

# Heritage Lectures

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## Renewing Conservatism: Lessons from Britain

*The Rt. Hon. Iain Duncan Smith*

Thank you very much for the opportunity to talk to the Heritage Foundation today. Heritage, through Jennifer Marshall, has been a significant partner of the Centre for Social Justice in building up an international network of individuals and think tanks interested in center-right approaches to the delivery of social justice.

I am particularly grateful to Kim Holmes, Nile Gardiner, Sally McNamara, and the Margaret Thatcher Center for Freedom for their hospitality. I pay tribute to all that they do in championing the worldview of Britain's greatest peacetime Prime Minister of modern times.

### The Long Journey

In about a year's time, Gordon Brown won't be able to further delay a general election, and it is my hope and belief that the Conservative Party's long period of political exile will come to an end. That is certainly the message of current opinion polls.

We will take over the leadership of a country that doesn't just face an economic crisis worse than the one that greeted Margaret Thatcher in 1979, but also a breakdown of British society. Across a range of indicators—depth of recession, scale of government borrowing, breakdown of the family, and the level of crime—Britain is in worryingly bad shape.

But my principal task today is not to review Britain's challenges but to describe something of the long journey that has taken the British Conservatives from the landslide defeat of 1997 to the verge of power. I hope that my telling of the journey will be useful to

### Talking Points

- Unless Britain starts to mend its broken society, the cost of fractured families, poorly educated workers, and dysfunctional adults will make Britain's economy uncompetitive.
- In emphasizing social policy we are rediscovering the conservatism of Edmund Burke. We are not just against big government, but against *all* forces that crush the social institutions that lie between the individual and the state. These institutions could not matter more and could hardly have been more neglected in recent times.
- There will be no sustainable reduction in the size of the state if civil society doesn't become stronger, nurturing more self-sufficient and vigorous citizens; no possibility of light-touch regulation if certain moral values are absent from our culture; and no competitive economy if families don't encourage their children to learn and excel.

This paper, in its entirety, can be found at:  
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American conservatives and American Republicans. I realize that the two are not always the same, and I hope you'll forgive me if I don't distinguish carefully enough between the two.

Other than in the most general terms, I certainly don't presume to advise you on how to apply our own experience. I think it best that I describe what we have done and that you decide what might be useful and what doesn't deserve to be imported across the Atlantic Ocean.

There are both compelling parallels and very significant differences between our predicament in 1997 and yours today. At our respective moments of electoral defeat, both of us had reputations for sleaze, incompetence, and narrowness of interest.

There are also similarities in the opponents we faced. Tony Blair's 1997 victory was greeted with huge approval. His speeches offered grand promises of change and renewal. He was adored by the media. He was a lawyer. He appointed his most significant political rival to one of the top posts in his administration. Talking heads declared the death of the Tory Party and even of Tory England itself.

Although the economic situation was very different in 1997—Labour inherited a golden economy from the Conservatives—we still hadn't been forgiven for Britain's ejection from the Exchange Rate Mechanism and the body blow that that had meant for our economic reputation.

But there are also the considerable differences.

- We were out of power in almost every part of the country.
- We were the *third* party in local government.

Against this background there developed a very long-standing and very unhealthy obsession with the personality of the leader of the parliamentary Conservative Party. Something akin to a "Messiah complex" grew up, characterized by impossible expectations of what the party leader could achieve. There was also a search for "our Tony Blair" when—if we'd been more far-sighted—we would have realized that a nation that eventually tired of Blairism would want something different in its place.

It's helpful that you have some time to pause and think. You have the opportunity to allow a number of individuals to explore different futures for Amer-

ican conservatism. The leader you eventually choose to oppose President Obama can blend the best of what Republican governors, mayors, Congressmen, and other thought leaders have proposed and enacted.

## Roots of the Conservative Resurgence

But that is enough by way of extended introduction. I turn now to the heart of my remarks and to how the Conservative Party has slowly but steadily earned the right to be listened to again by the British people. The following ingredients stand out:

- An acceptance of the need for change.
- The importance of choosing a form of change that is consistent with the intrinsic character of conservatism.
- The insufficiency of policy.
- The importance of a visionary, strong leader with a party united behind him.

And, I suggest, all of these themes are bound together by the central insight of the Cameron years that social policy is central to Britain's future.

After the massive defeat of 1997, it was obvious to many of us that the Conservative Party had to change, but it certainly wasn't obvious to everyone. It wasn't until we'd been defeated at another two elections that enough people were willing to back serious change.

In 2005, eight years after our first defeat, our potential voter pool was still too small. Only 42 percent of voters were even open to the possibility of voting Conservative. If every single one of those possibles had actually cast a Conservative vote, we'd probably not have had enough for a parliamentary majority. At the same time, 56 percent of voters were open to voting Labour—14 percent more.

But if there was a reasonable level of agreement that change was necessary, there was much less agreement as to *what kind* of change was necessary. Some advocates of change thought we had to return to Thatcherism, arguing that John Major had abandoned it, but "Going back to Thatcherism" was a false project.

Many Thatcherites—and the same can be probably be said of many Reaganites—had selective memories. Thatcherites remembered the great

lady's radicalism on privatization, reform of the unions, and opposition to communism. They forgot she was also often pragmatic, leaving the BBC, the welfare state, and the National Health Service largely unreformed.

It is also, of course, true that if Margaret Thatcher and Ronald Reagan were leading their parties today and still at the height of their considerable powers, their manifestoes would be for these times and not for 1980.

The loudest and most organized advocates of change didn't have the best recipe either. Advocates of dumping marriage, dumping low taxation, and dumping a skeptical view of the European Union tended to get most coverage from Britain's liberal-leaning media, but my own view was that we needed to broaden our appeal rather than transform ourselves beyond recognition. A Conservative Party that threw out its core beliefs would never be credible.

I commissioned opinion polls that substantiated this analysis. Voters rightly wanted a Conservative Party that stopped finger-wagging at people with unconventional lifestyles or who had taken wrong turns. They wanted a Conservative Party that was more respectful of same-sex relationships, for example—an issue that preoccupied the metropolitan media—but were much, much more interested in a Conservative Party that was committed to the elevation of the poor, a return to the one-nation mission of Benjamin Disraeli.

Yes, they supported the adoption of more women candidates and candidates from minority backgrounds, but much more important to them were candidates with real experience of life and who were committed to the local community. If those candidates were also female or Asian or black, all the better.

### **A Conservative Agenda for Change and Social Justice**

David Cameron signalled his determination to change the Conservative Party from the moment he became its leader in December 2005. He prioritized green issues, memorably visiting a melting glacier in Norway. He promised more bipartisanship and has delivered exactly that on many aspects of education, welfare, and defense policy. Assistance for the world's poorest people became a spending priority.

He also understood that policy development wasn't sufficient. He encouraged the adoption of a more diverse range of candidates. He used the Internet to communicate directly with voters. His first "WebCameron" online video saw him talking to voters while washing the dishes. He promised a change of political tone—a change he called a move away from "Punch & Judy" politics.

Pundits called this whole process "decontamination" of the Tory brand.

But it was David Cameron's first act on his first day as leader that, for me, was illustrative of the most important change he was determined to make. He visited a poverty-fighting project in the east end of London. It was a project that my Centre for Social Justice had started to work with a couple of years earlier. We had found it fundraisers and expert directors.

On that visit, David announced that I would be chairing a policy group dedicated to social justice. During my own leadership of the Conservative Party, I had argued that the nation would never trust us again with government if we didn't aspire to govern for the whole nation. We couldn't truly love our country if we were not moved to address the poverty of so many Britons.

I established the Centre for Social Justice five years ago. It works with all political parties. It has won credibility by pursuing the very opposite of cosmetic change.

We've brought together Britain's most effective poverty-fighting charities in a national alliance. Within this alliance, every kind of social challenge is being addressed: drug addiction, family breakdown, homelessness, long-term unemployment, indebtedness. We've awarded these poverty-fighters with privately raised cash. We've befriended them. We've fought for them when they have become entangled with government bureaucracy. The best policy conclusions we have recommended to the Conservative Party—and to Britain's other mainstream parties—have emerged from what we have learnt from them.

Three years ago, we published a report that documented the scale of social collapse in Britain. It was called *Breakdown Britain*. A year later, we produced

*Breakthrough Britain*. *Breakthrough Britain* contained 188 policy recommendations. They were based on the idea that a strong family, a completed education, good employment opportunities, and freedom from drugs and other addictions were the basis of a life free of poverty.

The framework drew some inspiration from your own country's William Galston.

- 3,000 people gave evidence to the process that produced the report.
- We surveyed 50,000 people.
- We visited other countries to study their successes, and we commissioned academic papers.

We are still working away on other topics. We have published or are about to publish work on the importance of a child's earliest years, on the care system, street gangs, prison reform, police reform, judicial reform, youth crime, and, soon, the most comprehensive modelling and study of Britain's benefit system.

Five years ago, it would be unthinkable if you had told people that the center right would be leading thinking on poverty, but today, in Britain, that is true and is recognized as such.

## Recognizing the Importance of Social Policy

In this time of recession, it might be tempting for David Cameron to downplay his social agenda, but he has rightly maintained his commitment to it. For David Cameron, for me, and for modern British Conservatism, social policy is central. What I have argued for some time is that this is not an add-on but integral to conservatism, and for four good reasons.

*First*, unless Britain starts to mend its broken society, the cost of fractured families, of poorly educated workers and dysfunctional adults, will make Britain's economy uncompetitive. The recent report *Bankrupt Britain* demonstrates that as the economy turns down, this becomes more critical, not less.

In the last ten years alone, the cost of welfare spending in Britain has spiralled upwards by close to £100bn. The single biggest component of government spending is the permanently unemployed, the permanently ill, broken families, people with addictions.

Then there are the costs associated with crime. Most of the criminal justice budgets have grown by nearly 50 percent in real terms. This money hasn't reduced crime but contained the problem. Although a lot more people are in prison, we have seen large increases in violent crime and anti-social behavior. If you look at the prison population, you find young men mainly from broken homes, addicted to drugs, and with a reading age of 11.

Reforming society is not a soft option, but without it, big government becomes inevitable.

*Second*, in emphasizing social policy we are rediscovering the conservatism of Edmund Burke. We are not just against big government, but against *all* forces that crush the social institutions that lie between the individual and the state. These institutions could not matter more for our future and could hardly have been more neglected in recent times.

There will be no sustainable reduction in the size of the state if civil society doesn't become stronger, nurturing more self-sufficient and vigorous citizens. There will be no possibility of light-touch regulation if certain moral values are absent from our culture. There will be no competitive economy if families don't encourage their children to learn and excel.

*Third*, the cohesive society. Currently, 47 percent of voters see Republicans as out-of-touch. Only 15 percent see the party as "in touch with ordinary people." The groups the Republicans were seen as closest to are big business, rich, well-off people, Christians, and the armed forces.

You cannot lecture people about freedom if parents think the life chances of their children are set at birth and that they are set for failure. Talk of liberty is at risk of being seen as a self-serving arrogance from those who already have everything. This, surely, is at the heart of the American dream: a cohesive society where every parent really believes that their kids have a chance of a better life than them.

The fourth factor is a byproduct of the other three. In emphasizing society, conservatism isn't just seen as the party of the wealthy and the strong—a party that is good for me. It will also become a broadly based party; meeting that natural sense of decent people that their government should be good for them *and* good for their neighbor.

## Conservation, Compassion, and Policy Innovation

If British Conservatism returns to government, there will be a good number of people saying that the crucial factor was David Cameron, that it was the social justice agenda, that it was the selection of a more diverse range of candidates, that it was the collapse of Gordon Brown's reputation. I've read a number of such accounts already, and depending upon the bias of the writer, they promote certain components and downgrade others.

The truth is that there is no single explanation for our recovery. There has been no silver bullet, but I wouldn't be giving you a fair account of the revival of Britain's Conservatives if I didn't pay proper tribute to David Cameron.

He has expanded the conservative tent again. In the early days of opposition, there were perhaps too many issues that acquired the status of litmus tests. David has invited the broad range of conservative talents into his team. John Redwood, seen as representing the traditional right of the Conservative Party, chaired an inquiry into economic competitiveness. Ken Clarke, on the traditional left, has become party spokesman on business. I could give you many more examples of this inclusiveness.

David Cameron also rejected the prescription of a group that became known as über-modernizers. They wanted to take issues like Europe and immigration off the table altogether. Instead, he has pursued a balanced conservatism, blending the issues that voters had come to associate with the Conservative Party with a renewed focus on conservation and compassion—two themes intrinsic to historical conservatism but which had been somewhat neglected in modern times.

It is also true that after three successive defeats, the Conservative Party had become more manageable. It had learnt again the importance of unity. When I launched a campaign to "Help the Vulnerable" in 2002, it was frowned upon. Years later, when David Cameron promised "modern compassionate conservatism," the party was much readier to embrace it.

As American conservatives go forward, you have many causes for encouragement: the strength of

think tanks like Heritage and the American Enterprise Institute, the quality of new-generation conservatives like Bobby Jindal, Paul Ryan, Mark Sanford, and Tim Pawlenty.

You have a record of policy innovation that my own party still needs to emulate. I think, for example, of New York's policies on crime, Wisconsin's policies on welfare, an increasing number of state-level experiments in school choice, and the Bush Administration's record on international development.

My big worry is that you'll neglect social policy. That would be understandable given the uneven experience of what George W. Bush called compassionate conservatism. Never properly defined, never receiving the attention it deserved as an idea, it did not become the governing philosophy that once seemed possible.

But if the term and its implementation are now politically toxic, that mustn't divert you from forging a conservatism of social responsibility.

## Conclusion

Let me conclude by attempting a different way of summarizing developments in Britain.

At the end of the Thatcher years, Britain was transformed. Europe's sickest economy had become its strongest. The recipe had been low taxes, simple taxes, effective regulation, privatization, free trade, reform of the trade union movement, intolerance of inflation.

They were necessary things to have done, and I don't say that lightly. They saved Britain from terminal economic decline. But somehow they didn't create a nation that was quite at ease with itself. Margaret Thatcher knew that herself and used her memoirs to regret that she hadn't been able to initiate "Social Thatcherism."

As we rebuild our economies from today's tough times, we are going to need simpler taxes and open markets, but the lesson of the 1980s is that those things won't be enough. When the next period of conservative government ends, I want the British people to remember us for other things too:

- For helping parents to stay together and to spend more time with their children.

- For a nation where everyone has a second chance.
- For building schools that reinforce the values of the home.
- For respecting and nurturing the skill of craftsmen.
- For protecting woodland and other habitats of rich natural beauty.
- For helping a new generation to understand their country's history.

That's the conservatism that will help make my country strong and contented again: the conserva-

tism of Wilberforce, Shaftesbury, and Lincoln. I hope we can learn from each other as we pursue that conservatism.

—*Iain Duncan Smith was elected to the House of Commons in 1992 and after serving as Shadow Secretary of State for Social Security (1997–1999) and Shadow Secretary of State for Defense (1999–2001) went on to lead the Conservative Party from 2001–2003. He established the Centre for Social Justice in London in 2004 and was appointed Chairman of the Conservative Party's Social Justice Policy Group in 2005.*