This is the first in an occasional series in which classic texts in social policy are ‘re-reviewed’ in the light of subsequent debate and contemporary relevance.

The Political Economy of the Welfare State, Ian Gough

Ian Gough’s *The Political Economy of the Welfare State* was published in 1979, the year Margaret Thatcher won power (Gough 1979). While many of the arguments embodied in it had been explored well before, it may be seen as a critical document for the exposition of a view about the relationship between capitalism and the welfare state. It introduced many to a Marxist perspective which, most of its reviewers acknowledged, needed to be taken into account. I was not amongst the reviewers but Glen Bramley and I, in *Analysing Social Policy* (Hill and Bramley 1986), offered a cautious welcome to it which was perhaps typical of the reaction of many who acknowledged the power of its challenge to the idea of the welfare state as a ‘social democratic’ project providing a basis for a ‘truce’ between capital and labour.

*The Political Economy of the Welfare State* applies to British social policy a neo-Marxist analysis which, while rejecting the model of development that stresses amelioration and social problem solving, also does not see the welfare state as simply an ‘agency of repression’ (p. 11). Gough’s analysis draws heavily on O’Connor’s *The Fiscal Crisis of the State* (1973) in emphasizing the role of social policy in dealing with ‘social investment’, ‘social consumption’ and ‘social expenses’, and seeing these as contributing contradictory pressures for a capitalist economy, in terms of the demands they make upon profits. Important for this is the argument from Marxist political economy that capitalism faces falling rates of profit over time, a theme explored with regard to the British economy by Glyn and Sutcliffe (1972). There is here an acknowledged connection between this perspective and the neo-liberal view on the damage state expenditure can do to economic growth. For Gough, rather more than for O’Connor, the concern is to avoid following this argument down a functionalist (determinist) road which sees no prospect of choice, and therefore no prospect of a fight back against capital. However, his last chapter makes a series of predictions about the negative outcome for social policy of the economic crisis of the 1970s – service and benefit cuts, pressures to force less remunerative labour market participation, privatization – that are remarkably prescient.

Reviews of *The Political Economy of the Welfare State* were generally favourable. However, a distinction may be made between reviews from writers with a
strong interest in neo-Marxist political economy and reviews from those who saw Ian Gough’s book as an introduction to that perspective for people whose primary interest is in social policy. There was one review (by Roger Seifert in the British Journal of Sociology, rather patronizingly commending the book’s ‘responsible Marxism’). More importantly, there were two long review articles from this perspective (by John Harrison in the Cambridge Journal of Economics and by Mike Potter in Economy and Society). Potter suggests that there is too much emphasis on state welfare in the book, and not enough about private welfare. Harrison suggests that Gough should have given attention to state expenditure as a whole, rather than concentrating on social expenditure. Therefore both highlight a difficulty about separating out social policy, or the ‘welfare state’, for special attention, a problem Gough identifies but perhaps does not address sufficiently.

Harrison and Potter both cite inconsistencies in the theory used. My view on this is that Ian Gough’s avoidance of a tightly argued Marxist analysis is a virtue, his concern to bring out the complexities and ambiguities in the relationship between the economy and social policy is one of his strengths. He is at pains to try to avoid a functionalist perspective – seeing social policy development in terms of its necessary contribution to capitalism and then the ‘crisis’ as an inevitable consequence of the contradictions that had accordingly developed. The question is whether in using a Marxist approach this functionalism can ultimately be avoided. In a review for the Journal of Social Policy Freeman and Adams argue:

If he falls short of complete success, it is, we believe, because his sense of contradiction – of the tendencies internal to structures which transform them into something else – is not thoroughgoing enough. As a result, he misses the significance of – indeed ignores – many elements of the neo-conservative critique of the welfare state, and so loses the opportunity for a fruitful meeting of minds. At the same time, he steers perilously close to the reefs of functionalism which he set out to avoid (p. 549).

I will return to this at the end of this re-review when I look at the applicability of The Political Economy of the Welfare State today.

There is a slight tendency for the reviews from mainstream social policy writers to commend the book with faint praise, along the lines of comments that this offers an approach students need to know more about together with little engagement with its attack on other perspectives (e.g. Ken Judge in the British Journal of Social Work and John Carrier in Social Policy & Administration). Robert Pinker concludes a generally warm review in the Sociological Review with the observation ‘if Marxists are able to remain so doggedly optimistic, it is perhaps because they accord to human nature a rather modest and subordinate role in their theories’.

The interesting exception to reviewers’ failure to engage with the book’s arguments is an article by Rudolf Klein published some years later (Klein 1993), and linking Ian Gough’s approach with those from O’Connor and Offe, and therefore not strictly a ‘review’. However, Klein’s characteristically direct approach offers some points that deserve further examination. There
are three primary limbs to Klein’s case against the trio of writers in his ‘O’Goffe’s tale’, that:

- they critically analyze capitalism but not communism;
- the crisis they predict did not emerge;
- they pay little attention to comparative analysis.

Klein’s point about a lack of analysis of communism is unfair. Indeed, in Ian Gough’s case he is quite explicit about not attempting such an analysis. By the end of the 1970s there were very few Marxist analysts who had either any illusions about the Soviet empire or recognized the existence of a good working model of a ‘real’ socialist society. However, the problem is that therein lies a difficulty for critiques of capitalism. It is not an original point to say that Marxism offers an approach to the analysis of capitalist society that is widely recognized as having some validity, but that the Marxist theory of revolution is seen as a fairly implausible portrait of what may happen if its crises intensify. It is even more the case that Marxism is now seen to offer very little in the way of a model for a future post-capitalist society. Radicals on the Left are therefore stuck with a problem about outlining a way forward from our present discontents.

It needs to be recognized that Klein’s second point was made only 14 years after the publication of The Political Economy of the Welfare State. The book’s argument is about growing contradictions. That needs to be taken two ways. One is that there is no reason to expect that they would produce rapid effects, though Klein seems to me unduly sanguine about the welfare state deterioration that had already occurred in the UK by 1993. The other is that the whole argument about contradictions concerns a tension between curbing social policy and allowing the continuation of public policies that may have a negative impact on the economy. Here Gough’s concern to avoid a functionalist perspective is important. If that is done satisfactorily there has to be attention instead to the dilemma faced by politicians like Margaret Thatcher committed to freeing the market and curbing the state and the likely popular (including electoral) consequences of some of those actions. That was bound to be a source of compromises rather than a continuous direct attack on social policy. The point is then that inasmuch as those compromises did not resolve the problem (from capital’s perspective) so the quest for change continued. Here of course is a point where the argument teeters on the brink of determinism.

On top of these two considerations then, viewing this argument from 2012 not 1993 we know now how much dramatic extensions of credit (private and public) were used to mask the dilemma (particularly after the fall of Thatcher).

Klein’s third point is a valid one, though in Gough’s case, at least, there was no attempt to look outside the UK. It ought to be noted on that point that his later work has more than rectified that alleged deficiency (particularly in Pfaller et al. 1991 and Gough and Wood 2004). However, within The Political Economy of the Welfare State there is an important discussion – albeit confined to the UK – about the extent to which corporatist institutions might offer a way
forward towards the accommodation of the demands of labour and capital.
The combination during the 1980s of Thatcherite rejection of corporatist
institutions and the decline of industrial trade unionism seemed to have put
paid to that possibility. Gough’s discussion here, incidentally, is rather overly
optimistic about what the public sector unions can achieve in this respect.

Nevertheless, the comparative part of Klein’s article raises important ques-
tions about alternative strategies for accommodating capitalism and social
policy, a theme that has been followed up much more by ‘regime theory’ and
the ‘varieties of capitalism’ literature. In developing this argument Klein raises
important issues which must be given attention by those of us who are not
happy about the deductive element in neo-Marxist theory. He argues:

Diagnosing ‘contradictions’, i.e. conflicts, in societies does not get us far.
Investigating how different societies tackle those conflicts – their institu-
tional capacity for so doing, the structure of power and the arguments
used in the process – is likely to provide far more illumination (p. 16)

How does the view from 2012 differ from that from 1979? In 1979 the neo-
liberal experiment was just starting. Now it is generally seen as having failed.
In the UK it contributed to the rapid undermining of the industrial economy.
In its place the City benefitted from deregulation. As noted above, the great
credit boom, induced by deregulation, seemed for a while to have postponed
the crisis. Now the UK, along with other European nations, is trying to repair
the damage from the boom and its subsequent bust in 2008. A public sector
debt crisis developed as a consequence of the 2008 crisis. So then the rhetoric
of today is just like that of the late 1970s: state expenditure (especially social
expenditure) must be curbed, the private sector must be freed to enable it to
generate the growth we need and privatization is still on the agenda. The
Political Economy of the Welfare State remains relevant, with the public policy
remedies for the crisis around now sounding very like those noted and/or
predicted in the book.

However, if the dominant 1979 solution to our problems – a freed capital-
ism and a curbed state – has failed then is it not time to turn the old notion of
a contradiction between capitalism and welfare on its head (even if we no
longer expect real socialist solutions to our problems)? Is it too naïve to argue
that now the time has come for capitalism to make more sacrifices on behalf
of welfare? Of course the view from 1979 – focusing as noted on the inade-
quacies of the social democratic approach to that compromise – drew on
Marx’s position, as recently re-stated by David Harvey – that ‘capitalism in
the long run depends on the capacity to achieve 3 per cent compound growth’
(Harvey 2011: 130). Logically that seems to leave revolution as the only pos-
sible outcome if that cannot be achieved, something rarely expressed by
hard-line Marxists today. Instead we seem to be left, as in Harvey’s analysis,
with either a succession of crises or, contradictingly in the light of the emphasis
on capitalism’s necessary search for profits, new approaches to compromise
between capitalism and its opponents.

In the latter respect will four features of the modern crisis which were much
less evident in 1979 make a difference?
• Much greater inequality (at least in the UK and the USA).
• A big shift in the balance of economic power in the world, with China and other fast-developing powers persistently outcompeting Western ones.
• Stronger and/or more rapid economic interactions between nations (often ‘global’ in character)
• Environmental damage issues, themselves often products of the capitalist quest for growth (Jackson 2009) that urgently need attention.

What these changes imply is probably a need to accept that growth in the advanced economies will be more or less absent for a long while, if not for ever. That means that generation of employment will be difficult, whilst at the same time attention to inequalities is necessary. The conclusion in *The Political Economy of the Welfare State* is that:

Capitalism, which in the central countries of Europe and America has permitted the development of the productive forces, political democracy and social rights in the post-war period, may no longer be capable of achieving all three simultaneously. In that case, either accumulation and economic growth or political and social rights must be sacrificed (p. 152)

That logic still applies. My pessimistic soul leads me to expect ever-continuing crisis, as our politicians find it difficult to escape a political game which has become structured around promises of gains from economic growth. The international dimensions of some of the key problems make for difficulties too. In the quest for optimism the old Marxism seems to offer nothing. But if we question that ‘logic’ and engage in a clear rebuttal of functionalist and other theories stressing ‘inevitability’ then the positives must lie with Rudolf Klein’s stress upon political choice and the identification from comparative analysis that even now nations differ in the extent to which they have simply gone down the anti-welfare road. Future politicians will need some things to offer the electorate, and to damp down popular unrest. While the political parties are slow to stir on this, efforts need to be made to shift the emphasis in political debate rather more towards issues about fairness in the distribution of resources. *The Political Economy of the Welfare State* remains an important contribution to ways of doing this.

**References**


Reviews


Michael Hill

Reply to Michael Hill

Michael Hill’s review of reviews of *The Political Economy of the Welfare State* (PEWS) is generous, lucid and penetrating. He rightly focuses throughout on the central issue in the book: the relationship between capitalism and the welfare state. As well as reviewing contemporary reviews he asks how the analysis in the book stands up today. This response follows the same pattern: some comments on the arguments in the book and then a review of its relevance today.

When the manuscript was completed in 1978, Jim Callaghan was Labour Prime Minister, the pound sterling had been bailed out by the International Monetary Fund, class struggle was openly waged by miners, printers, municipal workers and other groups, while *The Times* was calling for a government of national unity. Abroad, Jimmy Carter was President of the USA and Leonid Brezhnev of the USSR, Mao had only recently died and Communist China was poised to introduce Deng’s reforms, the Berlin Wall symbolized a divided Europe and the EEC had just nine members. Mobile phones, personal computers and the internet were dreams of a few techies. The ideas of ‘globalization’, ‘welfare regimes’ and ‘postmodern welfare’ had not surfaced. The world is almost unrecognizable three and a half decades on.

To begin with I briefly review two features of the argument in PEWS in the light of Hill’s comments: my flirting with functionalist conceptions of social policy, and my arguments concerning the incompatibility or otherwise between capitalism and an extensive welfare state. (The book says little about social justice and well-being, and I keep this focus on the *welfare state* here).
Then I switch to the present and make three further points: that neo-liberal capitalism and the resulting global crisis cannot be made compatible with any democratic and sustainable welfare state; that only a new strategy that integrates social, economic and environmental policy can secure this – what I have called an eco-welfare state; and that the failure of economic growth is a looming constraint which will in the end force still more radical rethinking of all forms of welfare provision.
Hill recognizes my wrestling with reductionist and functionalist approaches to the welfare state, notably in the first four chapters of PEWS. I acknowledge the accumulation of capital as a system-driven pressure in all capitalist economies, but want to avoid any implication that social problems and crises arising from this process ‘require’ in some way certain government responses, including social policy responses. To begin with, contra Klein, a contradiction is not the same as conflict. As Lockwood demonstrated in 1964, a contradiction refers to a clash between incompatible features of social sub-systems (an absence of system integration), while conflicts between social actors result from a failure of social integration (Lockwood 1964). It is quite possible for contradictions to build without social cohesion being threatened or severe conflict breaking out; and without social conflict in turn generating policy responses. But the central point of a political economy approach is to recognize that societies comprise both objective structures and human agency. Social policies can result from ‘pressures from below’ and ‘reforms from above’, though they have frequently acted in combination. Policy initiatives from above frequently stem from the perceptions and actions of far-sighted elites both within and around government. One mechanism driving elite initiatives has been a threat of social disruption. Another argument in PEWS is that organized pressures from below during the late 19th and the first half of the 20th century contributed to more centralized states, able to act more strategically to counter these threats: an implication that capitalism would continue to become more ‘organized’. ‘Far-sighted elites’ thus contribute to identifying remedial interventions to address upcoming social problems, deficits and crises. These ideas are developed at greater length in an earlier retrospective on PEWS (Gough 2008; see also Streeck’s (2010) rich conceptualization of ‘really existing capitalism’).

I would also contend that the neo-Marxist political economy analysis deployed in PEWS is more nuanced than even Hill suggests. The welfare state is not only costly to capital, it performs benefits too. Parts of the welfare state yields benefits to ‘capital in general’ in the form of social investment in basic and further education, housing provision, work training programmes, etc. These ‘system needs’ may not be provided at all by private investment, let alone with equal efficiency. (This is not to deny that many welfare services and benefits can never be justified in this way; they represent a moral recognition of human need and rights to welfare.) Moreover, the resulting welfare state undermines profits only if certain conditions are met. One is that the bulk of taxation falls on corporations and income from property. Another is that the share of services directly provided by the public sector rises over time. But neither condition has applied for some time. Taxes on corporations and income from capital have been cut repeatedly over the past three decades and loaded instead on the majority of households dependent on wages. And successive policy developments have ensured that more of the provision of social programmes is outsourced to companies such as Serco, Capita and Group4 in the UK. As with arms production in the past, public procurement of social care, health services, prisons, housing management and so on provides plenty of secure and profitable opportunities for the private sector. Continually reducing corporate taxes and contracting out profitable niches of
the welfare state enables the potential contradiction between capitalism and the welfare state to be managed for a period. (But I paid insufficient attention to the ways this restructuring could undermine the effectiveness of personal services and the well-being of users and citizens.)

So much for the arguments in PEWS. How, if at all, does this apply to capitalism today? As Hill points out, this is a different animal to 1979: globalised, hugely unequal and potentially unsustainable. I will put aside the environmental limits until the end. The neo-liberal form of capitalism which emerged around 1980, to begin with in the USA and the UK, undermined the share of wages, boosted profits and worsened the inter-household distribution of both. In the USA this switch was so extreme that real wage levels have scarcely improved since then. The maintenance of consumption demand relied on a continual extension of debt, what Colin Crouch has dubbed ‘privatised Keynesianism’ (Crouch 2009). The unleashing of financial capital from previous constraints generated a titanic crisis in September 2008, which threatened a wholesale collapse of the capitalist system. Governments of all persuasions acted with remarkable speed to put in place unprecedented rescue packages, bank bailouts and other interventions to restore confidence in financial institutions – a major demonstration of the way that system crises energize far-sighted elites to act.

The crisis has engendered a slump, in the UK even longer-lasting than the 1930s. By depressing real incomes for probably up to a decade this has cut the fiscal ground from under most states, whether welfare or not, resulting in escalating deficits and public debt. Thus far the almost universal policy reaction has been austerity and cuts. A crisis of neo-liberal capitalism, for which welfare states bear no responsibility, together with subsequent public rescue packages, has undermined both real private wages and the social wage of the mass of Western populations.

At the same time, the political power of possible countervailing forces has been eroded. Labour and trades unions are of course much weakened. But also capital has become more financialised, mobile and short-termist. Many financiers evince no conception of social value or system need, only private interest and greed. At the same time the domination of public interests by powerful financial and corporate interests proceeds apace. (Richard Freeman points out that part of the public funds used to rescue Wall Street were immediately used to hire more lobbyists to campaign against further public regulation of the financial sector: taxpayer money was used to prevent or even reduce further democratic control: Freeman 2012) ‘Winner takes all politics’ cements a prevailing anti-welfare coalition, resulting in ‘the strange non-death of neo-liberalism’. Streeck (2010) goes so far to claim that the ‘plutocracy’ are now so rich as to be immune from an end to growth, declining profitability and system failure: elite interests become divorced from interest in the survival of the capitalist system.

If so, this undermines a major argument concerning the political economy of the welfare state. Where is the countervailing force to come from in this unpromising landscape? My counter-argument stresses differences within elite interests and across institutional structures. First, the elite is not to be equated with the financial elite. There remain far-sighted members of the elite in all
countries, for example Adair Turner, Chair of the Financial Services Authority, with his comments on the 'socially useless' aspects of the City. The plutocracy analysis of neo-liberalism is itself too reductionist. Second, reform pessimism is still most profound in the Anglo-capitalist countries, notably the USA and the UK. Yet it was during the period since 1980 that scholarly analysis of welfare regimes and varieties of capitalism emerged and flourished. Such research, and evidence for the divergence of social spending over this period, certainly suggests that the alternative, let us summarize it as ‘corporatist’, strategy was alive and well in many countries. Debate has continued on whether globalization and social and economic change is undermining such forms of capitalism. Since the 2008 crisis and its aftermath, the pessimists have a still stronger case as the Euro zone faces systemic crisis. We shall see. My own view is that US-UK financialised capitalism is a specific form, and that varieties of capitalism will persist and indeed expand as emerging capitalist economies in the South develop new forms. This variety will challenge simplistic incompatibility theories of the relationship between capitalism and social policy.

I would next contend that in the real world of the early 21st century only nation states can supply or support these countervailing functions. They will require extensive and reformed international institutions to support them, but these too will primarily emerge as a result of inter-governmental action. Thus renewed state intervention is required to rebuild manufacturing and infrastructure and to foster the ‘new green industrial revolution’ called for by such as Lord Stern. The pressures in the Anglo economies to swing round the oil tanker will increase; the pressures to reverse the shift from ‘organized’ to ‘unorganized’ capitalism will grow. Witness the radical greenhouse gas targets endorsed by the coalition government and the rather extraordinary degree of state planning already in place to deliver them. And in this more interventionist world social policy will have a central role to improve social investment as well as to meet critical social needs.

In the end, I would predict democratic states in reacting to the ongoing crisis will slowly act to curb elite greed and reverse their grab of an inordinate share of the social surplus in order to preserve the capitalist system. Just as the state intervened to prevent the over-exploitation of the working class via the Factory Acts so it will, slowly and fitfully, put in place the preconditions for profitable growth today. But a reforming state will undertake this task under most unperturbed fiscal circumstances. It will need simultaneously to address social investment, social transfers, future pension costs, public debt, infrastructure investment, new green investment and ‘eco-system maintenance’. In other words, it will entail substantial collective intervention in national resource allocation. My own view is that this restructuring will be aided by the threats of faltering growth, climate change and energy insecurity. The result would be some form of ‘eco-welfare state’.

Up to this point, I would contend, such an eco-welfare state is compatible with capitalism, albeit not unorganized neo-liberal capitalism. But is capitalism compatible with environmental sustainability? As Harvey says, capitalism is predicated on long-run compound growth (whether or not 3 per cent p.a.) (Harvey 2011). Jackson shows there is scant chance of that if global tempera-
ture and other critical environmental boundaries are not to be catastrophically overshot (Jackson 2009). Thus eco-social policies will in the end, and quite soon, have to confront the issue of limits to growth. All welfare states in all welfare regimes have depended on a growth dividend for their finance; thus climate change presents the definitive challenge to their future. Exciting new policies are now being canvassed to reorient welfare systems to this new world of constraint, including progressively reducing paid work time and shifting welfare policy from ‘cure’ to prevention. It is only at this point that the relationship between capitalism and the welfare state including the eco-welfare state will likely become incompatible.

**Note**

1. Thanks to Anna Coote for valuable comments on a first draft.

**References**


*Ian Gough*
REVIEWS

Democracy under Attack: How the Media Distort Policy and Politics
BY MALCOLM DEAN

No one is better equipped than Malcolm Dean to write about the relationship between the media and world of social policy-making from the perspective of a practising journalist. For more than 30 years Dean reported and commented on social policy for The Guardian, a record that was as distinguished as it was long. Not surprisingly, therefore, one of the virtues of his book is to give a sense of the complex choreography involved in the relationship between journalists and policymakers: the former dependent on ministers and civil servants for information (preferably exclusive scoops), the latter dependent on journalists for favourable headlines and comment.

From the 1970s onwards the balance of the relationship tilted towards the media. In part this may have been because of an increase – until reversed in recent years – in the number of specialist correspondents not dependent on pre-digested hand-outs and able to critically challenge policymakers. In part, it was because policymakers became ever more anxious to court the media, in the process making themselves much more accessible. So, for example, Dean records that Douglas Hurd – when Home Secretary in the Thatcher Administration – ‘used to hold lunches for a quartet from the The Guardian’. If politicians wanted to persuade the media to carry their messages to the public, they had to get into bed with journalists.

But while improved access to information can be seen as a positive gain for democracy, the increased sensitivity of Ministers to an often irresponsible press was not. On the contrary, Dean argues, the effect on policy was hugely damaging, given the character of most of the media. Hence the title of the book, in effect a polemic about the baleful combination of headline-happy campaigning newspapers (notably The Sun and The Daily Mail) and politicians all too willing to trim their policies in response to the presumed media impact on public opinion. In effect, the would-be manipulators – i.e. the politicians – allowed themselves to be manipulated.

Dean illustrates his thesis with a series of case studies. The sharpest of these is his bruising analysis of the law and order policies of the Blair government that disgracefully resulted in an ever rising prison population. Blair’s ‘penal populism’ reflected the way in which the tabloids (and not only they) framed crime, often with a selective disregard of the statistics. What is more, as he points out, ‘penal populism’ remains alive and kicking: witness the way in which hostile headlines persuaded the government to retreat from some of Kenneth Clarke’s liberalizing proposals.

In the other case studies of social policy, the picture is perhaps not quite so clear-cut. In the case of the National Health Service (NHS), for example, the picture is mixed. On the one hand, there is the example of the irresponsibility of The Daily Mail and The Telegraph in taking up a dodgy, soon to be discredited research finding to undermine public confidence in the MMR vaccine against measles. On the other hand, there is the positive role of the media in drawing
attention to poor care and conditions. More significant than such direct
effects, however, may be the long-term impact of the media bias towards the
negative: it is no accident that the public (informed by the media) tends to be
more critical of the NHS than patients (informed by direct experience).

The emphasis on the negative is only one of the seven sins of the media
catalogued by Dean in his conclusions, where he also analyses some of the
economic forces that are pushing the media to shed specialist staff and to
move down market in search of circulation. The sins include emphasizing
politics (and personality clashes) rather than policy: a conclusion which I
would reinforce by pointing out that even The Guardian has stopped reporting
what politicians say in parliamentary debates and instead offers only sketches
designed to show off the wit of the writer rather than the substance of the
speeches.

Perhaps the book could have been strengthened if Dean had looked at the
large literature on whether, and to what extent and in which respects, the media
mould public opinion: do politicians allow the media to shape the policy agenda
too easily or are they realistic in their judgment of media influence? There is
also an interesting puzzle which deserves further exploration: why do the media
appear to have little or no influence on complex organizational or programme
changes in the NHS or the social security system? But, all in all, Dean’s angry,
well-documented indictment provides an illuminating if depressing light on the
way in which social policy is made and implemented.

Rudolf Klein

The Conservative Party and Social Policy
Edited by Hugh Bochel

In the run up to assuming office for the first time in 13 years, the British
Conservative Party sometimes seemed to veer between absurd pessimism and
heedless optimism. Britain, it declared, was ‘broken’ – central and local
government had tried and failed to help a socially excluded underclass which
was costing the taxpayer a fortune, causing all manner of problems to every-
one else and transmitting poverty, dependence and lack of mobility down
through the generations. On a brighter note, however, the Party and espe-
cially its leader since 2005, David Cameron, was convinced of the regenerative
potential of civil (or what he labelled ‘the big’) society – just as well, perhaps,
since following the global financial crisis of 2008 there would clearly be very
little in the kitty for new initiatives emanating from the state. This book
represents a substantial attempt on the part of an impressive array of scholars
to provide a snapshot of where the Tories were on social policy when
Cameron moved into Number Ten, as well as to make some educated guesses
about what they would do next.

After a brief introduction by the editor, the book begins with two very
useful chapters on what the Conservatives thought, said and actually did on
social policy in the postwar period. Next comes an equally informative
chapter on more recent shifts in the public mood that will inevitably represent
both an opportunity and a constraint for policymakers. There then follow
chapters on health, education, housing, social security and welfare, commun-
ity care, family and justice policy. The book wraps up with chapters on the
devolution and the governance of social policy and with a suggestive conclu-
sion by the editor which attempts to draw out some of the underlying themes.

First and foremost, the book confirms the impression that the coalition
government’s social policies are to all intents and purposes Conservative
policies. None of the contributors seems prepared to make the case that the
Liberal Democrats have made more than a marginal difference – a judgement
that seems more than borne out by what has happened since May 2010.

Second, most contributors would seem to agree that, while at first glance
there would appear to be a happy marriage between the Conservatives’
dislike of big state solutions and their determination to squeeze public spend-
ing, things are not quite that simple. For instance, Secretary of State for
Work and Pensions (and former Tory Leader) Iain Duncan Smith’s plans for
a ‘universal credit’, like his determination to ‘make work pay’ by reducing
the traps which mean taking a job (or doing extra hours) can make poorer
families worse off, is actually going to involve investment. The resultant
tension, given the pressure for deficit reduction, between Iain Duncan Smith
and the ‘Treasury, and indeed between ‘the Reformers’ and ‘the Cutters’
(p. 152) across the board, is picked up in many chapters. History suggests that
the former will lose out to the latter. But it also suggests that the government
will still find it impossible to reduce spending anything like much as it wants,
particularly as the economy fails to grow as strongly as initially forecast. Far
more money than anticipated will be needed to foot the bill for unemploy-
ment, and the Conservative Party can ill-afford to be seen to be taking an
axe to big-ticket, demand-led and electorally popular items like the NHS and
pensions.

Third, although most of the contributors are prepared to at least consider
‘the big society’ on its own merits, none of them seems in the slightest
persuaded. The slogan’s potential as a solution for social problems, most of
them seem to suggest, is massively overstated, based on pious hopes, political
dogma and anecdotal example rather than on research, the bulk of which
suggests, incidentally, that that the British are not really up for more volun-
teeing and that successful third sector solutions are often facilitated (and often
funded) by the taxpayer.

Fourth, and related to this, the picture that emerges is of a party desperate
to point to an evidence base for its ideas, but is content to make do with one
which is hopelessly compromised by its origins not in academic, peer-
reviewed research but in ideologically driven selective emphasis of inade-
quately evaluated overseas examples provided by a ‘sprawling and highly
interconnected’ network of right-wing think tanks. This is not particularly
unusual of course, but it is as depressing as it is familiar. That said, it does
prompt one of the few caveats worth mentioning, namely an incipient ten-
dency to take some of those think tanks, and their influence on party policy,
far too seriously. Anyone looking at the Thatcher years, in both opposition

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and government, soon finds that the impact of such organizations, inasmuch
as it can be traced at all, had more to do with the long-term climate of opinion
that with the provision of workable blueprints.

In any case, there is, as they say, many a slip 'twixt cup and lip, so some of
the book's educated guesses about what social policy and the welfare state will
look like after five years of Tory-led government (assuming it lasts that long)
are bound to be wide of the mark. Nevertheless, the collection represents a
worthwhile endeavour – equally useful for those looking for a compass to
guide them as it is for those requiring an accurate reading taken right at the
start so they can eventually evaluate how things went.

Tim Bale

List of Reviewers
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