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From crisis to coalition: Transcending Thatcherism 2005–the present day

After three successive electoral reversals was it possible that the Conservatives might be willing and able to realize that Thatcherism was no longer a viable strategy? (Bale 2010: 253) Their commitment to the Thatcherite rhetoric of taxation, law and order, immigration and Euroscepticism, and the establishing of ‘clear blue water’ between themselves and New Labour to ‘shore up’ their traditional base, had failed in spectacular fashion in 2001. The reaction of the Conservatives to the failure of William Hague, a moderate Thatcherite to reconstruct Conservatism and re-establish their electoral appeal, was to replace him with a supposedly more committed Thatcherite in the shape of Iain Duncan Smith. Both of these Thatcherites had then surprisingly attempted to initiate forms of change, but their attempts to ‘reach out’ to floating centrist voters, so that the Conservatives could transcend Thatcherism, were unsustainable. Their failure to change and modernize was partly due to the lack of evidence that change would improve the position of the party in the polls (given the governing success of New Labour), but it was also due to the fact that neither leader was truly convinced of their own new narrative. Critically both came to fear that they may be removed from the leadership if they sustained their commitment to change. Hague survived a full parliamentary term but Duncan Smith did not, creating the interim leadership tenure of Michael Howard.

Assessing whether the Conservatives were willing to change would be the key aspect of the inevitable leadership election that would take place after Howard resigned in May 2005. Although a Thatcherite himself, Howard was convinced that their third successive reversal had demonstrated that they had ‘tested the Thatcherite strategy to destruction’ (Bale and Webb 2011: 39). Howard wanted to assist the new younger modernizing generation of Conservatives. To aid the prospects of either David Cameron

or George Osborne emerging as his successor Howard decided to announce his 'intention' to resign in May 2005, but that his resignation would only be activated after the Conservatives had an opportunity to reassess their leadership selection rules. The delayed resignation tactic created a protracted succession contest characterized by two stages – the phoney war between May and September, and the real contest between September and December once the rules were agreed upon (Denham and O'Hara 2008: 105–72).

Most parliamentarians wanted to switch back to a system of parliamentary ballots. For many, the outcome of the 2001 succession contest, and the subsequent need to evict Duncan Smith after 2 years had 'discredited the selection system' (Quinn 2012: 107). A consultation paper was put forward outlining the failings of the Hague rules: expensive, time consuming and confusing, most notably with regard to the fact that the membership had the final say in selection (after parliamentary screening), but only the parliamentarians could initiate a removal (Denham and O'Hara 2008: 117). Eventually new proposals were put forward to a constitutional college, comprising of Conservative MPs, MEPs and peers and senior figures from the voluntary wing of the party. The new proposals retained an element of party membership involvement through a National Conservative Convention. Parliamentarians would nominate candidates. If one candidate had over half of the PCP, they were automatically elected. If not then only candidates who had the backing of 10 per cent of the PCP would be allowed to proceed to eliminative contests. Those passing that threshold would then be subject to two parallel procedures. There would be the aforementioned eliminative ballots in which only Conservative parliamentarians could participate. However, alongside the candidate who was ranked highest by members of the National Conservative Convention, made up from the voluntary wing of the party, would be guaranteed a place in the final parliamentary ballot, thus meaning they could 'pass to the eliminative ballots'. Of course in the final eliminative ballot the PCP could choose an alternative candidate to the one who was selected first by the National Conservative Convention. At best they could send a signal, but their signal was non-binding (Denham and O'Hara 2008: 118). In order to replace the existing Hague rules they needed the backing of two thirds of the constitutional college, but the mandate for change was not forthcoming. Only 61 per cent endorsed the proposals, meaning the existing Hague rules, widely felt to be dysfunctional among Conservative parliamentarians, would remain in place (Bale 2010: 267).

With the phoney war now complete and the rules of the game understood, this allowed the candidates to parade themselves at the 'beauty contest' that was their Annual Conference. The succession contest was seen as a 'tale of two primaries' – David Davis versus Liam Fox for the Thatcherite primary, and Kenneth Clarke versus Cameron for the non-Thatcherite primary. In reality, it became a tale of two speeches – one candidate-making one by Cameron, and one candidate-breaking one by Davis (Denham and Dorey 2006: 35–41).

It is valid to describe Davis and Fox as both being candidates of the Thatcherite right and advocates of tax cuts, Euroscepticism and social

conservatism (Quinn 2012: 108–9). However, although Clarke and Cameron were less well associated with Thatcherism their positioning was more complex than simply being characterized as the primary of the left. Cameron tilted towards Thatcherite orthodoxy on the economy and Europe, albeit that he may be best described as dry and soft in his Euroscepticism. He deviated from Thatcherism on social, moral and sexual matters. Meanwhile, Clarke was more clearly associated with the old style Conservative left with his economic dampness, his moderation on social matters and his Europhilia. What fuelled the right and left wing primary argument was where the respective candidates were drawing their support from. The majority Thatcherite bloc within the PCP was expected to fracture between Davis and Fox, and the minority non-Thatcherite grouping to split their support between Clarke and Cameron (Heppell 2008b: 180).

The central conundrum for the modernizing Cameron was whether the Conservatives were ready to change. Cameron was convinced of the need to modernize in order to distinguish the Conservatives from their recent failed past, and in order to do so he was keen to prioritize pragmatism over ideology. Although respectful of the politics of Thatcherism, he understood the realities of the focus group findings and opinion polling evidence. Preaching the Thatcherite gospel to the Tory faithful did not convert floating voters into new Conservative voters. For Cameron decontamination of the Conservative brand was required. In this context the findings of Michael Ashcroft, a Conservative donor, in his post-election analysis *Smell the Coffee*, justified the need for modernization both symbolic and substantive. Not only were the Conservatives trailing New Labour by 40 points in terms of governing competence, but they were seen to be ‘stuck in the past’, ‘uncaring’ and that they ‘had not learnt the mistakes of the past’ (Ashcroft 2005: 49–52, 94–7). Cameron would thus be an unashamed modernizing and change candidate.

What of the tale of two speeches argument? The speeches of Clarke and Fox generated little excitement. Clarke was to be undermined by the performance of Cameron. As the least experienced candidate Cameron used his speech to enhance his profile and his credibility and to showcase his impressive communication skills. Reaction within the conference hall was ‘enthusiastic, even electric’, and the print media coverage was ‘equally positive’. Not only did Cameron look ‘fresh faced’ and ‘highly personable’ but he showcased that he was ‘media-savvy’ by inviting his young wife onto the stage after the speech and then gently tapping her pregnancy bump (Bale and Webb 2011: 42). He was also optimistic, as without notes, he informed conference that he understood the problem, could identify the solution, and that New Labour was beatable. He brought the hall to their feet as he promised to deliver ‘a modern, compassionate Conservatism, that is right for our times, right for this generation, right for our party, and right for our country’ (Bale 2010: 275).

The response changed the dynamics of the contest. But Cameron did not create that change alone. The change was in part a by-product of how Davis performed. Not only was his speech negative and defensive, but it was badly presented. The end of his speech was so anti-climactic that his audience

did not realize he was ending and he had to beckon them to stand and applaud (Quinn 2012: 110). Worryingly this conjured up memories of 'the communication and presentational difficulties that had characterised the Duncan Smith tenure' (Heppell 2008b: 182).

Although Davis claimed to have 66 public endorsements within the PCP, only 62 backed him in the first eliminative parliamentary ballot, but he led Fox (on 42) in the right wing primary. Cameron led Clarke in the non-Thatcherite primary by 56 to 38, meaning that Clarke was eliminated, and the vast bulk of his supporters gravitated to Cameron who defeated Davis by 90 to 57 in the second eliminative ballot, with Fox trailing in third on 51. As Davis and Fox were splitting the Thatcherite voting bloc, it was inevitable that whichever of them led would nonetheless be a long way behind Cameron (Quinn 2012: 111). By the time the contest reached the membership stage Cameron had developed real momentum. He had strong backing from within the press with *The Sun* (still nominally New Labour); *The Daily Mail*, *The Times* and eventually *The Daily Telegraph* all endorsing him. Cameron also benefitted from polling data showing he had leads among both known Conservative voters but also swing voters (Denham and O'Hara 2008: 166–7). Eight years earlier they had rejected similar data that should have instructed them to endorse Clarke over Hague, but now the Conservatives were sufficiently desperate to back a candidate whose ideological identity may not be entirely to their liking, but who might win. Cameron secured 134,446 votes (or 67.6 per cent) to Davis on 64,398 (32.4 per cent) and thus he had a clear mandate to modernize (Elliott and Hanning 2009: 256–90). The significance of this was that they had selected a lesser Thatcherite candidate for the first time in the whole of the post-Thatcherite period.

Reconstructing Conservatism: The politics of modernization 2005–2010

Cameron entered the leadership with a clear strategy which was essentially driven by the stylistics of change. This meant acknowledging that the Conservatives were perceived to be 'nasty' (and incompetent) and that they would need to engage in 'brand decontamination' by changing their image, altering their rhetoric and adopting a more socially inclusive approach. Cameron felt that the Conservatives could only 'secure permission to be heard' (Bale 2010: 285) if they could change their image to overcome the negativity that informed attitudes towards them in the period between 1992 and 2005.

This would require a dual approach. First, the Conservatives would deliberately move away from prioritizing the issues associated with Thatcherism – that is, taxation, immigration and Euroscepticism. They would

then deliberately move onto the political terrain that New Labour could claim ownership over (McAnulla 2010: 295). Increasingly public pronouncements would focus on discussing work/life balance, maternity leave, childcare provision and the need to address the gender pay gap, as part of his feminization agenda. Ensuing rhetoric on the environment, on supporting state schools, defending professional autonomy in the public sector, attacking 'fat cat' salaries and emphasizing the importance of international aid were all designed as 'reach out' strategies that symbolized how the Conservatives were transcending Thatcherism (Dorey 2007; Carter 2009; Childs and Webb 2012; Heppell and Lightfoot 2012). Although the modernizing wing was convinced that the embracing of social liberalism was necessary, the traditional right felt that this smacked of abandoning their past (Evans 2008: 291–314). They were voluntarily walking away from their known strengths and downplaying the issues on which they were seen to be superior to New Labour, notably immigration and crime (Green 2010: 69).

Cameron himself would 'do everything he could to personally embody change' (Bale and Webb 2011: 44). This was central to the 'project', as the electorate was being 'invited' to believe that the Conservatives 'are no longer nasty because he [Cameron] is likeable' (Elliott and Hanning 2009: 291). The Conservatives initiated a 'shock and awe' campaign in the opening months of his leadership tenure, so as to 'get disillusioned voters to take another look at the Tories' (Bale 2012b: 224). In a sympathetic assessment of his performance as leader of the opposition Bale notes that Cameron knew that a 'picture is worth a thousand words', and as a consequence a steady diet of new images of Cameron emerged. He was shown doing the washing up with his wife and children around him or going shopping with them, and riding his mountain bike (Bale 2012b: 224). More often than not and somewhat surprisingly given his elitist background, he succeeded at appearing authentic. He used interviews to demonstrate normality such as acknowledging that the electorate were 'pissed off' with the political class, or when he dismissed UKIP as a 'bunch of fruitcakes and loonies and closet racists' (Bale 2012b: 225).

Cameron was seeking to detach the extremist label from the Conservative brand. He wanted to move beyond the fact that it was understood in terms of what it was against (immigrants, homosexuals and the European Union), rather than what it stood for (Norton 2009: 39). Accepting where the Conservatives had been both negative and wrong, and them moving on became part of the Cameron strategy. Apologies were made to distinguish his new Conservatism from that of the past, such as section 28 of the 1988 Local Government Act. On this piece of Thatcherite legislation that had made it illegal for local authorities to be seen to 'promote' homosexuality, Cameron informed Gay Pride: 'I am sorry for section 28. We got it wrong. I hope that you can forgive us' (Bale and Webb 2011: 46). A similar apology was made to the people of Scotland for the 'cultural insensitivity' shown

by the Thatcher administration which had treated them like ‘guinea pigs’ by their ‘clumsy and unjust’ implementation of the poll tax there one year before rolling it out across England and Wales (Dorey et al. 2011: 63).

Cameron wanted to emphasize what the Conservatives were for. One important example for him was the NHS. As he had a disabled son (Ivan who died in 2009), his family was reliant on the NHS and this meant that Cameron seemed more authentic on health care than other Conservatives. Another example was the family. He was pro-family, but not in an old-fashioned Conservative sense of being for only certain types of family units. He was pro-equality when it came to homosexual rights, and this more enlightened position was more in tune with popular opinion (especially among younger voters) (Norton 2009: 40). Cameron was thus seeking to triangulate contemporary Conservatism to reflect the altered terrain created by changes in society and the impact of New Labour in office. Thus Cameron’s objective was to make the Conservatives appear more centrist and position them closer to the location of the median voter in order to negate New Labour dominance on key electoral variables (Taylor 2010: 490).

The modernization strategy was more values driven than policy driven. They avoided making too many specific policy commitments (Norton 2009: 40). The early years would showcase how values would come to *inform* policy as they constructed a revamped statement. Entitled *Built to Last*, it emphasized the following values as the key determinants of modern Conservatism: eliminating poverty through raising quality of life for all; fighting social injustice; tackling environmental threats; improving the quality of public services; bolstering internal security; human rights; and enabling communities (Kerr 2007: 50–1). The initiation of a wide-ranging policy-review process by necessity took time to make recommendations. This had the ‘added benefit of delaying the need to announce detailed policy proposals’ (Hayton 2012a: 128). Even the construction of the policy-review process itself was designed to imply change. Only two of the groupings – National Security and Economic Competitiveness – were ‘typically regarded as Thatcherite priorities’, whereas the others ‘were all designed to reinforce the message that the party was changing’ – Social Justice; Globalization and Global Poverty; Public Services; and Quality of Life (Hayton 2012a: 128).

The six policy-review groups would publish interim reports by late 2006 leading to final reports by mid-2007. These final reports would then be considered by the shadow Cabinet and would help in the construction of more detailed policies for the forthcoming manifesto. However, the recommendations of the various groups were not binding on the leadership, allowing Cameron to select which ideas he and the shadow Cabinet wanted to advance further. However, all the groups were making their recommendations within the context of a thriving economy. Thus, while the intention might have been based on long-term planning and the rolling out of carefully thought-through policies, the reality would be that policy

formulation would have to become reactive and reflective of the altered circumstances post 2008 (Dorey et al. 2011: 96).

In the short term – between 2005 and mid-2007 – the opinion polling appeared to justify modernization. By the time Gordon Brown was selected to replace Tony Blair, the projected Conservative share was 40 per cent, and they possessed a lead over Labour which stretched into double figures. Such leads indicated that the Conservatives could secure victory at the next general election, and that they could secure an overall majority, albeit a relatively small one (Bale 2010: 329). The high point for the Conservatives would be the summer of 2008. Between June and August the Conservatives were leading Labour by 45 to 26; the net satisfaction rating of Cameron was +22 and Brown was –51, and the Conservatives had a lead of 38 to 23 on the question of which party was most competent economically (Curtice 2009: 175, 180, 182).

Modernization had been predicated on an acceptance of the success of New Labour and the need to neutralize their advantages. The Conservatives had been successful between 1979 and 1992 because they had been able to persuade enough voters that Labour would increase taxes to fund their ambitious public expenditure plans. This worked then. But the climate of opinion had changed. The defeats of 1997–2005 showcased how New Labour had initiated or exploited a change in the climate of opinion. In an environment of continued economic growth they had reframed the choice as investment in public services under New Labour (funded from the proceeds of growth rather than increased tax), or cuts in public services under the uncaring and incompetent Conservatives (Bale and Webb 2011: 45). The modernizers had thus decided to neutralize this issue as it was central to the electoral strategy of New Labour. The approach rested on a clear assumption. The economy had been characterized by growth in the New Labour era, and growth helped to reinforce New Labour as the party of economic competence. Therefore, for the opposition Conservatives, no political opportunities existed from challenging New Labour on their economic record (Lee 2009a: 58). Negating the Labour investment versus Tory cuts choice was thus the objective. This was evident from the following speech by Cameron:

Creating wealth cannot be the only objective of Conservative economic policy . . . we must share the proceeds of economic growth between tax reduction and public sector investment . . . we must make the creation of wealth *and* the elimination of poverty the central objectives of Conservative economic strategy. (Kerr 2007: 50)

Cameron aimed to compete with New Labour on public expenditure and negate the investment versus cuts choice that had fuelled New Labour electoral strategy. He pledged to increase public expenditure, especially on health and education, to break that association with Thatcherism.

Thus, by transferring their attack from the economic towards social issues, they could showcase how the Conservatives were genuine in their desire to 'tackle social fragmentation and inequality' and thereby mend what they now defined as 'broken Britain' (Dorey 2009: 260).

This was a phrase that was developed by the Centre for Social Justice (CSJ) which was created by Duncan Smith in 2004. The CSJ sought to identify the causes of social breakdown and advance policy solutions that would address poverty and social exclusion. Their means, outlined in *Breakthrough Britain* published in July 2007, proposed the revival of civic institutions as the primary means by which to address social difficulties. Their rhetorical emphasis on social justice tied in with Cameron's instinct to triangulate. Social justice was an issue assumed to be owned by the centre left, but here the Conservatives were implying that New Labour's state-first, target driven and top down solutions had not worked. In response to New Labour's failure to solve these embedded social problems the Conservatives also acknowledged that markets alone were not enough. Thus it sought a third way between the market and the state, which acknowledged that there was such a thing as society; it just was not the same as the state. (Dorey and Garnett 2012: 390, 398).

This had been gradually acknowledged in the opposition era (Streeter 2002) and it is from these intellectual roots that the Big Society narrative was to evolve. This was a process that was in part shaped by two parliamentarians other than Duncan Smith who would serve as ministers in Cameron's administration after May 2010: David Willetts and Oliver Letwin. Willetts had been a long-term advocate of civic Conservatism (Willetts 1992, 1994). He had argued that there was a need to mould together economic liberalism with increasing awareness of social issues. During the course of the long post-Thatcherite malaise he had attempted to educate the party on the importance of communities but also stressed that 'collective action does not necessarily mean state action' (Willetts 1994: 23). There was clear intellectual overlap between Willetts' and Letwin's communitarian Conservatism. Letwin similarly condemned the top-down state-driven strategies of New Labour that had 'emasculated' communities and had failed to address social problems, which he felt could be addressed more effectively via bottom-up responses which would empower individuals and communities (Letwin 2003: 41). He thereby concluded that social problems could only be addressed by 'setting people – neighbourhoods, schools, hospitals, professionals, patients, pupils, teachers, everyone everywhere in this country – free to act, together or individually', but 'with a helping hand from the State' rather than with 'the dead hand of bureaucracy upon them' (Letwin 2003: 46). Letwin would later argue that empowering communities and localism required a 'gentle push' to move society 'in a direction of greater responsibility, or greater coherence, or kindness' (Letwin 2009: 76).

At this juncture Letwin appeared to be buying into the concept of nudge economics and the ideas of Thaler and Sunstein (2008). This provided an

alternative explanation regarding behaviour to that of neoliberals who argued that actors would make rational self-maximizing choices. Rather they argued that individuals could be steered towards socially responsible choices and that the top down methods associated with New Labour were neither desirable nor necessary. Their advocacy of libertarian paternalism would thereby nudge individuals towards good behaviour while preserving liberty (Thaler and Sunstein 2008: 3–5). McAnulla noted that Cameron and Osborne were attracted to this as it appeared to offer a ‘way of avoiding moral indifference towards people’s behaviour, yet also eschewing the kind of heavy-handed moralism that arguably was a feature of Thatcherism’ (McAnulla 2012: 170).

Comparable to the communitarian Conservatism that Letwin was advancing was the Red Toryism associated with the work of Philip Blond, first for the think-tank Demos and then for his own think tank *Res Publica* formed in 2009. Blond argued that just as 1979 had witnessed a paradigm shift that signalled the exhaustion of the Keynesian welfare model, so there was now a similar paradigm shift which would prompt the end of the Thatcherite neo-liberal market state model. The objective for Cameron and the Conservatives was to promote a new model – the civic state (Blond 2009: 1). Blond identified that Thatcherism and both Old and New Labour were all culpable for their excesses of statism and individualism, which collectively had undermined social responsibility and cohesion but also civic institutions (Dorey and Garnett 2012: 400).

The modernizing project embraced much of this thinking and as such did appear to offer a critique of Thatcherism. Equally Margaret Thatcher would probably view Cameron as a pragmatic one-nation Conservative, seeking to construct a new middle way between Thatcherite Conservatism and New Labour (Beech 2009: 22). However, irrespective of the arguments made above, the reality is that there are clear continuities with Thatcherism as Cameronism amounts to an amalgam of social and economic liberalism blended with soft Euroscepticism. As such, it neither fully endorses Thatcherism nor does it fully repudiate it. If Thatcherism constituted economic liberty, national independence and moral order, then Cameron is a ‘textbook’ Thatcherite in terms of his neoliberalism and Euroscepticism, but he challenges the Thatcherite social conservative orthodoxy in the social and moral sphere (Beech 2009: 29).

There is a tendency to restrict the interpretation of how Cameron deviates from Thatcherism to just the moral sphere. However, that deviation is actually broader than that. McAnulla argues Cameron appears to have challenged Thatcherism in two other key ways: first in terms of attitudes towards poverty; and, second in terms of centralization (McAnulla 2012: 168). On poverty Cameron accepted that Thatcherism had been incorrect when it had rejected the concept of ‘relative poverty’, and that they needed to think of it in ‘relative’ terms (Hickson 2009: 358). In doing so, he noted that while Thatcherism had been successful in aspects of its economic

record, it had been lacking in terms of social reform (McAnulla 2012: 168). However, Cameron endorsed the Blond emphasis that poverty was a social problem that could only be addressed through collective action, and not solely through the apparatus of the state. He argued in 2008 that:

for Labour there is only the state and the individual, nothing in between. No family to rely on, no friend to depend on, no community to call on. No neighbourhood to grow in, no faith to share in, no charities to work in. No-one but the Minister, nowhere but Whitehall, no such thing as society – just them, and their laws, and their rules, and their arrogance. . . . You cannot run our country like this. (Hickson 2009: 358)

This is tied into the second Cameron critique of Thatcherism – its centralizing tendencies. Thatcherism may well have attempted to roll back the frontiers of the state in the economic sphere, but had constructed a centralized and strong state to facilitate this process. Thatcherites would retrospectively claim that these ‘authoritarian steps’ had been necessary to free people from municipal socialism and to then foster ‘greater individual freedom through the spread of the market’ (McAnulla 2012: 169). However, Cameron felt that these processes had contributed to social disconnection and isolation, meaning that power had been removed from the local institutions that created positive social bonds (Kruger 2007: 2). It was from this that the decentralizing and localism emphasis of the modernization project was justified, and began the process of aligning the Conservatives more closely with the Liberal Democrats (Dorey and Garnett 2012: 404).

The cumulative effect of the ideological repositioning of the Conservatives under Cameron was critical to their capacity to form a coalition with the Liberal Democrats in 2010. Cameron made it clear that the Conservatives were ideologically converging with the Liberal Democrats, who themselves were increasingly recasting themselves through the emergence of the orange book tendency (Evans 2012: 481). Cameron identified this convergence as early as 2007 when he argued that there was a liberal influence in the renewal of Conservatism. He argued the case for Liberal Conservatism by stating that ‘we need a new liberal consensus in our country. Without the Conservative stress on communal obligations and institutions, liberalism can become hollow individualism. . . . And without the liberal stress on individual freedom, Conservatism can become hollow individualism’ (McAnulla 2012: 171).

Such rhetoric irritated traditional Thatcherites. Indeed, throughout the modernizing era of 2005–10, Cameron had to contend with murmurings of discontent. Norman Tebbit complained (in 2006) that Cameron was ‘purging the name and memory of Thatcherism’ (Dorey et al. 2011: 82). The most visceral critics of Cameron were located in the Cornerstone Group, a 30–40 strong grouping of Conservative parliamentarians. They argued that adherence to pure undiluted Thatcherism was necessary and that meant a stronger and more authoritarian core vote approach, with a rhetorical

emphasis on immigration and tax cuts, to prevent disaffected right-wingers defecting to UKIP or even the BNP. One prominent Cornerstone member, Edward Leigh, was reportedly head of the queue of Conservative right-wingers who wanted to see Cameron so that he could tell him to his face that he thought he was the 'anti-Christ' (Dorey et al. 2011: 81).

This claim was made before the economic crisis and then crash of 2008 forced Cameron to rethink his whole approach towards downgrading the economic sphere. The Conservatives needed to construct a response to the part nationalization of some of the leading banks, notably RBS and Lloyds; the bailing out of the financial sector; the creation of both a deep recession and unprecedented levels of public debt (Heffernan 2011: 167). However, the Cameron strategy appeared to 'assume, indeed necessitate', continued economic growth (Dorey 2009: 261). The response of the Conservatives to the ensuing economic crisis was thus not entirely convincing. Indeed it was 'almost as embarrassing for the Conservatives as it was for the Labour government' as the financial services sector had been deregulated in the era of Thatcherism (McAnulla 2010: 291). The Conservatives could only escape culpability through an 'extraordinary act of political and historical amnesia' (Lee 2009b: 74). Thereafter policy was constructed more through pragmatism and expediency than anything else (Lee 2011a: 61). The immediate and expedient option as a party of opposition was to build a critique of Labour for 'allowing' the crisis to happen. The language was explicit – the Brown government were accused of a 'borrowing binge' and having 'maxed out our nation's credit card' (Lee 2009b: 68–71).

Thus, by the mid to latter part of the Parliament, the modernizers had been forced to reassess and abandon their strategy of matching the spending commitments of Labour. By 2009 the rhetoric had shifted to reducing debt and borrowing to rebalance the economy through an age of austerity (Lee 2009a: 46; 2009b: 77). By the time of the general election of 2010 the divergence between the parties was one of speed: Labour planned £24 billion of tax increases and £47 billion of spending cuts, whereas the Conservatives planned £14 billion of tax increases and £57 billion in spending cuts. While the Conservatives planned immediate cuts, Labour wanted to delay fiscal tightening until 2011–12 (Pirie 2012: 356). Ultimately, the turbulence of the 2008–09 period destabilized the predetermined strategy that the modernizers had carefully crafted in the 2005–07 period. That shift from convergence to critique to divergence made them look reactive (Lee 2009a: 59). This may well explain why 'there was not a simple translation of concerns' from Labour and the economic downturn 'towards trust in a Conservative government to solve [such] economic problems' (Green 2010: 680).

As an opposition party facing an unpopular prime minister, who was leading a discredited administration that had presided over a seismic economic collapse and had created a massive fiscal deficit, this should have translated into support for the Conservatives. This argument carries even greater validity when we note that the Conservatives had reclaimed

a majority of the support of the press, and the fact that they were in a far stronger financial position than their rivals. By the time of the 2010 general election, Labour had lost the support of all but *The Mirror*. *The Sun* returned to the Conservatives, while *The Guardian* endorsed the Liberal Democrats. The Conservatives commanded 74 per cent support from the total daily circulation of papers, and significantly the swing from Labour to Conservative among *Sun* readers was 13.5 per cent, as compared to the national 5 per cent swing (Wring and Deacon 2010: 451). Furthermore, without the press backing of the previous three elections, Labour also had to contend with financial and organizational constraints which greatly undermined them during the lead up to the 2010 general election. Whereas Labour received donations of £3,754,985 in the first quarter of 2010 (down nearly 5 million from the first quarter of 2005), and a further £5,283,198 during the 30 days of the election campaign, the Conservatives received £10,659,521 in the 3-month lead-in period, and £7,317,601 during the campaign itself (Dorey 2010: 411, 429). The Conservatives thus had the advantage of being able to spend up to the campaign limit of £18.9 whereas Labour could not (Fisher 2010: 778–93).

Despite all of these advantages, however, the reality was that the Conservatives faced a ‘formidable challenge’ in securing an overall majority (Curtice 2009: 182). They needed to gain an additional 120 plus seats simply to secure a majority of one. This required that the Conservatives had to make their largest number of gains since 1931. The necessary swing was 6.9 per cent, which was greater than the swings that had propelled the last three Conservative oppositions back into office (Stuart 2011: 39). The positive spin on the Conservative performance in 2010 is to compare the condition of the Conservatives in 2005 (198 MPs) to that of Labour in 1983 (209 MPs). Noting this, alongside the aforementioned size of the challenge facing the Conservatives to win outright, Bale argues that Cameron did ‘pretty well’ by ensuring that he became prime minister for ‘he had to do in just four or five years what it had taken three Labour leaders some thirteen years to accomplish’ (Bale 2012b: 236). However, critics of the modernization process blamed Cameron when the Conservatives fell short of 326 seats needed for outright victory (Conservatives 307; Labour 259; Liberal Democrat 59; others 29) (Kavanagh and Cowley 2010: 351).

Four issues can be discussed concerning the Conservative campaign: first, the impact of the leadership debates; second, the failure of the Big Society narrative; third, the increased competition that existed on the right through the rise of UKIP; and fourth, residual doubts about the Conservatives regarding their likeability and the extent to which they had changed (Dorey 2010: 429–32).

For nearly five decades it had been impossible to secure an agreement between the parties (and broadcasters) to enable formal leadership debates to become part of the electioneering process. Conservative strategists were now keen to participate. They thought the ill-humoured and socially gauche

Brown would compare badly with the relaxed and self-assured Cameron (Dorey et al. 2011: 164). Leadership debates would allow Cameron to frame the election as a referendum on the performance of Labour in office and the need for change. Most significantly, pre-debate polling reinforced these perceptions. They showed that the electorate expected Cameron to outperform Brown (Allen et al. 2011: 185). However, given their poll lead throughout the 2 years leading into the campaign, entering the leadership debates was a 'high risk strategy' (Seawright 2012: 37). They had not considered the scenarios that could emerge from participating and critically there was 'little discussion about how to deal with a strong performance from the Liberal democrat leader' (Snowdon 2010: 401).

The problem for the Conservatives was the weaker-than-expected performance of Cameron and the stronger-than-expected performance by Nick Clegg. Cameron suffered from the weight of expectation and his performance was overladen with prepared anecdotes which left him open to ridicule (Allen et al. 2011: 188). His most significant failing, however, was that he addressed the audience in the television studio, rather than talking to the camera and the voters watching on television (Seawright 2012: 34–6). The less well known Clegg did so, which helped contribute to the immediate polling that stated that he was felt to have won the debate (ICM Guardian poll had Clegg on 51 per cent to Cameron on 20 and Brown on 19 per cent). Cameron would improve his performance in the second and third debates, running Clegg closer in the second (Clegg 33 per cent, Cameron and Brown both 29 per cent) and winning the third (Cameron 35 per cent, Brown 29 per cent and Clegg 27 per cent). However, the impact of the first debate had altered the dynamics of the campaigning period (Kavanagh and Cowley 2010: 247). It prompted a significant surge in projected support for the Liberal Democrats as they increased their projected vote share by nearly 10 points. This surge was at the expense of both the main parties, and Clegg challenged Cameron as the so-called agent of change (Seawright 2012: 35). For the remainder of the campaign the Liberal Democrats battled with Labour for second place in the polls, as the rise of a genuine three-party system seemed imminent (Allen et al. 2011: 190–1). Given this it was inevitable that Cameron would come in for internal criticism. To some Conservatives this was part of the explanation as to why they failed to secure an outright majority (Dorey 2010: 420).

The other critique of Cameron would relate to their supposedly unifying narrative – the 'Big Society'. It was meant to provide coherence to their agenda of decentralization and involvement of the voluntary sector in addressing the problems of 'broken Britain' (Green 2010: 683). However, as a slogan 'Big Society, not Big Government' completely failed to capture the imagination of a sceptical electorate (Seawright 2012: 39). They either did not understand what it meant, or if they did they were doubtful about it as it looked like an attempt to shrink the welfare state. Part of the difficulty with the Big Society as a core narrative to underpin an election campaign was that

the Conservatives had only started to use the term in late 2009 (Snowdon 2010: 399). As a consequence many Conservative parliamentarians had reservations about its usefulness as a way of garnering support for the party. Such Conservatives had been Cameron critics all along. Their argument was that the Big Society was 'woolly and lacking in clarity' (Seawright 2012: 39), and that victory would have been possible if they advanced a 'potent, readily understandable message'. This argument implies that a greater focus on their Euroscepticism and more emphasis on tax and immigration (in the style of the core vote strategies of 2001 and 2005) would have worked in 2010. This is an argument that cannot be proven or disproven but was held by many Conservatives in part due to the impact of UKIP (Dorey and Garnett 2012: 406).

Those Thatcherite Eurosceptic Conservatives felt that the rise of UKIP had been a consequence of Cameron moving the Conservatives closer to the centre and creating the political space for UKIP to thrive. They argued that the UKIP rhetoric was broader than its anti-Europeanism and its emphasis on immigration. They noted that UKIP offered an essential Thatcherite economic platform alongside a healthy dose of social conservatism, which had cost the Conservatives votes in marginal constituencies. The UKIP vote share was only 3.1 nationally, but it was calculated that the presence of a UKIP candidate may have cost the Conservatives the opportunity to annex 21 additional marginal target seats and thereby a majority. This calculation was based on identifying the gap between the incumbency vote and the Conservative candidate in second place, and then adding the UKIP vote to see if the joint Conservative-UKIP vote would have been greater than the incumbent vote. Although this association cannot be proven, it is reasonable to assume that a significant proportion of the UKIP vote came from disaffected Conservatives who are sceptical about the downplaying of Euroscepticism and immigration that had characterized the Cameron era (Dorey 2010: 432; Dorey et al. 2011: 182).

The final explanation as to why the Conservatives could not secure for themselves an overall majority relates to residual issues to do with party image. Despite the modernization process Labour still retained a lead in terms of the party best equipped to deal with issues such as health (33 to 24 percent) and unemployment (30–24). Despite the scale of the economic meltdown in 2008 the Conservative lead in terms of economic competence was very narrow (29–26) (Green 2010: 412). The electorate did not fully believe that the Conservatives had changed, indicating that Cameron had only 'partially succeeded in throwing off old reputations' (Bale and Webb 2011: 56). They were not sure what the Conservatives stood for and they did not fully trust them on their values, with many fearing that they still put the better off first (Kavanagh and Cowley 2010: 64). As Green concludes, 'by the time of the 2010 campaign many voters wanted change, but could not yet put their faith in a government run by the Conservatives' (Green 2010: 668). Thus it was an election campaign characterized by a credibility gap for both

parties on the critical issue of economic management. Whatever reservations they may have had about the performance of Labour was almost equalled by the level of concern about the consequences of electing the Conservatives – that is, the choking of the fragile recovery by cutting the deficit too speedily, and then creating a double dip recession (Dorey 2010: 429).

The transition to coalition government: The necessity of austerity 2010–

The Conservatives had made only limited preparations for the eventuality of a hung Parliament (Kavanagh and Cowley 2010: 206). Nonetheless Cameron was ‘impressively adroit’ over the crucial 5 days that followed, especially ‘given the stakes he was playing for, (and) the fatigue he must have been suffering’ (Dorey et al. 2011: 184). Three realistic options in terms of government formation existed. First, there was the nightmare scenario of a Labour-Liberal Democrat or rainbow coalition. Should this scenario emerge, not only would the Conservatives be resigned to another period of opposition, but there could be longer-term implications. The real fear was that the Liberal Democrats would instinctively prefer to align themselves with Labour. Centre-left progressives had long harboured a wish for greater cooperation between the parties, with a possible arrangement over voting reform and AV, which could ‘mobilise the supposedly natural anti-Tory majority in the electorate to lock the Conservatives out of power, possibly forever’ (Bale and Sanderson-Nash 2011: 249). This fear had led to the hastily arranged Hung Parliament party election broadcast that the Conservatives used in the latter stages of the campaign, a move that now, given the parliamentary arithmetic, seemed rather ironic (Evans 2011: 58–9).

The second option was to establish a minority Conservative administration. However, there were doubts as to whether they would be able to pass an emergency budget (Bale 2011: 247). There were also other strategic issues to take into account even if an emergency budget could be passed. Given the economic environment they would be forced into policy choices that might reduce their support in the short term. This concern was hugely important. This was because their minority status would make them vulnerable to defeat if a vote of confidence was called. The combined impact could be that they would be forced into an election before the year was out with huge doubts as to whether they could hold onto their 307 seats or sustain their 36.1 vote share (Evans 2012: 480). For Cameron a minority administration meant instability and the fear of removal from office and a temporary tenure as prime minister (Quinn et al. 2011: 297–300).

While the merits of the second option (i.e. a minority administration) would be debated within the party, the need to avoid a Labour-Liberal

Democrat coalition being formed was paramount. To undermine the prospect of this Cameron made a dramatic move in order to 'set the agenda' to the period of the coalition negotiations (Quinn et al. 2011: 301). In doing so, he was to show 'remarkable tactical guile' (Russell 2010: 511). Cameron informed the Liberal Democrats that he wanted to make a 'big, open and comprehensive offer' of a full coalition, and invited them to work with the Conservatives to provide economic and political stability (Quinn et al. 2011: 301). That the Conservatives were 'open minded and flexible about the contours of a coalition' was leadership driven, and by pushing for this it 'deflected' attention away from the argument that their campaign had been poor and the result a disappointment (Stuart 2011: 48–9). Cameron instructed his party to concede political ground to enable a coalition with the Liberal Democrats to be entered into. This would be not only 'in the national interest' and in the interests 'of forging an open and trusting relationship' with the Liberal Democrats (Fox 2010: 611).

Cameron was thus crucial to the chances of the negotiations being successful. His reputation and methods mattered to the Liberal Democrats. Cameron was seen to be a pragmatist who 'recognised the value of an alliance as part of the new politics' (Norton 2011a: 255–6). The emotional literacy of Cameron was critical to persuading the orange book Liberal, Clegg, as an economic liberal, that a coalition was viable. Cameron and Clegg were clearly different to their predecessors. Just as Cameron was a modernizer as opposed to his three Thatcherite predecessors, Clegg had three predecessors who were not orange book liberals – Paddy Ashdown, Charles Kennedy and Menzies Campbell. All three of them tilted to Labour out of instinct, not just because they were to the left of the Liberal Democrat spectrum, but because Hague, Duncan Smith and Howard were to the right of the Conservative spectrum. However, it was not just an issue of positioning within their respective parties. Personality would matter too. The two young leaders (Cameron was 44 and Clegg was 43) were said to have a 'good personal chemistry' and came from similar backgrounds (Cameron went to Eton and Clegg to Westminster), and it was felt that they would be able to work together (Stuart 2011: 49). Personality and working relationships were also factors in terms of a possible Labour-Liberal Democrat coalition. Clegg was concerned about his ability to construct a viable working relationship with Brown, who he found to be 'lecturing, hectoring and bullying' (Mandelson 2010: 550).

However, the fact that the Liberal Democrats had decided to hold parallel negotiations with Labour was hugely distressing to Cameron (Kavanagh and Cowley 2010: 213). The 'sticking point' was electoral reform (Laws 2010: 104). Labour were willing to offer a referendum on AV and Clegg was asking Cameron to match this. It was at this critical juncture that Cameron held two meetings, one with his shadow Cabinet and one with the PCP. The shadow Cabinet accepted Cameron's argument that they must offer the Liberal Democrats a referendum on AV to ensure that the coalition agreement could proceed (Qvortrup 2012: 109). Cameron informed the PCP that he

believed that Labour would be offering the Liberal Democrats AV *without* a referendum (Wilson 2010: 206). If Labour were actually offering the Liberal Democrats the prospect of AV without a referendum, then the PCP would be willing to accept the ‘still distasteful’ option of AV with a referendum (Wilson 2010: 179). Cameron had ensured that for the Conservatives the coalition process had been:

a top-down one, driven by a handful of Cameron’s close confidants, and involving the Shadow cabinet and Parliamentary Party only sporadically, and only when the leadership needed it. On Tuesday night when Prime Minister Cameron went before Conservative MPs, it was essentially a *fait accompli*. It was difficult for Conservative MPs who harboured doubts about the coalition deal to air them openly in an atmosphere where the new Prime Minister was being paraded triumphantly in front of them. Nor were they shown a copy of the coalition agreement which had been drawn up between the two parties. (Kavanagh and Cowley 2010: 221)

It may have been 5 days later than hoped, but Cameron had achieved his objective. He had taken his party from crisis and back into government, albeit only coalition. Of his ‘transformative impact’, Gamble compares him, not with Thatcher, but with Blair. Although it was not his intention, Cameron had used the circumstances that he faced opportunistically, and had achieved what Blair:

had failed to achieve, a realignment of British politics, a big tent involving the full participation of two of the three national parties. . . . The realignment of the centre left which had been the aspiration of so many progressives had been transformed by Cameron into a realignment on the centre right. (Gamble 2010: 644)

What of the coalition agreement? How favourable was this to the Conservatives? Bale argues that the Conservatives did remarkably well, to such an extent that it shows ‘what happens when vegetarians negotiate with carnivores’ (Bale 2012c: 328). We can assess how the rewards of office were distributed by two means: personnel and policy.

In terms of personnel the coalition agreement established that ministerial posts would be allocated ‘in proportion to the parliamentary representation of the two coalition parties’, and yet the Liberal Democrats secured 19.3 per cent of all frontbench portfolios despite holding only 15.7 per cent of all coalition representation in the House of Commons (Matthews 2011: 499). This intensified irritation in the Conservative ranks. After all, 95 Conservative MPs who were holding shadow ministerial positions prior to the election were expecting office under a majority Conservative administration. Granting 24 ministerial positions to the Liberal Democrats created 24 bruised egos on the Conservative backbenchers, as well as other new ministers who were

offered lower ranking posts than they had hoped for (Jones 2010: 620). (Simultaneous to this Cameron made a misguided attempt to ensure that Conservative ministers should not only attend 1922 Backbench Committee meetings, but that they should attend as voting members and not just as observers, as was tradition. His backing down from this and the subsequent election of the right-wing Graham Brady to the 1922 chair made him look weak – Dorey et al. 2011: 189).

However, while the Liberal Democrats came out of the forming of the coalition in a numerically strong ministerial position, they did not secure through ministerial appointments a strong capacity to influence the policy agenda. Cameron outmanoeuvred Clegg on the prestige aspect of portfolio allocation (Evans 2011: 55). Whereas 14 Conservatives entered Cabinet positions that mirrored their shadow Cabinet portfolios when they had been in opposition, none of the Liberal Democrats did so (Russell 2010: 519). The significant offices of state were saved for Conservatives – Foreign Office (Hague), Treasury (Osborne) and the Home Office (Theresa May). The Conservatives retained control of ministries to which they did not want to allow the Liberal Democrats to take ownership. For example, retaining the Department for International Development under the leadership of Andrew Mitchell was central. Having ring fenced spending cuts in this department, claiming ownership of this policy arena was significant. It was an illustration of their awareness of global poverty and social injustice, and would help to overcome the nasty imagery which Cameron felt had undermined their electoral appeal (Heppell and Lightfoot 2012: 130–8). The Liberal Democrats were not permitted to lead any of the big spending departments – Work and Pensions, Health and Education were all Conservative led (by Duncan Smith, Andrew Lansley and Michael Gove respectively), with the appointment of Duncan Smith central to placating the right of the PCP (Debus 2011: 300).

Of the five Cabinet posts secured by the Liberal Democrats, none of those were in departments' central to the Conservatives identity (Lees 2011: 284). Their allocation tied in with the Conservative need to bind, marginalize or undermine. In terms of binding, offering the Liberal Democrats a Cabinet post within the Treasury, which was subordinate to Osborne, ensured that they had shared responsibility for the austerity measures that were to be pursued. By positioning first David Laws, and then Danny Alexander in this post, it allowed the Conservatives to articulate their agenda as being in the national interest, with greater conviction (Laws 2010: 200). The need to marginalize explained the offer of the Scottish Office, which in the post-devolutionary era is a relatively 'unsubstantial' office, and one which the Liberal Democrats had previously advocated abolishing (Bennister and Heffernan 2012: 781). The more important marginalization was that of Clegg himself. Clegg was left co-ordinating what might be portrayed as self-interested, and low salient issues for many voters (electoral and House of Lords reform), from the Office of Deputy Prime Minister, where he was 'overworked and understaffed'

(Bale 2012c: 329). Offering the Liberal Democrats the Departments of Energy and Climate Change and Business, Innovation and Skills fulfilled the Conservative need to undermine. At Energy Chris Huhne was compelled to announce the development of eight new nuclear power stations (in August 2010) which contravened their manifesto commitment which stated their objection to further nuclear power stations (Russell 2010: 516). However, the most humiliating experience for the Liberal Democrats was the sight of Vince Cable piloting through Parliament the imposition of increased tuition fees, which directly contradicted the position that they had campaigned for during the general election (Evans 2011: 57). This reflects the success that Cameron secured when combining the debate on personnel and policy. When placing this in its wider comparative context, Bale concludes that it was

difficult to conceive that a continental European party in the same position as the Liberal Democrats would have negotiated a deal which left all of the high offices of state in their partners' hands, left that partner in full control of fiscal and economic policy, made it chiefly responsible for devising and implementing a policy (university tuition fees) that made a mockery of its prior commitments, and offered it so few tangible policy wins on which to fight the next election. (Bale 2011: 248)

This assertion reflects the view that in policy terms the Conservatives did reasonably well out of the coalition agreement. Other than on political and electoral reform, the Liberal Democrats could also claim to have secured significant concessions and gained policy ground in terms of public services. However, the coalition agreement recognized that the trajectory of social policy would be subordinated to deficit reduction (Quinn et al. 2011: 302–5). Although the Liberal Democrats secured a concession of a tax cut for the lowest paid, the Conservatives prevailed in terms of deficit reduction and the retrenching of the state. The Conservatives prevailed in terms of security matters embracing national security, crime and policing, immigration, justice and defence. The Conservatives also prevailed on the European Union. Ensuring that the deficit reduction took precedence over others, however, constituted a clause that 'trumped all others'. Therefore, the coalition deal was 'a decisive victory for the Conservatives' (Norton 2011a: 256; Dorey et al. 2011: 191).

The Conservatives faced two dominant issues upon entering government – one short term relating to electoral reform and the AV referendum; and one longer term relating to the deficit reduction strategy and economic recovery. These issues would determine the future of the party. They needed to win the AV referendum for clear partisan reasons – it was a potential 'game changer' that could harm their electoral competitiveness in the future (Lees 2011: 180). Simulations on the 2010 general election were conducted to see how AV would have altered the levels of parliamentary representation.

The Conservatives would have had 284 seats (down 22); Labour 248 (down 10) and the Liberal Democrats 89 (up 32 from 57) and this could have created a hypothetical Labour-Liberal Democrat coalition with a majority of 11 (337 seats) (Sanders et al. 2011: 5–23).

Cameron secured a considerable success for the Conservatives when the AV referendum produced a clear result in May 2011. Circumstances conspired against reform for a variety of reasons. The Liberal Democrats were left asking the electorate to endorse a process of change that they themselves did not fully want. AV was not their preferred option, (indeed Clegg had previously described it as a miserable little compromise), but nonetheless it was an advance on FPTP and a staging post towards PR (Russell 2010: 515). The Conservatives were also able to imply that during times of austerity electoral reform should be a low priority and the desire for reform reflected the self-interest of the Liberal Democrats. This insinuation reflected public opinion which showed that AV was a reform with limited appeal (Pinto-Duschinsky et al. 2011: 16–17). If the Liberal Democrats were compromised by advancing a reform that they did not truly believe in, then the problem for Labour was that they were fundamentally divided on the issue. Ed Miliband campaigned for a ‘yes’ vote, (but refused to share a platform with Clegg). However, his own frontbench was not in full agreement with him. The ‘No’ campaign was also boosted by heavyweight Labour figures from the Blair era, notably John Reid and Margaret Beckett. The Conservatives were completely unified throughout as AV was comfortably defeated by 68 to 32 per cent, thus removing electoral reform from the political agenda for a generation or more. Such was the strength of opposition to changing to AV it was argued that it would be ‘unlikely’ to be on the ‘agenda in coalition negotiations’ if a future general election produces another inconclusive outcome (Whiteley et al. 2012: 319).

However, electoral reform was only one aspect of the ‘new politics’ that was being advanced partly through the Liberal Democrat influence within the coalition. In securing dominance in the economic sphere, the Conservatives appeared to have conceded ground in terms of political reform, only for their AV referendum result to stall the Liberal Democrat advance (Fox 2010: 34). Three other aspects warrant assessment: first, the establishment of fixed term Parliaments; second, proposals for House of Lords reform; and third, constituency equalization. Had the Conservatives formed a majority administration, the first two aspects outlined above would not have been pursued (Norton 2011b: 158). First, the Fixed Term Parliaments Act was designed to ensure the dissolutions were no longer at the discretion of the incumbent prime minister (Bogdanor 2011: 109). It should ensure that parliamentary elections will occur on the first Thursday in May in the fifth year after the last general election, although Bogdanor suggests that the act is ‘misnamed’ and it merely makes dissolutions ‘more difficult’ (Bogdanor 2011: 107–9). The motivation for both as new coalition partners in a time of economic difficulties was clear. The act formed a way of embedding their

new partnership and providing them with the time to allow their austerity measures (tax increases and expenditure cuts) to be implemented and the economy to recover before they then both had to face the electorate again in May 2015 (Evans 2012: 480).

This attempt at mutually assured protection was not feasible when it came to House of Lords reform and constituency equalization. The Conservatives were keen to push constituency equalization. An examination of the 2005 general election highlighted the Conservative view that variations in the sizes of constituencies contributed to a bias in favour of Labour. Blair's final election victory had been secured on the back of a 36.1 per cent vote share which created for them 56.5 per cent of the parliamentary seats. However, the Conservatives secured 32.3 per cent of the vote but only 31.5 of the parliamentary seats and the Liberal Democrats secured 9.9 per cent of the parliamentary seats as a reward for 22.6 per cent of the vote (Borisjuk et al. 2010: 4). The changes that Cameron hoped to advance involved reducing parliamentary representation from 650 to 600 and in the process achieve greater equalization in terms of constituency sizes. The aim for Cameron had been to obtain parliamentary approval leading to proposed reductions and then implement equalization so that each constituency was within 5 per cent of the average size (76,641) – that is, between 72,010 and 80,473 (Baston 2011). The benefits that could have been created to the Conservatives can be seen from simulations of voting behaviour in the 2010 general election across 600 constituencies rather than 650. It was calculated that equalization and reduction would lead to the loss of 18 Labour seats (around 7 per cent of their 2010 representation), 15 Conservative seats (just under 5 per cent) and 14 Liberal Democrats seats (around 25 per cent). The actual impact would not have enabled the Conservatives to win outright but would have left them at 292 rather than at 307 (short by 9 of the new majority of 301 as opposed to short by 19 of the 326 majority threshold), Labour on 240 rather than on 258 and the Liberal Democrats on 43 rather than on 57, with the others at 23. In reality, the Labour–Liberal Democrat coalition option was short as it amounted to 315, instead of 326; in the Baston simulation, it would have been even further short at 283, instead of 301 (Baston 2011). However, when the Conservatives rebelled in significant numbers on the second reading of the House of Lords Bill (in July 2012), forcing the government to abandon their attempts at reform, the Liberal Democrats responded by abandoning their willingness to back the Conservatives on constituency equalization.

The above debates on new politics showcased the classic gap between political rhetoric and reality. The rhetorical claim was that the political system was broken (a claim which was not really strongly held by the Conservatives), and reforming it would rebuild trust in the political process (Norton 2011b: 157–60). The reality was that the real determinant of success for the Conservatives by 2015 would be in the economic sphere, and not in terms of political reform. The Conservatives have used opposition

and then coalition government to try and shape how the post-economic crash period should be interpreted. Their strategy involves *deflection* (i.e. apportioning blame) and then the *reluctant* responsibility of the Conservatives to take remedial action (Lee 2011b: 9–13). Here it has been necessary for the Conservatives to repeatedly emphasize how New Labour had mismanaged the economy (Beech 2011: 271–6). In the context of solidifying the deflection strategy being in coalition has its advantages. During the general election campaign the Liberal Democrats had sided with Labour in terms of the danger of cutting too much and too soon. During the course of the coalition negotiations the Conservatives had ensured that the Liberal Democrats ‘succumbed’ to their view on deficit reduction (Russell 2010: 515). This ensured ‘joint responsibility for tough decisions, not sole blame for the painful cuts to come’ (Laws 2010: 51), and gave Cameron greater credibility when he talked about the politics of necessity (‘there is no alternative’) and the national interest (Kerr et al. 2011: 203). Critically this benefits the Conservatives at the expense of the other two parties. A Conservative administration engaging in a similar political strategy would be seen to be more ideologically motivated. The endorsement of the Liberal Democrats legitimates the strategy and ensures that the so-called progressive alliance is on opposing sides of this debate (Lee 2011b: 10).

The economic strategy of the Conservative-dominated coalition was geared towards cutting the deficit and rebalancing the economy. This was based around a rejection of unsustainable debt and the promotion of a growth model based on more investment, higher exports and increased savings (Lee 2011a: 60). The measures that Osborne introduced involved a fiscal retrenchment of 6.3 per cent of GDP or £113 billion over the course of the Parliament, and 77 percent of rebalancing would be achieved via spending cuts and only 23 per cent through increases in taxation (including increases in VAT from 17.5 to 20 per cent and in capital gains tax from 18 to 28 per cent). With the exception of ring-fenced departments (Health and International Development), there would need to be a 20 per cent reduction in spending (Lee 2011a: 63). In addition there would be a public sector pay freeze, an acceleration of the increase for the state pension age, and a new tax on the banks would be levied. A newly formed Office for Budget Responsibility forecast that the economy would expand by 1.2 per cent in 2010, 2.3 per cent in 2011, 2.8 per cent in 2012, 2.9 per cent in 2013 and 2.7 per cent in 2014 (Ganesh 2012: 257–8). However, very early on these projections were made to look widely optimistic. A beleaguered Osborne was later forced to acknowledge this as the 2.3 per cent growth forecast for 2011 was reduced to 0.9 per cent, and the projected unemployment rate was adjusted to 8.7 per cent instead of 8.3 per cent. More worryingly in political terms Osborne was forced to admit that eliminating the structural deficit would go into the next Parliament, and would not be completed in this one. The plan to present the electorate in 2015 with ‘healthy public finances, a buoyant economy and a new tax cutting budget’, as a ‘reward for their stoic

endurance of austerity', was 'gone' (Ganesh 2012: 278). Osborne would now ask the electorate to reward the Conservatives simply for dealing with the deficit inherited from Labour and to ask them to recognize that it would take longer than expected. There could be no acknowledgement that Plan A had failed, and no plan B could be considered. Amending their austerity plans

would not be seen as pragmatic – it would be portrayed as a U-turn. To back down [would] incur the wrath of the financial markets but it would also carry with it seismic *political* implications. The parliamentary right of the Conservative Party, long suspicious of Cameron, would be apoplectic and in fear of this eventuality they have already begun comparing Cameron to Edward Heath, whose 1970–1974 administration incurred the derision and despair of the right for their economic policy U-turn. Not only would the internal cohesion of the Conservatives be damaged but their external appeal would be undermined as their claim to economic credibility would be questioned. Ed Balls would berate them and assert that the deficit reduction plan had been a “reckless gamble” and they had been forced to back down. Backing down on the speed and scale of the deficit reduction plan would also legitimate Labour as an opposition party by validating the position that Balls has taken. (Heppell and Seawright 2012: 232)

Three years into the Conservative-dominated coalition the picture remains one of economic weakness. There is only limited evidence to suggest that the austerity measures are working (Kirby 2013: 43–62). Given the absence of a sustained economic recovery and diminishing living standards, Labour should have made more progress in opposition. However, opinion polling on economic competence shows only limited movement up to early 2013. At the first year anniversary of the coalition 31 per cent agreed with the economic approach that Cameron and Osborne were pursuing and 48 per cent disagreed. While not necessarily encouraging, these figures were better than those for Miliband and Balls – of their alternative approach 18 per cent agreed and 54 per cent disagreed. By February 2013 those figures had hardly shifted: Cameron and Osborne were now scoring 27 agreed (down 4) and 51 disagreed (up 3), whereas Miliband and Balls were 20 agreed (up 2) and 55 disagreed (up 1). Therefore, although the electorate were displaying doubts about the austerity measures being pursued, they were not ready to trust Labour as an alternative. Indeed while 26 per cent of the electorate regard both New Labour and the coalition as jointly responsible for the economic difficulties (as at February 2013), 27 per cent blame the coalition, but 36 per cent blame the previous Labour administration alone. This possibly explains how more of the electorate appeared to believe that the coalition was cutting out of necessity, rather than for ideologically driven reasons (Curtice 2013: 53–7).

All of these governing difficulties that the Conservatives have experienced, or would claim they inherited, however, have to be placed within the wider context of increasing public dissatisfaction with the political class. The parliamentary expenses scandal of 2009 did not hurt one particular party (although Cameron was seen to have managed the crisis more effectively than Brown), but rather it eroded electoral trust in politicians generally (Kelso 2009: 453). This was relevant when considering the London Riots of 2011. Cameron wanted to attribute this to the legacy of the 'broken society' left by New Labour, within which 'poor parenting' and 'moral decay' had created 'sick communities' (Birch and Allen 2012: 32, 36). Left-wing critiques preferred to attribute the riots to 'prevailing economic conditions' and 'specifically to levels of relative deprivation and rising inequality' all exacerbated by the 'spending cuts initiated under the Coalition government's deficit-reduction programme' (Birch and Allen 2012: 32). However, some drew a link between the riots and 'elite scandals' – that is, of bankers and politicians in the financial and expenses crises of the 2008 and 2009 period. It was alleged that these scandals had appeared to 'condone selfishness', and had created a culture that made some feel it was acceptable to 'take what they wanted, when they wanted it' (Allen and Birch 2012: 32, 36).

This corroding of public life was tied to the phone hacking scandal, which was to cause considerable embarrassment to the Conservatives. During their time in opposition Cameron had appointed Andy Coulson as his Director of Communications and Planning (June 2007). Coulson was deemed to have the following advantage: as the former Editor of the *News of the World*, he was well connected and 'had the ear' of Rupert Murdoch, and Cameron was understandably keen to secure the endorsement of the News International stable of newspapers again. However, Coulson was a risky appointment as he 'carried baggage', after being forced to resign as editor of the *News of the World* in January 2007, after his royal reporter was convicted of illegally hacking the phones of aides to the royal family (Snowdon 2010: 255). Cameron accepted the view that Coulson had no knowledge of this, but the fact that he had to resign should have led Cameron to fear that this story might resurface. Nonetheless, Cameron appointed Coulson as director of communications to the prime minister in May 2010, but Coulson was forced to resign within 8 months due to renewed speculation about his involvement in phone hacking. This led to the closure of the *News of the World* in July 2011, and Coulson was arrested and went on trial for phone hacking and illegal payments to police officers in late 2013. Cameron would admit that he 'regretted hiring' Coulson. He set up the Leveson inquiry to examine the relationship between politics, media and the police, which subsequently and embarrassingly exposed the lengths that Cameron would go to in order to ingratiate himself with Rebekah Brooks, the Chief Executive of News International (Ganesh 2012: 274–5).

The cumulative impact of their economic inheritance and the obstinate refusal of the economy to recover, alongside the inability of his Big Society

narrative to gain traction, meant that Cameron could ill afford the distraction of scandal. The transition from opposition to government and from the politics of modernization to the necessity of austerity has not been easy for Cameron and the Conservatives.

Cameronism as statecraft

There has been a tendency to compare the modernization project that Cameron pursued with that of New Labour under Blair post 1994. Bale has argued, however, that the extent to which ‘change’ had occurred within the Cameron Conservatives was not as advanced as had been the case under Blair and New Labour. The renewal of New Labour involved a ‘reengineering’ of the party, based on a changed policy/ideological outlook and political approach. The completion of the modernization process of New Labour was Blair challenging them over Clause IV. This was hugely symbolic, but that defining Clause IV moment was lacking for Cameron in opposition. As a consequence, whereas Blair had ‘reengineered’ his party in creating New Labour, Cameron had merely ‘restyled’ the Conservatives (Bale 2010).

Hayton argues that by agreeing to join the Conservatives in coalition, it was Clegg who handed Cameron his Clause IV moment. Cameron’s desire to form the coalition was, according to Hayton, an astute act of pragmatic (and necessary) statecraft (Hayton 2012b: 60–78). It was a necessary but defensive or protective act – that is, Cameron needed to create a roadblock to prevent a potential centre-left realignment of British politics in which Labour and Liberal Democrats could be allowed to marginalize the Conservatives. Cameron thus not only stalled the assumption that a hung Parliament would facilitate a progressive centre-left alliance, but he manipulated the circumstances that he faced to manufacture it into a potential realignment of the centre-right. It proved his modernizing credentials as he created the type of ‘big tent’ politics that was assumed to be the objective of Blair and New Labour (Geddes and Tonge 2010: 866–73). Having bound the Liberal Democrats to the Conservatives, Cameron has attempted to use collaboration in the short term as a means to exploit and erode the Liberal Democrats over the longer term.

How the electorate assesses the economic competence of the coalition and cohesion between and within the coalition partners will be critical to the future of the Conservatives as the dominant coalition partner. The Conservative approach has been framed by the Thatcherite rationale of there is no alternative. It has also been influenced by the Thatcherite statecraft objective of de-politization. It can be argued that the Big Society is their tool of de-politization and their weapon through which to seek to gain dominance of political debate. Their capacity to obtain and sustain political argument hegemony is dependent on the ability (or lack of it) of Labour to successfully expose an alternative interpretation of the Big Society narrative.

Labour under Miliband will have to go beyond simply arguing that the Big Society is 'a smokescreen for public service cuts through the promotion of volunteering as a cut-price alternative to state provision', and they will have to outline a more credible alternative (Mycock and Tonge 2011: 56; Curtice 2013: 57). Should the economic strategy be deemed to have been necessary *and* effective then the Big Society narrative might become seen as 'short-hand for a new settlement between British citizens and their state, much as the Welfare state captured the new dispensation after World War Two' (Pattie and Johnston 2011: 404). However, should the economic strategy come to be seen as flawed and a failure (i.e. cutting too much and too quickly and choking the economy) then the Big Society narrative will be exposed and will gradually fade from view (Pattie and Johnston 2011: 405).

Cameron and Osborne have staked their political reputations and the future of the Conservatives on the expectation that the economic and electoral cycles would work in tandem. That is to say that come the time of the 2015 general election the electorate will recognize that the remedial action was necessary, and the Conservatives will retain a lead over Labour as the party best equipped to manage the economy. If by May 2015 the remedial economic shock therapy does start to show belated evidence of working, then the Conservatives will assume the following: they will reap the electoral dividend and not the Liberal Democrats (Russell 2010: 522). Conservative strategists have thus assumed that Cameron's 'embrace of the Liberal Democrats will prove to be fatal for the latter, leaving the country no option, unless it is prepared to give Labour another try, to elect a Conservative majority government next time around' (Bale and Sanderson-Nash 2011: 250).

However, perceptions of economic competence are not the only determinant of how the Conservatives should be viewed in office. Another key statecraft determinant demands that the party is managed effectively. On this criteria Cameron's record is not necessarily that strong if we restrict ourselves to parliamentary rebellions. A post-war record rebellion rate of 44 per cent on all divisions was recorded between 2010 and 2012. The overall rebellion rate is magnified by being in coalition, but nonetheless the Conservative rebellion rate (at 28 per cent) is the highest post-war rate for a Conservative administration. It is notable for being double the 13 per cent rebellion rate in the 1992–97 Parliament (Cowley 1999: 19–20). Two rebellions are of note. Over 90 Conservative MPs rebelled in July 2012 on the Second Reading of the House of Lords Bill, forcing the coalition to drop the legislation, and in October 2011, over 80 rebelled on a motion calling for a referendum on Britain's future membership of the European Union (Cowley and Stuart 2012a; 2012b).

In the early stages of the coalition Cameron managed to avoid the savage criticism that Major endured. This was partly due to the circumstances of being in coalition. For example, had the Conservatives been a majority administration then the media attention would have been solely on them

when a small number of Conservatives rebelled over tuition fees. However, it was a far more interesting media story to focus on the 21 Liberal Democrats (and 8 abstainers) who defied Clegg in order to register their disapproval at abandoning their manifesto commitment (Lee 2011b: 15). Moreover, whereas Cameron led a united Conservative Party into the AV referendum in May 2011 (united in fear that is) divisions within Labour over AV generated considerable media attention and widespread criticism of Miliband (Hasan and MacIntyre 2011: 289–90).

However, as political journalists adapted to the new politics of the coalition era, the Conservatives have been subjected to more extensive criticism for their internal divisions, notably over Europe. Since the complete failure of the Save the Pound electioneering rhetoric in 2001, the Conservatives have pursued a ‘harder but quieter’ approach to the European Union which they hoped might diffuse the issue (Hayton and Heppell 2010: 425–55). However, the ‘harder but quieter’ approach has proved difficult to sustain when in power and when constrained by being in coalition with the pro-European Liberal Democrats. For Cameron the challenge of managing the European divide is different than it was for Major. Then the party fault-line was between the pro-European and Eurosceptic factions. For Cameron the divide is between soft and hard variants of Euroscepticism. Cameron has attempted to maintain unity around a soft Eurosceptic stance, meaning support for membership of the EU but opposition to further integration such as EMU, and the extension of EU competence in the realms of social policy, justice and home affairs, and foreign and security policy (Lynch 2012: 86). However, the strength of the hard Eurosceptic faction has developed during his leadership tenure, and notably the 2010 intake has a significant hard Eurosceptic element to it (Heppell 2013a). Demands for the repatriation of powers and for a referendum have grown, as have the number of Conservatives who now openly advocate withdrawal. (Lynch and Whittaker 2013a).

Although Cameron was keen to avoid ‘both divisions’ within his party *and* ‘confrontation’ within the European Union, circumstances have led to both occurring (Lynch and Whittaker 2013b). At a party management level Cameron’s critics have argued that the move to the centre ground, and the associated desire to make the European Union a low salience issue, created the political space for UKIP to emerge. UKIP has thereby been able to develop their narrative as ‘authentic’ Conservatives through their rhetoric on immigration, crime and taxation. In doing so, they have attempted to delegitimize the soft Euroscepticism of Cameron and create a choice that could appeal to disillusioned Conservatives who are sceptical of modernization – that is, embrace the status quo or withdrawal (Lynch and Whittaker 2013b). The unease that these developments have created within Conservative ranks became clear in October 2011 on the aforementioned motion calling for a referendum (see above), when there the 80 official rebels had the sympathies of many Conservative ministers (Cowley and Stuart 2012a). In total during

the course of the 2010–12 parliamentary session (May 2010 to May 2012) a total of 93 Conservatives (or 30 per cent of the PCP) rebelled against the whip on a total of 29 votes on European integration matters (Lynch and Whittaker 2013a).

Critics would say that the need to stem the flow of disaffected Conservative supporters to UKIP and to placate his own backbenchers has pushed Cameron towards provocative actions within the European Union. Two illustrations can be identified. First, in December 2011, Cameron used the British veto to block the fiscal compact that other European leaders wanted to construct to address the Euro-zone crisis (Gamble 2012: 469). Second, his position on the EU budgetary negotiations in February 2013, (where a real terms cut in the European budget was agreed for the first time in its history), was used to demonstrate not only that British taxpayers' money was being protected (echoes of Thatcher), but that the dire warnings about renegotiation within the European Union might be unmerited.

Strategically, the rationale for a commitment to renegotiation and to a subsequent referendum was expected to provide the following political dividends. First, it was hoped that adopting a clear position on how the future relationship between Britain and the EU could evolve, would allow the Conservatives to avoid obsessing around the issue. This was perhaps a naive assumption, which failed to appreciate how obsessed many Conservative parliamentarians can be. Second, it was assumed that this commitment would create political difficulties for Miliband. At the time of Cameron making this commitment, Miliband appeared unwilling to make a similar commitment, and Conservative strategists assumed that they could make political mileage from being decisive, leaving Miliband as being obstructive and elitist, or (if he were to match the commitment) a follower rather than a leader on the issue. Third, the commitment was seen as a mechanism to stall the advance of UKIP, with a referendum commitment theoretically neutralizing the need for voters to embrace a supposedly single-issue party. However, the timing and details surrounding the commitment to renegotiate and seek a mandate for continued membership or withdrawal still troubled many Eurosceptic Conservatives. Is Cameron playing a similar sticking-plaster tactic that Harold Wilson utilized in the 1970s, that is, commit to a referendum and then present to the electorate an essentially cosmetic negotiation that ensures that membership is continued (Bale 2013)? Despite having secured the concession of acceding to their demands, and advocating renegotiation and a referendum, those of a harder Eurosceptic persuasion still remain suspicious of Cameron. Can the threat of UKIP be contained with the delays implicit within this strategy? Would not an in/out referendum before the next general election be a more sensible move?

Bale also notes that 'team Cameron' were shocked how many hard Eurosceptic Conservatives simply 'banked' the concession that they had secured from Cameron, and moved onto their next target – opposing gay marriage (Bale 2013). The coalition promoted legislation allowing for

same-sex couples to be married in civil and religious ceremonies. Conservative backbench objections fell into two types: first, that they opposed it in principle; and, second, that this was not a priority and should not distract the government from its focus on economic recovery (Clements 2013). The party management difficulty for Cameron was as follows. As a social liberal and calculating political leader, he understood the need to position the Conservatives on the right side of social attitudes. Public support for same-sex marriage was increasing, and increasing within all age groups. The level of support remained low among the over 65s (increasing from 11.3 to 16.5 per cent between 2008 and 2012), but there were majorities in the younger voters (up from 42.6 to 50.7 per cent in the 30–44 age group; and up 53.8 to 60.6 per cent in the 18–29 age group). Therefore, as a pragmatic act to confirm the detoxification of the nasty party imagery, supporting gay marriage was a rational act for Cameron as a vote-maximizing political leader (Clements 2013). However, social conservatives used Conservative Home to vent their spleen, where membership polls showed that 64 per cent opposed gay marriage, and 78 per cent felt that Cameron had misread the political situation and underestimated their strength of feeling on the issue (Grice 2012). Again UKIP surfaced as a concern. Their opposition to gay marriage (but acceptance of civil partnerships) provided another rationale for disaffected Conservatives, who object to modernization, to abandon the Conservatives for UKIP (Watt and Wintour 2012). Cameron secured parliamentary backing on this conscience issue with strong Labour support, but only 127 backed his socially liberal view, with 136 Conservative parliamentarians opposing and the remainder abstaining (Watt 2013). The cumulative impact of ‘hard’ Eurosceptic rebellions and following on from this the vocal criticisms of his socially liberal agenda from the moral authoritarian wing, showed that party management was becoming increasingly complicated for Cameron as he entered the second part of the coalition’s term.

At the third year anniversary of the coalition it is clear that the statecraft approach that Cameron has utilized is best described as high risk, not just in the economic context of the austerity programme, but through his wider strategic choices of promising referenda – on AV (successfully); on Scottish independence (by the autumn of 2014); and on continuing membership of the European Union (by 2018 if re-elected). Ultimately, however, their electoral prospects will be determined by the performance of the economy. Cameron and Osborne have been reasonably effective at apportioning blame for their inherited difficulties, and residual doubts clearly exist among the electorate with regard to Labour and economic management. However, the process of fiscal consolidation has become more prolonged than Conservative strategists had hoped meaning that the economic and electoral cycles might not be in sync by May 2015. Should this result in electoral defeat it would be only the second post-war Conservative administration to be evicted from office after only one term. Cameron will be desperate to avoid the comparison with Heath and the 1970–74 government.