voice and loyalty: Responses to decline in firms, organizations and states*, Harvard University Press.

way he could register his unhappiness at the direction policy/the party appeared to be heading.[18]

It seems to me that Hirschman's framework could have something to say to any member of the party thinking about how to respond to the way the Coalition is evolving, and in particular those who are deeply unhappy with the leadership's approach to the tuition fees issue (among others).

In the briefest outline, Hirschman's argument examines the social mechanisms by which organisations receive feedback on their performance and how they respond to that feedback. Broadly speaking he argues there are two routes available to consumers or organisational member who are dissatisfied. The first is to walk away from the organisation and seek another supplier (or employer). This is the so-called *exit* option, which is typically associated with market mechanisms. An alternative is to stay put and to signal your concerns to the organisation through elections, complaints procedures or participation mechanisms. This is, you may have guessed, the *voice* option, and is more typically associated with political processes. The reform of public services since the Thatcher government has in many ways been about substituting exit (choice in markets) for voice (through the ballot box or complaints procedures), because voice wasn't seen as being an effective mechanism for delivering quality services. In some respect, parts of the Coalition localism agenda appear to be returning to an emphasis upon voice.

Loyalty enters the picture in a number of ways. Organisations need time to receive and respond to negative feedback on their performance. If, for example, everyone exits instantly when performance drops, the organisation will go out of business before it has chance to address the problem. So for organisations to have the time and space to make changes some consumers or organisational members need to show "loyalty": either they have to be relatively insensitive to quality deterioration or be committed to the objectives of the organisation such that they want to stick around to exercise the voice option and work to make things better.

Hirschman argues that in some circumstances voice and exit are complementary and can work in tandem to raise quality. But in other circumstances they might conflict – many consumers rapidly exiting can, for example, undermine the effectiveness of voice. And he argues that organisations are typically more sensitive to one mechanism than the other.

Clearly this speaks to the Liberal Democrat dilemma. There are many members who are deeply unhappy. They feel that the leadership is taking the party in a direction – further to the political right and complicit with the Tories in a vindictive and illiberal agenda – they find unacceptable. And some have decided that exiting – either to become non-aligned or to join the Greens or Labour – is the only option they feel comfortable with. But, of course, this means that they can no longer exercise the voice option from within the party.

The big question is whether a political party is sensitive this type of exit. If long-standing members are leaving the party – either because of a perceived rightward drift or in protest at the seeming lack of integrity and trustworthiness shown by the Coalition Liberal Democrats on issues such as tuition fees – is that an effective mechanism for sending

[18] http://www.libdemvoice.org/opinion-richard-huzzey-i-resign-22345.html (Accessed: 18/11/12)

feedback to the organisation? Will the exit be recognised and responded to? One might argue that if there is – and it is an 'if' that is hotly debated – a strategy on the part of the leadership to move the party to the Right so that it aligns more naturally with the Conservatives in a longer term coalition, then the exit of centre-left members will be a matter of relative indifference – except perhaps in the short term decline in subscriptions – because it just accelerates the realisation of the strategy.

So is it better to stay part of the organisation and seek to find a voice – with the aim of reclaiming the party and returning it to the principles and values that have been central to its political platform? Are there enough people willing to show loyalty and exercise the voice option to give the party time to regain that which it has lost – a clear sense of identity and a leadership characterised by trustworthiness and integrity? Can they gather sufficient momentum and unity to make the voice option effective? Many of the responses to Richard Huzzey's post suggest that there are quite a few members out there who, while respecting his decision, believe that staying and fighting is the better strategy to adopt. So there is perhaps some cause for hope.

Tribalism and coalition in a media-saturated political environment

9th January 2011

We still have a lot to learn about Coalitionland. It is, certainly for Westminster politicos, a foreign country. As Mark Thompson pointed out on his blog last Thursday, Labour seems unable to grasp the concept of compromise, which lies at the heart of successful coalition government.[19] That someone in the Liberal Democrats or Conservatives could simultaneously support both their own party policy and coalition policy, even though the two differ, does not (yet?) appear to compute for Labour. Of course, while Labour may be making a particularly bad job of adjusting to the new political landscape, they are not entirely alone. A while ago at Liberal Democrat Voice, George Kendall posted in response to tribalism from Liberal Democrats.[20] The thrust of his argument was that it is not sensible politics for Liberal Democrats to engage in excessively tribal responses to Labour attacks on the formation of the coalition and its agenda. After all, it may be that next time around the voters' wishes signal that the most viable coalition would be with Labour. It would be rather unfortunate if all bridges had been burned. Remaining civil would seem more prudent.

Similarly, our routine experience of PMQs or, indeed, almost any outing on Question Time or any television interview by a national politician is troubling. The response to a direct question about policy is as likely to be an attempt to assert vigorously that the other lot are just as bad/worse as it is to be a reasoned defence of a policy position. And whether the other lot are bad or worse, clueless or not, should have no bearing on whether a party's position is sensible or defensible. This sort of approach might be understandable from

[19] http://markreckons.blogspot.co.uk/2011/01/are-labour-incapable-of-being-in.html (Accessed: 18/11/12)
[20] http://www.libdemvoice.org/opinion-why-we-should-wish-labour-well-20735.html (Accessed: 18/11/12)

Labour, given the absence of any very clear policies of their own. But it should be beneath the Government. Yet, David Cameron was at it again this morning on the Andrew Marr programme.

And it is not a problem entirely restricted to Westminster. Recently I was reading an interested blog post by a Liberal Democrat local politician – not in my area, I hasten to add. Among some decent points about the positive aspects of the coalition agenda, there was some fairly serious mud-slinging at local Labour rivals. At local level, it can appear much more visceral and personal. But then, it most probably is.

Unless we can move beyond this type of tribalism the transition to a world where coalition governments, of different complexions, are more likely is going to be much more difficult than it might otherwise be.

Can we escape this unsatisfactory situation? Clearly, coalition governments function successfully in many countries. These may exist within different political cultures, but they demonstrate what is possible. Closer to home, coalition government is characteristic of the devolved administrations. Left Foot Forward carried an interesting post today from Mark Drakeford, exploring the differences between coalition in Wales and Westminister.[21] Since 1999 Wales has had two coalition governments of different complexions, and the experience is viewed as both relatively positive and successful. So it can be done.

On the other hand, one variable noted in passing by Drakeford as differing between Cardiff and Westminster is the level of media scrutiny. This is a component of the context that needs much greater consideration. There was an important piece in the FT the other day exploring the role of the media in politics.[22] The basic thesis was that the power of the media has increased and the boundaries of the public interest are being interpreted increasingly broadly. The examples considered include Wikileaks and the Telegraph newspaper's sting on Liberal Democrat constituency surgeries. There is no acceptance that there are any boundaries on transparency. The press have deemed pretty much everything a politician might say or do to be fair game. The net result is that the press scour the scene for signs of disagreement and difference, pick at any hanging threads to see if they can start things unravelling. Any sign of inconsistency is a sign of weakness, as is reconsidering a position, even in the light of new evidence. Hence, we get these absurd charades in which politicians feel obliged to argue, rather tortuously, that, even though it is obvious to a six year old that they have changed their position, continuity is in fact clearly in evidence. Equally importantly, the press approach is reductive. It deals in soundbites, simplifications and seeks stark policy differences. There is no subtlety. No shades of grey are permitted.

Our political discourse, in this sense, is being driven towards an increasingly American model of media engagement. But the American model is fundamentally about a two party system. It is not fit for the more subtle, sophisticated and grown up world of coalition politics. The recent tragic event in Arizona may indicate that this impoverishment and brutalisation of political discourse does not make a positive contribution even in its original

[21] http://www.leftfootforward.org/2011/01/comparing-coalitions-in-wales-and-westminster/ (Accessed: 18/11/12)
[22] http://www.ft.com/cms/s/2/cd68f606-19e0-11e0-b921-00144feab49a.html#axzz2CcD4SRy1 (Accessed: 18/11/12)

context.[23] Our situation is, of course, in no way comparable with that in the US. But recent history suggests that we often look to the US for inspiration when thinking about how politicians should communicate with the public in a media-saturated age. That route has tended to push towards the simple, the digestible and the adversarial. That may be ever less fruitful in the era of coalition.

Clegg and Co – whose side are they on?

11th February 2011

These are troubling times, for many reasons. If you're interested in the politics of the Liberal Democrats then you're driven to ask precisely what's going on. For those who considered they were joining a tolerant and federal party of the centre–left, the omens seem to get worse by the day.

Yesterday we had a letter in *The Times* by leading Liberal Democrats in local government.[24] The argument was utterly reasonable. They were not disputing the need for cuts. They were not even pressing all that hard on the point that the cuts cannot, *pace* Mr Pickles, be made through efficiency gain but will require reductions in frontline services. The main point was that the cuts being imposed on local government – unlike those being made in Whitehall – are being frontloaded. As a consequence they cannot be dealt with by natural wastage or by considered restructuring. Rather they have to be rushed and dealt with by compulsory redundancy, which will incur considerable additional costs. This is going to lead to irrevocable – but avoidable – damage. So it was a public request for equitable treatment. Not an unreasonable point, one might have thought.

Rather than Cameron or Pickles putting their heads above the parapet, Nick Clegg was out and about yesterday talking of public sector reform and his response to the letter was, inevitably, sought. That response, as reported in the *Guardian* at least, struck – for me – the wrong note.[25] Clegg more clearly sided with the policy of the Coalition government than the members of his own party –who he criticised for engaging in "megaphone debate". The tone felt all wrong.

One might ask why local Liberal Democrats are engaging in such public comment and disagreement with policy at the centre. As anyone following the debate will realise, it is quite clear that every other route to more constructive dialogue with the Communities Secretary has failed. In the local government sphere, the fox has been put in charge of the hen-house. And the fox is not in the mood for negotiating over how few hens to slaughter. The hens felt that the only option left was to go public. These concerns are not confined to the Liberal Democrats. Similar concerns have been voiced in all quarters of local government

[23] A reference to the shooting of US Representative Gabrielle Giffords and 18 others in Tuscon on 8th January.
[24] http://www.libdemvoice.org/lib-dem-council-leaders-attack-pickles-over-speed-and-scale-of-cuts-23013.html (Accessed: 18/11/12)
[25] http://www.guardian.co.uk/politics/2011/feb/10/nick-clegg-lib-dems-megaphone-debate-cuts (Accessed: 18/11/12)

except the most rabidly right wing, which is embracing the strategy of decimating local public services enthusiastically.

And, of course, this week we've also had the defenestration of Lord Oakeshott for criticising the feebleness of the Merlin deal. His point hardly seemed unreasonable. It is being made by just about everyone outside of the Chancellor's inner circle.

Today we have a piece in *the Independent* reporting on "secret" – although, apparently, not very secret – Liberal Democrat strategy discussions at Ministerial level.[26] If the piece is at all accurate then it is further cause for concern. The report is reminiscent of the sort of triangulating behaviour we came to expect in the Labour era.

On the basis of 'private polling' the Liberal Democrat leadership is reported to have concluded that left-leaning supporters who have abandoned the party for Labour or the Greens as a result of the collaboration with the Tories will not return. Nick Clegg was seen by poll respondents as being to the right of his party – no surprise – while David Cameron was seen as to the left of his – probably true, but worrying to anyone who reflects on what that says about how extreme the views in his party must be. So the best Liberal Democrat strategy for the future is to resist calls from within the party to 'tack left'. Instead it should hold a position in the political centre and reach out to 'soft Tories' who might be concerned that the centre of gravity of the Conservative party is too far to the right. Any such argument is guaranteed to reignite the argument within the Liberal Democrats over the rightward drift of the party under the malign influence of the 'Orange Bookers', who some see as an unrepresentative but well-placed minority trying to turn the party into the Tories-lite.

The Independent suggests that this strategy could cause tension between Clegg and Cameron. That's not the half of it. If the report is at all accurate then, quite apart from the substance of the proposed change, it raises a whole host of constitutional questions for the Liberal Democrats. As a federal party these are not, as far as I am concerned, decisions that the leadership can make in this way. Certainly not on the basis of private polling or tactics aimed mainly at electoral survival rather than principle. So much for the New Politics.

As far as I understand the constitution of the party, and it's a little while since I read it, the Leadership is there to represent the views of the party democratically determined through its internal deliberative mechanisms. That is what makes it different from the other two main parties. No one, I think, pretends those mechanisms are perfect or that the policy that emerges from them is always judged to be optimal. But the process is just as important. It is a deontological rather than a consequentialist position. Any other mechanism would be nonsensical, given the substance of the political liberalism the party espouses.

Are we seeing the leadership – and if we are honest that really means Nick Clegg – becoming increasingly detached from the party? Placing more importance on keeping in with his new friends than aligning with the members of his own party?

This is the first time in generations that a genuinely liberal party has had influence over policy. But at what price? Power is a complex phenomenon. Sure it allows you to get things done. To implement political changes the party has advocated and sought for many years.

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[26] http://www.independent.co.uk/news/uk/politics/lib-dems-to-target-tory-votes-as-clegg-sees-his-constituency-slip-away-2211230.html (Accessed: 18/11/12)

But power has an appeal all its own. And the exercise of power is easier when you are not obliged to take account of the views of others. Indeed that is, from some perspectives, the very definition of being powerful. Without checks and balances, more power tends to be actively sought and power becomes concentrated in the hands of the few, to the exclusion of the many.

But that should hardly need saying. It is part of the very foundations of liberalism. I suppose the point is that Liberals are not, unless they are very careful, immune to the seductions of power. It is in holding to principle – not by tacking in one direction or the other – that the political future of the Liberal Democrats should lie. Anything else is to be perverted by power.

Economic liberalism and public service reform

22nd February 2011[27]

Are the Liberal Democrats a party of untrammelled ideology – sorry, "principles" – or do ethics and evidence also play a role in thinking? This question struck me forcefully when reading David Cameron's article on public service reform in the *Telegraph*.[28] It appears that the imminent *Open Public Services* White Paper has been formulated with collaboration from the Chief Secretary to the Treasury, and Nick Clegg is fully 'on side'. We await the details, but if Cameron's article gives us an accurate sense of what is to come then I think there is – or should be – a significant battle shaping up. Cameron's position would appear to be "The answer is marketisation. Now what's the question?". Is it appropriate for Liberal Democrats to be complicit in this agenda?

The Liberal Democrat leadership is adamant that we're all social liberals together. So, we might ask, what separates a social liberal from a libertarian? A facetious answer might be that a liberal has a stronger grip on reality. Certainly social liberalism entails a less Panglossian view of markets. We recognise that unfettered markets are not an unalloyed benefit. Markets overlaid upon patterns of social disadvantage mean some members of the population will be unable to participate fully and will not realise their full potential. Hence, the emphasis upon equality of opportunity and education. Not only that, but unless we are vigilant markets will entrench and magnify inequality. Hence, the focus upon challenging monopoly and advocacy of the benefits of competition.

Yet, this willingness to temper idealism by recognising the downside of real world markets seems to evaporate when we come to discussing the reform of public services. Rather than being sceptical, there is a tendency to revert to the idea that markets are a neutral means to an end. It is therefore unproblematic to embed them ever deeper into public service provision.

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[27] First posted at Liberal Democrat Voice (www.libdemvoice.org) (Accessed: 18/11/12)

[28] http://www.telegraph.co.uk/comment/8337239/How-we-will-release-the-grip-of-state-control.html (Accessed: 18/11/12)

Cameron proposes to legislate for a general presumption in favour of private companies having a right to bid for erstwhile public services. This will save the bother of having to make the case for marketisation in each sector individually. Rather the onus will switch to public providers having to demonstrate, for each specific case separately, why marketisation is inappropriate. The belief is that provider diversity will generate competition and choice. There is also a strong push for greater use of mechanisms such as payment by results in the belief that they will improve effectiveness.

The language used is revealing. Mr Cameron notes that the proposals "will make it impossible for government to return to the bad old days of the standard state monopoly" and a "decisive end of the old-fashioned, top-down, take-what-you're-given model of public services". The language is not dissimilar to that used by Jeremy Browne in a post on the Big Society a few days ago.[29] Mr Browne attracted some flak for his references to the "top-down, all-knowing, one-size-fits-all centralised state". These are such caricatures of public services that it is almost comical. It wilfully ignores 30 years of reform focusing on increasing responsiveness and facilitating choice. It ignores that we already have a system of mixed provision where much funding has been directed towards the voluntary and not-for-profit sector. The only thing we don't yet have is a dominant commercial presence. It is tempting to presume that this is what Cameron – for all his talk of diversity and decentralisation – thinks is missing. The issue here is not whether there are improvements that can be made in the public sector; clearly there are. But let's have a discussion grounded in evidence not undiluted ideology. Please.

We might do well to reflect upon where these proposals originate. Many of the ideas are embodied in *Payment for success: how to shift power from Whitehall to public service customers*, produced by the multinational consulting firm KPMG which, of course, has no vested interest in pushing a marketisation agenda.[30] It is, presumably, equally coincidental that one of its authors – Paul Kirby – has recently moved to lead the policy team in No 10. This sort of revolving-door between sectional interests and government cannot, by any sensible reckoning, be healthy for democracy.

A problem with several of these proposals is that they are based upon an extremely idealised – indeed simplistic – view of markets and how they operate. The sort of basic textbook economics that underpins the idea that markets will deliver a socially optimal allocation of resources should have no place in informing policy. More sophisticated analysis provides reasons for thinking that under a wide range of circumstances – many of which are relevant to public sector provision – markets do no such thing.

We are presented with simplistic statements about competition in health or the benefits of high powered incentives in contracting as if they provide a justification for marketisation, rather than a mystification. Yet, these statements need to be very heavily qualified in the light of theoretical advances and accumulating evidence. Get the design wrong and unleashing such mechanisms can be hugely damaging. And more reflexive economists are

[29] http://www.libdemvoice.org/jeremy-browne-writes-why-liberals-should-support-the-big-society-23054.html (Accessed: 18/11/12)

[30] http://www.kpmg.co.uk/pubs/204000%20Payment%20For%20Success%20Access.pdf (Accessed: 18/11/12)

quite concerned that even the more sophisticated economic models that recognise this fail to capture important dimensions of the way in which incentives operate in the real world.

Liberal Democrat alternative realities

16th March 2011

Quite a few bloggers have now offered a perspective on the Liberal Democrat Spring Conference. Some significant positive developments occurred. The amendments to the conference motion on NHS reform have attracted most attention. The support for the emergency motion on banking reform was equally emphatic. They both represent important interventions by the Social Liberal Forum (SLF). Indeed, the growing influence of the SLF in the party was noted by Mark Pack over at Liberal Democrat Voice.[31] Both motions were passed almost unanimously; Conference was equally united on the questions of political independence and electoral strategy; on reasserting the importance of the mobility components of the DLA and of legal aid for access to justice. These were clear statements of intent. Conference saw itself as sending a signal that Coalition hadn't turned it into "forelock touching automatons" – to borrow Andrew George's memorable phrase. The atmosphere in the hall was generally and genuinely positive. Of course, the question of what happens next – how to turn policy positions into reality in the context of Coalition, and whether the leadership is particularly inclined to so do – was not really addressed.

Conference was repeatedly regaled with more or less extensive lists of Liberal Democrat policies that have already been implemented by the Coalition government. Many went away from Sheffield relatively happy.

It feels a little churlish to register concerns. But I'm going to anyway. More than ever I feel I'm out of step. I felt that the big picture was being missed. And that is of fundamental significance. Self-congratulation where it is due, for sure. But let's keeps things in perspective.

Five issues stand out.

1. Liberal Democrat policy successes in context

Several of the policy successes to which the party can rightly lay claim are associated with political and civil rights and with constitutional reform. And since the Conference the newspapers have reported that Nick Clegg has managed to repel Tory attempts to disengage the UK from European structures for enforcing human rights.

As a Liberal Democrat I am, of course, convinced that such successes are important. But I am less convinced that they play particularly well with most people, when set alongside declining incomes, rising prices, increasing risks of unemployment, the dismantling of the NHS, cuts in public services and the like.

[31] http://www.libdemvoice.org/ten-comments-on-saturday-at-party-conference-23403.html (Accessed: 18/11/12)

A cynic might suggest that while movement on the reform of the House of Lords is of considerable constitutional significance, there is a reason why it hasn't happened for decades – it just doesn't have particular salience for most voters.

Liberal Democrat policies are being implemented – many are those that are congenial to the Tories, of course – but at a significant electoral price. Of course those policies are not all in the somewhat abstract realm of rights: there is a story to tell on pensions and income tax, for example. Nonetheless, how these various policies are weighed against each other by the voters is crucial, and I'm not sure it will be to the Liberal Democrats' advantage. To think otherwise is to be deluded. Many people's anger at the party may – from our perspective – be unjustified, but it is deep and visceral.

2. The rhetoric and reality of Coalition

I heard it stated that Liberal Democrats in Government were exercised in the process of policy development by the need to ensure that the vulnerable were protected: that, for example, disabled people were not unduly disadvantaged by welfare reform. I don't doubt it. It's vitally important. Liberal Democrats were therefore, apparently, pleasantly surprised to discover that IDS willingly stated a similar commitment.

At this point I felt like shouting. It's all very splendid that we all agree that vulnerable people should not to be unduly disadvantaged. But that doesn't appear to stop it from happening. Anyone who has been following the operation of the regime applying tests to determine fitness to work, and hence withdraw disability benefit, will be aware of repeated reports of injustice.

3. Protest votes and nationalist parties

There was, inevitably, reflection on the significance and implications of the Barnsley by-election result. There was what felt like a rather too eager readiness to put the result down to protest voters defecting from the Liberal Democrats to UKIP and the BNP. That strikes me as a rather peculiar switch of allegiance. But, leaving that aside, the protest vote argument also obviates the need to reflect upon whether the numbers polled by UKIP and the BNP are telling us anything important about the policy platforms of the mainstream parties; whether the parties are effectively addressing the concerns of some sectors of the population.

One of the recent points of differentiation between the Tories and the Liberal Democrats was Nick Clegg's speech on multiculturalism, in which he staked out a very different position to that adopted by David Cameron a few days earlier. This was welcomed by Liberal Democrats. But one has to wonder whether Cameron's illiberal speech had more populist resonance.

4. Where exactly are the Liberal Democrats, politically?

It is a cliché to say that all political parties are coalitions. But it is no less true for that. So spotting cracks, inconsistencies and apparent divergence of opinion is a bit of a pastime.

That is particularly the case among the media commentariat which finds it diverting to go hunting for apparent splits between 'orange bookers' and 'social liberals'. At Conference I witnessed senior party members deny that such a split existed or was even meaningful. Yet that did not come across as entirely convincing.

Perhaps the aspect of Conference that I found most striking was the divergence between Nick Clegg's speech on the Sunday and just about all the other speeches I heard over the weekend. Of course I didn't hear everything, but the speeches at which I was present placed the Liberal Democrats firmly as a progressive party of the centre-left. The motion on future party strategy reasserted the need to remember that the party has social democratic as well as liberal roots. The motion on the NHS reforms, on banking reform, on legal aid – speaker after speaker made cases that were broadly centre-left and progressive. Then the motions were passed close to unanimously.

And then up trundled Nick Clegg with his speech:

> But we are not on the left and we are not on the right. We have our own label: Liberal. We are liberals and we own the freehold to the centre ground of British politics. Our politics is the politics of the radical centre. We are governing from the middle, for the middle.

I didn't really feel it resonated with most of what had preceded it. It felt like he'd wandered in from some other conference that was happening next door and ploughed on regardless to deliver his speech, with all its classical liberal overtones.

This was Nick Clegg's perspective on liberalism. But I'm not sure how many of the delegates were fully signed up to it. It could have been most, for all I know. But that would be peculiar, given everything that had been supported so emphatically earlier in the conference.

To say that the party is sending out mixed messages has to be fair comment. One might wish to argue that things are finely balanced: but only in the sense that most of the grass roots activists are centre-left, and the leadership – with access to the media – are centre-(right). In this respect the article in yesterday's *Guardian* captures very effectively the way in which I experienced the different perspectives evident at the conference.[32]

5. Leader's speech

I don't have the time to anatomize the Leader's speech here. Some people thought it was great. Some thought it was better than previous speeches. Personally, I didn't really enjoy much of it. There was too much sophistry and casuistry. The statistics were presented with such an obvious slant and spin that they undermined perfectly good points and made one suspicious. Some of it didn't make much sense to me (On the AV vote: "If you want more duck houses: vote no. If you want more democracy: vote yes". Apart from the alliteration

[32] http://www.guardian.co.uk/politics/2011/mar/13/nick-clegg-lib-dems-centre (Accessed: 18/11/12)

between duck and democracy, what does that actually mean? Is there, for example, evidence that expenses offences were strongly correlated with the size of MPs' majorities?)

A large chunk of the speech was selling Coalition policy to the party and the watching media, rather than saying anything very distinctive. There was little in it that I couldn't imagine David Cameron standing there and plausibly saying. That terrible neologism 'Alarm Clock Britain' was resurrected. It is truly awful. It smacks of wonkery. It is difficult to imagine that anyone buys Clegg's argument that he likes to think of people as part of Alarm Clock Britain. Rather than – let's say – that he is using the term because some policy wonk spent insufficient time with the focus group and came to the conclusion it would play well with the tabloids.

For these, and other reasons, I didn't come away from the conference quite so enthused and inspired as some other delegates appear to have been. That doesn't for one minute mean there weren't positive achievements to recognise. Just that we've got to keep things in perspective.

What happens next to all the strong motions that were passed will be a real test. They may be party policy, but how much leverage will they have over future Coalition actions? The Liberal Democrats in coalition have more power than they believe they have. The Conservatives aren't all that likely to choose to go to the country seeking a mandate to govern alone when they are 10% behind in the polls and the picture is worsening for them by the day. So there is leverage there to be exploited.

Harsh but fair? Marquand on the Liberal Democrat leadership

14th May 2011

David Marquand reviews Vernon Bogdanor's new book *The Coalition and the Constitution* in today's *Guardian*. Bogdanor is clearly not impressed with the Coalition's mandate to pursue its radical agenda. And Marquand agrees. He is particularly scathing on the process by which the Coalition agreement was established as the basis for government. As an interim conclusion Marquand observes that:

> Though Bogdanor does not say so, the clear implication of his account is that the present coalition is the least legitimate peacetime British government in modern times.

For Marquand the failure to seek broader endorsement for the Coalition agreement in innovative ways should not be seen as 'a sign of political fortitude' but of 'constitutional sclerosis'. That the Conservatives did not do so could be seen as par for the course. But the fact that the Liberal Democrats, who are self-styled constitutional radicals, did not embrace the possibility was less explicable.

While Bogdanor may have shown that the Liberal Democrats were 'sold a pup' in the Coalition negotiations, Marquand feels that things are rather more serious than the Liberal Democrats being out-manoeuvred. Marquand finishes his review by giving it to the Liberal Democrat leadership with both barrels:

> Why did they succumb so easily to the establishment embrace? … The terrible answer, I believe, is that their birthrights were no longer to their taste. The Liberal Democrat leaders still talked social liberalism, but as they had foreshadowed in the notorious *Orange Book*, they walked economic liberalism. The tradition of Beveridge, Keynes, Lloyd George and Asquith, and for that matter of David Steel, Paddy Ashdown and Menzies Campbell – the tradition that stood for a synthesis of freedom and solidarity, procured by a strong, but not oppressive state – no longer spoke to them. They were liberals in the continental mode, not in the British one.

What do we make of this? Should it be written off simply as deep-rooted disaffection?

Anyone who invokes the *Orange Book* in this way is probably going to struggle to be taken seriously by Liberal Democrats. The *Orange Book*, when used like this, has become an all-purpose pejorative shorthand for unadulterated economic liberalism. It less frequently means the writer has read the *Orange Book* itself. Anyone who has read it knows that it covers a range of perspectives – some of which entail a fairly minimalist social liberalism but some of which are much more mainstream Liberal Democrat positions.

Yet, is it possible to demonstrate that Marquand is wrong?

Nick Clegg's strategy of hugging the Conservatives close over the last year makes it difficult. The recent talk of differentiation suggests we are moving into a new phase of the life of the Coalition. But I'm not sure it will be a phase during which things will be clarified. I don't think we will see sufficient concrete and distinctive 'social liberal' actions, directly attributable to the Liberal Democrats, to silence critics who believe the Liberal Democrats have become Tory-lite under Nick Clegg. And the Liberal Democrat leadership will presumably be able to invoke the constraints of Coalition and realpolitik as an explanation for why this is the case.

So it is unlikely that we are going to be presented, any time soon, with a crucial test to gauge the health of social liberalism or the extent of the 'betrayal' of that tradition. That would tend to suggest the debate – and the mud-slinging – is going to continue.

2. Adjusting to government?

Conference, security and the 'managers of unease'

6th June 2011

The additional security provisions for the Liberal Democrat September conference in Birmingham have attracted considerable high profile comment in the Liberal Democrat blogosphere. Bloggers including Caron Lindsay, Aunty Sarah and Mark Thompson have registered significant and fundamental concerns.[33] An explanatory post by Andrew Wiseman at Liberal Democrat Voice, in response to a strongly critical post by Dave Page, has generated substantial comment.[34]

The concerns are several. Three stand out. First, it appears – though it is not entirely clear – that it will be the Police who accredit those who are able to attend Conference. The criteria against which potential delegates will be assessed are not clear. Nor is the basis upon which someone might be rejected. There appears no right of appeal. So not only will the Police stand in judgement over who is able to participate in a lawful democratic assembly, but the process will be utterly non-transparent. Second, the additional data submitted for accreditation can be stored by the Police indefinitely. While that might at first sight appear to contravene the Data Protection Act, there are widespread exemptions for the security services. Third, a key reason for accepting the Police and Home Office position that accreditation is necessary is that not to do so would risk rendering the conference uninsurable.

The proposals for accreditation might seem unexceptional to many because they have been in use at Labour and Conservative conferences for years. Critics have seized on this debate as indicating that Liberal Democrats are not a "serious" party.

Yet, there is nothing more serious than civil liberties for many Liberal Democrats. These measures bring into sharp focus the fact that the three parties do not align simply on a left-right political spectrum. The Liberal Democrats stand clearly in opposition to the authoritarianism of the two main parties. The parties strike the balance between security and freedom in completely different places. Members of a party staunch in their opposition to ID cards and critical of the clandestine activities of unaccountable security services are deeply troubled by the apparent capitulation of the party to measures cast very much from the same mould. Pretty much every argument that can be applied to the ineffectiveness of ID cards as a security measure can be applied to the accreditation process being applied to

[33] http://carons-musings.blogspot.co.uk/2011/06/keep-liberal-in-liberal-democrat_06.html; http://auntysarah.dreamwidth.org/251810.html; http://markreckons.blogspot.co.uk/2011/06/do-as-i-say-not-as-i-do.html (Accessed: 20/11/12)

[34] http://www.libdemvoice.org/chair-of-federal-conference-committees-response-on-increased-security-measures-24344.html; www.libdemvoice.org/opinion-the-problem-with-lib-dem-conference-security-arrangements-24337.html (Accessed: 20/11/12)

Conference. A thorough-going and consistent liberalism would have to stand against these measures.

This presents us with a genuine dilemma. It has already been widely recognised. Do those who object in principle refuse to attend Conference, leaving policy to be made by those who are comfortable with measures that are clearly illiberal? Or is participation in policy making more important than holding to this principle – in order to ensure that the views of those who place great value on civil liberties are appropriately represented? Personally, I won't attend unless the security arrangements are revised.

The role of insurance in this debate is interesting. There are debates in social science over whether key aspects of control are surreptitiously being reallocated away from those who should legitimately hold it – such as elected politicians – to those who can exercise a veto over policy, such as negligence lawyers or risk managers. Is the apparently technocratic management of risk shaping policy rather than political priorities and democratic processes? There are several different directions one can take this type of analysis. In the context of the 'war on terror', Aradau and van Munster provide an interesting reading of the rise of what Bigo refers to the 'managers of unease' – including those who seek to deliver situations of 'zero or minimal risk' in the face of problems of no fixed dimensions.[35] Through the lens of Foucauldian governmentality they argue that "securitisation is shown to function through the deployment of technologies to manage dangerous irruptions in the future". They trace the development of such technologies as integral to a new *disposif* of precautionary risk.

These might appear arcane concerns. But they speak very directly to the way in which society is governed. Something as apparently mundane as a change in the process of submitting your application for Conference unexpectedly provides a concrete example of the issues. And it illustrates vividly that the Foucauldian notion of government is much broader and more subtle than simply 'the Government'. Here we have a case of a mechanism of governance – of social control – being reflected back and unwantedly applied to a part of the Government. And that part of Government gives all the indications that it is unable to resist the twin imperatives of security and prudentialism. The decentring of power – power beyond the state – is clear.

Distinctive positions on housing

4th July 2011[36]

There is no doubt some soul searching going on at the moment, in part as a consequence of the poor result at the Inverclyde by-election. I'm sure the leadership will seek to dismiss poor election results at this stage in the electoral cycle as to be expected when you're "in government". But that can hardly carry much weight, given the Tories aren't doing anywhere near as badly. It seems to me that rather deeper reflection is needed. Is it clear any

[35] http://oro.open.ac.uk/8945/1/8945.pdf (Accessed: 20/11/12)
[36] First posted at Liberal Democrat Voice (www.libdemvoice.org) (Accessed: 20/11/12)

more what the Liberal Democrats stand for? Why would someone – beyond the most unwaveringly committed – vote for the Party?

Let's pick one policy area – housing – to focus on. I choose it simply because it's the one I'm most familiar with.

Plenty of media column inches have been generated by the evaporation of mortgage finance and the problems of accessibility and affordability facing "Generation Rent". Almost everyone involved in the housing sector agrees that lack of supply is a problem that has bedevilled the British system for many years. Yet, there are significant concerns that Mr Pickles' version of localism is a NIMBY charter. House building has collapsed to low levels not seen in generations.

There has been a heated debate about changes to social rented tenancies and rent levels and the reform of local housing allowances in the private rented sector. There are concerns about changes to the homelessness obligations of local authorities and major concerns about the quality of provision at the bottom end of the private rented market. The latter concerns will be stoked further by an imminent Dispatches programme (trailed by Jon Snow on his blog[37]). There are concerns that taken together current policies signal increased poverty, more homelessness, deepening benefit and poverty traps, and increasing spatial segregation. These concerns exist even within the blue contingent of the Government.[38]

Would the public know where the Liberal Democrats stand on these issues? Would Liberal Democrats know?

If we go back to the period before May 2010 the Conservatives were assuring us they wouldn't tamper with social housing rights. That position was broadly in accord with the Liberal Democrat position. The Tories reneged on this commitment and proposed radical changes to the rights associated with a social tenancy. They said this would only affect new tenants. There was muted concern from Liberal Democrat quarters, but things move forward.

More recently Tories again apparently ignored their own earlier assurances that change would only affect new tenants by proposing that households living in social housing with total household income over a certain level could be evicted to make way for "more deserving" cases. As is this Government's way, statistics were presented partially and simplistically in support of the case. Bob Crow and Frank Dobson have been constructed as folk devils.

In the private rented sector, the Housing Minister announced on arrival in office that there would be no new regulation, which represented a significant change from late period Labour policy. Last week at the Chartered Institute of Housing Conference he appeared to be changing his mind again. Regulation is to be extended, but details are yet to be forthcoming (as reported here[39]).

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[37] http://blogs.channel4.com/snowblog/shocking-truth-britains-housing-crisis (Accessed: 20/11/12)

[38] http://www.guardian.co.uk/politics/2011/jul/02/eric-pickles-david-cameron-40000-homeless (Accessed: 20/11/12)

[39] http://www.insidehousing.co.uk/tenancies/-private-rented-homes-to-meet-minimum-standards/6516310.article (Accessed: 20/11/12)

There are, of course, some elements of policy that most people in the housing policy world have welcomed and see as long overdue, such as the modest initiatives to bring empty properties back into use.

Apart from the fact that policy development in this field can and should be thoroughly critiqued for being chaotic and incoherent, what do we think of the substance?

The most forceful Liberal Democrat views on these topics I've encountered recently – online in particular – would appear to have embraced the Tories' position. Social housing should be residualised, social rents should rise, tenants should be stripped of rights, housing allowances should be restricted, enforced mobility is unproblematic, vulnerable and homeless households seeking assistance should expect less. The previous Government sought to revalorise social housing through broadening its social base. The current Government wants to ensure it is reserved for the poor. And that's just fine.

The Government is changing the parameters of housing policy and housing policy debate in radical ways. And the changes are primarily directed at reducing the assistance the state is going to offer. An overriding narrative of austerity, short term "efficiency" in public spending, and "fairness" to the taxpayer justifies this.

So is the Party in accord with the Tories on this one? The answer is significant. The housing agenda currently being pursued is more market-focused – and shows less understanding of the challenges facing poor people in securing appropriate accommodation – than anything the Thatcher or Major governments attempted.

If the Party favours this approach then is this for distinctively liberal reasons, rather than simply aping the Tories' entrenched dislike of non-market provision and regulatory intervention that stands in the way of making money? Do we feel that the route down which policy is careering strikes the right balance between liberty, equality and community?

And if the party isn't in accord with the Tories on these issues then for what reasons? If we don't like what's happening then what does an alternative perspective look like? How is it rooted in a distinctively liberal philosophy?

And does anyone beyond the Party know about this thinking? Because if not then it's hardly surprising if people aren't sure what's distinctive about its position.

Governing in the private interest?

16th August 2011

> The liberty of a democracy is not safe if the people tolerated the growth of private power to a point where it becomes stronger than the democratic state itself. That in its essence is fascism: ownership of government by an individual, by a group, or any controlling private power.
>
> *Franklin D Roosevelt*

Anyone interested in the health and sustainability of liberal democracy should be concerned if the levers of government come under the control of concentrated, sectional interests. That is the case whether the interest is corporations, the military, trades unions, bureaucrats, or organised religion. By happenstance such situations may result in benign government with a concern for the broader interest. More typically they result in government not for the many but for the few.

The merits of pluralism have been much debated. Political processes in which all have the potential to prevail, on the basis of the strength of the case they can make, capture something important about the nature of liberty. They are the antithesis of systems in which entrenched and powerful interests systematically shape and dominate the agenda. It is a topic close to the hearts of Liberal Democrats. Genuinely pluralist political practice remains something to strive for. Its attainment is by no means assured and precarious at best. But it is nonetheless a noble aspiration.

These thoughts crossed my mind at 3.30am this morning as I was enjoying some bonus time awake courtesy of rather too much late night caffeine.

While I was waiting to see if sleep might revisit I read the recent Democratic Audit report *Unelected Oligarchy: Corporate and Financial Dominance in Britain's Democracy*.[40] And the content is alarming enough to keep a good democrat awake at night all by itself.

The report touches on a range of issues that have been around and about in discussions of the changing nature of Westminster government for a while. The focus is upon the many and varied modes of corporate influence upon government and policy. In bringing these issues together it paints an unappetising picture of the current health of democratic practice. Corporate interests appear to have become intermeshed with the business of government to an extent that cannot be wise.

At times the report slightly overplays its hand, and it gives negligible consideration to the advantages of corporate contributions to policy making, but the overall picture constructed is one that resonates, with me at least. The report never uses the word corruption, but if one thinks in terms of corruption of purpose rather than a more legal definition of corruption then we are talking a something that fits the bill rather well. For those who are interested, I'd suggest having a look at Michael Johnston's *Syndromes of corruption*.[41]

The report focuses upon two main issues: buying informal influence and revolving doors. Corporations buying political influence – either through financing political parties, financing think tanks, or lobbying activities – is a well-established practice, but all these activities have increased in scale over recent years. The aim and the net effect of all such practices is, of course, to ensure that certain perspectives have higher prominence and influence in policy and public debate. And to make it harder for alternative views to get a hearing.

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[40] http://www.democraticaudit.com/corporate-and-financial-dominance-in-britains-democracy (Accessed: 20/11/12)

[41] M. Johnstone (2005) *Syndromes of corruption: wealth, power and democracy*, Cambridge University Press.

Revolving doors, while not unknown previously, are a practice that has increased enormously in scale over the last decade and a half. The report distinguishes between revolving in – corporate actors coming in to government to have an input into policy development and the running of government itself – and revolving out – ministers and civil servants who leave public office to take up roles in the private sector. In March 2011 it was reported that there were – to my surprise – as many as 31 former ministers who held roles in the private sector during the previous 12 months. Many held roles with companies operating in the policy fields in which they had previously held a ministerial portfolio. While the picture is rather murky, the implication is that these are people being recruited in order to benefit from their inside knowledge and their contacts and their ability to influence current incumbents.

With this type of activity on this type of scale one would suppose that many ministers come to view that a transition into the private sector is a fairly automatic next step on from Ministerial office.

The question is what difference revolving out on this scale makes to public policy making. One could frame it in broadly public choice terms. Public choice theory is usually applied to the issues such as bureaucrats' self-interest in shirking or budget maximizing, or to the impact of politicians' self-interest in re-election on the sort of policy platforms being presented to the electorate. But if revolving out has become a normalised practice then we might reflect upon politicians' self-interest when faced with the possibility of a lucrative future position beyond government.

Presumably it might, everso slightly, influence the way in which they go about dealing with private interests. Is it in their interests to be seen as unreasonably tough on the private sector? Or would that suggest that one isn't quite the right sort to be offered a position in future? I'm sure that Ministers with no thought for future employment opportunities would take as robust a stance as they thought appropriate. But those, on the other hand, who might anticipate being at a bit of a loose end and in need of some extra cash when their time at the Department is over …

At the moment ministers and civil servants have to wait two years before they can take up a role in the private sector and, as far as I am aware, there are no limits to them taking on a role closely aligned to that of their previous Ministerial portfolio. One way to change the incentives associated with revolving out would be to ban it all together. That might be judged unnecessarily draconian. Another might be to increase the time period before a private role can be taken on. That way the ex-minister must be offering something more than connections and inside knowledge, which can date relatively quickly. A different strategy might be ban ex-ministers from taking on a role in the policy area with which they have been associated. Then if private companies wish to employ them it would be for their insight, strategic thinking or analytical ability rather than for their contacts and specific insider knowledge.

And revolving doors are only one small element of the bigger picture.

One of the challenges here is that once problematic practices or structures of the type identified in the Democratic Audit report are in place they act, in themselves, as a barrier to

change towards more democratic structures. But it strikes me that taken in the round there is a problem here that needs to be taken very seriously if we are to reinvigorate democracy as a practice that encompasses the broad not the narrow interest.

In the context in which the Government is committing itself to further embedding corporate interests at the very heart of government, and in the process weakening the countervailing influences on the democratic process, these are issues of the utmost urgency. And the only major party that has the legitimacy, or is likely, to raise them is the Liberal Democrats. Let's hope they do so.

Could the riots be the beginning of the end for the Coalition?

19th August 2011

Today I was idly wondering whether the way in which the Government responds to last week's riots could turn out to be pivotal for the Coalition. Possibly the beginning of the end. Why might that be? I was pondering what makes Liberal Democrats distinctive.

If you think about Liberal Democrats on a left-right political axis then the Party's identity is perhaps rather indistinct. It encompasses a broad range of opinion. It stretches from the left of the Social Liberal Forum, which would appear to share common ground with the remnants of the left wing of the Labour party or the Green party, to Liberal Vision and beyond which occupy parts of the political spectrum where it is hard to tell a Liberal from a Libertarian at twenty paces.

But if you look at the Liberal Democrats on the authoritarian-liberal axis then they are hugely distinctive from the other major parties, which share a strong authoritarian streak (although Labour is perhaps less clear what it thinks on this point than it might appear, as discussed on Liberal Conspiracy today[42]). The only party that comes close to the Liberal Democrats on questions of human rights and civil liberties is the Green party. The only comparable area of divergence between the Liberal Democrats and the other major parties might be constitutional reform.

This is, I think, why things might start to unravel.

The Liberal Democrats, as the junior partner in the Coalition, have felt obliged to go along with significant chunks of the Conservative agenda – on the NHS, welfare reform or tuition fees – that many at the party grassroots are not at all comfortable with. But equally, given the diversity of left-right opinion in the party, it is possible to find members who are largely sympathetic to the Tories' agenda.

There is plenty of murmuring and debate about Coalition policy. But, with the possible exception of the NHS reforms, this has not broken out into open hostility.

That is where the response to the riots comes in. To say it has so far been knee jerk is to underplay the irrationality and lack of proportion in the response rather considerably. It is

[42] http://liberalconspiracy.org/2011/08/18/how-does-labour-deal-with-its-record-on-civil-liberties/ (Accessed: 20/11/12)

clearly a case of action – or at least rafts of proposals – before thought. In this respect it has arguably simply magnified this government's established mode of policy making.

Conservative ministers, including the Prime Minister, have stood very close to the line – if they haven't crossed it – in seeking to influence the judiciary to deliver tougher sentences. There is an element of retribution to this – for all the protestations that it is about deterrence. This is a serious failure to respect the separation of powers.

David Cameron has proposed a range of illiberal measures in the aftermath of the riots. The proposals to evict families from social housing when a child or other family member is found guilty of rioting were seized upon enthusiastically by some local authorities, even though they are highly problematic (for both policy and legal reasons summarised by Jules Birch and Nearly Legal[43]). An editorial in yesterday's *New York Times* described these proposals as a "repellent form of collective punishment".[44] The proposal to consider switching off social media in any future riot situation has brought widespread criticism for its impracticality. It has brought criticism because it comes only a few short months after Mr Cameron praised the role of social media in facilitating the Arab Spring. And it has received plaudits from the Chinese government as an appropriate way to deal with internal dissent.

These proposals are in danger of suggesting that law and order policy is formulated and primarily geared to satisfy vociferous calls for vengeance. They will no doubt go down well with the hang 'em and flog 'em elements of the Tory party and the tabloid media. They reinforce the idea that social housing is populated by an underclass that first and foremost needs to be disciplined rather than socially included.

Presumably Mr Cameron realises that even raising ideas such as switching off social media in this way further undercuts any moral authority that Britain might have within the international community on issues of human rights. If he goes through with these proposals then one can only presume that Britain has foregone any further role in pressing for improved respect for human rights elsewhere. The Chinese will no doubt expect Britain to speak no more about it – after all, we are now apparently fellow travellers.

So the question is whether the Conservatives will seek to push these measures through Parliament or will they, if and when rational deliberation returns to policy making, think better of it. It would be better to focus on effective rather than eye-catching policy.

If they do push ahead then they will probably have to rely upon the authoritarian factions within the Labour party for a Parliamentary majority rather than the Liberal Democrats. Liberal Democrat MPs are already raising concerns about just about every headline grabbing proposal the Conservatives have come up with. It is precisely because the state can be tempted to exert its power oppressively that we must be vigilant to sustain, not subvert, the protections offered by human rights legislation. Yesterday's *Guardian* carried a front page piece on concerns raised by Lord Macdonald and Lord Carlile regarding

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[43] http://www.insidehousing.co.uk/tenancies/broken-bandwagon/6517289.blog; http://nearlylegal.co.uk/blog/2011/08/evicting-rioters-a-brief-note/ (Accessed: 20/11/12)

[44] http://www.nytimes.com/2011/08/18/opinion/wrong-answers-in-britain.html (Accessed: 20/11/12)

disproportionate sentences being handed out too swiftly to rioters.[45] A raft of successful appeals against rough justice can be expected.

So it led me to think that if the Conservatives push forward with this agenda, will it place the Liberal Democrats in an intolerable position? Will they be able to stomach continuing to be shackled to a Party that is intent on pursuing an agenda that is absolutely in conflict with some of liberals' most strongly held beliefs? I think it could be the one area in which unpalatable policy change forces the party to say enough is enough – we can no longer go along with this and still have any claim to be true to our core principles.

If one were extremely cynical one might suggest that Mr Cameron has identified that possibility. If he wanted to see the Coalition dissolved in a way that meant the blame could be directed at the Liberal Democrats then the riots may have presented an opportunity. It allows for some work on the area most likely to cause fracture. But that would no doubt be far too Machiavellian a suggestion.

The middle classes, mansions and Mr Pickles

22nd August 2011

Last Friday's *Telegraph* published a couple of brief pieces drawing on a wide ranging interview with Eric Pickles. The Communities Secretary had a few characteristically pithy observations to make in relation to the ongoing debate over the future of the 50p tax rate and the alternative mooted by the Liberal Democrats of moving to a tax on high value properties.

The *Telegraph* reports that Mr Pickles:[46]

> … is determined to face down Liberal Democrat sensitivities and reduce tax for the middle classes. New taxes on more expensive properties are definitely not on the agenda.
>
> "We as a government have got to understand that middle-class families put a lot into this country and don't take a lot out," he says. "It would be a very big mistake to start imposing taxation on the back of changes in property values."

Mr Pickles also goes further than some of his colleagues by insisting that the 50p higher rate of income tax should be scrapped for ideological reasons.

The Treasury is conducting a study to establish whether the new top rate actually raises much money, but the Liberal Democrats have said it is "cloud cuckoo land" to consider

[45] http://www.guardian.co.uk/uk/2011/aug/17/riots-sentence-liberal-democrats-conservatives (Accessed: 20/11/12)
[46] http://www.telegraph.co.uk/property/8712670/Eric-Pickles-I-want-families-to-keep-their-money.-Raising-tax-for-middle-class-is-wrong.html (Accessed: 20/11/12)

scrapping the tax at the moment. Mr Pickles expresses the views of many Conservatives when he says:

> "We always said it [the 50p rate] was temporary."
>
> "We'll get an assessment at the end of this financial year as to how much money we've got [from the tax]. But you know I'm a Conservative, I like the idea of lowering taxation."
>
> "I believe you get more tax revenue by lowering taxation because people work harder. I like people to keep more in their pockets for their family."

Elsewhere in the *Telegraph* he is reported as saying that:[47]

> "… a mansion tax on high-value homes could hit many ordinary middle-class families because of high property prices in some areas."
>
> "People will suddenly find themselves in a mansion and they hadn't realised it was a mansion," he says. "If it is only going to be mansions, the kind of thing you and I would regard as a mansion, it ain't going to raise very much."

It is important to put these comments in perspective.

The 50p tax rate only applies to individuals earning £150,000 a year. That is 1% of the population. For comparison, 65% of the population had an income of less than the mean of £26,800 in 2009/10 and 90% had an income below £78,000.

The idea of a Mansion Tax was proposed by the Liberal Democrats in the 2010 election as applying to properties valued at over £2million. It has subsequently been suggested that if this approach were being seen as an alternative to the 50p tax rate then it would more likely to apply to properties over £1million. That still means that it would apply to less than 1% of the owner occupied housing stock in the UK (fewer than 150,000 properties out of 18.5 million).

Mr Pickles might like to frame the argument in terms of "ordinary middle class families" – including those who rather haplessly get caught by the system – but that is entirely misleading. We are not talking about families that are anything like ordinary. They aren't in "the middle". And class probably has nothing to do with it. We are talking here about a tiny minority – the very richest people in society. Clearly, the minority affected by a property tax and the minority affected by the 50p income tax are not going to be the same. There are asset rich/income poor retired households, for example. But they are a tiny minority none the less.

George W Bush very successful deployed the language of aspiration and incentives, and of reducing the burden on those who create wealth, to justify huge tax cuts for the rich. Sectional interest masqueraded as the public interest. He managed to secure popular

[47] http://www.telegraph.co.uk/property/8712661/Eric-Pickles-says-no-to-higher-property-taxes-for-middle-classes.html (Accessed: 20/11/12)

support among ordinary voters for measures that have ultimately had a negative impact upon the quality of life of the bulk of the population. Mr Bush presided over a massive concentration of wealth at the top of the income distribution, making the contemporary US one of the most unequal societies in history.

It strikes me that Mr Pickles' comments are straight out of the George W Bush playbook. Many of those to whom the 50p tax rate applies are part of the metropolitan elite: the media, the legal establishment, business and – most egregiously – the City which, lest we forget, provides the Conservative party with more than half its funding. Their financial circumstances bear absolutely no relation to the situation in which 98% of the population find themselves. And a frank assessment of the situation suggests that few will ever cross the threshold into this elite group. Aspiration is a virtue, but it would be better if it were not rooted in fantasy.

There is an important debate to be had about tax at the level of both principle and practice. For example, property taxes are being favoured because they are harder to avoid or evade than income taxes, but are we sure that is the case (a point raised by Bagehot in the Economist the other day[48])? There are implicit arguments about the tax elasticity of labour supply – less tax leads to more work – and the location of the British tax system on the negative portion of the Laffer Curve – so lower tax rates increase tax revenues – that need to be interrogated very closely. There are important links yet to be made between the debate about taxation and the parallel debate about how we can reduce the dysfunctional volatility in the housing market.

In a period of severe fiscal constraint when the Government has made the reduction of the deficit its number one priority, giving more money to the already extremely advantaged – who will presumably just save it – is probably the least useful way of trying to stimulate the economy. Reducing taxes on lower income households would be a better way of stimulating the economy in the short term. Personally I think that if there is any scope for reducing taxes – a premise about which I am sceptical – then there should be some joined up thinking with the growth strategy so it should go into tax breaks for investing in new technology or innovative business start-ups.

But the Pickles approach is to obscure all these important questions with a smokescreen. He seeks to create a sense of identification between the interests of the mass of the population and the super-rich. This is questionable and needs to be questioned.

The Dorries distraction

31st August 2011

What is Nadine Dorries for?

Obviously she is very much for reducing the number of abortions. And, it would appear, is the willing purveyor of any amount of nonsense in pursuit of her objective. Today

[48] http://www.economist.com/blogs/bagehot/2011/08/taxation-britain (Accessed: 20/11/12)

Channel 4's Factcheck blog has her bang to rights.[49] Dorries has made a number of apparently evidence-based claims in a newspaper article about the damaging effects of abortion. It turns out that the claims are less than scrupulous in their handling of the evidence. Critics would no doubt say this isn't the first time Dorries has been exposed in this way.

But in many ways being charged with abusing evidence is irrelevant. Dorries, one would surmise, isn't really interested in the evidence one way or the other. My guess is she feels that deploying evidence is a way of giving an argument rooted in zealous religious belief a veneer of credibility and respectability. She's just not very good at it.

More interesting is the vested interest argument being used against Marie Stopes and BPAS.

The argument has been trotted out across a wide range of media outlets over the last few days by Dorries and her supporters. Such organisations, it is alleged, have an incentive not to offer independent counselling but to steer pregnant women in the direction of an abortion because they make money from carrying out those abortions. Never mind that these are organisations bound by codes of professional ethics. Never mind that they are not-for-profit organisations. And never mind that Dorries and her supporters can offer no sliver of evidence that this supposed conflict of interest is a problem in practice. The argument continues to be rolled out at every opportunity. The strategy is from the "repeat it often enough and it must be true" school of debating.

The (moderately) clever thing here is that the pro-life advocates have managed to construct "vested interest" as being exclusively about money. As if that were the only type of vested interest there can be. It is equally clear that pro-life counselling organisations are not "independent" in the sense of being disinterested regarding the direction chosen by a pregnant woman. It's just that their vested interest is in the spiritual realm rather than the realm of mammon.

When I ask what Dorries is for I am not thinking so much of the substance of these debates. I am thinking more of what purpose her intervention is serving at this point in time. The portion of the news agenda devoted to the Health Bill has been dominated by her amendment. Even though the amendment may not be selected and the Government has indicated that it will vote against it anyway.[50] This is, frankly, an outrage.

The Government is reintroducing the Health Bill to the House next week. There are only two days allocated to debating a Bill that is widely condemned as a complete mess. There are grave concerns that what is proposed is unworkable and will turn out to be such a tangle that it will be more inefficient and more expensive than the current system. There are real concerns that the changes made following the 'listening' exercise earlier this year are largely cosmetic and obfuscatory – the core of the proposals is very little changed. There are suspicions that the proposals will allow the Health Secretary to wash his hands of responsibility for the whole system. There are concerns that the provisions are a Pandora's

[49] http://blogs.channel4.com/factcheck/factcheck-cutting-through-the-rhetoric-on-abortion/7636 (Accessed: 20/11/12)

[50] http://www.guardian.co.uk/world/2011/aug/31/downing-street-uturn-abortion-proposals (Accessed: 20/11/12)

Box which, once opened, will allow corporate interests to use competition law to force their way in to the system. The Government may claim that is not what it intended. But what they intend is not the primary issue if the law is badly constructed and badly drafted. That will open up the interstices necessary for the system to start unravelling.

Dorries own amendment is a classic of the genre. She claims that it will not result in pro-life organisations taking over counselling services. Rather it is intended to ensure that women have access to "independent" advice. But the way it is drafted in no way precludes pro-life organisations from taking on the counselling role. Bad drafting or disingenuous presentation? Who can tell? But the need for close and careful scrutiny is evident.

The outstanding questions about the NHS Bill are issues of the utmost seriousness requiring sustained attention. The fact that the Government has allowed only two days for the next stage of Parliamentary scrutiny is, in itself, highly questionable democratic practice. If the Dorries amendment gets selected one can envisage that it will render as laughable any suggestion that there has been effective Parliamentary scrutiny of an immense and complex bill.

Downing Street may now have come out against the Dorries amendment, but maybe she's already served her purpose in putting up an effective news smokescreen for several crucial days.

Crunch time for the Liberal Democrats – The NHS Bill and electoral oblivion

5th September 2011

The tuition fee debacle was bad. But at least there was a reason, if not an excuse. Neither major party was committed to removing tuition fees. So, whoever the Liberal Democrats ended up in Coalition with, it was unlikely that the party was going to be able to honour its pledge. The hand was no doubt badly played, but the outcome was going to be nothing other than politically damaging.

This time there is no excuse. The Conservatives may claim that their manifesto refers to extending GP commissioning. But this passing reference is a threadbare justification for the enormous changes being proposed. And how many electors actually read the manifesto? If they bought the story at election time then it was more likely to be Cameron the compassionate Conservative reassuring them that the NHS was his top priority, that it was safe in his hands, that there would be no top-down reorganisation, that it wouldn't be privatised, etc., etc., etc. That these reassurances were not worth the breath required to produce them seems increasingly apparent. Significant chunks of the electorate have interpreted the Government's plans as taking an axe to their beloved NHS.

We can quibble about whether the plans being rushed through the Commons this week actually constitute privatisation. But that is largely irrelevant. The PFI was not technically privatisation. But it has resulted in commercial interests taking large amounts of money

from taxpayers in the good times, while leaving the taxpayers to pick up the bill when things don't work out. And, in many cases, for the provision of a poorer service. That is what people object to.

Liberal Democrats may well consider a version of the GP commissioning approach – including stronger local democratic accountability – to be desirable. The party may well have a model of commissioning that would be both democratically acceptable and prevents commercial interests running rampant. But attempts to graft that on to Andrew Lansley's original proposals have resulted in a dogs' breakfast of a proposal. Many informed observers think is unwieldy and inefficient. The chances of these precipitous reforms delivering the sort of cost savings the Government promised were always miniscule. If these proposals go ahead then the prospects look vanishingly small.

Shirley Williams' intervention over the weekend will further fuel concerns that buried in the 1,000 pages of this Bill are provisions that are going to lead to the progressive privatisation of the NHS. That may be through bad drafting and inadvertence – the protections needed to stop it are not there. But the evidence, brought to light by Spinwatch through FoI requests, that talks are already well underway between the Department of Health and multinational providers rather suggest that this is intentional.

Andrew Lansley might seek to write off this evidence as scaremongering. There have been comments from senior politicians, including Liberal Democrats, that continuing to debate these issues is creating uncertainty and delaying the cost savings that need to be made. The time has come to move on, it is suggested. I am reminded of some of Bob Diamond's comments that the time for remorse over the banks' role in the global financial crisis is over and we should get back to business. Only the bankers think that is the case.

These manoeuvres which attempt to silence critics of the NHS reforms are similarly crass. I hope that backbench Liberal Democrat MPs will be having none of it. The changes proposed to the NHS are momentous. They deserve as much scrutiny as possible and they need to be given as much Parliamentary time as possible, rather than being railroaded through Parliament in time for conference season.

Among the Liberal Democrat membership there are significant differences over whether introducing commercial providers into the NHS is desirable. Those who start from a stronger economic liberal orientation seek to separate means from ends and argue that as long as the service is free at the point of use and taxpayer funded there isn't a problem. The full force of domestic and EU competition law will be a welcome spur to efficiency. Those with a stronger social liberal orientation argue that means are important if you want to achieve the ends of equality and cohesion – that pushing for privatisation and marketisation will have negative effects on access that will fall differentially upon the least advantaged. Attempts to counteract this tendency will require systems of targets and regulation which not only tend to set up distortionary incentives but also can absorb all the resources that are "saved" by introducing competition in the first place.

But these are technical discussions. They are largely irrelevant to the electoral consequences of the next few days. And being against these reforms is not to be against reform *per se*.

The NHS reforms will be constructed by their opponents as privatisation. The Coalition is the government that killed the NHS. And this is how large chunks of the electorate will interpret them. It may not be rational. But that doesn't mean it isn't the case. The killing of the NHS will be the part of the legacy that enters the history books, as much as its success or otherwise in taming the budget deficit.

Many people did not vote Liberal Democrat seeking or expecting that outcome. Indeed, many voted Liberal Democrat for precisely the opposite reason. The NHS was a Liberal creation. Surely its future would be safer with the Liberal Democrats than with the Tories? Supporting this Bill in its current form will be seen by many as betrayal too far. And, unlike tuition fees, this time there will be no excuse. If we take that direction then electoral oblivion awaits.

3. Maybe we've hugged them too close?

Liberal Democrat rebranding

27th November 2011

The *Telegraph* and the *Mail on Sunday* are carrying stories about internal discussions on the Party's identity and public profile.[51] For the *Telegraph* this is a return to a theme first raised in March.[52] The papers both carry a quote from an unidentified party spokesman acknowledging that this exercise is no secret and has been going on for some time. The correspondence between the stories in the two papers – the mention of Oxfam as an example of a clear 'brand', the need for a longer term vision, excavating the history of the party for 'big wins', the mention of Neil Sherlock – suggests that the rough outline of the story has something to it.

What is missing from both stories is any sense of how the members of the Parliamentary party responded to these sorts of proposals. And, of course, unless we are happy with trashing a fine tradition of grassroots democracy, it isn't up to Nick Clegg and his cohorts to unilaterally rebrand the party anyway.

At the core of these stories is something which is indisputably true. The public is not clear what the Liberal Democrats stand for. That is something that has always been a challenge. It is a challenge which has intensified now that opponents and erstwhile supporters can write the party off as yellow Tories.

The *Telegraph* reports that:

> the latest advice from outside experts is that MPs should rely on "short-term themes, straplines and soundbites" to put forward their political philosophy in a succinct way.
>
> The experts used the example of Oxfam as a body which put forward a clear vision – to end world poverty and suffering.

In one sense there is merit in this. Oxfam clearly has a strong brand. People know what it stands for. Although the details of its activities on the ground change in the face of emerging global problems, it has stuck to its central purpose over many years.

Equally importantly, that mission requires regular illustration with specific examples of successful short- and long-term projects and activities so that the vision can be made real to supporters (and I write as a supporter who has been receiving news of such projects for two decades).

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[51] http://www.telegraph.co.uk/news/politics/liberaldemocrats/8918377/Lib-Dems-rebranding-to-boost-partys-popularity.html (Accessed: 09/02/13)

[52] http://www.libdemvoice.org/would-an-infinite-number-of-monkeys-be-able-to-write-an-accurate-story-for-the-telegraph-23603.html (Accessed: 09/02/13)

In that respect, there may be lessons for the party.

But Oxfam has a much more focused mission – it is almost a single-purpose organisation. The task is challenging, but probably easier than that facing a political party – obliged to have something to say on every issue.

I have always thought the preamble to the Party constitution, if a bit long-winded for a mission statement, sets out a pretty clear vision of what the party is about. But there is a struggle to ground that in more practical policies. In fact, even that isn't the case. There are lots of relatively small-scale technical policy changes that do embody this vision. It is more at the meso-level that there is a problem: the narrative about how these small-scale policy changes connect to the overarching vision is weak.

The Oxfam example speaks to the need for consistency. It is about principle and commitment. It is about having a clear idea what your values and purpose are and sticking to what you believe in.

It does not rely on the sort of triangulated, focus grouped, tactical statements for short-term advantage in the polls that characterises contemporary politics. In fact, it is most probably an approach that is very cautious in embracing the sort of nostrums offered by "external brand experts" who have no real feel for the values that drive the organisation.

Maybe that wouldn't be a bad thing.

Oh, what is the point?

3rd December 2011[53]

Having followed the Chancellor's Autumn Statement and then watched Danny Alexander interviewed on *Newsnight* on Tuesday I have to say my initial reaction was "oh, what is the point?". That was a reaction to both substance and process.

The Chancellor's Autumn Statement, as the IFS analysis demonstrates, hits the poorest hardest and those on middle and higher incomes less hard. Most would call that regressive. I'm sure some bright spark can come up with an argument that if you look at the data from a different direction – on the basis of expenditure not income, for example – then it isn't regressive at all. Be that as it may, how can it be a just strategy to uprate out-of-work benefits by freezing child tax credits – thereby moving a further 100,000 children into poverty – while leaving the tax burden on higher income households largely untouched? It conflicts directly with Government commitments to reward those contributing actively to society because it weakens work incentives. I'm glad that the Coalition catchphrase – "we're all in this together" – seems to have been retired. We so palpably aren't.

The Chancellor's early commitment to so-called "expansionary fiscal consolidation" also appears to have evaporated. It was always nonsense. Research indicates that the strategy is almost always a failure. The cuts happen in the short term. The transition to a private sector-oriented, export led economy can take years – and relies not only on strong export markets

[53] First posted at Liberal Democrat Voice (www.libdemvoice.org) (Accessed: 20/11/12)

but heroic assumptions about rapid labour market adjustment and the nature of capital markets. In the meantime, demand collapses, which destroys business confidence and willingness to invest. You set off a downward spiral.

The Autumn Statement introduced all sorts of small-scale initiatives that wouldn't have been countenanced under pure Plan A. But are these new initiatives likely to be effective?

Spending on infrastructure has got to be welcome. But, again, as so much of it relies upon finding a vehicle with which to entice pension funds to invest it won't happen overnight. Personally I would have preferred greater emphasis upon investing in housebuilding, for three reasons. First, it is easier to get housebuilding projects up and running in the short term. Second, more of the money can be channelled to small and medium sized firms of the sort that don't tend to control road widening or rail building schemes. Third, with housebuilding there tends to be less leakage into imports than other types of infrastructure investment.

The most obvious question mark is over the idea of 'credit easing'. Clearly the Chancellor feels he can no longer rely on the more general approach to quantitative easing. Giving banks the money and expecting them to lend has just resulted the banks leaving the money on their balance sheets. The banks say that the problem is not an unwillingness to lend but a lack of demand for funds. The fact that private sector firms are also sitting on piles of cash and not investing lends support to this view. So the Government is trying a more targeted approach. It is trying to strengthen a specific link in the economic chain. But is it the right one?

As perhaps befits a Cabinet drawing its senior members from banking dynasties, the solution is sought in banking. It is of a piece with the supply-side thinking such as proposals for further labour market deregulation and weakening of planning and environmental protections. Pre-Keynesian classical economic thinking continues to dominate at the Treasury.

We face predominantly a shortfall of demand and a crisis of confidence. If firms faced consumers with money to spend then they would have the confidence to take out loans to invest in production. Offering to guarantee loans for investment when there are no consumers looking to buy is coming at the issue from the wrong end. Say's Law doesn't hold outside of the world of the textbook.

This isn't about not wanting to reduce the deficit or the desire to continue unsustainable spending. It is about whether the austerity-driven approach is the way to cut the deficit or whether it is self-defeating. Much has been made of the need to preserve the AAA rating from the Credit Rating Agencies. We are getting strong signals that the austerity strategy will not sate the CRAs and the rating will go anyway. In the meantime, the long run productive capacity of the economy has been undermined and many thousands of people's lives have been damaged. Other strategies could well be judged more credible in this context.

Danny Alexander apparently committed the Liberal Democrats on live television to collaborating with the Tories in planning £15bn of cuts after 2015. It was news to me. It

appears it was news to many other Liberal Democrats as well, including those in the Parliamentary party. It is pretty incendiary stuff.

There are many positive things that differentiate the Liberal Democrats from other parties. One is its approach to internal democracy, with the leadership there to represent the agreed, democratically decided collective views of the membership. Rather than, for example, the leadership sitting behind closed doors cooking up policies that they want to see implemented and expecting the membership to follow like sheep.

Concerns have already been expressed that being in government is undermining this fine tradition. There were dark muttering about the management of the agenda at the Birmingham conference. Was the leadership trying to stifle dissent around the NHS Bill so as not to cause problems with the party's Coalition partners? Danny Alexander may well have been pressed into an unwise commitment by Paxman's persistent questioning, but is this how it is going to be from now on? Are we to discover what party policy is by watching late night television? That would be a very sad demise for a fine tradition.

Alexander's comments also seem to suggest that there is at least some thought being given to a post-2015 coalition with the Tories. That would be very dangerous territory. Keeping an open-mind about the formation of any future coalition has got to be the appropriate stance.

Equally fundamentally, signing up to the Tory agenda now would remove two reasons for voting for the party. One, the party conducts itself in a more democratic manner than other parties, with the scope for grassroots members having a genuine influence. Two, the substantive agenda is unjust and regressive. So what would be the point? Why not vote Tory and get the real thing?

Nick Clegg, liberalism and leadership

20th December 2011

The speech on the open society Nick Clegg gave at Demos yesterday started with a brilliant encapsulation of the problems facing our society:[54]

> But our politics and economy are distorted by unaccountable hoards of power, wealth and influence: media moguls; dodgy lobbyists corrupting our politics; irresponsible bankers taking us for a ride and then helping themselves to massive bonuses; boardrooms closed against the interests of shareholders and workers. The values of the hoarders are increasingly out of touch with the spirit of openness alive in the UK.

He then went on to argue that these are some of the characteristics of a closed society and that, in contrast, liberalism is about an open society. He is explicitly drawing the idea of the

[54] http://www.demos.co.uk/files/DPMontheOpenSociety%2819.12.11%29.pdf (Accessed: 20/11/12)

open society from Karl Popper, which clearly signals the intellectual heritage, even if won't necessarily resonate with many voters.

Clegg's version of the open society has five "vital features": (i) social mobility; (ii) dispersed power in politics, the media and the economy; (iii) transparency, and the sharing of knowledge and information; (iv) a fair distribution of wealth and property; and (v) an internationalist outlook.

This is contrasted with the "closed society" in which a child's opportunities are decided by the circumstances of their birth, power is hoarded by the elite, information is jealously guarded, wealth accumulates in the hands of the few, and narrow nationalism trumps enlightened internationalism.

At this level of generality this description of a liberal society would no doubt gain the approval of many, not just those in the Liberal Democrats who crave clearer differentiation between the party and the Conservatives. But, while the speech was positive overall, it left me wanting more.

The bulk of Clegg's speech runs through what these vital features mean in terms of a policy agenda. In the process he presents some rather crass caricatures of conservatism and, in particular, socialism. But that's a different story.

Inevitably as we descend to the detail of policy more space for disagreement emerges. Equally inevitably, some Liberal Democrat obsessions assert themselves. Clegg places great weight on Lords reform. If it is possible to arrive at a constitutional settlement involving an elected Lords that doesn't lead to legislative gridlock then I'm all for it. But, as I've said before, I don't think this is an issue that exercises anyone outside the world of political wonkery.

In fact, I'd go further. Earlier this week the Lords received a positive reception for voting down provisions in the Welfare Reform Bill to cut benefit to underoccupying tenants in social housing. The fact that the Lords are not politicians and are willing to stand up for vulnerable and disadvantaged people against the Government's unfair cuts, on the basis of a considered evaluation of the evidence, means that they are perceived in many quarters to be the last bastion of reason in a political system that is fundamentally broken.

Clegg spoke rather dismissively of a "veneer of expertise" in the Lords being no reason for halting reform, but I don't think he should necessarily expect the further politicisation of the Lords to be welcomed with open arms. There is ample scope for it to be perceived negatively.

There is a little bit of a puzzle here. There are plenty of commentators in the mainstream and new media who are just throwing up their hand in despair at the ineptitude of the contemporary political class – across the political spectrum (several posts made a strong impression on me for different reasons[55]). The failure to come to grips with the problems facing society is only too apparent. The narrowing of the policy options perceived as feasible and the absence of genuinely new thinking is undeniable.

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[55] http://sturdyblog.wordpress.com/2011/12/15/the-politics-of-lowered-expectations/; http://adragonsbestfriend.wordpress.com/2011/12/16/has-the-media-helped-dumb-down-our-politicians/; http://dominiccampbell.posterous.com/i-wrote-this-for-me (Accessed: 20/11/12)

There is a serious disconnection. On the one hand, there are many people – typically on the left – who feel that representative politics is irrelevant to them because all politicians are the same. All the same in being broadly pro-market, pro-business, anti-"people" – against the 99%, if you will. This is precisely reflecting the problem that the above quote from Clegg identifies. But at the same time, Ed Miliband is roundly criticised when he seeks to articulate a more clearly social democratic position because that renders the Labour party less electable.

A little while ago I quoted James K Galbraith as saying "The achievement of … conservative economics … has been to make it the ticket of entry into reputable political discussion, a rite of passage for anyone who wants to be taken seriously on the public stage".[56] With the arrival of deeply fiscally conservative initiatives such as *In The Black Labour*, as well as the German proposals for the Eurozone, this becomes ever more apparent. Without genuinely radical rethinking this is only going to get worse.

Of course, there is no real contradiction. The people who dominate politicians' thinking and planning – the marginal and swing voters – are generally conservative, and apparently getting more so over time. As a smaller proportion of the population vote, because more people perceive there to be little point in doing so, then the centre of political gravity shifts further to the right. The so-called Overton Window narrows further. All politicians try to differentiate themselves within an effective political terrain the size of a pocket handkerchief. And more people become disconnected from the whole process.

This feels evident to me in Clegg's Demos speech. Clegg provides a very decent diagnosis of the illness. But, as is often the case, the prescription is in many ways extremely modest. This is where the gap between many in the population and the political class opens up – no doubt precisely because of the barriers to change erected by entrenched, powerful interests. Clegg lists a range of actions, many of which are, in themselves, positive. But do they add up to an emphatic move from a closed to an open society? They feel more like tinkering around the edges. And there is a real danger in acting on the ones that are 'easier' for the state to achieve – such as decentralisation of state power – while leaving those that are more difficult to achieve – the deconcentration of economic power – for later or never. All that does is it reduces the ability of politicians to protect the interests of people against the depredations of large corporate concerns. It makes the situation worse, not better. Understanding social power is a challenge. Failing to understand it can lead to some rather naïve and idealistic thinking.

This is where we need to hear more, and more that is specific. It looks like the Government is going to miss a golden opportunity by not using its control of RBS and Lloyds to set out a new vision for banking on a more human and socially useful scale. That may be attributable to the forces of conservatism. We are yet to see any sort of vision for what an economy that does not hoard power might look like. And, just as importantly, some ideas on how we might realise such an economy in the face of implacable opposition from those who stand to lose. If anyone is going to do this, the Liberal Democrats have to lead the way.

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[56] http://www.alexsarchives.org/?p=2555 [Choice, public services and the predatory state] (Accessed: 20/11/12)

We live in a time when there is, I believe, a genuine window of opportunity to effect transformational change. Public discontent with the existing economic and social order is substantial – even those who are dyed-in-the-wool supporters of capitalism can see that things are not working well. Yet, with the odd exception, politicians who you would think aspire to a society rooted in a different set of priorities seem unwilling to act decisively. What we need is leadership. But where is it going to come from?

Elsewhere in the multiverse, a leader speaks to his party at New Year

30th December 2011

You get the sense that the fashion for political party leaders sending New Year messages to supporters and party members isn't one that will endure. Or at least it probably shouldn't.

Dan Hodges in the *Telegraph* yesterday speculated on whether Ed Miliband had been captured by aliens and had his memory washed – it would explain the vagueness of his message and its apparent failure to register anything that happened in 2011. Admittedly, Hodges occupies a peculiar place in relation to the Labour party, but I've not seen any comment on Miliband's effort that was much more enthusiastic than distinctly tepid. One commentator wrote the whole thing off as 'flatulent'.[57]

Nick Clegg's message to party members arrived in our email inboxes on Wednesday morning. It seems that several people also found this message somewhat underwhelming, both in delivery and content.

The communications researcher Max Atkinson didn't feel that it worked for him, but he wasn't quite sure why.[58] Neil Stockley took the view that the message lacked much of a narrative: too many facts and information fragments, not enough of a story to weave them together.[59] Mark Pack shared some of these misgivings, feeling that the message was flat and impersonal in places, rather than a powerful political story.[60] Mark did, however, consider that Clegg's phrase "a fairer, greener and more liberal country" has promise. Could it be the starting point from which to build a clearer and more distinctive Liberal Democrat narrative?

Clegg's message highlights some positive achievements and alludes to some challenges. The focus is pretty squarely upon the economy. The metaphor of an economic "rescue mission" features prominently, which I didn't find particularly helpful. It risks inappropriately making a drama out of a crisis, so to speak. The message is equally notable for what it does not say. It has a touch of Milibandian amnesia about 2011. You can read and

[57] http://www.independent.co.uk/voices/commentators/adrian-hamilton/adrian-hamilton-its-time-for-realism-not-optimism-mr-miliband-6282862.html (Accessed: 20/11/12)
[58] http://maxatkinson.blogspot.co.uk/2011/12/does-nick-cleggs-new-year-message-work.html (Accessed: 20/11/12)
[59] http://neilstockley.posterous.com/narrativewatch-nick-cleggs-happy-new-year-mes (Accessed: 20/11/12)
[60] http://www.markpack.org.uk/28393/nick-cleggs-new-year-message/ (Accessed: 20/11/12)

watch it in a number of places, including here.[61] You'll see that the video is an elaboration on the text, which humanises the message a bit.

But I'm not going to critique the content of the message in detail.

Instead I thought I'd report from elsewhere in the multiverse. On a planet very similar to our own the leader of a Liberal Democratic party, in the face of not dissimilar situation of economic crisis and Coalition government, took a different tack in his New Year message. This message from a parallel dimension resonates with me much more strongly.

Strange that.

> Dear Friends,
>
> When I spoke to you this time last year I explained how our most important job as Liberal Democrats was dealing with the economic problems we faced. Those problems continue.
>
> Many people have suffered hardship this year as a result of deteriorating economic circumstances. Our own economy has suffered, as have those of our trading partners. Many people face the New Year concerned about their jobs and incomes. Others face the prospect of spending January seeking a new job in an increasingly competitive labour market. Will they be able to maintain the lifestyle they are used to? For some, the questions are much more pressing. Will they be able to pay the next electricity bill? Or put sufficient food on the table to feed their children?
>
> As a party that believes no one should be enslaved by poverty and which champions the freedom, dignity and well-being of individuals this situation should be an affront to every one of us.
>
> So the task of dealing with our economic problems remains the number one priority for our party and the Coalition for the coming year.
>
> The world economy faces risks of a magnitude never before seen. Next year is likely to present us all with profound economic challenges.
>
> These economic problems have complex causes. They do not have overnight solutions.
>
> Some of the causes are deep-rooted and long-term. As a country we have seen our economy become increasingly unbalanced – moving away from the real economy to rely too heavily upon speculation and paper profits. Some of the causes are short term. The need to respond to the recent financial crisis has placed huge strain upon the nation's finances. This comes on top of previous governments spending to an extent that was, in our view, both imprudent and unsustainable.
>
> Some of the problems are exacerbated by continuing uncertainty about the direction of policy. The world's political leaders are facing problems in making effective policy – on a scale we have not previously witnessed.

[61] http://www.libdemvoice.org/nick-cleggs-new-year-message-to-party-members-26337.html (Accessed: 20/11/12)

Complexity and interconnection, coupled with an unwillingness to compromise, has resulted in near political paralysis. This makes responding to the problems harder. But we must find a way through it.

And many of our citizens face a worse economic outlook in the short term as a result of some of the policies that we have implemented. We should not deny this. We should not pretend otherwise. But these policies are necessary. We are a poorer country. The Government cannot spend money in the way that it used to. It must spend the money wisely in ways that have maximum impact.

We have had to make some very difficult decisions. But they are the right decisions if we are to build a better long term future of our country. The strategy will take some time to bear fruit. Many are now feeling pain as a consequence. That is a source of genuine regret for us all.

We face unprecedentedly challenging and straitened times. We cannot do everything we would like to do. But thanks to the Liberal Democrats, the Coalition has been helping people – particularly the most disadvantaged – with measures to make life fairer and easier.

This year we lifted nearly a million low paid workers out of paying income tax altogether and cut taxes for 23m people. Overall funding to schools has been cut, but we have still sought to give a million children a fairer start in life by providing extra support at school through our Pupil Premium and free early years education for toddlers. Helping the youngest and those from disadvantaged backgrounds take their first steps in life makes all the difference to their chances in life. We have guaranteed pensioners a decent increase in their pension. As a party we believe ensuring dignity in older age is essential for any society that claims to be civilised.

But we face a challenging agenda for next year and beyond. We must not rest. I will highlight five issues on which it is absolutely vital that we act:

1. Assessing the impacts of policy. We should not be dogmatic. Our Government's initial emphasis upon budgetary austerity was judged appropriate in the circumstances. But circumstances change. We recognise that the economy evolves and our understanding of it evolves. We note recent comments by leading members of the economic establishment questioning prevailing economic wisdom and the wisdom of austerity.[62] Our understanding of the economy has changed profoundly over the last year. We need to focus much more on growth than on austerity at all costs. Obeisance to the perceived will of the financial markets should not be the starting point for policy.

[62] http://blog-imfdirect.imf.org/2011/12/21/2011-in-review-four-hard-truths/ (Accessed: 20/11/12)

2. Reforming our financial system. The Independent Commission on Banking has reported and we have accepted its key recommendations. However, we believe that the actions it proposes are only the start. We need to ensure that systems of reward are strongly linked to genuine performance improvements and that senior figures are genuinely accountable for performance. The ICB proposes little or nothing to address vital issues such as institutions being 'too big to fail', the absence of competition in banking, risk management in retail banking, or the adequacy of regulatory supervision. Banking should be socially useful. It should serve the economy and society, not the other way around. Only more serious reform will deliver this. We must pursue it unswervingly. It may be that banking will be less profitable as a result. But that is a price we should willingly pay to avoid a repeat of the turmoil we are currently experiencing.

3. Dealing with tax evasion and avoidance. As a party we are committed to reducing poverty and maximising the freedom and dignity of all. Some of our citizens need support to realise their potential and to live with dignity. If the Government needs to improve its budgetary position then we must start by ensuring that everyone makes the contribution they should be making, before we think about removing services from the most vulnerable. That is fairness.

4. Rebalancing our economy. Changing the nature of our economy to focus on activities that add real value will deliver stronger, more sustainable growth. But it will take years, not months or days. We are pleased that there is cross-party consensus that this is desirable. That can bring stability to policy. Next year we will launch the world's first Green Investment Bank which will put millions into green jobs and growth. We want this initiative to expand over time. We are also investing heavily in improving infrastructure. Our youth contract aims to get every young person who is out of work either earning or learning. We are creating more apprenticeships than this country has ever had before. We are working to ensure that they are genuinely new roles in productive industries targeted at those entering the labour market. We will seek to encourage more entrepreneurial activity through the operation of the tax system.

5. Working beyond our borders. We are, and always will be, a party that believes that we need to work beyond the borders of our country to achieve our aspirations. In an increasingly globalised society there are many pressing social and economic issues that can only sensibly be addressed at a larger scale. We have recently had a serious setback on this front, as a result of the action of our current Coalition partners. But we have also worked internationally to deliver significant positive outcomes. We will continue to

play a full role in the international arena. We will work to bring people together to recognise their common humanity and common interest in dealing with the challenges we all face. We can achieve more together.

What we are doing as a party – in collaboration with our Coalition partners – is not easy. But we believe it is right. We are putting the interests of the country first. And we are looking to the long term; even if it means the short term is less comfortable than we would like it to be.

We have started building a fairer, greener and more liberal country. That is the prize we seek. But it will be the patient work of many hands.

I hope you will not only support me but also work with me in striving to achieve this goal. It is a goal I am confident all Liberal Democrats share.

And with that, I wish you all a very happy New Year.

A malign influence

27th January 2012

Lobbying is corrosive. The lobbying industry adds nothing of genuine value to society. It is insidious because it undermines citizens' belief that democracy is transparent and that politics seeks to serve the public interest. It fosters the impression, if not the also the reality, that policy is being made for the benefit of the few rather than the many.

One of the most welcome commitments the Government made in the May 2010 Coalition agreement was that:

> We will regulate lobbying through introducing a statutory register of lobbyists and ensuring greater transparency.

Oliver Letwin published the consultation paper *Introducing a statutory register of lobbyists* last week.[63] It was shortly followed by a *Guardian* article on *The Chemistry Club*, which reinforced – if such reinforcement were necessary – just how pernicious lobbying is.[64]

Liberal democrats have a long and noble track record of championing the cause of open government. Transparency is vital to liberal democracy. Many will therefore have a close interest in this consultation. They should have. Because the Government's proposals are lousy.

A cynic might say that is entirely predictable, given the nature of the problem. The consultation proposals have all the hallmarks of having been watered down as a result of, um, lobbying.

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[63] http://www.official-documents.gov.uk/document/cm82/8233/8233.pdf (Accessed: 20/11/12)

[64] http://www.guardian.co.uk/politics/2012/jan/25/chemistry-club-lobbying-mps-government (Accessed: 20/11/12)

The Government is proposing that all a register should contain is a lobbying company's registered address and company number, the names of employees engaged in lobbying, whether those employees are former ministers or senior civil servants, and the company's client list. The register would be updated quarterly and, it is proposed, be administered by an independent organisation and funded through registration fees.

The Government is seeking a register "which is a proportionate and considered response to public concerns about the lack of transparency in the lobbying industry" (p10).

Well from where I'm sitting the proposals as they stand appear in no way a proportionate and considered response to those concerns. They are thoroughly inadequate.

The Government does very little to establish an effective basis for the discussion. It asserts that:

> Lobbying – seeking to influence public policy, government decisions or legislation – can improve results by ensuring that those developing and considering the options are better informed about the consequences of the available options.

But it does not explain why lobbying is necessary, given that good practice in policy development should entail a formal consultation period during which interested parties can submit representations that typically then become part of the public record. The only answer is so that some parties gain privileged access, including access prior to proposals being developed, in order to head off uncongenial options or push for those that better serve sectional interest. This is not a practice that is as self-evidently desirable as the Government appears to think.

Of course, the Government's position is further undermined by the fact that they have consistently abused and ignored the process of consultation over the last 18 months. For example, there is a consultation on the new Right to Buy running at the moment. It was launched the day before Christmas and runs for six weeks including the festive period, when the guidelines state that it should run for 12 weeks. But that is another discussion.

In implementing a register Mr Letwin:

> does not wish to create an obstacle to necessary interaction with policy makers or an undue burden on those who work as lobbyists or employ lobbyists.

Which is fortunate, because if the proposals were any weaker they would be non-existent. It seems to me this statement has lobbyists' fingerprints all over it. The consultation paper does not defend the implication that lobbying represents a *necessary* interaction with policy makers. And in my view the Government is entitled to place as substantial a burden as it wishes upon the work of lobbyists, given that the whole point is to restore public confidence in decision-making.

If you think about the proposed contents of the register it does not include any details of who the lobbyists are meeting or what topics they are lobbying about. The Government's position is that Ministers are already required to publish lists of who they meet so this isn't a necessary part of the register. But that places the burden upon the concerned citizen, who will be required to do the research to piece together the picture to work out which lobbyists are meeting with which Minister.

And nothing in the proposals will give any indication of the topics upon which the lobbyists are seeking to influence Ministers. We will be left guessing.

It is proposed that the new register only covers third party lobbyists. So those employed directly by companies are not required to join. This inequitable approach is a bit odd, because you might expect the fiercest lobbying from in-house lobbyists. I understand that it has also been suggested that it might be unlawful anyway.

The proposals as they stand mean that the information will only, at best, allow us to match up particular lobbyists with particular Ministers at formal meetings. It will shed no light on less official interactions. So the activities of The Chemistry Club, exposed in the *Guardian*, would not be brought to light because it centres on business representatives meeting Ministers and civil servants in a restaurant rather than an 'official' meeting. Yet it is in these less formal, more sociably, environments that the real damage to democracy is done. This is where common understandings and identifications are much more likely to be forged and sustained. These are then carried over to the formal policy making process. So these practices are all the more insidious.

The Government's proposals will do almost nothing to restore confidence in political decision making. They represent a system that is weaker than that already operated in several other industrialised countries where lobbying on behalf of business is rife. They need to be substantially strengthened.

The Government may well choose to ignore the concerns that many have raised over the negative impact of lobbying. But at least if they receive strong representations on the nature of those concerns during the consultation then they will have to be more transparent in ignoring them, rather than being able to claim that no one told them their approach was inadequate. In the process they will underline the extent to which they are siding with the lobbyists rather than the people.

Has Coalition 2.0 bitten the dust?

30th January 2012

It would appear that Coalition 2.0 is heading for the scrapheap. At least that is what Matt Chorley reported in yesterday's *Independent on Sunday*.[65] Last year the Coalition partners were talking about needing a mid-term document to set out a further joint agenda for the

[65] http://www.independent.co.uk/news/uk/politics/loveless-partners-in-coalition-ditch-plan-to-renew-their-vows-6296321.html (Accessed: 20/11/12)

second half of this Parliament. They were expecting to have dealt with all the measures in the original coalition agreement. They anticipated being at a bit of a loose end during 2013-15. It looks like that will no longer be necessary.

According to Chorley's article:

> The Independent on Sunday has learnt that the idea of a new agreement has been abandoned because ministers realise running the country is harder than they had thought.

The focus has changed:

> "Coalition 2.0 is not going to happen," admitted a senior cabinet source. "We have realised that governing is more than just passing legislation. We really need to focus on ensuring they [the laws] work so we can go to voters with proof that we have made a difference."

But the challenges of government are not the only issue:

> Parliamentary setbacks have brought an end to the bonhomie of the early days, when both sides joked about how much they had in common. Each party is expected to publish a mid-term review focusing solely on its own achievements.

Hence the article's title *Loveless partners in coalition ditch plan to renew their vows*.

If this report turns out to be true, and it looks pretty credible, then, with a party political hat on, I am not overly disappointed. I've always felt that Coalition 2.0 was a step further towards longer term collaboration with the Conservatives than was wise. I also felt that the process of putting it together was, from a Liberal Democrat perspective, rather less transparent and democratic than was desirable.

With my student of policymaking hat on I am not at all surprised. I might even have experienced a little *schadenfreude*. Anyone who has paid much attention to policymaking knows that it can be a fiendishly complex and subtle business. It can require careful construction of formal and informal coalitions to support change. It requires recognition of stakeholders' views and management of aspirations and expectations. It requires clarity of thought and of legislative proposals.

What we have witnessed over the last couple of years is almost the complete antithesis of competent policymaking. The agenda has been over-ambitious and pursued in a rather blasé manner. Complex and wide-ranging proposals have been cobbled together. The Government then blunders around, abusing established Parliamentary process, allowing insufficient time for effective scrutiny, and getting up everyone's noses. Proposals are challenged in the Lords for their negative effects on the poorest and most vulnerable. Or they are criticised by Select Committees for their incoherence.

The Government has faced repeated rebellions in the House. Why? Because it hasn't reached out to doubters and convinced them. It hasn't shown much inclination to compromise unless forced to. And when it does compromise it just lashes another tranche of amendments onto a Bill without giving much consideration to whether the resulting proposals make sense as a whole. It comes across as dogmatic and ideological. It seems to operate in haste, but for no obviously good reason.

Even those proposals that haven't got mired in the Parliamentary process and have made it on to the statute book – such as the Localism Act – we haven't heard the last of. The negative consequences of some of these ill-thought out measures will come back to haunt the Government. And the Government has hardly moved into the implementation phase for many of its more radical ideas. As students of policy know only too well, implementation is a vale of tears all of its own.

Governing is indeed difficult. It is much more difficult than being in Opposition. In Opposition you are largely restricted to coming up with plausible sounding ideas. You don't have to do anything about them. In government you've got to deliver coherent workable legislation and see that it is put into practice by large-scale complex organisations. It's a much bigger task. It is good that the light has finally dawned.

The IoS reports that "Mr Cameron told ministers he wants 'less and better legislation' in the next session of Parliament". That seems like a very wise move.

Is Liberal Left ludicrous?

8th February 2012

That is how it was described on Twitter today by a prominent Liberal Democrat blogger. And that followed a post yesterday evening by another prominent blogger who offered a particularly derisive response to the news that Liberal Left will be holding an evening session at Spring Conference. The basic position was that those responsible for Liberal Left should get back to the Labour party where they belong. It is unusual to see such disrespect and naked tribalism.

Liberal Democrat Voice today carries a rather more measured post by Paul Ankers arguing that the most important coalition of all, from the Liberal Democrat perspective, is the party itself.[66] Factions are not necessarily a problem if they can engage constructively and respectfully. When the mud-slinging starts then there is a problem. We may then be talking not factions but fracture.

The 'ludicrous' comment was clearly a throwaway line. The reasoning behind it was not transparent. But it is evident that anything that involves Linda Jack and Richard Grayson is always going to bring some people out in a rash.

I don't find the Liberal Left group ludicrous. But I am cautious about this development.

The group sets out its goals as being to:

[66] www.libdemvoice.org/opinion-there-is-one-coalition-that-needs-to-last-27012.html (Accessed: 20/11/12)

1. Provide a voice within the Liberal Democrats, opposing the party leadership on economic and fiscal policy, and advocating a positive alternative.
2. Seek every possible opportunity to build good relations across the left, between Liberal Democrats, Labour, the Greens, and the non-party liberal left, recognising that organisations such as Compass already offer a thriving space for such dialogue around democracy and sustainability.[67]

I'm not convinced that having a group whose formal aim is to oppose the leadership is entirely healthy. And it is too emphatic. While I am no fan of much of what has happened under the Coalition, to propose blanket opposition doesn't feel credible or fruitful.

On the second point, the obvious response is that a commitment to the Liberal Left is one thing. An alignment with the other parties is another. Much of what Labour now stands for is neither liberal nor left.

We seem to be heading for another round of debate over where on the left-right spectrum the Liberal Democrats are, or should be. At this point some are wont to refer approvingly to Nick Clegg's statement "We are not on the left, we are not on the right. We have our own label: liberal". I have always felt this statement to be largely meaningless. Simple soul that I am I tend to think of things in terms of the political compass, from which perspective Liberal is orthogonal to the left-right axis and in opposition to Authoritarian. The Liberal Democrats are definitely liberal rather than authoritarian, but that doesn't mean that they don't have a location on the left-right spectrum as well.

I find some of these discussions rather pointless in the abstract. The left-right dimension of a political platform is evident from what it is proposing to do and what it does. Not simply from what it says it believes or stands for. The actions of the Cameron Conservatives are significantly to the right of their professed position.

The founding position statement of Liberal Left draws our attention to the policy platform that the Liberal Democrats offered in the 2010 election.[68] It is hard to argue that this platform is not to the left of the Coalition agreement. It is certainly to the left of the Coalition's policy agenda, which includes policies like the dismantling of the NHS. It is equally clear that plenty of people voted Liberal Democrat because they thought the party was a progressive centre-left alternative to Labour. Many of those voters have now defected from the party. Of course, some in the party might now wish to argue that these voters were deluded because the party was always centre/centre-right. But that seems rather disingenuous – at the time we were happy not to disabuse people of this belief and relieve them of their vote.

Political debate moves at a rapid pace. Our tendency to rewrite and overwrite history is well developed. If you are not careful it is easy to lose your bearings, find yourself in new territory and fairly rapidly start to believe it's where you've always been. A reminder of what we claimed to stand for just a couple of years ago is no bad thing.

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[67] http://liberalleft.org.uk/site/about/our-values/ (Accessed: 08/02/13)
[68] http://liberalleft.org.uk/site/about/our-values/ (Accessed: 08/02/13)

I think that lack of a strong sense of historical tradition is a theme worth further exploration. Some of the most vociferous supporters of the Liberal Democrats in Coalition, if they make reference to Liberal history at all, make some vague reference to Mill and classical liberalism. There seems to be a failure to engage with the rich history of twentieth century social liberalism, which was in progressive opposition to the Conservatives. David Laws' chapter in the Orange Book is one of the few prominent contributions I can think of which explicitly argues for a rejection of certain components of social liberalism and a return to a more rigorous classical liberalism. I happen to think he's wrong. But that is another story.

A stronger sense of the Liberal heritage could usefully inform some of the rather amnesiac debates over whether the Liberal Democrats are 'really' a party of the centre-left or the centre-right. There are individuals who perform that service in the comment threads and in the discussion forums – people who were there at the time and remember the debates. But that seems all too uncertain a mechanism for collective memory.

Maybe the party – along with all the other political parties – is moving to the right. And maybe that is ok. Maybe it isn't. Maybe it is inevitable. But my feeling is that it should be a conscious not an unconscious move.

My other caution about the emergence of Liberal Left is whether proliferating groups on any wing of the party dilutes effort and impact.

I am reminded of this passage offering a perspective on the *Orange Book* from the essay *The Neo-Liberal Democrats* by Simon Kovar:

> Kennedy's forward to the book declared of its ideas that "all are compatible with our Liberal heritage". He later went further, suggesting that there was no incompatibility between the party's traditional social liberalism and the *Orange Book*, an exercise in triangulation that … both obscured and denied the fundamental debate the party needed to have regarding its future philosophical definition and direction. The absence of that debate meant that the eventual rise to dominance of the *Orange Book* tendency represented not a decisive exercise in collective party position-taking but something more akin to a coup, built in part on the complete disarray, muddle and indecisiveness of the party's left.[69]

I am struck by two things about this passage. First, I am not entirely sure that the party is very much further forward with the "fundamental debate … regarding its future philosophical definition and direction". Second, the last sentence invites reflection on the current state of play: "the complete disarray, muddle and indecisiveness of the party's left".

I don't think this is where we are at the moment. In fact the rapid growth and organisation of the Social Liberal Forum indicates the contrary. But there is a danger that Liberal Left will result in a diversion and dilution of effort and a failure to articulate clearly and consistently a centre-left position.

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[69] http://www.theliberal.co.uk/libdems/neo-liberal-democrats.html (Accessed: 08/02/13)

Being subjected to a hostile divide and rule strategy would be one thing. Subjecting yourselves to division in a way that dilutes your own power to influence the agenda is quite another.

A last desperate throw of the dice?

11th March 2012

Is that it then? Has the single transferable vote system allowed the Liberal Democrat leadership to breathe a huge sigh of relief? The motion to drop the Health and Social Care Bill won the first round of the ballot to select an emergency motion to debate on Sunday morning. But once the second preferences had been allocated it was beaten by what was labelled, and will be forever known as, the "Shirley Williams" motion. Even though it seems quite widely accepted around the conference venue that it was actually written by Nick Clegg's office. If that is the case then appending Shirley Williams' name to the motion is a slightly desperate and transparent strategy to garner support. It is, though, one that may well pay off in the short term. On the other hand, if it isn't true then the credibility these rumours are accorded tells us something important about the suspicion with which the leadership is viewed by some – many? – activists. Either way, it is certainly referred to as the "establishment" motion.

So the NHS will be debated. But the tone of the debate will be rather different. We could have been debating the proposition that the H&SC Bill is deeply damaging and should be dropped in its entirety. No bill is better than an irredeemably flawed bill. The Shirley Williams motion is, in contrast, largely self-congratulatory and supportive of the Lib Dems in the Lords. We are invited to applaud the amendments already secured, and support the passage of the Bill into law, once some further modest concessions are secured.

To be clear on my position, I voted to drop the Bill. The Party is not bound by the Coalition agreement on this. The proposals will set in place a system that is an unpredictable mess. They do not represent wholesale privatisation of provision in the short term. But, looked at over a longer time horizon, it permits processes that will have that effect.

I don't feel that the Liberal Democrats have secured any very significant concessions and protections. The new system is too permissive. The Secretary of State will still be able to abrogate responsibility. Local discretion will lead to discontinuation of services that are currently part of the NHS portfolio. While it might be true that "NHS" services will continue to be free at the point of delivery, as the leadership emphasize reassuringly, the point is that fewer services will be available through the NHS.

If the Party believes it has secured significant concessions then it doesn't, for example, understand the detail of competition law. There is a good deconstruction of the relevant claims here.[70]

[70] http://abetternhs.wordpress.com/2012/03/10/ldconf/ (Accessed: 08/02/13)

The amendments have, however, succeeded in making the Bill hugely unwieldy and the proposed organisational structures immensely complex. The incentives established by the Bill are difficult for anyone to read. The democratic oversight remains weak.

The invocation of Shirley Williams' name in support of the Bill is an important development. It is hard for people outside of the party to understand Shirley's position in the Party. It is not simply that she is held in great affection. It is also that many trust her judgement. Three weeks ago Shirley was saying the Bill was bad. So many members would see it as bad. Now Shirley is saying it is ok to support the Bill, even if it is not great. As a consequence many members will realign their views. Nick Clegg knows this. Everyone knows this. That is why her name is on the motion.

At the Leader's Question and Answer session on Saturday afternoon Nick Clegg had another go at invoking the Party's *eminence grise* and implied that a failure to support Shirley's motion was to fall in line with Labour:

> It is important that we Liberal Democrats show that we are on Shirley Williams' side not Andy Burnham's side.[71]

Pure tribalism. One of the least appealing aspects of politics. And it implies that Liberal Democrats with concerns about the Bill are being duped by Labour. Clegg isn't the only one who takes that view. At least one Lib Dem in my twitter feed was pushing the line throughout Saturday. Perhaps it's a great political tactic. But it's also insulting to all those with expertise in the field who have studied the Bill closely – almost certainly more closely than Clegg has done himself – and are raising concerns from an informed position.

I also have no time for arguments that Labour's 2006 health reforms set us on the road to greater use of private health care and that they sent lots of money in the direction of private providers with little in return. I agree they did these things. But how is that relevant to deciding whether the H&SC Bill is a positive development? Or invalidates Labour criticisms of it? I appreciate that is simply a tactic to deny certain critics locus in the debate. But we should be judging proposals on their own merits. Rather than engaging in an argument that two wrongs somehow make a right.

Nick Clegg's framing of the issue here is revealing. As Richard Morris points out, he doesn't dare frame it as Paul Burstow vs Andy Burnham or Nick Clegg vs Andy Burnham.[72] Why? Because he knows that that would not strengthen his case very much. It might not carry the day. Even with the members of his own party! Instead he is being spendthrift with the political capital associated with the name Shirley Williams in order to get this awful bill on to the statute book.

What will happen on Sunday morning? I don't know. It is possible that the Shirley Williams motion will be voted down. There were audible gasps in my part of the auditorium

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[71] http://www.guardian.co.uk/politics/blog/2012/mar/10/lib-dem-spring-conference-health#block-50 (Accessed: 08/02/13)

[72] http://aviewfromhamcommon.blogspot.co.uk/2012/03/ask-yourself-this-why-isnt-nick-clegg.html (Accessed: 08/02/13)

when the result of the ballot for the emergency motion was announced. Clearly quite a lot of people weren't happy and were expecting the drop the bill motion to win.

But I am not hugely optimistic that the motion will fall. Standing in the foyer after the ballot result a couple next to me were discussing the Bill. They argued to the effect that the Lib Dem Lords had put a lot of effort into amending the Bill and it would be a pity if all that work went to waste. So we should support the motion. That is the classic sunk costs fallacy. What has happened up to this point is irrelevant to making a rational decision now. The Bill started out as being unutterably dreadful. It remains extremely damaging and incoherent. The relevant judgement is whether an extremely damaging and incoherent Bill is better than existing structures. Particularly when existing structures could be modified into a more functional system without too much upheaval, as John Pugh has outlined.[73] Pugh has argued, correctly, that we should not buy any argument that suggests that the H&SC Bill represents the only way forward. Yet if the couple I encountered were typical then the motion may be passed.

It isn't entirely clear to me what the implications would be if the Shirley Williams motion were defeated. I am hoping we get to find out.

Libdem futures – Implosion or renewal?

15th March 2012

We are witnessing a spate of exits from the Liberal Democrats announced online. While these have been happening intermittently for a while, we've had several in the last week or so. James Graham announced that he was leaving the party, and elaborated that the issue was party politics generally, rather than the Liberal Democrats specifically.[74] Yesterday we had blog posts by Chris Ward and Daniel Furr announcing that they were resigning.[75] No doubt there are many others deciding to leave the party less publicly. From the left and the right there is discontent, but for different reasons.

A focus for much of this discontent is the recent shenanigans around the Health and Social Care Bill. Those who were pleased – either for political or policy reasons – that Conference voted to amend the "Shirley Williams" motion are disgruntled, first, because of the way the leadership tried to manipulate the vote in the first place and, second, because almost immediately after Conference had voted Parliamentarians were indicating that they were going to ignore the vote and support the Bill. And so it came to pass in the House of Commons on Tuesday.

In contrast, those who supported the Health and Social Care Bill and believed the Libdem Lords had won significant amendments were frustrated by the whole Drop the Bill effort. Rather than an onward march towards the sunny uplands of a bright economic liberal

[73] http://web.johnpughmp.com/news-stories/598-pugh-tables-lansley-alternative (Accessed: 08/02/13)
[74] http://www.theliberati.net/quaequamblog/2012/03/11/why-i-left-the-lib-dems/ (Accessed: 08/02/13)
[75] http://cjward.tumblr.com/post/19285427545/my-resignation-from-the-liberal-democrats; http://danielfurr.wordpress.com/2012/03/14/my-resignation-from-the-liberal-democrats/ (Accessed: 08/02/13)

future there was a feeling that the Drop the Bill grouping represents some form of backsliding towards soggy socialism – Libdems somehow succumbing *en masse* to delusion, under the spell of the Labour party.

So no one is very happy.

For some the H&SC episode was simply the last straw. The Coalition is perpetrating yet another in a series of insults to liberal democratic principles or ignoring established Liberal Democrat policy. Enough is enough. It is hard to continue to support, let alone campaign for, a party that is not only not standing up for what you believe in but is actively supporting the opposite.

If these moves to the exit gather momentum then the party could be in real trouble. Exits from the party are likely to be systematically skewed towards those who object to the Coalition agenda, who are more likely to be on the centre-left. The consequence will be a party that drifts to the right. The sundry remaining dyed-in-the-wool economic liberals and their fellow travellers will jettison those components of the policy platform that are not to their taste. That will inevitably reinforce disillusionment elsewhere and accelerate the process of transformation. This is, however, a path to oblivion, as others have pointed out. Moving the party closer to the Tories will lead to its extinction. Voters are unlikely to vote for a pale (yellow) imitation of the neoliberal Tories when they can vote for the real thing. Of course, a Libdem move to the right is precisely what both the Tories and Labour crave. They know that will represent the party signing its own death warrant.

As Mark Thompson observed on Twitter:

> When dedicated campaigners like @christopherward are leaving we should all be very worried.
>
> — Mark Thompson (@MarkReckons) March 14, 2012

But do we get any sense that the Leadership are worried? I've no idea.

But I'm certain that quite a few members I know are worried. And what many of them are worried about is that the leadership is becoming progressively detached and insular. The notion that the Coalition Libdems are suffering from Stockholm Syndrome has recently re-emerged to describe the situation. Certainly there is a sense that some of the leadership – Nick Clegg in particular – are not, and perhaps never have been, strongly connected to the Party grassroots. Instead there is a reliance on a coterie of like-minded advisors. If the leadership and the Parliamentary party aren't listening to the grassroots because they don't like what the grassroots are saying then the party has got itself into a mess.

The leadership should be worried, because the foundations upon which their own position is built are crumbling. Losing voters is one thing. Losing members is perhaps worse. Losing genuine activitists is a whole different ball game. The Party will be left without the resources and the energy at local level to campaign effectively.

One future scenario – easily envisaged – is the implosion of the party in its current form.

But is this inevitable?

I was heartened by yesterday's post by George Potter.[76] His analysis of the situation was spot on. He captured the slow ebbing away of reasons to support the party as we witness Parliamentarians endorsing one illiberal policy after another. But his conclusion was not that it was time to head for the exit. Rather it was time to stand and fight. To reclaim the party from a leadership that has taken the party to a dark place.

Later in the evening I came across Stephen Glenn's reinterpretation of Kipling's *If*, based on the preamble to the Party constitution.[77]

The first comment on Glenn's post is to the effect that when you reflect upon the Party constitution and its commitments then you are drawn to the conclusion that the majority of the Parliamentary party is no longer Liberal Democrat. That may be putting it too strongly. It would be fairer to say that it is hard to tell from their public actions – rather than their words, when not obliged to defend Coalition policies – that our Parliamentarians are standing up for distinctively Liberal Democrat values. And the majority of the public have lost any sense that going in to Coalition was a noble thing to do for the good of the country. They are much more inclined to the view that Liberal Democrats are facilitating a stringently right wing political agenda. Except, of course, for those who are way out on the political right, who blame the Liberal Democrats for preventing the Tories from perpetrating even greater outrages against the poor, the vulnerable and the country's social institutions.

An alternative future is one of renewal. But that could well be a future of fracture. It may require that the party slough off the Coalition Libdems because they are irrevocably associated by an agenda that is an affront to much that Liberal Democrat members and voters hold to be important. It may demand facing the electorate with a new leadership, untainted by the current Coalition. Or it may require leaving the leadership where they are and striking out under another banner.

But does the party have the determination to do either?

If so then we are destined to replay the experience of previous coalitions with the Tories even more fully than most would have anticipated.[78]

The car crash Coalition and the corrosion of democracy

27th March 2012

Is this Government corrupt? It depends on how you define corrupt. If the focus is upon demonstrable criminality then the answer would have to be no. More pertinently, is it corrupting?

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[76] http://thepotterblogger.blogspot.co.uk/2012/03/leaving-lib-dems.html (Accessed: 08/02/13)

[77] http://stephensliberaljournal.blogspot.co.uk/2012/03/if-with-liberal-apologies-to-rudyard.html (Accessed: 08/02/13)

[78] When I wrote this post I had not come across this excellent post by Liz Williams (http://lizw.livejournal.com/616117.html; Accessed: 08/02/13), who also resigned from the Party that week. (h/t @richardmorrisuk)

Recent events should concern anyone who believes that healthy democratic practice is important for a healthy society. I wrote several months ago that the Government already had a *Fin de siecle* feel to it.[79] If anything the evidence of sharp practice is arriving ever more frequently.

Last week we had the final act in the drama of the Health and Social Care Bill. The Coalition persisted in the face of almost unanimous opposition from everyone apart from private health care providers to force the law on to the statute books. Democracy sustained serious collateral damage in the process.

The Bill's denouement featured what can only be described as a complete *volte face* by the Lib Dems on the issue of freedom of information. They shored up Conservative opposition to the release of the NHS risk register in the face of the Information Commissioner's instruction to do so. It may have been a relatively small subplot in the whole saga, but it was further evidence that the Lib Dems are willing to compromise just about any and every apparently firmly-held principle – in this case the importance of transparency in Government and, indeed, respect for the rule of law.

Then we had the budget. Last week's budget may or may not have been a budget for the rich. It was certainly a budget that was badly mishandled. The portrayal of the changes to tax relief for older people – the so-called Granny Tax – as a tax simplification was not just foolish but counterproductive. Having leaked almost everything else of interest, comment was inevitably drawn to this proposal. Personally I don't think the policy is an unreasonable way to pay for reducing the tax burden on younger poorer households. But the case should have been made. Instead of addressing it directly the Chancellor tried to misdirect by calling it a tax simplification. In one deft move George Osborne manages to create the impression of sharp practice, and everything else he says is viewed with even greater suspicion.

I disliked Mrs Thatcher's Government intensely, but at least they were honest enough to 'fess up to what they were doing and then tough it out.

And, of course, by cutting the 50p tax rate in the same budget, on the basis of some highly contestable 'independent' evidence, George Osborne offered critics an easy target. Just staple the two policies together and you have a narrative about granny paying for the Conservatives' rich friends to line their pockets. There's no doubt about it, strategic genius at work.

The budget has now been superseded by the Cash for Access scandal. This episode is so sordid and so serious it is hard to know where to start.

The practice of paying significant sums of money to dine with the Prime Minister in his publicly funded grace and favour apartment is in itself an affront to democracy. And it is hard to believe anyone is credulous enough to think donors are not looking for a return on their investment.

That Cameron tried to justify the practice by saying that he was only dining with old friends – as if that made it better – suggests he's more out of touch with public sentiment than you might have suspected.

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[79] http://www.alexsarchives.org/?p=2124 [Ethical renewal to banish that fin de siècle feeling]. Originally published online at Dale&Co. but no longer available at that location.

The proposal that the only response needed is a Tory party internal inquiry is a complete failure to understand the seriousness of the issue.

The failure of the Prime Minister to turn up at the Commons to answer questions on the issue appeared nothing other than cowardly.

The Murdoch newspapers appearing to go after Cameron on this issue has all the hallmarks of revenge. It says something important and worrying about the power of the media and the threat posed to democracy, if any further proof of the problem were required.

Sending Francis Maude and Michael Fallon to tour the television and radio news studios may have been seen as a good way of managing a crisis in the short term. Both have played it very well. If, by very well, you mean completely failing to answer any questions put to them and setting up a diversionary smokescreen by shouting "What about Bernie Ecclestone?", "Trade Unions", "Labour are just as bad", "Libdems' main funder is a criminal!", "Don't forget 1997 – Bernie Eccleston, did I mention him?" at every opportunity. At least the notion of the "kitchen supper" has entered the lexicon of the lower orders. I'm sure we should be thankful for that.

Fallon's performance on Newsnight yesterday was textbook. Paxo was in relatively combative form, but Fallon basically blustered and refused to concede any ground on Cash for Access, trying to place all the blame on an inexperienced, rogue chief fundraiser, and using every opportunity to change the subject to talk about Labour and the Trade Unions. He did something very similar on the Sunday Politics.

It may be that CCHQ were slapping him on the back for these performances. Job well done.

But every time we witness this type of encounter it degrades political discourse and does the cause of democracy no good. It just reinforces the widely-held view that politicians are slippery dishonest chancers with a hidden agenda – in it for themselves and their friends. Even when caught with their trousers down, they'll deny they're up to anything.

And then last night we had what looked suspiciously like someone pushing the panic button. In case of emergency, break glass. An early draft of the NHS risk register was suddenly leaked.

The register is a wall of red and amber. It is every bit as horrible as critics had anticipated. It at least demonstrates that civil servants were doing their job. They were flagging up to Ministers many of the same issues and concerns as the critics of the policy were raising, and in equally urgent terms. From a project management point of view, looking at the early risk register one could only conclude that this was an immensely risky venture. Indeed, faced with a risk register like that I suspect many experienced managers would have concluded that the project was a non-starter. Yet, Ministers continued to deny there was a problem. Perhaps their primary concern is not, in fact, successful delivery. Perish the thought.

If anything could be relied upon to create a distraction from the Cash for Access issue then publishing the risk register looks custom-made.

But surely it's impossible to imagine that the leak was intended to create such a diversion? Conspiracy theory ahoy! Well, perhaps it's not that hard. Especially when the

version leaked was an early draft. That will allow the Government to dismiss it at a later date as not at all informative. Thinking had evolved prior to implementation. Risks had been appropriately mitigated. Move along; nothing to see here. So the 'real' damage caused to the Government is limited.

That may be true. But it appears from the polls this week that the electorate's dislike of Tory sleaze has outweighed their fear of Labour's economic incompetence. Whether that sleaze effect will last is another matter.

In many ways I am less concerned about short term political advantage than I am about the corrosive effect that this Government is having on democratic practice and belief in the value of democracy itself. From that perspective I believe it has already been a disaster. Were politicians ever held in high regard? I've no idea. But it's clear that they are now viewed by many as contemptible. The Coalition is, as they say in football, bringing the whole game in to disrepute.

The Coalition is turning in to a bit of a car crash. The gaffes and the exposé seem to be arriving more frequently, as do the signs of friction between the parties. One can only imagine what has yet to be unearthed or the horrors that await us if the Parliament goes to its full term. But I suspect the long term damage to democracy will be grievous.

Trading Liberty For "Security"

6th April 2012[80]

What is going on? I mean, seriously? Is it just me or do the wheels seem to be coming off this Government quite badly?

If we look over the last couple of weeks we've seen a botched budget, including the failure to make the case for a "granny tax" in the context of cuts to the 50p rate and the bizarre brouhaha over the "pasty tax". The #CamDineWithMe scandal over cash for access has been exposed. And we've witnessed a Government-induced panic over possible fuel shortages in the face of the strike that never was – or at least isn't yet. The master strategist has been shown to be less than masterful. Some of these issues might be argued to be froth. But others are rather more serious.

The latest instalment in the increasingly fraught soap opera of the Coalition focuses upon civil liberties.

Over the weekend stories started to emerge that the Government is planning to introduce measures in the Queen's Speech to enhance the monitoring of electronic communication. The plan, to the extent that it is clear, is not to resurrect Labour's discredited central database to hold all such communications. The Government argues that existing legal provisions under RIPA need to be updated to take account of the way in

[80] This post was originally available online at Dale&Co but is no longer available at that location. See http://www.alexsarchives.org/?p=3511

which communications technologies are evolving. Only then can the security services adequately keep track of serious threats.

But it would appear that the proposals open up further possibilities. In particular, securocrats could be handed the power to access details of individuals' electronic communications in real time and without the need to obtain a warrant. This would represent a major extension of state surveillance. Advocates argue that the security services are not seeking access to the content of communication, just details of traffic – who is in touch with whom, how often and through which media. Critics argue that this distinction is difficult, if not impossible, to sustain for much social media communication – traffic and content data are fundamentally interwoven.

These are extraordinary moves. In part they are extraordinary because they directly contradict the commitments in the Coalition Agreement. More importantly, they are extraordinary because if there is one thing that unites Liberal Democrats it is civil liberties. Liberal Democrats can disagree quite significantly on questions of the role of the state, the primacy of the market, and the value of redistribution, but they are unanimous on the importance of protecting civil liberties. Yet, the initial reports of these proposals were accompanied by quotes attributed to senior members of the party – most notably Nick Clegg – endorsing the Home Office's ambitions.

This sent grassroots Liberal Democrats into apoplexy. How on earth could a Government involving the Liberal Democrats countenance such a move? Didn't the Liberal Democrats campaign against the original RIPA? Didn't they pass a motion at Spring Conference only a few weeks ago reasserting their commitment to protecting civil liberties? If these proposals were serious then many felt the game would be up. Not electorally – it is too late for that already – but in terms of the party's own understanding of what it stands for. How is it that the initial critical response to these proposals came from the Conservative backbenches not from the Liberal Democrats? If a Liberal Democrat party is not willing to stand up for liberty in the face of the always-insistent demands of the security lobby then what, exactly, is its purpose?

So we've seen some vigorous rowing backwards over the last 48 hours.

Privacy International quickly produced critique of the Liberal Democrat internal party briefing paper on the proposals. This indicated that relying on the briefing paper alone would result in a rather lopsided view of the proposals as a relatively benign piece of housekeeping.

There has been a tidal wave of grassroots blogging, tweeting, letter writing and lobbying. The seemingly inevitable e-petition has been established. A conference call with advisors to the leadership on Tuesday evening allowed some expert activists to explain the critical case. It appears that some Special Advisors struggled to grasp fairly obvious problems with the Home Office proposals, when viewed from a liberal perspective. Which leads me to wonder whether they have a very firm grasp on what liberalism actually means.

Backbench Liberal Democrat MPs, most notably Julian Huppert, have been organising. An open letter signed by more than a dozen backbenchers duly appeared in one of Wednesday's papers restating a position on civil liberties which should come as no surprise

to Liberal Democrats. It is clear that the proposals are being watered down, with the Nick Clegg now stating that we are talking about the Government publishing draft proposals for debate. We have also had senior members of the party popping up on various news programmes to assure everyone that we have always been against this sort of thing – it is the essence of liberalism to protect the citizen from the over-mighty state.

That's absolutely right. In fact, it shouldn't really need saying. The puzzle is not what Liberal Democrats are saying now, but what they were saying – or not saying – on Sunday.

We've also seen Liberal Democrat public opposition to Ken Clarke's proposals for "secret justice", no doubt entirely co-incidentally, emerging today. This no doubt helped shore up the party's civil liberties credentials. But we've also seen Ken Clarke – who has been referred to as the sixth Libdem in the Cabinet – coming out to deal with the opposition in characteristically dismissive fashion.

So on civil liberties the Government would appear to be at odds with itself. How this is resolved could be crucial.

There has even been speculation that this is all part of a cunning Conservative plan. The Conservatives have managed to secure Liberal Democrat support for a range of measures they would not under any circumstances have advocated independently. This has left many at the grassroots disgruntled. Are we now seeing the endgame? If the Conservatives could force these illiberal measures through with the support of the Liberal Democrat leadership then that would be the equivalent of pushing the Liberal Democrat's self-destruct button. Activists, not voters, would leave in droves.

That is perhaps a rather too luridly Machiavellian interpretation of events. And it relies upon the Liberal Democrats in government capitulating. So it totally underestimates the extent to which civil liberties are a part of the liberal DNA.

What we undoubtedly have seen, however, is that the government seems to have shortened the "from proposal to U-turn" cycle to about 24 hours. And that, to borrow a phrase, is no basis for a system of government.

Pesky Libdems

29th April 2012

They're not happy. The Tory Right are on manoeuvres. And the Lib Dems are in their sights. It seems that the grumbling and the finger-pointing are getting, well, a bit more pointed.

In yesterday's Express Paul O'Flynn's column argues: *"not only is the Lib Dem presence in the Government damaging the country, it is now also doing potentially lethal damage to Conservative electoral prospects"*.[81] He goes so far as to conclude that it is time to end it all: *"[t]he coalition is damaging Britain and damaging the Tories too. As the political leader of both, David Cameron cannot evade his responsibility for this any longer. He should bring it to an end"*.

[81] http://www.express.co.uk/ourcomments/view/316991/Patrick-O-Flynn (Accessed: 21/11/12)

But perhaps the clearest statement of the Right Wing case against the Lib Dems was presented on Thursday in the *Daily Telegraph* by Liam Fox under the heading *The Libdems are blocking Britain's recovery*.[82]

Fox's argument implicitly recognises that the Government's economic approach hasn't worked so far. But the problem is not, as many others have argued, that a policy focused almost entirely on austerity is self-defeating – that expansionary fiscal contraction is oxymoronic. The argument is not that we also need an active growth strategy. It isn't to recognise that we are facing a catastrophic collapse in demand. It is, perhaps predictably, that austerity has not gone far enough. And that it cannot be pursued in isolation. Rather it needs to be accompanied by supply side reforms. As Fox puts it:

> Deficit reduction without labour market reform is like driving with the handbrake on. Britain must compete in a global market with the fast-growing economies of Asia-Pacific, not just our increasingly sclerotic European neighbours.

The problem, from Fox's perspective, is not just that Labour stood in the way of this type of reform. When it comes to realising a neoliberal utopia that catapults the UK labour market back to the Victorian era the Liberal Democrats are cuckoos in the nest:

> In the Thatcher years, Britain hugely deregulated its labour market, only to see it silt up again over Labour's 13 years in office. Inside the Coalition, resistance to deregulation largely comes from the Liberal Democrats.

Fox feels moved to give the Libdems a ticking off and a corrective:

> Two things need to be pointed out to them. First, that they make up only one sixth – not one half – of the Coalition and must expect that Conservative economic ideas will be dominant. Second, that if the economy does not improve, they can expect a very unhappy date in 2015 with the voters, and their antipathy to labour market reform makes this more likely. The main reason for the Lib Dems' participation in the Coalition is economic recovery – it would be bizarre if their intuitive Left-wing opposition to supply-side reform put this in jeopardy.

This article is a little bit of a puzzle to me. It is puzzle why Fox has made this intervention. Or why anyone would listen. His judgement has, after all, been utterly discredited following the Werritty affair. And there is no strong evidence that his knowledge of economics is any greater than negligible.

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[82] http://www.telegraph.co.uk/finance/economics/9228979/The-Lib-Dems-are-blocking-Britains-recovery.html (Accessed: 20/11/12)

I guess it could signal the revival of a longer term leadership game within the Tories. Fox is, after all, Mrs Thatcher's anointed one. If the Right think Cameron's days are numbered then it's time to start the rehabilitation of their favoured son, overlooking his apparent penchant for dodgy company and dodgy practice.

But, I mean, really. It is bad enough having Osborne in the driving seat when he clearly has next to no clue. We don't need any more of these pronouncements on economic policy from politicians with little grasp of the subject matter:

> We need to have a combination of increased labour market flexibility and spending cuts, to make room for employers' tax cuts, if we are to create non-inflationary growth and improve the productivity and exportability upon which any sustained recovery will depend. Reform may be controversial, but it is the best route to prosperity. Failure could condemn the current generation of 16 to 24 year-olds to the sort of structural unemployment being suffered by their counterparts in countries such as Spain.

Improving "exportability" Dr Fox? Really?

Supply side reforms to avoid the "structural unemployment" that afflicts Spain? Really? Structural unemployment that has emerged in the last couple years and caused youth unemployment to rocket to near 50%? Really? When the Spanish government has pushed through precisely the sort of supply side reforms that you advocate? This should, from your perspective, have resulted in reduced unemployment, but instead it has resulted in widespread labour shedding.

Are you sure?

As the economic news gets worst the Right Wing deregulators get ever more shrill. We need to make the hair shirt ever more uncomfortable; the self-flagellation ever more severe. And yet the weight of evidence against their favoured course of action increases. The international disillusionment with the austerity solution grows.

The idea that excessive labour market regulation is the source of our economic problems has been repeatedly rubbished on the basis of the evidence. But like an ideological zombie it refuses to die. We should be grateful that the Liberal Democrats in Government are standing against this nonsense. It isn't "intuitive left-wing opposition" that drives them. It is having some grasp of the nature of the problem and the sort of prescriptions that are likely to help rather than exacerbate it.

The problem is that the Right Wingers don't really have any other tools in the toolbox. Plan A isn't working. The only option is either to hold fast to Plan A or to push it even harder. The Government appears either too arrogant or too blinkered to change course. With every passing day it looks both more clueless and more crudely ideological. This refusal to change one's mind as the facts change means the Government is increasingly being held up to ridicule by informed commentators internationally.

I, for one, hope these pesky Liberal Democrats continue to work to neutralise the dangerous nonsense emanating from the Tory Right. Not only should they stick at it, but

hopefully manage to knock some sense into the arrogant posh boys before they do too much more damage. Earlier today on Twitter I saw Plan A described as #wreckonomics.[83] That seems entirely apt. We can only hope that the light dawns some time soon, before all we have left is wreckage.

[83] h/t @TimDouglasHR

4. Mid-term blues

Coalition to end in tears?

13th May 2012

An interesting piece by Vernon Bogdanor on the future of the Coalition has just appeared online.[84] His main point is that both Coalition parties are having to look out for their increasingly restless grassroots: Tories pulling to the right, Liberal Democrats pulling to the left. And this destabilises the Coalition. The odds of it failing to reach 2015 intact must be steadily shortening.

It is clear that parts of the Tory party – both at Parliamentary and grassroots level – are making attempts to pull the party to the right, and are seemingly getting plenty of sympathetic media space in which to air their views. The evidence that Liberal Democrat activitists are trying to pull the party to the left is a little less clear. There is a clear attempt at differentiation, but that isn't quite the same thing.

The other difference is that the Tory right are trying to move the party to a position that it hasn't previously occupied – to the right of the 1980s Thatcherites. Many Liberal Democrat activists see themselves rather more as trying to reclaim their party as a party of the centre-left, from a leadership that has sought to move it to the right.

A problem for the Liberal Democrats in all of this is that, as polling figures reported in today's papers indicate, quite a large chunk of Liberal Democrat centre-left electoral support has broken off and drifted to Labour. Equally importantly, at the activist level some staunch social liberals have quit the party in the face of its complicity in the Coalition's overtly (and overly) right wing agenda. They have not, however, defected to Labour. Many of them simply couldn't.

Bogdanor highlights the way in which the two Tory-Liberal Coalitions of the twentieth century fractured, in both cases inflicting serious damage on the Liberals. The fear is that this Coalition has been equally damaging for the party, possibly fatally undermining its claim to be a national party.

The more time goes on the more I feel it is possible that we are going to replay history. The calls from the Liberal Democrat grassroots for ending participation in the Coalition seem to me to be growing more frequent and more insistent. And something of a gap appears to be opening up between the grassroots and the Parliamentary party. The Parliamentary party are keen to keep the focus on all the

[84] http://www.guardian.co.uk/commentisfree/2012/may/13/coalition-tories-lib-dems-grassroots (Accessed: 08/02/13)

liberal measures the Government has enacted. Many at the grassroots, while welcoming those achievements, are equally keen to recognise that the Party's support for all the awful Conservative measures represents the high price that has been extracted to secure the liberal victories. Even some of the more committed Coalitionistas are having doubts.

The Leadership appears more comfortable with the Coalition than many among the (dwindling) membership.

Back in 2010 no one would have entertained the idea that we were destined to replay 1932 all over again. Perched out here in the West Country I've no particular insight into what's happening in the metropolitan centres of political power. But I'm reasonably familiar with the ebb and flow of Liberal Democrat debate online. And I get a sense that there is now rather less certainty about how things are going to play out. It would seem unwise to rule out the possibility that it will get rather messy at some point in the not too distant future.

David Laws, neoliberalism, and concentration of power

30th June 2012

Calling someone a neoliberal is rarely a sign of agreement or a term of endearment. It is one of those terms that's only ever used pejoratively. It's hard to think of anyone who would choose to classify themselves as a neoliberal. The definition of neoliberalism is quite fluid and contested, but no one uses the label as a sign of approbation.

So when David Laws was branded a neoliberal in the comment thread on a recent post at Liberal Democrat Voice a few supporters sought to defend his honour.[85] The majority of the commenters, on the other hand, were less complimentary about him and his ideas. And there was some negativity about the possibility of his returning to government. Everyone agrees he's a jolly clever chap. But many see him as the poster boy for the *Orange Book* Tendency and, as such, a malign influence within the Liberal Democrats. He seems reasonably comfortable with the *Orange Book* label and that it betokens a faction within the party. Indeed it is one he seems to relish.

But is he a neoliberal?

It depends on where you think the boundaries of various branches of thought lie. Does economic liberalism unleavened by social liberalism equal neoliberalism? Quite possibly. And how does that relate to classical liberalism or libertarianism? Neoliberalism can be taken to refer to those who evince an unshakable faith in the power and beneficence of markets. It can refer to those who believe that governments have no role in activist fiscal policy or redistribution, rather they should restrict themselves of deregulatory supply side

[85] http://www.libdemvoice.org/liblink-david-laws-the-orange-book-eight-years-on-28949.html (Accessed: 21/11/12)

measures. The working assumption is that all regulation should be viewed as a manifestation of sectional private interest or wrongheadedness, rather than the public interest. Public services should be marketised and privatised as far as possible. The state should be viewed as a malign influence and its size should be minimised.

Another aspect of neoliberalism is persistence in arguing for competition and choice in markets, while failing to recognise that in reality we live in a corporate economy. A discourse of the individual and choice is used to promote policy change, but acts as a smokescreen for a process which in fact leads to the concentration of economic power in the hands of the few. As economic and political power become increasingly entwined the corruption of the political process follows. This is an argument developed more fully by Colin Crouch.[86]

But is this a fair characterisation of Laws' views? Clearly some aspects of it accord with his public pronouncements, in his role as the Tories' favourite Liberal Democrat. But I couldn't say for sure.

There are others who take the view that if it looks like a duck, swims like a duck, and quacks like a duck, then it's probably a duck.

This debate has arisen with the advent of the most recent issue of *Economic Affairs*, which is a special issue reflecting on the *Orange Book* eight years on.[87] It is an interesting issue, and features a final essay by Laws addressing both the impact of the *Orange Book* and what a future agenda inspired by it might look like. If you can get access to the journal it is well worth reading all the essays. Of course, it is important to keep them in context. *Economic Affairs* is published by the IEA and as such it has a clear agenda to promote an unremittingly positive view of free markets and an equally pathologically negative view of the role of the state. Some of the essays are clearly written with this in mind.

There is much that is fascinating about these essays, not all of it, perhaps, entirely what the authors intended.

The collection seeks to create a narrative. It constructs the revival of classical liberalism as a small group of true believers battling to reclaim a liberal heritage from "socialism" within the party. The authors are rather unclear whether the party membership as a whole was in thrall to socialism. Or whether a small coterie of closet socialists had turned up at Conference and forced the party to adopt collectivist policies based upon a benign view of the state, redistribution and regulation against its better judgement. Either way, we should be grateful that Laws and the economic liberals have ridden to the rescue, returning the party to an older, purer liberalism founded on individualism, deregulation, choice and markets. And having little truck with progressive taxation, redistribution, state provision of services, or any other socialist claptrap.

Perhaps understandably, the authors don't examine the possibility that the rise of the *Orange Book* Tendency in fact represents a small coterie of closet neoliberals turning up at Conference and forcing the party to adopt undiluted economic liberal policies against its

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[86] C. Crouch (2011) *The strange non-death of neo-liberalism*, Polity Press.

[87] http://onlinelibrary.wiley.com/doi/10.1111/ecaf.2012.32.issue-2/issuetoc (Accessed: 21/11/12; subscription required)

better judgement. That is a version of recent history that might find more favour among the Liberal Democrat activitist base.

The authors' construction of Orange Bookery as a return to true liberalism is certainly one view of what has happened. To see this as an entirely positive step requires us to ignore the fact that the party has its roots in both social liberalism and social democracy, as Spring Conference 2011 reaffirmed unanimously (that would be those cursed socialists again).

Perhaps the two most interesting aspects of the collection are the narratives of modernisation and maturity.

The ascent of the *Orange Book* Tendency is viewed not simply as recovering some lost verities, but also as a process of modernisation. The term "moderniser" here is used in the way that the Blairites applied it to Labour: slough off any remnants of social democracy and embrace free market economics. Move to the right. When Laws comments on future directions for the Liberal Democrats he states that:

> we must keep the faith with economic liberalism, notwithstanding the problems in the global economy since 2007. Free market capitalism, including competition, consumer power and private sector innovation offer the best prospect for increasing wealth and reducing poverty and poor living conditions – including in the developing world … Government's role should remain focused on creating the right conditions for growth – economic stability, good infrastructure, low inflation, competitive taxes and efficient markets.

Some of the statements made by the authors in this collection strike me as extraordinarily dogmatic. The implosion of the Anglo-American model of deregulated capitalism that we have just witnessed cannot be dismissed with a "notwithstanding". The model is fundamentally broken. It needs to be rebuilt. The more enlightened members of the economics profession have recognised this. And several have identified the massive income and wealth inequalities that has followed on from the naïve prescriptions of economic liberals as one of the most pressing issues holding back both economic growth and social mobility. Yet the contributors to this collection are peddling the line that redistributive taxation or taxes on wealth – or indeed any attempt to address inequalities beyond interventions in education – are not truly liberal.

It would appear that when we are seeking to balance the fundamental values of liberty, equality and community the appropriate balance is to place almost all the weight on liberty, a very small amount on equality – of opportunity but never outcome – and none at all on community. If the poor are to benefit then it would appear it is to be via the zombie economics of trickle down. We've been reading our own constitution wrong.

Truly modernising economic thinking within the Liberal Democrats would move beyond these failed models – not keep faith with them.

The people who continue to cleave unquestioningly to the free market faith are those of the Mont Perelin persuasion. One of the pieces in the collection suggests the reader pursue

the arguments in favour of deregulation and reining in the state by consulting materials presented by the Cato Institute and the Heritage Foundation. These are libertarian think tanks on an ideological crusade to promote free market economics for all occasions and at all costs. The idea that the Liberal Democrats should look to them for lessons on anything is, frankly, bizarre. Anything and everything emanating from those sources should be treated with extreme scepticism.

The collection also constructs the history of the party as a process of maturation. And here it seems to me it raises some serious questions. The contribution by Sanderson-Nash divides the chronology of the party's history into four phases: learning to walk (1988-1997), adolescence (1997-2006), coming of age (2006-2010); maturity. The rise of the *Orange Book* Tendency heralds maturity, apparently. Some of the ideas held by the party up until that stage were rather jejune; the naivety of youth. Views to grow out of as you grow up. But maturity isn't equated simply with the ideology of economic liberalism. It is also associated with changes to the party machinery that have accompanied it. There has been "professionalization". And there has been a concentration of power at the top, a process that has if anything accelerated since the advent of the Coalition. As Sanderson-Nash observes:

> Factions, competing elites, and leadership strength, whether a welcome development or not, seem to be the mark of a mature professional political party.

Most members and activists in the Liberal Democrats would probably recognise this component of the analysis. And they would see it as a bad thing. Growing centralisation represents a betrayal of the democratic, federal structure of the party. It destroys one of the unique and most precious of the party's tradition.

The framing of the narrative in terms of the lifecycle is an interesting rhetorical strategy. It seeks to create the impression that this is all a natural and irreversible process. We all age, one day at a time. It's pointless to question; impossible to resist.

Sanderson-Nash continues (p14):

> *The Orange Book* invited scrutiny of the executive wing of the party, as part of a wider strategy to gain power, and one that proved both successful in Clegg's leadership election, and salient, as the 2010 coalition proved. To continue along this path and maintain the flexibility necessary to negotiate coalitions in future, Clegg is likely to want to make the party more like its rivals, and reform the elected committees that have the potential to cause obstruction, making a turn to the right, or in theory to the left, a secondary factor to the important goal of holding office.

While activists may view the prospect of a leadership let loose with concern, for the *Orange Book* Tendency it appears that the progressive disenfranchisement of the membership is to

be welcomed. It means we're getting serious about politics. The stark terms in which this point is made are, to me at least, rather alarming. Papworth writes:

> Conference … has a built-in tendency to load regulatory burdens and spending promises on the leadership … it is only once the leadership can ignore the uncosted spending promises and burdensome regulatory demands of the activists that it can present itself as a credible governing party.

If this is in any way an accurate portrayal of the intentions of the current leadership then it would seem to pose serious questions for the party, and for anyone within it who doesn't welcome a further concentration of power. There are some in the party who are looking to a post-Clegg future and hoping that the party will swing back to the sorts of priorities that it held pre-Clegg. These are the priorities that they are more comfortable with. That vision of the future depends in part on the leadership not reshaping the internal governance of the party in a way that allows the membership to be ignored and a self-perpetuating and unrepresentative oligarchy to be created.

Of course, the line being taken in this collection may not represent the plans of the leadership. The authors may simply have the objective of seeking to implant ideas or steel resolve: to seek to encourage the leadership to pursue the strategy favoured by a small concentrated interest group.

A coterie of closet libertarians seeking to shape the party to their preferred image? Such a conclusion would not be fair. But from this collection of essays it is hard to detect the social liberalism that leavens the economic liberalism.

And we know what that could equal.

Why Liberal Democrats?

2nd July 2012

… as opposed to straight down the line Liberals? This is a question that we perhaps don't reflect upon as often as we might. Now would seem as good a time as any to do so.

In fact, it is an extremely pertinent question at this precise moment. We've just witnessed David Laws in the media promoting his campaign for a smaller state, invoking various liberal icons in support. Fanboys and girls in the *Orange Book* Tendency have rallied to the cause. His campaign complemented some of the key messages David Cameron has been peddling on welfare reform.

In the ongoing debate about appropriate political directions for the party we've witnessed some intriguing recent contributions.

I was particularly struck by a recent post by Ellie Sharman at *The Libertine*.[88] Here are the passages that caused me to reflect:

[88] http://lylibertine.wordpress.com/2012/06/27/no-left-turns-please/ (Accessed: 21/11/12)

> There are a few remaining in the party who would seek to re-establish our decaying connections with the (largely statist) left in the UK, particularly before the next election, and it's this that we need to be sceptical of. As a party, it's true that we're a broad church – where else could you find Keynesian welfarism alongside free-market libertarianism? – but there are limits to pluralism in this realm. Extending our grassroots support any further to the left has two main risks to be wary of: firstly, we lose all the coherence of ideology and unity of thought that our leadership has engendered during this executive (even if the party body hasn't always agreed with Clegg et al., there's no denying that we've faced radical redefinition as a party); secondly, we return to our disprized status as the party of the protest vote …
>
> We have a cohesive political philosophy, we have achievable policies across the full range of state activity, and we certainly know what we stand for. We are more than just a protest vote. Appealing to the social democrats might seem like a good idea now, and it might win us some much-needed support, but it'd be deceiving both those voters and ourselves to maintain that we're the party for them. There are also votes to be gained from retaining our liberal principles and our integrity: let's seek those before we return to being Labour-lite.

These passages are interesting at a discursive level. The suggestion is that there are "a few remaining" who seek to "re-establish our decaying connections" with the left. Those who don't warmly embrace "all the coherence of ideology and unity of thought that our leadership has engendered during this executive" are constructed as a tiny remnant of the past, safely ignored. An alternative perspective might be that those with such views are the mainstream of party opinion, while it is the OBT that is the vocal minority. This alternative view might better account for why "the party body hasn't always agreed with Clegg et al".

And is there a suggestion of a cohort effect here? The young thrusters are signed up members of the OBT; the old farts hang on to the "decaying connections" with the left. Move over Granddad.

Yet the idea that the Liberal Democrats should not appeal to social democrats because that would reduce the cohesiveness of the party's philosophy seems to misread the situation. There is no sense in arguing that the party needs to be on its guard to keep social democracy out. Social democracy is already in.

The party's constitution is an amalgam – some might say uneasy – of social liberal and social democratic principles. The extent to which those principles can coexist, and the extent to which they can be synthesized into a coherent policy programme, is a legitimate question. But we cannot deny that both currents of thinking are present.

Conference debated these issues back in Spring 2011 as part of a motion on strategy, positioning and priorities. The motion was passed pretty much unanimously. The motion includes the statement:

> Conference re-asserts that the UK Liberal Democrats are based firmly in the historical and global traditions of the liberal and social democratic philosophy and beliefs and commits the Party to developing a promoting the clear narrative setting out what modern liberalism is and can do.

This is not the mandate for a party founded on hairshirt classical liberalism, unleavened by broader social concerns.

Of course, there are few publicly advocating a rigorous and undiluted classical liberalism, insensitive to the lessons of the twentieth century. Yet when there is talk of four-cornered liberalism the objective is to press the cause of economic liberalism against a social liberalism that is perceived to be too influential.

Social democracy doesn't even get a look in. It's clearly beyond the pale.

Yet, by conducting the debate in terms of the desirable balance between various components of liberalism we neglect a large part of our intellectual and political heritage.

We need to recover a clear sense of the "democrat" in Liberal Democrats.

Statesmanship and low politics

12th July 2012

Obviously, in the twenty-first century it would be better to say "statespersonship". But that's a bit unwieldy. And it's not yet a thing. So I hope you'll let me off.

I've been reflecting on this issue a lot over the last few days. It was triggered by last week's unedifying slanging match between George Osborne and Ed Balls.

We need sober reflection and firm action following the exposure of the poisonous heart of the global economy. What we got was a truly hideous example of the worst sort of playground behaviour.

Osborne seems unable to leave the politicking alone. He is no longer in opposition, with the primary aim of goading and undermining the incumbent administration. He holds one of the great offices of state and should act accordingly. He shouldn't be carrying on like the reigning Under-Elevens Name-Calling Champion who fears being deposed unless he puts in a particularly robust performance.

I make no particular excuses for Ed Balls, but it is utterly disingenuous for Osborne to point the finger at him for presiding over the period of light touch regulation of the City that led to the LIBOR scandal. During the whole of the relevant period the Conservatives were making a song and dance about the unnecessarily arduous regulatory burden placed on their City chums. They were arguing for even lighter touch regulation. The City may be a cesspit, as Vince Cable so vividly described it last week, but for anyone to imply that it is a cesspit of Labour's making – and that it would not have happened had the Tories been in power over the last decade – is arrant nonsense.

It's all low politics and no statesmanship.

It is equally infuriating that political debate seems to be locked in to the idea that it is wrong to move on. On Newsnight last week Ed Miliband was interviewed by Kirsty Wark. He pretty much conceded that Labour got it wrong. They were not sufficiently robust in regulating the City and this contributed to the problems recently exposed. Things should have been done differently. Yet, Wark seemed barely able to comprehend what he was saying. She just kept going over and over the point that Labour had presided over a light touch regulation regime and therefore they were culpable. But he'd conceded the point. There was no sense that it was acceptable to say that a lesson had been learnt, that it was time to move on and to start afresh with a different approach.

After every unsavoury episode it is standard operating procedure for politicians to claim that lessons have been learnt. Most people no doubt see this as code for not proposing to change anything very significant. Yet in a situation where there seems to be a genuine appetite for learning lessons and doing things differently such claims are not accepted at face value. At the very least doing so would call the politician's bluff. Instead the debate is dragged back to the past. Of course sometimes it is vital to remember. But sometimes it is important to move on.

As the focus has moved on to Lords Reform we again see the low politics and the calculation of short-term advantage assert itself. Few seem willing to judge Clegg's proposals on their substance. Rather they want to list all the U-turns and indignities perpetrated by the Liberal Democrats over the past couple of years as a reason for not supporting reform now. Labour has committed itself to Lords Reform for the last three elections, but some on the red side of the House would see it as more important to undermine the Coalition by fostering division than to move forward with proposals very similar to those set out under previous Labour governments. Could move on, won't move on.

Seeking to get the Lords Reform programme motion dropped to allow for open-ended debate, as the Labour leadership has claimed, may seem reasonable. But it is clear that it has emboldened the Tory rebels and allowed them to turn the screws on Cameron. It is now reported that if he can't broker an agreement with his rebel backbenchers at the first attempt then he may not bring Lords Reform proposals back to the House. And that may well cause the Coalition to fall apart (though I doubt it). Woo hoo! It also means that Lords Reform will most likely be off the agenda again for a long time. We've waited a 100 years for serious reform, it won't hurt to wait another couple of decades.

Maybe your response is: that's politics for you. And you would undoubtedly be right. That's politics as it is currently practiced in the UK Parliament. But I don't accept that it has to be all low politics and no statesmanship.

The Clegg-Cameron Rose Garden love-in at the start of the Coalition was faintly nauseating. But it was heralded as a new, more adult approach to politics. Let's put party differences aside and the national interest first. What a fantastically positive development. Yet, how briefly that moment of maturity lasted. Now we're back to the childish name calling and petty politicking.

It seems to me one of the strongest arguments against Lords reform is not that it will create another elected chamber, which in principle is a good thing, but that it will create another elected chamber which replicates the sort of dysfunctional political culture witnessed in the Commons. It is the tragedy of contemporary political institutions that they are populated with politicians schooled in low politics and little else. Reform of the way the Commons conducts itself would have a greater impact on the quality of UK governance than reform of the House of Lords.

I had a vague idea that the playing fields of Eton and the colleges of Oxbridge were supposed to produce people with rather broader vision, leadership ability and a capacity for statesmanship. Maybe they do. It's just that the people with those characteristics choose not to become professional politicians. And that's a loss for us all.

Is the end nigh?

18th July 2012

It's surely not simply the feverish atmosphere that always takes hold as the end of term approaches. The backbench Tory revolt over Lords Reform has genuinely destabilised the Coalition. The party leaders may have been back out on the road in a show of unity. They may have reaffirmed their commitment to see it through until 2015. But it's just not quite the same. Like any relationship where one partner has been unfaithful, the trust has gone.

While the leaders profess everything in the garden is rosy and they'll stay the course, each attempted relaunch comes with a slightly stronger whiff of desperation. And the relaunches seem to be arriving at more regular intervals.

The speculation over the early implosion of the coalition grows more intense.

Of course the rabid Right are gagging for it. For reasons that defy logically analysis they believe that the best way forward would be to rid themselves of the Liberal Democrats so they can govern alone. This seems to allow the presumed divine right to govern to obscure the poll ratings indicating that not enough of the electorate share their aspiration.

From blogger Hopi Sen we have seen some interesting speculation on precisely how the stars might have to align to cause the Liberal Democrats – presumably sans Nick Clegg – to betray the Tories and jump into bed with Labour.[89]

On the Liberal Democrat side it seems to me that most have concluded the party is caught between a rock, a hard place, and outright oblivion. It is argued that walking away from the Coalition – particularly over something as obscure as Lords reform – will be punished by the electorate, while staying to 2015 come what may – unless by some miracle the economy improves very rapidly – will equally be punished by the electorate. It's a heads

[89] http://hopisen.com/2012/tory-wars-episode-iv-a-liberal-hope/ (Accessed: 21/11/12)

you win, tails I lose situation. Clinging on to the tiger's tail continues to be the option preferred by many.[90]

Yet, even some of the most level-headed commentators in the Liberal Democrat camp are willing to acknowledge that a marriage that was previously rock solid is looking a little shaky. While the probability of a break up by the end of 2012 was previously considered negligible, it has now been revised to somewhere closer to "highly unlikely". Mark Pack made the point on the BBC News channel on Monday.[91]

I don't have any great confidence that Lords reform will make it to the statute book. I wouldn't be at all surprised if the Tories torpedo it in the autumn. That would present the Liberal Democrats with the prospect of achieving none of the significant constitutional change they were seeking during this Parliament. But it is unlikely to finish off the Coalition. I've only come across a few people in the Liberal Democrats who thinks it would. More likely to cause a conscious parting of the ways are the negotiations over the CSR. Gavin Kelly neatly outlined the challenges that process will present the Coalition parties in yesterday's *Guardian*.[92]

But I think just as likely as a parting of the ways over a specific policy issue is an unravelling of the Coalition as a result of paralysis. Once tit for tat blocking of policies sets in someone will conclude that it makes no sense to go on. Irreconcilable differences. It will be claimed that the Coalition should be dissolved "for the good of the country". And as long as Labour refuse to play ball with the Liberal Democrats – whether Clegg-led or not – an election will follow.

This is all, of course, speculation.

But political leadership – like many other forms of leadership – has a large symbolic component. When it is effective it is about framing our collective experience and providing inspiration. If people believe you are in control and you know what you're doing then they will go with you.

Yet, claiming you are in control and know what you are doing isn't sufficient, when the evidence tends to suggest the contrary. If the people start to suspect that you aren't and you don't, then they see your manoeuvring as tricks with smoke and mirrors. You end up looking foolish, in a Wizard of Oz type of way. At that point your claims to authority ring hollow. You're in real trouble.

I'm not sure we're quite at that stage yet.

But I think we're getting there.

Monday's announcement on rail investment was a case in point. The Government started out by overplaying its hand by claiming this was the biggest investment in the railways since the Victorian era. In real terms it isn't. Not only that, it is largely reinstating plans developed by Labour that the Coalition itself canned a couple of years ago. This doesn't make them bad plans, but they are hardly any sort of bold new vision. A slice of it

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[90] http://www.libdemvoice.org/why-the-lib-dems-cannot-end-the-coalition-and-how-we-can-rescue-it-29402.html (Accessed: 21/11/12)

[91] http://www.markpack.org.uk/33263/the-state-of-the-coalition-owen-jones-and-myself-on-the-bbc-news-channel/ (Accessed: 21/11/12)

[92] http://www.guardian.co.uk/commentisfree/2012/jul/16/coalition-politics-art-of-impossible (Accessed: 21/11/12)

was re-announcing plans already announced by George Osborne. And it transpires that when we say "investment" we don't actually mean new investment. We largely mean allowing the rail system to spend more and recoup the money through higher ticket prices. That is, higher than ticket prices that are already among the most expensive on the planet. And the planned work isn't going to start until 2014, so it can make no impact upon real economic challenges now.

Personally I'm all for more rail investment, and most of the schemes announced are long overdue. But in the end I can't help feeling that there is a sense of smoke and mirrors about it all.

You increasingly get the sense that the Government isn't really convincing anybody. Maybe not even itself.

What's your game, Mr Clegg?

30th August 2012

Emergency wealth tax, eh? I wonder whose bright idea that was.

Clearly, as a Liberal Democrat I'm generally in favour of taxing wealth rather than income where possible, particularly unearned and property wealth. So I'm in favour of wealth taxes as part of a coherent package of reforms to the tax system.

And we should clampdown hard on tax evasion and do what we can to simplify taxation systems so that tax avoidance becomes more difficult.

Equally, I'm in favour of progressive taxation and the idea that those with the greatest resources should be expected to make a serious contribution towards dealing with the budget deficit. The superrich, many of whom are implicated in causing the financial crisis, have profited very handsomely from the state support provided to stop the financial system imploding. Their extraordinary wealth has grown dramatically over the last four years. For them to start bleating that they'll leave the country if that wealth is taxed is outrageous. That is not the politics of envy. It is simple fairness.

We should pay absolutely no heed to arguments that wealth taxes should be avoided and higher rates of tax should be lowered because these adversely affect the entrepreneurs who will ride to the rescue of the British economy. We should recognise that most true entrepreneurs and small business people, who will generate much needed jobs, never get within touching distance of the highest rates of income tax. We should absolutely be encouraging genuine entrepreneurship. But if taxes on the superrich – premier league footballers, hedge fund managers, private equity vultures and other wealthy but generally unproductive members of society – are high then I wouldn't lose too much sleep over it. That would not be the politics of envy. It would be trying to restore some semblance of sanity to our systems of remuneration.

And we should not entertain any arguments that rest on the zombie economics of trickle down. We now have plenty of evidence that further enriching the rich does not benefit the middle and working classes. The "rising tide lifts all boats" argument that was popular in

the 1980s has been shown to be vacuous. The main achievement of those countries that swallowed this line of argument is a massive increase in social inequalities. The rich have got richer. And they've kept the money. And that has had hugely detrimental consequences for society and democracy.

So broadly speaking wealth taxes are good and getting the rich to pay their share is fair. This is not a revolutionary position for the Liberal Democrats.

But why come up with this proposal now? Why no detail? Why only a temporary measure? And is this being proposed as a Liberal Democrat policy or as a policy that we're expecting the Coalition to implement?

If a wealth tax had been proposed as part of a budget designed to restructure the tax system – as a compensating mechanism for the cut in the top rate of income tax – then that would at least have looked plausible and part of a plan. The trouble with advancing this idea now, accompanied with a rhetoric of expecting the rich to contribute more, is that it doesn't sit well with having just voted through measures that mean the rich pay less. As critics have not been slow to point out.

We risk policy looking incoherent. Which it does. And we risk being accused of proposing something that is not credible. Which it isn't.

It has been argued that George Osborne would have gone for a version of the Mansion tax in the budget in exchange for taking the higher rate of income tax down to 40%. But this was vetoed by David Cameron.

What makes us think that Nick Clegg proposing a wealth tax, even a temporary one, is going to be warmly embraced now? Since the Budget we've had the Lords reform debacle and the tit-for-tat of the boundary change sinking. Coalition relations have chilled considerably. What makes the Liberal Democrats think the Tories are going to embrace a policy that goes against just about every one of what they are wont to call their "principles"? Of course they're not.

The thrust of the Clegg argument would appear to be that the wealth tax is going to be a requirement for supporting a further £10bn in cuts in welfare. Before the summer break we were talking in terms of further cuts in welfare budgets on this scale being a step too far and sufficient to split the Coalition. Now we appear to be looking to do a deal.

But I wouldn't be hugely optimistic that there is a deal to be done. If the Coalition experience so far has taught us anything it is that superficial agreement at stage one will be followed by a shafting at stage two. The £10bn in cuts to welfare budgets are no doubt heading down the pipe. Yet, unless a wealth tax were implemented in advance of any further welfare cuts then I wouldn't trust it to be implemented at all. Personally I think the logistics of designing and implementing a wealth tax are such as to rendering the timings implausible. If we're not careful the welfare cuts will be implemented, doing real damage to the lives of people barely able to survive from day to day, while civil servants are still doodling on the drawing board for the design of a wealth tax, which then never materialises.

So that leads to two further possibilities.

Nick Clegg talks in terms of differentiation within the Coalition and appealing once again to the undecided voter. That may be part of the thinking. But I think it is naïve. If the

party high command thinks a temporary wealth tax will win back the waverers then they really have no appreciation of the virulent hostility to the party that there is out there – the long list of "betrayals" that people, rightly or wrongly, lay at the door of the Liberal Democrats.

Mr Clegg might dismiss such critics as "leftists" that the party has given up on and lost forever. We don't – or at least he doesn't – care what they think. But I'm not as confident has he is that there are vast swathes of uncommitted centrists willing to sign up to the cause to replace the lost leftists; willing to overlook what appears to the incautious eye as the perfidy of the party. Trust is not a left-right issue. And trust is long gone.

So that leads to the conclusion that this announcement is primarily designed as salve for the party faithful. It allows Clegg to differentiate. It allows him to make the case that the Liberal Democrats are much more committed to fairness in taxation than the Tories.

And that might be enough to get him through what could otherwise be a very sticky Conference. At Conference he could fairly be accused of failing to deliver any of the constitutional reforms that he was seeking. Those reforms were seen as the quid pro quo for supporting the dastardly Health and Social Care Bill. It was obvious many months ago, even to a halfwit like me, that the Tories were going to say thank you very much for support on the H&SC Bill and then shaft the Liberal Democrats on Lords Reform. But for some reason the Liberal Democrats thought the Tories might play fair. Nothing was learnt from the AV referendum.

So the prospect of a wealth tax might be enough to salve the wounds inflicted on the activist base.

But I sort of hope it won't be. Because we ought to be learning lessons by now. Fine words butter no parsnips, as they say. Rousing speeches from conference platforms are one thing. They can send everyone home with a warm glow. Getting a policy implemented in an increasingly hostile environment is quite another. Personally I think the plaudits should be handed out for successful implementation – once everyone has signed on the dotted line then open the bubbly. Or bang the Cabinet table, if you prefer. But plaudits shouldn't be awarded merely for promising that something might be done, as long as the playground bully will allow us to do it.

But maybe that's just me.

I'm not sure I'm cut out for this politics lark.

Richard Reeves and his hard-driving radical liberal party

20th September 2012

A lengthy piece by Richard Reeves has just been published online by the *New Statesman*.[93] There is much in it that I agree with. Apart, that is, from the main thrust of the argument. It

[93] http://www.newstatesman.com/politics/politics/2012/09/case-truly-liberal-party (Accessed: 10/02/13)

would be worth performing a detailed discourse analysis on the piece, but now isn't the time.

Reeves ploughs a familiar furrow. He thinks Clegg should stay as leader. That comes as no surprise. But Reeves counsels that Clegg needs to complete his mission to 'liberalise' the party. Again, this doesn't come as a huge surprise.

Reeves argues that:

> The question about the leadership is, at heart, a question about the party's direction. Do the Lib Dems complete the journey of liberalisation that Clegg embarked on, or retreat to their earlier, soft centre-left position? Is Cleggism a temporary detour or a real departure? "Clegg or no Clegg?" is a proxy question for the deeper one: "Liberal or not liberal?" If the party is to be liberal, it has to be Clegg. If not, it should be almost anyone but.
>
> Clegg has always been open about the basis of his politics. He is a liberal, not a social democrat. His party includes people who are basically social democrats, but who care additionally about civil liberties and war. They hated Tony Blair, post the 9/11 attacks, for his recklessness in foreign policy and carelessness with civil liberties, but – if they are honest – find it hard to disagree with Ed Miliband. Clegg is not one of those people.

There are some subtle and not so subtle things going on here. The first is the construction of the term 'liberal'. Reeves never explicitly defines what he intends by the use of the term, but it is something along the lines of classical liberalism rather than a more sophisticated social liberalism. That is the only sensible interpretation of his statement that if the party wants to be liberal then it has to have Clegg. Any other leader wouldn't be a 'liberal'. It concedes the point that Clegg is out of step with most of the other serious leadership contenders. That isn't perhaps a contentious point.

Reeves argues that there is a philosophical space for a liberal party and develops an argument that there is also a political space. There are a number of strands to the argument, one of which is that:

> even on the narrowest grounds of straightforward party interest, sticking to a truly liberal path is the best option. Those who yearn to pull the party back to the left should think hard about what the campaign message would be in 2015. Any attempt to position the Liberal Democrats as a party of the centre left after five years of austerity government in partnership with the Conservatives will be laughed out of court by the voters – and rightly so. Anybody who wants a centre-left party will find a perfectly acceptable one in Labour. The Liberal Democrats need centrist voters, "soft Tories", ex-Blairites, greens – and anyone who thinks the Tories are for the rich and Labour can't be trusted with the economy. There is a new political market for the Liberal Democrats. The party just needs to seek it out, rather than looking

> wistfully at the old customers who have turned away. The left-wing votes "borrowed" from Labour in 2010 will not be available in 2015. New ones must be found.

There we have it. "Anyone who wants a centre-left party will find a perfectly acceptable one in Labour". Clegg represents something "truly liberal". This is where the party should be positioning itself. Social democrats are in the wrong party. And, what's more, trying to claim centre-left credentials will have no credibility after a partnership with the Conservatives.

This sort of position seems to demonstrate that someone somewhere doesn't get the idea of coalition. It is also in danger of doing a disservice to the history of the party. As I wrote at greater length in *Why Liberal Democrats* the party has at its root an amalgam of social liberalism and social democracy. And that has always been the case. The Liberal Democrats are not the Liberal Party. The rump of the Liberal Party still exists as a separate entity. To try to construct an account, as Cleggites are inclined to do, suggesting that in recent years centre-left voters were either voting for the party simply as a protest or tactically or were erroneously voting for a party that was centrist all along is to seek to reconstruct history. There were people voting for the Liberal Democrats as a centre-left party because it was a centre-left party. And much of the activist base still is, although this is gradually being eroded by the horrors perpetrated by the Coalition and hostility emanating from some of Reeves' 'hard-driving radical' classical liberals.

Reeves moves on to consider the future agenda for a Cleggtastic fully liberalised Liberal Democrats. One component of this agenda is that:

> Clegg will need to continue to challenge the party, too, especially on public services. Tony Blair warned that the "Old Labour" instincts of the Liberal Democrats on health and education would hamper Cameron's reform plans. He has been proved half right. On public services the party sides too often with the vested interests of providers over the needs of users and the demands of social justice. This is particularly true in education policy – where the appointment of David Laws is a hugely positive sign. If the party really can't find favour with free schools, for instance, its claims to liberalism will look threadbare.

My views on the virtues of David Laws are perhaps rather different from Reeves', as I outlined in *David Laws, neoliberalism and concentration of power*.

As it happens I read Reeves' piece not long after listening to a searing critique of public management reform by Professor Christopher Pollitt. Pollitt's argument is quite simple. We've had 40 years of public management reform in this country. In fact, governments have become obsessed with it. No self-respecting government can pass up the opportunity to rail against the "vested interests" in the public sector, nor to prescribe another round of reform and reorganisation. Typically that has involved privatisation and marketisation.

Yet, Pollitt points out, governments rarely bother to make an evidenced case that reform is necessary. It is merely asserted. Not only that, governments pretty much never bother to check whether reform has been beneficial. In fact, almost no evidence exists to demonstrate that any of the waves of wide-ranging public management reform since the early 1970s has improved the overall efficiency and effectiveness of public services. One of the most comprehensive studies ever attempted is currently being written up: it concludes that systematic and systemic improvement is almost undetectable. What is detectable, however, is large volumes of Think Tank output advocating reform, large amounts of money being channelled to management consultants to advise on (often pointless) reorganisation, and large chunks of erstwhile public services being handed over to the private sector, thereby concentrating economic power in an illiberal fashion.

Undoubtedly we have got ourselves into a position where prescribing public management reform is obligatory for government. It no doubt plays well with certain sections of the electorate. But that doesn't mean reforms are going to be beneficial in practice. To suggest that certain types of change may be misguided does not mean that one is in thrall to vested interest. Rather it can indicate a critical and thoughtful engagement with proposals and a genuine understanding of the issues.

Overall, I find the sort of position set out by Reeves to be troubling, for the reasons set out above and for many others. But I am perhaps more concerned that we lack equally robust and high profile contemporary statements of the alternative. That would be a position that sits at the intersection of social liberalism and social democracy, which is where the foundations of the party were laid. The economic/classical liberal case is relatively clear. But what is the position the Cleggites dismiss as the "soft centre-left"? In particular, how does it differ from Milibandism, to the extent that the meaning of Milibandism is clear?

On #LDConf – good, bad, indifferent?

25th September 2012

This year's Liberal Democrat autumn conference in Brighton is heading towards its final day. There was a lot of interesting substance to some of the discussions I attended. The conference also raised plenty of questions about the way the party goes about its business. I may return to some of them in future. Here I'll just note a couple of issues that stood out.

Good

Today's motion *F41: No Government above the law – the Justice and Security Bill* was trailed as a likely flashpoint for dissent.[94] And so it proved. The motion called for the Coalition to withdraw part II of the Bill which allows for so-called "secret courts" and for Liberal

[94] http://www.libdemvoice.org/conference-calls-for-our-parliamentarians-to-reject-secret-courts-30420.html (Accessed: 10/02/13)

Democrat Parliamentarians to vote against it if necessary. The leadership introduced an amendment that would effectively neutralise the motion. People were quick to see this as a wrecking amendment.

This is the sort of issue upon which Liberal Democrats know their own mind. It is an issue that goes absolutely to the heart of the Liberal Democrats' self-identity. A commitment to upholding civil liberties is just about the only thing everyone can agree on.

Even as the leadership tried to move their amendment all the speeches in favour were carefully structured to argue that the amended motion would do a better job of protecting civil liberties than the original motion. It would have been suicidal to suggest that the original motion was not solidly liberal. It was just the sort of thing that would have been a no-brainer in opposition. The only available option was to suggest that it could be made even better by amendment. The strategy was transparent, but Conference wasn't persuaded.

The leadership expended a lot of political capital in wheeling out a series of well-respected Parliamentarians to speak in favour of the amendment. As a final throw of the dice they sent in Julian Huppert to summate – a Conference favourite used as the last line of defence. I can only imagine he was overjoyed to draw the short straw on this one, given it was pretty much a lost cause from the start.

I'm just disappointed that I couldn't vote. I was watching the proceedings on BBC Parliament because I could only be down in Brighton for the weekend.

Bad

Wind the clock back a day and we had a motion directed at the issue of austerity. Here, in contrast, the leadership prevailed and Conference voted in support of continuing the wrong-headed and failing deficit reduction strategy to which the Government has lashed itself.

Patrick Wintour has an interesting article on the history of that motion and, in particular, the amendments submitted.[95] His article is an illustration of some textbook political science arguments. The first is that we shouldn't look to agonistic relations to understand the operation of power. That is, if we focus only upon incidents of open disagreement – like the Justice and Security Bill motion – we will miss much of the subtlety in the operation of power. The second is the Bachrach and Baratz argument that we should look to the so-called "second" face of power – the power of agenda setting. Here Wintour highlights the role of Federal Conference Committee.

There were two amendments submitted for the austerity motion, one originating with Liberal Left and the other with the Social Liberal Forum. The SLF motion was more moderate, more concrete in its proposals and better supported than the Liberal Left amendment. But the Liberal Left amendment was selected, apparently so as to allow a "clearer debate".

But this must be a rationalisation rather than the rationale.

[95] http://www.guardian.co.uk/politics/wintour-and-watt/2012/sep/25/stage-management-lib-dems-economy (Accessed: 10/02/13)

FCC would be acutely aware of the symbolism. They would know that an amendment put forward by Liberal Left would have a very limited chance of succeeding. Liberal Left is a relatively small grouping set up in direct opposition to the leadership. One or two of the characters involved almost guarantee that some other Liberal Democrats will not support it on principle. In contrast, SLF has a broader base of support, certainly among activists. An amendment from SLF calling for a move beyond Plan A to embrace a more sophisticated and less destructive Plan B would have a chance of succeeding. So it had to be kept off the agenda if unity of purpose at the top of the Coalition was not to be challenged.

This is Wintour's point. He calls it stage management. It's classic second face of power, agenda-setting behaviour.

I should declare an interest before I am accused of sour grapes. I was one of the 29 voting reps that put their name to the SLF amendment. I am professionally interested in the policy process and the operation of power. That professional interest is intensified, but not undermined, by the fact that this was a process that I had some limited involvement in.

Indifferent?

We're now going to have to wait to discover quite what the party leadership does next with the Justice and Security motion. It's now Liberal Democrat policy to oppose key components of the Bill.

It is clear, however, that Conference motions – and Liberal Democrat policy – are pawns in a political chess game.

The leadership would appear to invoke them selectively in negotiations with the Conservatives. In some cases it would appear that a vote is constructed by the leadership as meaning they have limited room for manoeuvre. They are bound to follow the will of the party. It gives the leadership a resource with which to bargain.

But, then again, it is clear that there are already several high profile instances where the leadership treats a conference vote as a matter of apparent indifference. That happened in relation to a welfare reform motion passed at a previous conference. It appears that the DPM's office has indicated that it will happen again to the excellent motion on disability and the impacts of welfare reform passed on Sunday. Conference says it is unhappy with the direction of Coalition policy, but the bulk of the Parliamentary party then proceed to vote in Parliament entirely against the direction supported by Conference.

The question is how the secret courts issue will play out. Because it relates to civil liberties it has a symbolism like no other policy area. If the leadership plough on and support this Tory Bill it will be hugely damaging – possibly fatally so – to party morale.

Membership renewal, or not

1st October 2012

It's that time of year again. Autumn Conference can be reinvigorating. So I guess, from the party's perspective, this isn't a bad time to have to be reaching into my back pocket. But I

have to confess that there has been plenty of reflection about whether to sign on the dotted line again.

Much of what happened at Conference this year was as liberal as you could possibly want it to be. I was only able to be there for a couple of days. I caught up with some of the rest of the proceedings on BBC Parliament. I went to some interesting fringe meetings raising important issues and – sometimes! – trying to move beyond tribalism. There were votes on several issues – including on secret courts, aviation, welfare reform, housing – that seemed to me to be fine examples of Liberal Democrat values. There were, of course, other elements that weren't perhaps so congenial, particularly the debate on economic policy.

And then we finished with the Leader's speech.

After the Spring 2011 Conference I blogged that I felt Nick Clegg appeared to have wandered in from a different conference. His speech seemed totally out of step with what had preceded it. The policy thrust of that conference was solidly centre-left. Yet his speech denied that the Liberal Democrats were a party of the centre-left and tried to locate the party in the centre ground. I got a little bit of stick for that post.

This year's leader's speech made some good points, including about the compatibility of environmentalism with economic revival, which is turning into a key point of differentiation between the Coalition parties.

The speech had the familiar characteristic of focusing on the Liberal Democrat successes while not really placing them in the context of the overall government agenda. It's all very well going for applause for achieving policy A, B and C, but if that has come at the price of supporting X, Y and Z absolutely awful Tory-driven policy – or indeed of failing to realise highly prized policies D, E and F because the Tories torpedoed them – then the applause should be tempered. I know the aim is to galvanise the troops, but if you are not careful you end up with a rather one-eyed, if not slightly deluded, picture of achievements in government.

And the speech went further than positioning the party on the centre ground.

The key passage is:

> I know that there are some in the party – some in this hall even – who, faced with several more years of spending restraint, would rather turn back than press on. Break our deal with the Conservatives, give up on the Coalition, and present ourselves to the electorate in 2015 as a party unchanged. It's an alluring prospect in some ways. Gone would be the difficult choices, the hard decisions, the necessary compromises. And gone too would be the vitriol and abuse, from Right and Left, as we work every day to keep this Government anchored in the centre ground.
>
> But conference, I tell you this. The choice between the party we were, and the party we are becoming, is a false one. The past is gone and it isn't coming back. If voters want a party of opposition – a "stop the world I want to get off" party – they've got plenty of options, but we are not one of them. There's

> a better, more meaningful future waiting for us. Not as the third party, but as one of three parties of government.

Clegg could have said that the Liberal Democrats are a party that is true to its values, which entered into Coalition with a dominant Conservative partner as a result of the electoral arithmetic and which will, when it is time to leave, restate our values and the policies they inspire. While it is a little difficult to give a precise meaning to this passage of Clegg's speech, it would appear to say that, on the contrary, we must change our values and policies – we cannot be "a party unchanged".

Clegg may mean that he thinks many of the Liberal Democrats' pre-existing policy positions are not a basis for electoral success so we need to adopt new ones that are more like those of the other main parties. That would be odd seeing as those policies were the ones that got the party into Coalition in the first place.

Or he may simply be saying that he's trashed the reputation of the party so badly no one would believe the party if it tried to go back to the sorts of policy positions that it took before the election. So we might as well embrace some new ones. Of course, an alternative answer to that problem would be for the party to change something, but not its policies.

In lashing itself to the Coalition austerity agenda and adopting a slightly hysterical TINA stance – as had been used by the leadership in the debate on austerity – this speech signalled not simply grudging but full acceptance of the Conservative austerity agenda. We can call it the centre ground if it makes us feel better but the overall shape of Coalition agenda is centre-right.

Not only that, Clegg seeks to construct anyone within the party who objects to the way this Government goes about its business as being somehow more comfortable with opposition than participating in government. As if the way in which this Government is going about its business – and the way the Liberal Democrats spent two years hugging the Conservatives as close as possible – is self-evidently correct: the only possible way to 'do' government. Oh, hang on, in the minds of the Quad at least, there is no alternative. If you are not for us, you must be against us.

Clegg's speech is in some ways a watered down version of the stronger statement of what we might call the Reeves Realignment, set out by Richard Reeves in the *New Statesman* a few days earlier.[96]

This continues the process of trying to get the party to cut its ties with its past.

There are members who have worked tirelessly for twenty, thirty, forty years to articulate a modern social liberal position. It has built electoral success at local level, in the devolved administrations, and slowly in the Westminster Parliament. Eventually it brought the party back into government.

For a long time the party's policy platform was to the left of the Labour party. This was not primarily a tactical move to poach left-leaning voters. It was the result of the party holding fast to liberal concerns for civil liberties, respect for international law, environmentalism and the Labour party swinging to the right in order to pick up voters.

[96] http://www.newstatesman.com/politics/politics/2012/09/case-truly-liberal-party (Accessed: 10/02/13)

Yet, the current leadership now tells the story differently. In 2010 we were only "borrowing" left leaning voters from Labour. The Liberal Democrats were – inadvertently? – hiding their true nature in order to strengthen the party's electoral position. Now that the true nature as a party of the centre (right) can be revealed left-leaning voters have abandoned the party in their millions. Reeves suggests we should give up on them because they aren't coming back.

Instead the party should be aiming to capture new supporters from the centre/centre-right who won't want to vote Conservative because the Conservatives drift ever further rightward. Others have suggested that these potential supporters are in fact a figment of someone's imagination, and the outcome of this strategy will be a collapse in Liberal Democrat support. Even if it works then it might turn out to be a pyrrhic victory for Cleggism because all it will succeed in doing is reunifying the left and splitting the right, thereby shutting the Liberal Democrats out of power again.

Many in the party are talking the language of equidistance and being open to Coalition with whichever party is the largest, assuming that the Liberal Democrats still have sufficient MPs for this to be a meaningful discussion. Yet, it would appear from a report in Sunday's *Independent* that some of the architects of Cleggism are rather less keen on equidistance and rather keener to ensure that the outcome is another coalition with the Tories.[97] A member of an informal grouping apparently calling itself "Coalition 2.0" commented:

> Today's Lib Dems have much more in common with progressive Conservatives than the leading figures in the Labour Party – on the economy, education and welfare.

Quite apart from the suspicion that "progressive Conservative" is an oxymoron, this is the most stomach-churning statement I read yesterday. The word "Today's" is particularly telling. We're not talking about the Liberal Democrats of a couple of years ago. Oh no. Those at the party grassroots who built the party in the social liberal and social democratic tradition are slowly giving up on it and resigning. Those who remain are increasingly positively disposed to the classical liberal leanings of the Tories.

It would appear clear from the *Independent* article that in terms of personal connections and social background the members of this group are in fact very closely related, even though on the surface they are currently separated by a formal party divide. That may be at some level unavoidable, but it isn't in my view necessarily a positive. The idea that there is significant intellectual and ideological overlap between the Liberal Democrats and someone who can comfortably consider themselves a Conservative should fill us with profound concern.

After all this, you might think that I'm going to say that I have not renewed my membership. In fact, that's not the case. Why?

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[97] http://www.independent.co.uk/news/uk/politics/only-the-tories-can-keep-the-future-orange-8191052.html (Accessed: 10/02/13)

In part, because of where I started this post. Even now, much of what the party is about fully accords with what I believe. And leaving the party would mean dropping out of party politics entirely, because I wouldn't be joining any other.

At the moment, as far as I am concerned, it is the leadership that is out of step not the members. I live in hope that that will change.

I am also heartened by the fact that there are members of the party who are willing to fight for the principles that have guided it for many years, but which are now being questioned by the leadership. The comment thread under the post about Clegg's speech at Liberal Democrat Voice gives some sense of that.[98] The response to Reeves' piece in the *New Statesman* by Prateek Buch, the new Director of the Social Liberal Forum, is an eloquent restatement of some key principles that the leadership seem reluctant to endorse explicitly.[99]

Many people are saying that Nick Clegg has another year. If the economy is in still in a terrible state this time next year then he could well be defenestrated.

I've decided to stick around for another year and see if we can't push back a bit harder against the worst tendencies of the Coalitionistas. We absolutely must appreciate policy achievements that reflect our beliefs. But we should recognise those that don't reflect our beliefs and say so. The Conservatives may prevail and policies may be implemented, but we shouldn't pretend that they are liberal if they aren't – as the leadership tried to do at Conference on the Justice and Security Bill.

And we must reassert our beliefs in a way that clearly distinguishes the Liberal Democrats from the Conservatives, who should be the most uncomfortable of bedfellows.

Who knows what might happen then. A year is a very long time in politics.

Fool me once ...

8th October 2012

Plenty of political announcements made at this time of year are little more than conference fodder. They grab a headline and a round of applause and that's the last we hear of them. But George Osborne's proposals to cut another £10bn from welfare don't fall into that category.[100] They were buried in the detail of previous policy statements and it was only a matter of time before they bubbled to the surface. Conference season is the ideal time because it allows some posturing against the modern folk devil – the feckless scrounger.

We only have media reports of Osborne's speech at the moment, and we've no idea what's going on behind the scenes, but a key element to this story is going to be how it plays out within the Coalition.

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[98] http://www.libdemvoice.org/nick-cleggs-speech-to-conference-a-fair-free-and-open-society-30434.html (Accessed: 18/11/12)

[99] http://www.newstatesman.com/blogs/politics/2012/09/lib-dems-must-not-turn-their-back-social-liberalism (Accessed: 18/11/12)

[100] http://www.guardian.co.uk/politics/2012/oct/08/george-osborne-deal-welfare-cuts (Accessed: 18/11/12)

Clearly the New Victorians of the Conservative party are full-speed ahead for cutting welfare, with a strongly Malthusian undertone that if we lose a few scroungers along the way through starvation then that'll save us a bit of money.

But the Liberal Democrat position is a bit more complex.

Actually, that isn't all that complex. My sense is that the bulk of the grassroots are against further cuts that impact disproportionately on the poor. They are in favour of doing more with taxation, particularly of wealth; even more specifically, of housing wealth. The leadership seems a bit more uncertain in its views. Some prominent figures have suggested that they are against any further cuts to welfare. Others – in the Cleggite tendency – have suggested that they would be willing to countenance welfare cuts as long as it was evident that the better off are going to carry a significant burden in any further attempt to close the budget deficit.

This is where it gets politically interesting. Osborne seems to have ruled out the Liberal Democrats' favoured Mansion Tax and has set himself against any form of recurrent wealth tax. But he has hinted that the rich will be asked to make a further contribution in some unspecified way. If it's not through higher income tax or wealth tax – both of which have been ruled out – it's a bit of a puzzle as to what that might be. If it's messing around with tax allowances or avoidance schemes then it shouldn't really be given the time of day as a substitute for a wealth tax. But we'll wait and see.

I'm more concerned about the process here. It appears that the Conservatives are saying that they'll need to move ahead with cuts to welfare now because it will need legislation. But they have "promised" the Liberal Democrats that measures to ensure the rich will contribute will follow in due course.

If the Liberal Democrat leadership accept that position then frankly they are dafter than I thought.

The history of the Cameron Conservatives and the Coalition already indicates that such promises are worth nothing.

Let's leave aside "no top down reorganisation of the NHS" and "the greenest government ever". A referendum on voting reform to be conducted in a non-partisan manner? Of course. Right up until the point that it looks like the No vote might lose and Conservative interests are threatened. Then Conservative-orchestrated negative party political campaigning kicks into gear.

Lords Reform? Of course. Right up to the point at which it comes to delivering it. At which point David Cameron has to turn to Nick Clegg and say that it isn't going to happen.

The pattern is clear. Conservatives get the Liberal Democrats to sign up to something unpalatable and in return promise to deliver something favoured by the Liberal Democrats at a later date. The Liberal Democrats in Government dutifully act as lobby fodder for the Conservative agenda on welfare reform, NHS reform, whatever, whatever – frequently going against the wishes of their own party membership. Then when the time comes to reciprocate the Tories welch on the deal.

You can see it happening again here.

Welfare cuts affecting the poorest? My pleasure. Rush them through as fast as possible. Need to tackle the skivers.

Agreed changes affecting the rich? I'm sorry, didn't you get the memo? Plan's changed. Not happening, old son. Can't upset the strivers.

Fool me once … shame on you. Fool me twice … shame on me.

Let's see if it's possible to avoid that scenario. In an attempt to get beyond this suspicion that they're less than reliable, perhaps the Conservatives will volunteer to bring in the measures affecting the rich first – so there's no question they'll deliver – before moving on to further welfare cuts.

Politics for the chronically indecisive

17th October 2012

In his *Observer* column on Sunday Andrew Rawnsley starts with an extract from a party leader's speech and asks us to guess which leader made it:[101]

> This government took power in difficult economic times. Our mettle has been tested. Though the challenge before us is daunting, I have confidence in our country.
>
> This summer, as we cheered our athletes to gold after gold, Britain remembered how it feels to win again. The Olympics put up a mirror to Britain and showed us the best of ourselves. United behind one goal. One Nation. We can do big things.
>
> Real achievement in the real world takes time, effort, perseverance, resilience. To come through the storm, to overcome the challenges we face, we must rediscover that spirit. The job of this party is to bring out the best in this country. To come together, to join together, to work together as a country. To unleash and unlock the promise in all our people. That's the prize. A country for all, with everyone playing their part. So let's get out there and do it.

This is, of course, a mashup. It interleaves lines from each of the three party leaders' speeches. But you could imagine any one of the leaders delivering it. They assemble their speeches from a selection of feel-good platitudes bolted together. Those platitudes are no doubt focus grouped to see how well they play with swing voters.

And that is, in many ways, the problem.

It's hardly a new problem. The parties have all focused their sights on competing for the votes of the same few thousands chronically indecisive voters, who are willing to hand their

[101] http://www.guardian.co.uk/commentisfree/2012/oct/14/andrew-rawnsley-leaders-still-dont-connect-with-voters (Accessed: 18/11/12)

vote to the party who seems to be offering them – personally – the best deal. This becomes ever more transparent. Rawnsley reports that:

> The emerging strategy for the next Tory election campaign is to concentrate on just 80 seats, their 40 most vulnerable and 40 targets. That demonstrates a narrow ambition and a lack of confidence that they can secure a majority.

This fight for a narrow sliver of the middle ground is a key reason why many more voters feel disenfranchised and don't bother to vote. The all too familiar refrain is that all the parties are the same, they're all as bad as each other, and none of them speak for me. It's a stitch up and there's no point voting.

It turns politics arse about face. Political parties could stand for something identifiable, developing a policy platform rooted in their beliefs and then attempting to convince the public to vote for them. Instead we have politicians working out what tickles the swing voters' sweet spot and then working backwards to assemble a suitably alluring manifesto. If you're not careful beliefs and principles become rather incidental to – indeed possibly an inconvenience in – the grubby grab for power. George Potter offered a characteristically robust post on the issue back at the start of the summer.[102]

While the parties are in thrall to the marketers trying to finesse the message so it presses all the right buttons for the undecided, there would be a much bigger prize to be won if those who don't bother to vote could be mobilized. Only 65% of voters turned out in the 2010 General Election. While that was an improvement on the 61% in 2005, the number of people registering to vote in 2010 increased far more than the number who actually bothered to do so. Perhaps the campaign itself didn't galvanise them sufficiently to head for the polling station. Over 14 million voters didn't put a cross anywhere near a box.

These are familiar problems. And they have consequences.

We know that younger people, renters and those in lower social classes are less likely to vote. We know that older people, home owners, and those in higher social classes are more likely to vote.

The fact that policy in areas such as housing, taxation and welfare systematically favour the latter group over the former is no doubt entirely coincidental. But it reinforces the sense that politicians don't speak to or for the disenfranchised.

What can be done about it?

Of course the big picture is framed in terms of the deficiencies of the first-past-the-post voting system. We know that no one setting up a modern electoral system would use it. But the chances of changing that were blown last year in the AV referendum. At least for a while.

And at a structural level it is inextricably tied to the increasingly entrenched power of economic elites, frequently filtered through the outpouring of Think Tanks. Many of the disenfranchised believe that politicians are largely the playthings of big business and the

[102] http://thepotterblogger.blogspot.co.uk/2012/06/problem-with-targeting-swing-voters.html (Accessed: 18/11/12)

banks. Unless political power and economic power can be more effectively unhitched then that impression will remain.

Another option is working on better voter registration. At least if voters are in the system that is a necessary, if not sufficient, condition for them to vote. And one or other political party might take an interest in speaking to the apparently apathetic.

Although voting is formally compulsory the evidence suggests that in some areas registers are far from complete, for a variety of reasons. In some areas – typically those that are densely populated and with mobile populations – more than a quarter of potential voters can be missing from the electoral register.[103]

Universal suffrage was a major achievement in the extension of citizenship. But it is not an achievement that is assured for all time. The incidence of articles in publications such as the *Daily Telegraph* that echo the Tea Party refrain of "no representation without taxation" is regular and, it feels to me, increasing. There are elements on the political right actively seeking to roll back suffrage and restrict the vote to those who contribute sufficient income tax. This, they believe, would entrench Conservative rule by formally disenfranchising those outside the labour market. Some fear that individual voter registration will indirectly contribute to this by causing more people to drop off the register.

Beyond that is the issue of compulsory voting. But liberals tend to get very exercised about compulsory voting because it takes responsibility away from the citizen. While that is true, it is a question of costs and benefits. It might be argued that administering to a moribund political system the shock of having to take account of the full range of views and interests among the electorate would be a benefit that outweighs the cost of a small impairment of individual liberty.

But policy isn't really thinking along those lines.

Clearly there are also new ways of trying to encourage certain segments in of the electorate to get involved in political processes, such as using social media to reach out to younger voters.[104] But I'm not sure how many of these new approaches can be generalised beyond quite local initiatives or are genuinely scalable.

One small change that crossed my mind, following an exchange on Twitter, was whether we could look at whipping within political parties.

Not in the sense that the Andrew Mitchell saga needs to be put to bed by his resignation. Or in the sense that those rumours about a particular senior Tory politician, the dominatrix and the hard drugs need to be investigated more thoroughly.

But what if whipping were prohibited and all votes in Parliament were free votes? It would expose most Parliamentary debate for the pantomime with a preordained finale that it is.

Party leaders would not be able to rely on lobby fodder. Leaders wouldn't be able to whip disgruntled members into line using threats or bribery rather than persuasion. They would have to come up with some cogent arguments about why their proposals were the

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[103] http://www.electoralcommission.org.uk/__data/assets/pdf_file/0018/87111/The-completeness-and-accuracy-of-electoral-registers-in-Great-Britain.pdf (Accessed: 18/11/12)

[104] http://www.local.gov.uk/c/document_library/get_file?uuid=c85f23f6-7824-4eb7-b5f3-c6cbc74f7a48&groupId=10171 (Accessed: 18/11/12)

best way forward. Perhaps they have to offer some accurate, rather than misleading, evidence and give some consideration to the causal mechanisms that are supposed to deliver the claimed benefits. And in a free vote the opposition would have to come up with more persuasive arguments that these proposals were a bad idea.

Politicians would have offered more of their reasoning up for scrutiny and appearances in the media might – just might – comprise a bit less old flannel and a bit more reasoned discussion. Opponents would have more incentive to identify misleading and mendacious arguments and advance better ones. It might lead to a few defectors to walk in to the voting lobby with them.

Of course it wouldn't banish the politics of the process, and the arguments that MPs are likely to find convincing enough to capture their vote are likely to align with their political ideology. But it would inject some uncertainty into the process and, perforce, improve the quality of debate. It might lead to the rejuvenation of a more sophisticated political rhetoric.

And in trying to persuade their own troops party leaders would be offering voters some better arguments than they do at present. That might increase people's interest in the political process.

I'm sure this would be written off as a recipe for anarchy in the Parliamentary process. I don't think that would follow at all. And it would be worth experimenting to see if it made things better.

I'm not, though, holding my breath that it's going to happen any time soon. The very feebleness of party leadership would prevent it. I'm sure the party leaders would have no confidence that they'd be able to carry their party with them. The leaders can't let go of whatever disciplinary techniques they have available, even though backbenchers appear to be increasingly immune to them.

Dreaming of Nick Clegg

21st October 2012

The other night I dreamt that I'd won a competition. The prize was the opportunity to meet Nick Clegg.[105] Not only that, I wasn't meeting him simply so he could tell me what he thought about policy and government. It was a proper discussion, which meant I could give him some thoughts on current policy. This was rendered even more surreal by the fact that this conversation took place in the dining room of the house owned by my long-departed grandparents. As I say, it was a dream.

I woke up with a very clear recollection of three policy points I made during the conversation.

[105] This dream happened. It was even weirder that I remembered it, because I rarely remember dreams. It may be something to do with the heavy duty cough mixture I'm taking just before going to bed.

Honesty and spin

Why can't the Government be more honest and nuanced in its presentation of statistics? It is undermining the credibility of politicians ever further. In his conference speech David Cameron claimed that a million new private sector jobs have been created since the Coalition formed. It is the work of seconds to determine that this includes nearly 200,000 that were reclassified from the public to the private sector and not "created" by the private sector in any real sense. "More than 800,000 private sector jobs created" sounds good, but clearly not as impressive as "a million". Was the temptation to spin just too difficult to resist?

Similarly, this month's (un)employment figures were encouraging, but the Government would have been better served by recognising that while full time jobs are disappearing a fair chunk of those being created as mini-jobs, part-time jobs or jobs on zero-hour contracts. And some of the jobs being counted in the figures are likely to have been temporary. To say this would not be to undermine the figures or the positive news, but it would strengthen the impression that the Government has a firm grip on what is happening and a commitment to a grown up conversation about politics.

The coming welfare crunch

The way in which the Government has systematically gone about stigmatising those on social security is disgraceful. Its attempts to foster an "us and them" culture of deserving and undeserving, tax payers and benefit scroungers, have been as distasteful as they have been effective. But 2013 could well be the year that this strategy backfires mightily. There are two reasons for thinking this.

The first is the arrival of what has been dubbed by some the Pickles Poll Tax. From next April thousands of the poorest households who had previously been outside the council tax system are going to have to start contributing. For some this will be layered on top of the removal of housing benefit via the bedroom tax. As with Mrs T's poll tax, this may well be an injustice too far.

The second, potentially more important, reason is the arrival of in-work welfare conditionality in the Autumn of 2013. The Government has fostered an "us and them" culture, the hard working families and the feckless. Many of the people who think of themselves as "us" – as among the hardworking families trying to do the right thing – currently find themselves in part-time or lower wage jobs simply because the labour market is so weak. However, when Universal Credit arrives they fall within the ambit of the system. The Government expects them to be exerting themselves to find work that pays the equivalent of a 35 hour week at minimum wage. If they don't then sanctions could follow. At a stroke these households – who no doubt currently see themselves as among the strivers – will become "them". They're now marked out as potentially problematic skivers who are not coming up to the Government's expectations for concerted effort in job search – welfare-dependent scroungers.

While no one yet knows quite how this regime will work or how many people it will apply to, the Resolution Foundation has estimated that as many as 1.2 million households in work could be affected.[106] If the Government plays this heavy-handedly then it has the potential to explode in their faces. The politics of it could get very nasty.

Public versus private

It is typically stated that Liberal Democrats are neutral as to how public services are provided. Yet, it is clear that the Government's agenda, and the dominant response to austerity, is to push more services into the private sector. That is, it is anything but neutral. But has the Government recognised that thinking on and experience of service provision has moved on?

The debacle over the West Coast Mainline franchise ought to cause the Government to pause and reflect over whether privatised rail is the best way forward. Several franchises come up for renewal in the next year. The Government has an opportunity to costlessly renationalise much of the system that will not repeat itself for 15 years. The East Coast franchise is being run directly after the repeated failure of the private sector and is doing reasonably well. How do the publicly run railways in other industrialised countries compare? An honest answer to that is, we already know, that they tend to be cheaper and more efficient. We're putting four times as much subsidy into our rail system as we did under British Rail. Are we getting value for money? Unless the Government is utterly blinded by ideology, it should seriously be considering accepting the obvious conclusion.

There are several other areas in which the enthusiasm for the private solution is waning. Has the Government realised? Social liberals everywhere prioritize localism and political accountability over marketization for its own sake so I would assume that Mr Clegg would welcome the ousting of the Conservative leader of Cornwall Council in a row over privatisation. The leader was intent on pressing ahead with outsourcing many of the council's services, in the face of unified opposition from elected members because this strategy was seen as posing an unacceptable risk and threat to democratic accountability. There is clear recognition that contracts are a much less sophisticated and flexible mechanism for ensuring services meet local needs than true democratic accountability. The council now has to seek ways of coping with major budget cuts through service innovations while keeping the services under local democratic control. Of course, Cornwall is only the latest in a string of councils to face this sort of local opposition to service privatisation. Beyond the professional politicians of central government, enthusiasm for crude outsourcing strategies is waning in the face of the growing appreciation of the difficulties and the limitations.

[106] http://www.resolutionfoundation.org/media/media/downloads/Conditions_Uncertain.pdf (Accessed: 18/11/12)

Making sense of it

Of course, on reflection I realised these are all issues I had been thinking about over the previous day or so. It seems to me they are all policy issues that, while floating around in current debates, are issues that are under-explored. In particular, they are issues upon which the Liberal Democrat position is either not as clear as it might be or perhaps needs further debate.

I'm not looking for a more general interpretation of this dream. Thanks all the same. And, yes, I can already sense that you're extraordinarily jealous you don't get to enjoy such seriously gripping policy nerd dreams, rather than anything more exotic.

The undifferentiated Clegg

3rd January 2013

I don't normally read *The Times*. But I bought it yesterday because it carried a half page opinion piece by Nick Clegg under the title *Carping Labour must come clean about cuts*.

We've been told that 2013 is going to herald a stronger message from the Liberal Democrats about the party's distinctive position in the "centre ground". The position is being defined as distinct from the other parties inasmuch as it is fairer than the Tories and more competent on the economy than Labour. I agree with the recent post at Liberal Democrat Voice in which George Potter argues that this isn't an entirely convincing strategy, but that is a different issue.[107]

I was interested to see how the strategy was working out in practice.

The main point of Clegg's article is clear from the title. Clegg challenges Labour to get more specific. He is right that Labour have opposed cuts in general, but have declined to share with us which of those cuts they would reverse and how they would pay for the additional spending that is presumed to follow. Clegg's piece is premised on the view that the total budget is, of necessity, fixed and hence a reversal of one cut will require a cut somewhere else. That premise is eminently contestable, although in the current economic climate it may in practice be broadly right in relation to revenue spending.

I'm not persuaded that there is much point to Clegg posing this question to Labour at this stage in the electoral cycle. Surely he knows as well as everyone else that Labour would be foolish to be specific when they are not obliged to be. But I guess it is a differentiation of sorts.

A huge amount could change between now and the next election. It might well make political debate more interesting if Labour were more specific about their priorities. But in the context of our political culture – in which having a rethink or revising your plans in the

[107] http://www.libdemvoice.org/opinion-weve-got-our-strategy-the-wrong-way-round-32410.html (Accessed: 10/02/13)

light of new evidence is portrayed as either incompetence, mendacity or moral defect – it is likely that they are only going to go public with their commitments at the very last minute.

In fact, the attack on Labour occupies only the last third of Clegg's article. The first two thirds of the text are largely devoted to a recap of the Coalition's economic performance. And this is crushingly disappointing.

It is disappointing because the account could have been – and no doubt probably was – drafted by one of Osbo's Treasury minions. Clegg lashes himself to the Coalition's economic record with no sign of critical reflection or critical distance. There is no acknowledgement that the country's economic troubles may have been in part policy-induced. They are entirely the product of a deteriorating external environment, a position that the Coalition have rounded criticised Labour for adopting.

It is disappointing because it includes basic errors that hardly instil confidence in economic competence:

> Here in the UK we have now paid off around a quarter of our deficit …

We can reduce a deficit. We can pay off the national debt. Although, in practice, we aren't at the moment. But we can't pay off a deficit. School boy error.

It is disappointing because it contains the sort of equivocations and elisions that are the politician's stock-in-trade:

> Sound public finances are a crucial means to the end that we all seek: a rebalanced, prosperous economy.

The equivocation here is on the word: "rebalanced". For the Tories it means little more than reducing the size of the public sector and passing more activities over to the market. For many Liberal Democrats it means trying to redress the dominance of the financial sector in the economy because it acts as a drag on productive activity and an unhealthy sectional influence upon the democratic process. But dealing with the latter has little to do with sound public finances. And it is not something Clegg mentions explicitly in the text.

Or we have:

> Despite our fiscal pressures we're … providing unprecedented Treasury guarantees for new infrastructure.

This is true. And it sounds like a good thing. It is certainly better than inactivity. But, on the other hand, the Government has only gone down this route because it refuses to incur the costs directly by taking advantage of historically low interest rates and spending the money itself. The public expenditure consequences of the guarantees approach are less severe in the short term. But the Government has less direct control over whether anything happens in the short term. It relies upon other parties to pick up the ball and run with it. The

Government is just standing on the sidelines cheering, and holding the stretcher in case the player goes down injured.

It is disappointing because it contains the sort of statistical chicanery that we expect from the Tories:

Last year we saw half a million more people in work.

Presumably Clegg knows that the numbers the Treasury are wont to bandy around here include people on workfare, including those who are obliged to work for nothing in order to stop their social security benefits being stopped? So it is debatable whether it is right to count this as a good indicator of "new jobs being created", in the way that the Chancellor would like it to be understood. Or maybe Clegg doesn't know that.

And it is disappointing because it contains some monstrous non sequiturs:

> … because some of the Government's most important interventions, such as boosting housebuilding take time to come into effect, we're compensating for the lag by giving families more immediate support. From April more than 20 million basic-rate taxpayers will have had up to £600 off their income tax bills. The fifteen hours of free childcare we give three and four-year-olds will be extended to two-year-olds in around 150,000 homes.

We can leave aside the highly questionable premise that the Government's interventions on housebuilding are going to make a substantial difference when they arrive. The more challenging task is to forge the logical link that takes us from lags in housing starts to extending free childcare to two-year-olds via increasing income tax thresholds. All those policies individually are welcome. But the first reaction on reading this passage is most likely: Eh?

So, overall, I came away less than enthused by Clegg's piece. Of course, when approaching it we have to bear in mind that it is written for *The Times'* readership, so differentiating the Liberal Democrats may not be top of the list of priorities. And Clegg is signed off as the Deputy Prime Minister rather than the Leader of the Liberal Democrats.

But all of that just strengthens the case for those who argue that Clegg, through no fault of his own, has placed himself in a position where he is obliged to defend the Coalition record in a way that means he can never credibly lead the Liberal Democrats to a more differentiated independent position.

Functioning coalition or zombie government?

31st January 2013

What is going to happen next? This week's vote to postpone changes to the boundaries of electoral constituencies was the first time the Liberal Democrats have voted *en masse* against the Conservatives. We may well argue that this vote was justified in political terms once it

became clear the Conservatives were going to torpedo Lords reform. But what will be its consequences for the remainder of this Parliament?

Can the parties put this issue behind them and continue to work together in areas of agreement or, at least, tolerated difference? That would be the mature approach.

Or has this episode drained the life out of the coalition? Are we going to experience an unedifying cycle of tit-for-tat moves as one coalition party seeks to undermine proposals and projects valued by the other? Will the Government now be able to do little more than stagger and stumble towards election day with no clarity of purpose or capacity for rational thought?

Those hoping that we still have a functioning coalition will not take much comfort from the observations emerging from the commentariat. Media reports of current sentiment among Conservatives suggest that they are not in the mood to forgive and forget. That message is coming from commentators on both the left and the right. Whether or not Conservative indignation is seen as justified depends, of course, on where you stand. The Right rail against the perfidy of the Liberal Democrats. More neutral observers take the line that the Conservatives have only themselves to blame: the Liberal Democrats had to do something to assert themselves. The view among Liberal Democrats might be summarised as "well you started it".

It is unfortunate that it is the boundary review that has brought us to this point.

The politics of the situation are understandable. I find it hard to think that the Liberal Democrats could sensibly have done anything else unless they wanted to rebrand themselves as the Liberal Doormat Party. But explaining to the electorate why this was the issue about which the parties fell out is a challenge. Why not fall out over something that the electorate actually care about – unemployment, welfare reform or NHS 'privatization'? Even an argument over whether Osbo's banking reforms go far enough (they don't) would at least resonate with voters.

That isn't to say that voting reform isn't important – it most certainly is. It's just that it is a technical issue that passes most people by.

Also, while the politics of the vote are explicable, voting down boundary reform is hard to justify. For sure the changes should be part of a package of constitutional reform and moving forward with boundary reform alone, particularly without guaranteeing reductions in the payroll vote, would not have been wise or good for democracy. But, in the abstract, boundary reform is desirable. The Liberal Democrats have previously endorsed the change publicly. It is very easy therefore for critics to construct the party's position as inconsistent, anti-democratic and geared towards self-preservation. Quentin Letts' column in the *Daily Mail* today puts forward just such a sulphurous argument.

If I were the Liberal Democrat leadership I might consider trying to spell out pretty sharpish that, regardless of how it might appear, I am not against equalising the size of constituencies or substantially reducing the number of MPs but that it can only sensibly proceed if it is accompanied by appropriate checks and balances. Only once those are on offer will the change result in an improvement in democratic practice, rather than an increasingly unaccountable Executive.

I think, in practice, the balance between the Commons and the Executive is a more important one to focus on than the link between the Commons and the Lords. The current approach to populating the Lords is indefensible. At the very least there should be a cap on the number of peers. But while the Lords is primarily a revising body it is less important than guaranteeing meaningful scrutiny and challenge for the Executive in the Commons.

But that is a debate that we may not return to for a long while.

It would appear, with announcements on the EU or defence spending, that David Cameron is increasingly turning his attention to sating his right wing backbenchers with promises of what will happens after 2015, should the Conservatives win the chance to govern alone.

Yet, more important is what is going to happen next. The arrival of a triple dip recession, the current deterioration of Britain's position in the bond markets, and the likely loss of the AAA rating are all going to worsen the context in which the Government operates. Unless George Osborne is replaced as Chancellor, divergence of opinion between the coalition parties over the need to change economic course will increase. As the huge social costs of the current approach become more starkly evident divergence of opinion between the coalition parties will increase.

Are we going to experience two years characterised largely by paralysis and inertia brought about by coalition parties simply failing to see eye to eye, just when clarity of thought and unity of purpose are more important than ever? Or is the Coalition going to be able to get its act together again?

Afterword

The first half of this Parliament has not played out as anyone would have anticipated. Some of its contours were discernible relatively early on. But no one could have anticipated all the twists and turns we have witnessed so far. We knew the economic context was going to be awful. But few anticipated that the Coalition would be seeking to govern in the context of one of the most persistently hostile external economic environments for three quarters of a century. In no way do I underestimate the challenge that this presents. And it is not plausible to argue that the world would have looked radically different had Labour been returned to power in May 2010.

If you've made it this far you'll be only too aware that I have a tendency to dwell on the aspects of Coalition government, and Liberal Democrat strategy within it, that I have found troubling. I have spent next to no time celebrating the Liberal Democrats' genuine achievements in government. It is not that I believe there are no achievements worthy of celebrating. But I feel compelled to keep returning to the bigger picture. Our assessment of the Government's record needs to be holistic. There are successes and positive developments to enter into one side of the ledger. Yet we need to enter into the other side of the ledger those changes that don't accord with our values and aspirations, but which we have facilitated and supported. And when we strike the balance of the account it is not going to be entirely favourable to us. As the junior partner in coalition that is entirely explicable. But that will carry little weight with large chunks of the electorate. And there is no point ignoring it.

There are some key themes running through my posts. They are not hard to spot.

The health of liberal democracy is central. Many posts hint at the concern that contemporary changes in policy and practice will prove to be bad for our polity. Democracy is a fragile achievement. Its animating spirit can easily be crushed. Concerns about the weakening of pluralism through increasing concentrations of economic power, the corruption of the political process, lobbying, consultation and transparency, and voter engagement are all of a piece.

There is also a recurrent concern with ethics and standards in public life. Political hypocrisy, the ignorance or misuse of evidence, and downright mendacity erode faith in the political process. And they feature distressingly frequently in the way this Government goes about its business. We could debate whether the Coalition is worse than other or previous governments in this respect. But that is hardly the point.

I am slightly obsessed by the way political arguments are constructed. Policy as discourse is a fashionable approach, and there is a bit of a revival in explorations of good old fashioned rhetoric at the moment. I am intrigued by the way arguments do their work and the way in which politicians seek to persuade through the construction and reconstruction of policy positions. Grounding an interest in what is said politically in a concern for the effects that language can have moves us on to an interest in political strategy and tactics.

In terms of thinking about the substance of policy I frequently return to the preamble to the Liberal Democrat constitution as a starting point. For those who aren't intimate with this document, it opens like this:

> The Liberal Democrats exist to build and safeguard a fair, free and open society, in which we seek to balance the fundamental values of liberty, equality and community, and in which no one shall be enslaved by poverty, ignorance or conformity. We champion the freedom, dignity and well-being of individuals, we acknowledge and respect their right to freedom of conscience and their right to develop their talents to the full. We aim to disperse power, to foster diversity and to nurture creativity. We believe that the role of the state is to enable all citizens to attain these ideals, to contribute fully to their communities and to take part in the decisions which affect their lives.[108]

It strikes me that anyone who is genuinely signed up to that statement cannot be entirely comfortable with much of the agenda of the current Government. But the preamble is ambiguous in its implications for concrete policy action. Working out what follows from the values it articulates is a contested project that continues. It is a project that is perhaps more urgent now than it has been for many years, if the Liberal Democrats are to differentiate themselves successfully from the Conservatives. In thinking about these issues I repeatedly return to the attempts to reposition the Liberal Democrats, and to rewrite the history of the party – including airbrushing out of the social democratic influences.

Embedded within my blogposts are a number of threads of argument about how I think these values should be put into action. But I have yet to pull those threads together and set out this position more systematically. My aspiration is to do so in the not-too-distant future. It is one of many tasks that stares accusingly at me from the to-do list.

We've made it to the halfway point in the term of this Coalition. We can be reasonably sure of that, at least, courtesy of it having successfully legislated for five year fixed Parliamentary terms. This in itself means the dynamics of the second half of this Parliament will be different from any we have experienced before. In addition, the Conservatives and the Liberal Democrats have to carry on working together while simultaneously seeking to differentiate in preparation for the next election. This will further enhance the novelty of the situation. The Eastleigh by-election triggered by Chris Huhne's resignation, which is getting into gear as I type, will be an interesting test case. How will the Coalition parties campaign against each other head-to-head in a Conservative-Liberal Democrat marginal?

As thoughts increasingly turn to the run up to the next General Election I expect we're in for just as bumpy a ride as we've experienced over the first half of the Parliament. If nothing else, that will mean there will be plenty more to chew over. And I fully expect that I'll feel compelled to fire up the old notebook, go online, and share some thoughts on the political matters that seem pressing that day.

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[108] http://www.libdems.org.uk/constitution.aspx (Accessed: 10/02/13)