

## Tullett Prebon Research, a blog by Dr Tim Morgan

### **CPS – The ideology gap** *by Tim Morgan on June 8, 2012*

There is much more to government than management. Look at the most successful administrations and it's clear that an ideological vision, largely accepted by the electorate, is essential if public support is to be secured for the major reforms needed for economic revival.

In one of my most recent reports *The quest for change and renewal: how to fill the centre-right ideology gap* I outline the lessons that can be learned from two post-War administrations which achieved long-lasting reforms – the Attlee and Thatcher Governments. Both of these administrations changed the tide of public thought and both were characterised by their success in winning the battle of ideas that made possible fundamental reforms.

Both these Governments started in adversity, Attlee inheriting an indebted, war-weary state and Thatcher inheriting a failing, near-bankrupt exchequer. But in statistical terms, Gordon Brown's economic legacy is more dire: Thatcher inherited a deficit of 4.9% of GDP, the Coalition inherited a deficit of 11%.

With a flat-lining economy, an unsustainable deficit and escalating debt, Britain stands in extreme need of the radical reforms that only a popular, inspirational administration can deliver. Yet the current Coalition, far from winning the battle for ideas, seems not even to be trying to do so. There is, as yet, no sense of a cohesive ideological alternative to the facile, superficial and now-discredited agenda of New Labour.

In place of New Labour's synthetic ideology, the centrepiece of a new ideology needs to be a mission to restore capitalism to first principles, and to undertake thoroughgoing reforms so that the system benefits everyone, and does not, as now, overly favour a privileged minority. Capitalism needs to be reformed in ways which will align rewards with success and not with failure; strengthen the role of shareholders; and, above all, provide a fairer deal for individuals, be they citizens, customers or employees.

The centre-right must champion the individual over the collective and the corporate. This requires promoting freedom, and empowering the individual in relation both to the state and to corporate interests.

Without such a programme, Britain will remain on course for economic and social decline.