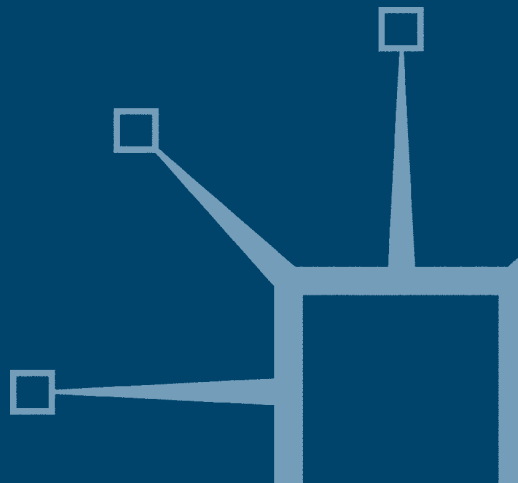


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The Cameron-Clegg Government

Coalition Politics in an Age of Austerity

Edited by
Simon Lee and Matt Beech



The Cameron–Clegg Government

Also edited by Simon Lee and Matt Beech

THE CONSERVATIVES UNDER DAVID CAMERON
TEN YEARS OF NEW LABOUR
THE BROWN GOVERNMENT: A POLICY EVALUATION

The Cameron–Clegg Government

Coalition Politics in an Age of Austerity

Edited by

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Foreword

Rt. Hon. Sir Malcolm Rifkind MP

Every once in a while circumstances conspire to produce a distinct, yet unexpected outcome. The formation of the Coalition Government was one such moment. The agreement between the Liberal Democrats and the Conservatives was the product of exceptional developments. Few would have expected, as Tony Blair celebrated his third election win, that the next poll would see his party forced from office by the cooperative efforts of the two opposition parties. Yet a week is a long time in politics, let alone five years. In that time each of the three main political parties changed its leader. The country as a whole plunged into a severe economic malaise, triggered by a financial crisis that few had seen coming. Above all, the electorate produced a political deadlock, ensuring that the job of forming a government fell to the politicians themselves.

As with all major events in politics, the formation of the Coalition proved the importance of individuals. Were one to have replaced any one of the three party leaders with a rival from the same party, and one would almost certainly have seen a different outcome. A less prickly Prime Minister might have been able to tempt the Liberal Democrats to reach a deal with the Labour Party, long considered the home of its ideological cousins. Yet an appealing offer could not be assembled by Gordon Brown, whose command and control style of management had characterized his tenure as both Chancellor of the Exchequer and Prime Minister. Likewise, a Conservative leader lacking David Cameron's pragmatism might have balked at the idea of offering a compromise on electoral reform in exchange for a working Parliamentary majority. Throughout the campaign Cameron had pushed to secure an outright victory. Yet this was a herculean task given the low base from which his party began the campaign. A lesser man might have been content to settle for what had been achieved, in the hope that a minority Government would eventually come to pass. In turn, the selection of Nick Clegg as party leader by Lib-Dem voters will come to be seen as being of critical importance. Every one of Clegg's predecessors would have struggled to reach an agreement with the Conservatives. Not so the current Deputy Prime Minister, who saw in the deal a once-in-a-lifetime opportunity to prove to the country that Coalition Government could work in practice.

In addition to personality, circumstance played a major role. Over the course of the five days that followed the 2010 General Election, it gradually became clear that a compromise agreement between the Liberal Democrats and Conservatives was the only viable option. The Parliamentary mathematics meant that even a deal between Labour and the Liberal Democrats would have failed to produce a stable administration capable of governing effectively. Even if that had not been the case, the dynamics of the moment favoured a decisive change in Government. Brown had never previously fought an election, and to have remained in office despite major Conservative gains at Labour's expense would have stretched the public's patience to its breaking point. Moreover, the situation in which the country found itself all but forced the hand of those involved. Having seen the Labour Government stave off a deadly financial crisis through an emergency recapitalization of the banking sector 18 months earlier, the would-be Coalition partners found themselves racing the clock to prevent the markets' deep unease about the country's ailing economic situation from spinning out of control. Across the English Channel and the Irish Sea, European partners were seeing severe drops in living standards being forced upon them by the bond markets, to which they had been forced to turn in a final roll of the dice. Neither the Conservatives nor the Liberal Democrats, least of all the civil servants seeking to facilitate a full coalition between the two, could bear to entertain the horror of renewed economic collapse amid a political vacuum.

Indeed, one cannot understand the Coalition Government, or its policy platform, without grasping the scale of the economic challenge. The deficit it now seeks to close is not only the Coalition Government's number one priority, but also its very reason for being. This is in many ways a National Government, more akin to British administrations of wartime than the coalitions that one sees on a regular basis in Europe. Without the economic challenge, it might never have come together.

That is not to say that there were not substantial areas of policy agreement between the two parties, as the bulk of this work makes clear. In the final years of the last decade, Conservative and Liberal Democrats found themselves united in their opposition to the authoritarian and centralizing tendencies of the Labour Government. That common ground is reflected in the Coalition Agreement, which places a tremendous emphasis upon restoring civil liberties, reforming public services and decentralizing power away from Westminster. Indeed, Mark Stuart's analysis of the Liberal Democrats under Nick Clegg is compelling, demonstrating how the party swung from being one that sympathized with the ideals and core aims of the Labour Government to one that considered itself a full opposition party in its own right.

This book helps shed light on all these themes. It explains how events led to the creation of the Liberal Democratic–Conservative Coalition. Yet it also seeks to outline the challenges that the new Government faced upon taking office and to detail how its members have wrestled with a variety of challenges from different ideological perspectives. Matt Beech and Simon Lee have assembled a wide range of contributors to help analyse the Coalition's approach to governance. Each one considers the impact of the Government's austerity drive, which seeks to respond to circumstances that, while not of its making, are now its responsibility. For instance, the acute difficulties faced by the Liberal Democrats in accepting an increase in tuition fees are considered by Simon Griffiths' review of education policy in Chapter 5.

Few will share the conclusions of every contributor. Rajiv Prabhaker rightly cautions against proclaiming the death of 'New Labour', when so many long-serving officials remain within a party that came within a whisker of retaining power. By contrast, I find myself at odds with Chris Martin's pessimistic view of Britain's future international capabilities as a result of the Government's Strategic Defence and Security Review (SDSR). While the Government has had to make substantial savings, it has done so in a way that allows the UK to maintain its short-term commitments, while defending its long-term capabilities. While sacrifices have been made that will impact the UK's defence policy in the medium term, I believe that such efforts are required if the UK is to safeguard its economic stability, the loss of which would have far more serious consequences than any of the measures introduced by the Government. The UK, after these defence cuts, will still have the fourth largest defence budget in the world. The concerns of those who believe Britain is in terminal decline are greatly exaggerated.

Yet different interpretations of the contemporary political scene should not discourage readers from an enjoyment of this important contribution to the public debate. For this is not a book that seeks to provide a definitive historical record of the Coalition's formation or how successful its approach to Government will prove to be. It is rather a guide to the political moment – a snapshot of the political scene as it stands, and how those who observe today's events consider them at this precise point in time. Such a work will be far more valuable to the historians of the future than any speculative work produced without the benefit of hindsight. This is a collection of essays that deserves to be read by both academics and the public at large. Moreover, it deserves to be read now, not in five years' time. By that stage the world will have moved on once more, as it has so many times before.

The Centre for British Politics

The aim of the Centre for British Politics is to combine the research specialisms of Lord Norton, Simon Lee and Matt Beech. Its objectives are to conduct high quality research into aspects of British politics, especially, parties, policies and ideologies, and to reinforce the tradition of teaching and research in the area of British politics that the Department of Politics and International Studies at the University of Hull has developed for over 30 years.

This book is the fourth edited collection, and the third to be published by Palgrave Macmillan since the establishment of the Centre for British Politics in June 2007. As in *Ten Years of New Labour* (2008), *The Conservatives under David Cameron: Built to Last?* (2009), and *The Brown Government: A Policy Evaluation* (2009), a team of contributors has been selected who are united by their previous scholarship in and continuing passion for the study of diverse aspects of British politics, rather than a shared party political affiliation or unified ideological disposition. In that regard, the work of the Centre continues to reflect the spirit of vigorous but friendly academic inquiry and debate fostered by the Department of Politics and International Studies as it approaches its fiftieth anniversary.

It is particularly fitting too that the contributors to this volume should include Professor Arthur Aughey, a Senior Fellow of the Centre, and the author of the Centre for British Politics Norton Lecture 2011, “‘With a Shrug of the Shoulders’: Is England Becoming a Nation Once More?”

Acknowledgements

The Centre for British Politics would like to thank and acknowledge Matt Beech for assembling the team of contributors to this project and for organizing the symposium on the 3 December 2010 at the University of Hull upon which it was intended to be based. Unfortunately, the intervention of the heaviest snowfall in England for a generation led to the symposium's cancellation. Nevertheless, the editors would like to thank the contributors for their preparedness to travel to Hull and for their willingness to participate in a project for which Simon Lee must assume the responsibility for instigating. Once again this project, like its predecessors, would not have been possible but for the financial support provided by the Department of Politics and International Studies at the University of Hull.

The editors are especially grateful to Sir Malcolm Rifkind for agreeing to write the foreword to the book. They would also like to thank Amber Stone-Galilee for her courage and foresight in commissioning the project. It is unusual for a publisher to be asked to produce a book on a government, whose longevity has continued to be a matter of speculation, after it has served only two months in office. Given that context of great political and economic uncertainty, it is yet more unusual for a publisher to agree to proceed. The editors would also like to acknowledge the work of Liz Blackmore at Palgrave Macmillan on the production of the book and the role of the copy editors for their work in delivering the manuscript.

Finally, Matt, as ever, would like to thank his wife, Claire, for her constant support and love during the production of this book. Simon would like to thank his family for their continued love and support, and Rosie and Sam for their companionship and constant reminders of the world beyond politics.

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Part One

The Coalition in the Making

1

‘We Are All in This Together’: The Coalition Agenda for British Modernization

Simon Lee

Introduction

Coalitions have been a relatively infrequent feature of modern British politics. When they have been formed, usually during wartime or major peacetime economic crises, and when they have endured, they have tended to be established in the month of May and, more often than not, led by a Liberal or Conservative politician (Maer, 2010). For example, during the First World War in May 1915, Herbert Asquith formed a Liberal-led Coalition (led from December 1916 by David Lloyd-George), in which the Conservatives provided eight out of 21 Cabinet Ministers, and which endured, despite the interruption of the 1918 General Election, until October 1922 (Morgan, 1978: 25). Similarly, in May 1940 Winston Churchill formed a Coalition National Government, comprising ministers from all three major political parties, which lasted until the landmark General Election of May 1945 (Taylor, 1978: 85). To this extent the formation of a Conservative–Liberal Democrat (hereafter Con–Lib) Government in May 2010, against the backdrop of the worst financial crisis since 1929, following 22 days of frantic negotiations, marked a return to a longstanding British political tradition of forming coalition governments during periods of austerity.

In this introductory chapter to our study of the agenda for British modernization devised by the Cameron–Clegg Government during its first eight months in office, it is suggested that the formation of the

Con–Lib Coalition has reflected far more than a pragmatic politics of expediency on behalf of two of the three largest political parties in the United Kingdom. First, the chapter charts the ambivalent relationship between liberalism and social democracy, on the one hand, and liberalism and conservatism, on the other, in debates about British modernization during the twentieth century. Second, the chapter notes the obvious intellectual resonance between David Cameron’s liberal conservatism and the economic liberalism of the Liberal Democrats’ *Orange Book* (Marshall and Laws, 2004). Third, the chapter notes how the formation of the Coalition has enabled Cameron to engage in an alibi-based politics of deflection to distract attention away from the ultimate failure of his big society-centred agenda to secure a majority Conservative Government for the fourth consecutive General Election. Fourth, the ideological synergy between the two Coalition parties has enabled the formation in only 22 days of a government with a programme possessing, in the view of its principal architects, ‘the potential for era-changing, convention-challenging, radical reform’ (HM Government, 2010: 7). This has been a Coalition of the willing. Fifth, the chapter summarizes how this book has evaluated this radical partnership government and its implications for domestic and foreign policy, the British constitution and the future of the three major British political parties. The chapter concludes by noting that the very nature of the Coalition’s ‘era-changing, convention-challenging, radical reform’, with its fundamental challenge to the material living standards, interests and expectations of the middle classes, will carry with it the risk of testing to destruction Cameron’s signature political mantra for the Coalition: ‘We are all in this together’.

The Progressive Dilemma for Liberalism

In modern British politics debates about state-led modernization strategies to remedy the UK’s longstanding relative decline, there has long been a battle between social democratic and conservative narratives over which party has been best placed to form a progressive ideological Coalition with liberalism. For English liberalism’s greatest political economist and practical thinker, John Maynard Keynes, the Liberal Party remained ‘the best instrument of future progress’ (Keynes, 1925: 325). On the one hand, Conservatives offered Keynes ‘neither food nor drink – neither intellectual nor spiritual consolation’, and would promote ‘neither my self-interest nor the public good’ (Keynes, 1925: 323–4). On the other hand, for Keynes the Labour Party was ‘a class party, and the class is not my class’. Keynes did not believe that ‘the intellectual elements in the

Labour Party will ever exercise adequate control', which would mean 'too much will always be decided by those who do not know *at all* what they are talking about' (Keynes, 1925: 324).

For the first three-quarters of the twentieth century the battle of ideas in progressive politics for the heart and soul of liberalism appeared to have been won decisively by the forces of social democracy. For example, during the interwar period, despite his doubts about the Labour Party, Keynes was in the forefront of those creating a progressive social democratic agenda to challenge the neoclassical orthodoxy of the Treasury. The Liberal Party had produced the Yellow Book, *Britain's Industrial Future* (1928) and inspired a cross-party report, *The Next Five Years: An Essay in Political Agreement* (1935). Nevertheless, as Keynes had acknowledged in an essay on 'Liberalism and Labour', 'the progressive forces of the country are hopelessly divided between the Liberal Party and the Labour Party' (Keynes, 1926: 339). Moreover, he recognized that 'The Liberal Party is divided between those who, if the choice be forced upon them, would vote Conservative, and those who, in the same circumstances, would vote Labour' (Keynes, 1926: 343).

At that juncture, Keynes did not believe that there was any prospect of the Liberal Party winning even one third of the seats in the House of Commons 'in any probable or foreseeable circumstances' (Keynes, 1936: 339). Indeed, he did not believe that 'Liberalism will ever again be a great party machine in the way in which Conservatism and Labour are great party machines' (Keynes, 1926: 344). However, since 'The brains and character of the Conservative Party have always been recruited from Liberals', it would remain 'right and proper that the Conservative Party should be recruited from the Liberals of the previous generation' (Keynes, 1926: 343–4).

When the liberalism of Keynes and Sir William Beveridge provided the ideological basis for the Attlee Government's pursuit of full employment and expansion of the welfare state it appeared that the battle for a progressive ideological Coalition with liberalism had been won decisively by the social democratic middle ground. However, as Marquand has asserted, British social democracy displayed a failure of political imagination. Its focus on policy and neglect of process meant that modernization programmes were not underpinned by the necessary social and political citizenship. This meant that 'The case for non-statist, decentralist, participatory forms of public intervention was rarely made, and still rarely heard' (Marquand, 1991: 216). In short, social democracy was 'a technocratic philosophy rather than a political one' (Marquand, 1991: 220). Its reductionist individualism and society composed of

isolated, atomistic individuals forgot any sense of community and the possibility that 'politics is, or should be, a process through which a political community agrees its common purpose' (Marquand, 1991: 217).

This meant that the progressive ideological coalition between social democracy and liberalism could be judged instrumentally and might only last as long as the resulting political settlement continued to deliver rising living standards, full employment and enhanced individual welfare. When the stagflation and the resulting fiscal crisis of the mid-1970s led the Callaghan Government to the International Monetary Fund and ushered in a turbulent age of austerity, Margaret Thatcher and Sir Keith Joseph seized the opportunity to reclaim economic liberalism for the New Right forces of conservatism. For Thatcher and Joseph, harnessing the Conservative Party to the economic liberalism of Milton Friedman and Friedrich Hayek afforded the opportunity to win the battle of ideas about British modernization. As a champion of political and economic liberalism, Hayek had once explained that he had rejected conservatism on account of its simple adherence to the principle of opposing 'drastic change', which meant that it could not 'offer an alternative to the direction in which we are moving' (Hayek, 1960). By contrast, in 'the great struggle of ideas', liberalism, 'with its advocacy of the free growth, spontaneous association, individual entrepreneurship and self-regulating forces of the market, could offer a politically and morally superior alternative to the rolling forward of the frontiers of the social democratic state' (Lee and McBride, 2007: 4).

Where once British politics had become stranded on a social democratic 'middle ground' exemplified by an 'over-governed, over-spent, over-taxed, over-borrowed and over-manned' declining economy (Joseph, 1976: 19), under Thatcher's leadership the Conservative Party could now reverse the trend towards socialism and harness economic liberalism to conservatism to steer British politics rightwards to occupy the 'common ground'. This political territory would champion the moral and material benefits of the market and remove the obstacles to full employment and prosperity, namely high state spending, high direct taxation, egalitarianism, nationalization, a politicized and Luddite trades union movement and the absence of an entrepreneur-driven enterprise culture (Joseph, 1979: cols. 706–11).

An Ideological Coalition of the Willing

When viewed within the historical context of debates about British modernization, it becomes evident why Cameron should have found it relatively straightforward for his party to form a coalition with the Liberal

Democrats. It was not just a matter of pragmatic electoral arithmetic, with Clegg's 57 Liberal Democrat MPs providing Cameron's 307 Conservative MPs with the opportunity to govern as a majority, rather than a minority, government, while simultaneously providing five Liberal Democrat MPs with the opportunity to be the first serving Liberal politicians in a peacetime Cabinet for 80 years. It was much more than a matter of the simple personal chemistry between Cameron and Clegg, which had been evident from their inaugural press conference in the garden of 10 Downing Street on that sun-kissed morning in May. It was equally much more than the product of their shared social background as privileged, sharp-suited, upper middle-class, public school- and Oxbridge-educated millionaires. It was also a matter of ideological Coalition.

From the Conservative perspective, in March 2007 Cameron had stated categorically: 'I am liberal Conservative' (Cameron, 2007). He was 'liberal, because I believe in the freedom of individuals to pursue their own happiness, with the minimum of interference from government'. To his liberalism, with its scepticism about the role of the state, its trust in the capacity of people 'to make the most of their lives, and its confidence about 'the possibilities of the future, Cameron had harnessed his conservatism:

I believe that we're all in this together-that there is a historical understanding between past, present and future generations, and that we have a social responsibility to play an active part in the community we live in. (Cameron, 2007)

While Cameron conceded that conservatism and liberalism had frequently been in conflict, as William Gladstone and Benjamin Disraeli had been during the nineteenth century, the two ideologies could be seen to depend on each other 'at a deeper level' (Cameron, 2007). Conservatism's emphasis on communal obligations and institutions could prevent liberalism from becoming 'hollow individualism, a philosophy of selfishness'. By the same token, liberalism's emphasis on individual freedom could prevent conservatism from becoming 'mere conformity, limiting creativity and progress' (Cameron, 2007). Consequently, Cameron was adamant that there could be 'common ground between liberalism and Conservatism', especially in the four crucial policy areas of identity cards, public services, the environment, and localism. In short, Cameron concluded: 'I have a philosophy – liberal Conservatism – which has the answers to the great questions our country faces' (Cameron, 2007).

From the Liberal Democrat perspective, the potential for the party to work closely with a modern Conservative Party, in which the economic liberalism of Hayek and Friedman was more likely to be subscribed to than the one nation conservatism of Disraeli or Harold Macmillan, had been signalled with the publication of *The Orange Book: Reclaiming Liberalism* (Marshall and Laws, 2004). Among the contributors to this collection of essays, whom the then Liberal Democrat leader Charles Kennedy had described as ‘hard-headed in their economic liberalism’ (Kennedy, 2004), had been a number of eminent Liberal Democrat politicians who would play a leading role in both the negotiation of the Con–Lib Coalition and the staffing of its inaugural Cabinet, notably Nick Clegg, David Laws, Vince Cable and Chris Huhne.

In their respective contributions to the *Orange Book*, there was little that Cameron, George Osborne or the ranks of the quintessentially Thatcherite MPs populating the contemporary Conservative Party might have taken issue with. For example, in his attempt to reclaim liberalism, the Con–Lib Coalition’s future (albeit, short-lived) Chief Secretary to the Treasury, David Laws, defined liberalism in terms of four strands – personal, political, economic and social – three of which few Conservative MPs would have cause to dissent from. Indeed, they would likely have cheered to the rafters Laws’ advocacy of economic liberalism – ‘the belief in the value of free trade, open competition, market mechanisms, consumer power, and the effectiveness of the private sector’ – and his call to ‘resist a nanny-state liberalism’ (Laws, 2004: 42). Similarly, the Conservatives would have found much to admire in Cable’s assertion that ‘whenever possible, “command and control” regulation should be replaced by self-regulation reinforced by statute’, and reform of the public services informed by a vision ‘in which a mixture of public sector, private and mutually owned enterprises compete to provide mainstream services’ (Cable, 2004: 153, 161).

Admittedly, a rival edited collection, *Reinventing the State: Social Liberalism for the 21st Century* (Brack, Grayson and Howarth, 2007), had been published subsequently, during the tenure of Menzies Campbell as Liberal Democrat party leader (with contributions from both Clegg and Huhne, but neither Laws nor Cable). *Reinventing the State* made the case for why social liberalism, rather than the *Orange Book*’s ‘hard-headed’ economic liberalism, should be to the fore in Liberal Democrat thinking and policy. However, the victory of Clegg over Huhne for the right to succeed Campbell as party leader had symbolized the hegemony of economic and political liberalism over social liberalism within the party’s thinking and policy. Moreover, social liberalism had become associated

principally with Kennedy and Campbell, who had both failed to deliver an electoral breakthrough at successive General Elections. Furthermore, unlike their four 'hard-headed' English colleagues representing English constituencies, both Kennedy and Campbell represented constituencies in Scotland. In the post-devolution UK political settlement, where British governments would increasingly focus on reforms to public policy and services in England alone, the authority and capacity of social liberalism's two most eminent advocates to influence policy development affecting England would likely be diminished.

Viewed in the light of the economic liberalism of the *Orange Book*, both the willingness of the Liberal Democrats to negotiate a coalition with the Conservative Party rather than the Labour Party and the acquiescence of the five Liberal Democrat Con-Lib Coalition Cabinet members in the face of the cuts to public spending and the introduction of radical, market-based reforms of public services in England, becomes more readily comprehensible. Furthermore, the formation of the Coalition offered the Liberal Democrats the opportunity to end 80 years of British political history during which the party and its predecessor, the Liberal Party, had 'found itself confined for most of the twentieth century to, at best, influence, not power' (Marshall, 2004: 2). For example, Laws was able to become 'the first Liberal Treasury minister since 1931', and then, following his resignation over allegations about his private life, sexuality and parliamentary expenses, 'the shortest-lived holder of a Cabinet Office for 200 years' (Laws, 2010: 8–10). It also offered Clegg the opportunity to become the most powerful Deputy Prime Minister to serve in a British Cabinet since the appointment of Attlee to that role in the wartime National Government.

The Politics of Deflection and the Big Society

For a party leader who had spent so much of his tenure since December 2005 attempting to persuade the Conservative Party to heed the wake-up call from the electorate at three consecutive General Elections to 'smell the coffee' (Ashcroft, 2005), by detoxifying the Conservative Party's organization, image, ideas and policy from the worst excesses of the 'nasty' party (May, 2002), the Coalition with the Liberal Democrats offered Cameron the perfect political alibi to implement a new politics of deflection. First, Cameron could now deflect the blame onto the Coalition for having to drop those policies and marginalize those parts of his parliamentary party which had led the majority of voters in key marginal seats to think the Conservative Party was 'out of touch, had failed to learn

from its mistakes, cared more about the well-off than have-nots, and did not stand for opportunity for all' (Ashcroft, 2005: 3). Second, Cameron could now deflect the blame on to the Liberal Democrats and his own Deputy Prime Minister for the very painful political choices necessitated by the transition from New Labour's 'age of irresponsibility' to 'the age of austerity' (Cameron, 2009a) and the onset of fiscal conservatism. Third, and most importantly, Cameron could use the Coalition, and the fact that it had provided him with a route to avoid minority government, to deflect attention from the Conservative Party's failure under his leadership to win a parliamentary majority at a fourth consecutive General Election.

It should not be forgotten that Cameron had attributed his party's recent electoral defeats to its failure to recognize that it had actually won the battle of ideas in British politics. The proof of that victory was the creation of the New Labour project, the electoral triumphs of Tony Blair and the fact that New Labour's 'Social justice and economic efficiency' had become 'the new common ground in British Politics' (Cameron, 2006). However, Cameron equally knew from the evidence of Thatcher's unceremonious removal from office by her own party, and the three subsequent General Election defeats under John Major, William Hague and Michael Howard, that a simple appeal to Thatcherite economic liberalism and the political narrative of the 'nasty' party era would be sufficient only to rally the party's core voters. He needed an alternative political narrative.

Cameron had concluded that 'towards the end of the 1980s we had become too much the economics party' (Cameron, cited in Jones, 2008: 288). The problem had been that 'no one knew what we thought about the health service, or the environment or society' (Cameron, cited in Jones, 2009: 290). As a consequence, where Thatcher had 'mended the broken economy in the 1980s', so now Cameron wished 'to mend Britain's broken society in the early decades of the twenty-first century' (cited in Jones, 2008: 308–9). The challenge was to convince the electorate that such 'real change is not delivered by government on its own, it's delivered by everyone playing their part in a responsible society'; but this in turn would mean convincing the British people that the agents of social change should be individuals, families and businesses, all acting as social entrepreneurs, rather than the customary top-down initiatives engineered by institutions of the British state (Cameron cited in Jones, 2008: 308).

How this major political and electoral challenge was to be met was not explained until Cameron delivered the 2009 Hugo Young Lecture on 10 November 2009. Here, he asserted that the 'trend of continuous central state expansion was not politically inevitable'. The role of the state could

be reimagined so that it could be used 'to remake society' (Cameron, 2009b). To this end, he once again sought to harness conservatism to liberalism by identifying 'a strong liberal, civic tradition within Conservative thinking, stretching back from Edmund Burke through to Michael Oakeshott, that celebrates the small and local over the big and central' (Cameron, 2009b). Big government had failed. The expenditure by New Labour of £473 billion on welfare payments since 1997, and the rolling forward of the frontiers of 'more redistribution, means-tested benefits and tax credits', had not only failed to reduce, but actually had witnessed increased inequality and youth unemployment:

The paradox at the heart of big government is that by taking power and responsibility away from the individual, it has only served to individuate them. What is seen in principle as an act of social solidarity, has in practice led to the greatest atomization of our society. The once natural bonds that existed between people-of duty and responsibility-have been replaced with the synthetic bonds of the state-regulation and bureaucracy. (Cameron, 2009b)

Citing the work of Philip Blond, director of the newly created think tank ResPublica, and the subsequent author of *Red Tory*, a book which had sought to combine economic equity with social conservatism (Blond, 2010), Cameron noted how the centralization of power had made people more passive and cynical, when they should actually be active and idealistic.

The Conservative alternative to the failure of the big state would not be 'no government – some reheated version of ideological laissez-faire. Nor is it just smarter government.' Instead, the alternative platform and big idea on which Cameron's Conservatives would fight the 2010 General Election would be 'the big society' (Cameron, 2009b). In the view of his Shadow Chancellor, the politics of prosperity had now given way to the politics of austerity (Osborne, 2009). But rather than engaging with the traditional electoral staples of the economy, health and education, and law and order, and clarifying the Conservative agenda for dealing with the budget deficit and the threat of recession, Cameron had chosen to focus on a strategy for social action. His party's focus would be on the social entrepreneurs possessing 'the capacity to run successful social programmes in communities with the greatest needs', community activists and, above all, the majority of the population, because 'The big society demands mass engagement: a broad culture of responsibility, mutuality and obligation' (Cameron, 2009b). Existing civic institutions,

'like shops, the post office and the town hall', would be strengthened (Cameron, 2009b).

At no point did Cameron acknowledge that the future spending cuts necessitated by his fiscal conservatism might undermine the social action and constituent community organizations of his 'big society'. Nor did he contemplate that the bonds of duty and responsibility, whose loss he had lamented, might owe as much to the creative destruction of liberalized markets, especially for employment, as to an over-mighty state. From the perspective of his own much diminished ranks of party activists, it was difficult to see how the idea of the 'big society', with its roots in theology and academic political philosophy, could be comprehended, let alone sold on the doorstep during a General Election campaign.

In the event, the Conservative Party did succeed in adding almost 22 per cent and nearly two million votes to its June 2005 General Election total. This translated into a gain of 97 seats, more than at any General Election since 1931, and a swing from Labour to the Conservatives of 5.1 per cent (second only to the 5.3 per cent swing to Thatcher's Conservatives in May 1979). However, while the Conservatives' 36.1 per cent share of the vote was an improvement on the party's performance in the three previous elections, 'it was lower than at any other election since the war' (Ashcroft, 2010: 100) and left Cameron 19 seats short of an overall parliamentary majority. Given that the Labour Party could muster only 29 per cent of the vote, Gordon Brown had become a hugely unpopular Prime Minister and had presided over the worst financial crisis since the 1930s, an explanation had to be sought for why the Conservatives' double-digit opinion poll lead during the two years prior to the May 2010 General Election had evaporated.

Extensive polling organized and funded by Michael Ashcroft, Deputy Chairman of the Conservative Party, suggested that the party had neither completed the transformation of the Conservative Party brand nor established itself as 'a party of real change' (Ashcroft, 2010: 113). Three months prior to the election, while 82 per cent of voters had agreed with the statement 'It is time for change', only 40 per cent had intended to vote Conservative. On 6 April 2010, the date the General Election was called, these doubts in the electorate's mind were repeated. While more than three-quarters thought it time to change from Labour, only 34 per cent thought it time to change to the Conservatives. Moreover, 72 per cent indicated that they were not convinced the Conservative Party put ordinary people first (Ashcroft, 2010: 110). Seen in the light of this electoral failure, in which the Liberal Democrats had shared with a net loss of five seats and a meagre 1 per cent increase in their share

of the popular vote, it is evident why Cameron and Clegg should have shown such enthusiasm for joining in a Coalition of the willing. Not only would the Coalition govern with 56 per cent of the seats at Westminster, and a combined 59.1 per cent of the votes cast. The formation of the Coalition would provide an opportunity to assemble a bold programme for government to put their respective electoral failures behind them.

An Historic Programme for Partnership Government

In the foreword to their Coalition's programme for government, Cameron and Clegg ventured a series of very bold and ambitious claims which sought to demonstrate that their partnership was born out of genuine political conviction rather than an expedient marriage of convenience. First, they began by asserting:

This is an historic document in British politics: the first time in over half a century two parties have come together to put forward a programme for partnership government. (HM Government, 2010: 7)

Second, they claimed that the Coalition would be greater than the sum of its constituent parties and that because their respective visions would be strengthened and enhanced rather than compromised by working together, the Coalition would have 'the potential for era-changing, convention-challenging, radical reform' (HM Government, 2010: 7). Third, that radical reform would translate into economic renewal in the form of 'a new economy from the rubble of the old', social renewal in 'a Britain where social mobility is unlocked' and political renewal, through a commitment 'to turning old thinking on its head and developing new approaches to government' (HM Government, 2010: 7). In so stating, the Coalition was repeating the three prerequisites for British national renewal identified by previous state-led modernization programmes.

Fourth, Cameron and Clegg claimed that in every part of their agreed programme the Coalition had been able to go 'further than simply adopting those policies where we previously overlapped'. This in turn had been possible because of their discovery that 'a combination of our parties' best ideas and attitudes has produced a programme for government that is more radical and comprehensive than our individual manifestos' (HM Government, 2010: 8). As a consequence, it had been possible, for example, to fashion 'a Big Society matched by big citizens' from a combination of 'Conservative plans to strengthen families and encourage social responsibility' and 'the Liberal Democrat passion for

protecting our civil liberties and stopping the relentless incursion of the state into the lives of individuals' (HM Government, 2010: 8). Indeed, it was claimed there was potential for nothing less than a complete recasting of the relationship between people and the state.

Fifth, the political dividend of greater strength derived from the combination of Conservative and Liberal Democrat ideas had extended to 'the crucial area of public service reform', and in particular the area of the National Health Service (NHS). Indeed, 'Conservative thinking on markets, choice and competition' had been added to 'the Liberal Democrat belief in advancing democracy at a much more local level' to fashion:

a united vision for the NHS that is truly radical: GPs with authority over commissioning; patients with much more control; elections for your local NHS health board. Together, our ideas will bring an emphatic end to the bureaucracy, top-down control and centralization that has so diminished our NHS. (HM Government, 2010: 8)

Following the precedent of the Blair and Brown governments there was no acknowledgement that these reforms would apply to England only. It was also evident that after 13 years of permanent revolution and reorganization of England's public services, the pace of reform would not slacken in the face of the fiscal challenges confronting the Coalition. Indeed, if anything, the pace of reform would accelerate.

Finally, Cameron and Clegg acknowledged that 'Three weeks ago we could never have predicted the publication of this document' (HM Government, 2010: 8). The option of minority government had been available following the General Election, but both leaders had been 'uninspired by it' given the alternative of seizing 'the option of a Coalition in the national interest'. Although both parties had begun with only 'some policies in common and a shared desire to work in the national interest', they had arrived at the programme for government as 'a strong, progressive Coalition inspired by the values of freedom, fairness and responsibility' (HM Government, 2010: 8). Moreover, this programme would yield 'five years of partnership government driven by those values', in the belief that in turn it could deliver nothing less than

radical, reforming government, a stronger society, a smaller state, and power and responsibility in the hands of every citizen. Great change and real progress lie ahead. (HM Government, 2010: 8)

The ambitious claims made on behalf of the Coalition by its Prime Minister and his Deputy have been matched during the Cameron–Clegg Government’s first nine months in office by the frenetic tempo of its reforms. First, the initial agreement arising from the Conservative–Liberal Democrat (Con–Lib hereafter) Coalition negotiations had promised that ‘a plan for deficit reduction should be set out in an emergency budget within 50 days of the signing of any agreement’ (Conservative Party/ Liberal Democrat Party, 2010). That pledge was fulfilled on 22 June with the delivery of an emergency budget, which identified an additional £40 billion of fiscal consolidation by 2014–15 to that planned by the Brown Government, of which 80 per cent would be accounted for by cuts in public expenditure (HM Treasury, 2010a: 15). Second, both the Con–Lib Coalition Agreement and programme for government had committed the parties to ‘a full Spending Review reporting this autumn, following a fully consultative process involving all tiers of government and the private sector’ (Conservative Party and Liberal Democrat Party, 2010; HM Government, 2010: 16). That commitment was delivered on 20 October with the publication of a spending review which envisaged the tightest squeeze on overall public expenditure since 1945; the tightest settlement for spending on public services since the age of austerity which lasted from April 1975 to March 1980; and the tightest squeeze on NHS spending since the period from April 1951 to March 1956 (Crawford, 2010).

The Coalition presented its agenda for tackling the challenges posed by the age of austerity as ‘Britain’s unavoidable deficit reduction plan’, a political *fait accompli* necessitated by its inheritance from the Brown Government of a gaping hole in the UK’s public finances amounting to ‘the largest in its peacetime history’ (HM Treasury 2010b: 5). In order to secure economic stability, the Treasury claimed that ‘The Spending Review makes choices’, but unavoidable choices born out of necessity (HM Treasury, 2010b: 5). However, many of these choices had not appeared in either of the Coalition parties’ General Election manifestos. Some choices, most notably the proposed increases in tuition fees for students attending universities in England, contradicted both manifestos’ commitments and signed undertakings to oppose such fees. Others, most significantly the Coalition’s plans for the reform of the NHS in England, not only had not appeared in either party’s manifesto, but had not been clearly specified in either the initial Coalition Agreement or the subsequent programme for government.

Many of these policy choices, not least Michael Gove’s nationalization of the funding for schools in England and Andrew Lansley’s GP-centric NHS reforms in England, flatly contradicted Cameron and Clegg’s promise