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Hartwig Pautz

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Think tanks, Tories and the austerity discourse coalition

Hartwig Pautz
School of Media, Culture and Society, University of the West of Scotland, Paisley, UK

ABSTRACT
Political parties change their policy positions for a variety of reasons. Among these can be changing interpretations of economic or other kinds of knowledge. The article investigates whether think tanks, as producers, synthesisers and disseminators of knowledge, may have contributed to changes in the British Conservative Party’s positions on public spending, debt and deficit following the Global Financial Crisis and the onset of the Great Recession between 2008 and 2009. The article does not seek to attribute causality to think tanks’ activities and the Conservatives’ changing positions on public spending. However, it proposes that think tanks were relevant actors in the British ‘austerity discourse coalition’ and were, more specifically, relevant for the Conservatives’ adoption of a strict austerity agenda. The article also emphasises that think tanks should be considered as relevant actors in any analysis of the link between the cognitive dimension of public policy and political action.

Highlights
• Think tanks helped the British Conservative Party to revise their pre-crisis spending policies and to become ‘the party of austerity’
• Think tanks were relevant actors in the austerity ‘discourse coalition’
• Think tanks supported the Conservatives in their preparations for government
• Between journalists and think tanks exist tight networks, worthy of closer scrutiny

Introduction
How do political parties’ policy positions, for example on desirable levels of public spending, taxation or macro-economic policy, change? And which are the factors that may contribute to such change? Research suggests that parties revise their policies in response to shifts in the position of the mean voter or the party voter or after electoral defeat (Adams, Clark, Ezrow, & Glasgow, 2004; Adams, Haupt, & Stoll, 2009; Schumacher, de Vries, & Vis, 2013). A change of party leadership can also have significant consequences on policy positions (Harmel, Heo, Tan, & Janda, 1995). New knowledge or changing interpretations of knowledge may also lead
to revisions of policy positions (Radaelli, 1998). This article focuses on the last factor: the role of knowledge and of the organisations producing, repackaging and disseminating such knowledge with the aim of affecting policy positions and the wider climate of opinion. In particular, focus is on how knowledge in the form of think tank output may have influenced the British Conservative Party’s U-turn on its commitment, made in opposition and prior to Global Financial Crisis and Great Recession, to match the then Labour Party Government’s spending plans and to subsequently become the party of austerity. This U-turn occurred at some point between 2005 and 2010, before the Conservatives became the strongest party at the 2010 general election and formed a coalition government with the Liberal Democrats, and after David Cameron was elected party leader in 2005.

The article proceeds as follows. After a brief discussion of the study of think tanks in the wider context of debates about the role of ideas in policy-making, and after research questions and analytical approach are outlined, the Conservative Party’s U-turn is described. Then the article’s main part presents the analysis of how think tanks may have contributed to this change of policy positions. The conclusion also presents thoughts for future research.

**Studying think tanks: ideas matter**

The study of think tanks is based on the assumption that ideas and the institutions which produce, repackage and disseminate them matter both in ‘everyday politics’ and in moments of crisis (Blyth, 2010; Seabrook, 2006). The expanding think tank cosmos in Britain and elsewhere (see e.g. McGann, 2015) is testament to at least the belief – certainly shared by funders and others involved in think tank activities – that think tanks do indeed matter in policy-making and politics. The development of the British think tank landscape has been accompanied by a growing body of research (e.g. Blackstone & Plowden, 1988; Cockett, 1994; Desai, 1994; Pautz, 2016; Stone, 1996). This literature has often focused on ‘think tank influence’ – whether it exists and, if so, to what extent, whether it has a legitimate place in a democratic polity, and whether it can be ‘measured.’ This focus is justified given that think tanks themselves claim to be all about influencing policy. Some think tanks make grand claims in this regard, while others are more reluctant to talk about their relationship to powerful elites from government, civil service and business and about how they operate in this ‘small world.’ Some researchers conceptualise think tanks as actors which, rather than influencing concrete policy or public opinion, mostly engage in ‘constructing ideological fellowship’ (Denham & Garnett, 1998) through which they seek to assure elites of the validity of their views. In similar vein, some portray think tanks as providers of legitimising discourses for political elites’ already existing policy preferences (e.g. Medvetz, 2012). Others have emphasised the presence of think tanks in the media and their symbiotic relationship as a necessary ingredient of ‘influence’ (Dahl Kelstrup, 2015). Further research, usually using case study approaches, has portrayed think tanks as providers of crucial ideational support for party leaders seeking to modernise their party in opposition – even against internal resistance – and to prepare it for governmental responsibilities (e.g. Pautz, 2012).

The analysis presented in this article also focuses on the potential relevance of think tanks for political parties and adopts a case study approach as a valid way of addressing the question of influence, agreeing with Radaelli that ‘measurement [of influence, H.P.] in a strict sense is probably impossible. However, empirical research can be done’ (Radaelli, 1998,
which uncovers and critically, yet cautiously, evaluates how think tanks contribute to constructing discourse and concrete policies.

**Objectives and analytical framework**

The central objective of this article is to discuss the role of think tanks in the Conservative Party’s U-turn from its commitment to match the 2005–2010 Labour Government’s public spending plans as they existed before Global Financial Crisis and Great Recession, to becoming Britain’s most ardent ‘austerians’ in the run-up to the 2010 general elections. By discussing think tanks, the article contributes to the literature on the role of ideational actors in change processes of party policy positions. An analysis of these actors is important as it links the cognitive dimension of public policy-making to political action, as Schmidt and Scharpf explain:

> the reference to cognitive and normative ideas, whether old or new, cannot explain changes of policies or of administrative institutions. Changes are brought about by constellations of (individual, corporate, collective) actors with institutionalised action resources, competencies and veto positions (Schmidt & Scharpf, 1998, p. 34).

Think tanks are certainly among these actors. More narrowly, the article contributes to the discussion of how British policy responses to Global Financial Crisis and Great Recession were conceived and to the discussion about the somewhat surprising resilience of the ‘Anglo-liberal growth model’ and its neo-liberalism to the shock of the crises (e.g. Hay & Smith, 2013; Schmidt & Thatcher, 2013). The article does so by focusing the analysis on a specific set of actors, namely think tanks, in terms of their specific contributions to this resilience. This focus means, of course, that a whole raft of other actors is not taken into account in the analysis. This includes, for example, civil servants, lobbyists, academics, and international and supranational organisations. For a comprehensive empirical analysis, beyond the limits of this article, of the ‘strange non-death of neo-liberalism’ (Crouch, 2011) these actors should also be considered.

The analysis employs two sets of data. First, data were generated from 11 semi-structured interviews with think tank staffers, special government advisers and observers of Westminster politics. Potential interviewees were contacted on the basis of their personal or their institution’s assumed insightful and relevant position in the British policy community. Such assumptions were based on the reading of research literature, media commentary, think tank output and government publications and any references to particular organisations or individuals therein. Many of the interviewees had ‘multiple identities’ – as former think tank staffers, former civil servants or as people who had moved from one think tank to the next. This means that a wide range of experiences and views materialised in the interviews. Interviewees were assured anonymity so that quotations are only attributable to institutions. This allowed interviewees to speak more freely. Not all interviews are directly referred to in the article; those which are not informed the analysis nonetheless. All interviews were conducted by the author in summer 2014, were recorded and transcribed verbatim. As a second data source, the article uses published documents pertaining to the Conservative Party and its leadership, newspaper articles and think tank publications.

Over time, multiple analytical frameworks – in particular the epistemic community concept (Haas, 1989) and the advocacy coalition framework (Sabatier, 1987), but also and more recently Bourdieu’s field theory (Medvetz, 2012) – have been applied to research
on think tanks. For the purposes of this article, Marten Hajer’s concept of the ‘discourse coalition’, an outcome of the ‘argumentative’ (Fischer, 2003) or ‘critical’ turn (Sayer, 1999) in policy analysis studies, was chosen.

How is ‘discourse’ understood in this article and what are ‘discourse coalitions’? First, discourses are not ‘freely floating’ outside the social contexts through which they are constructed but should be seen as ‘a specific ensemble of ideas, concepts and categorizations, that are produced, reproduced and transformed in a particular set of practices and through which meaning is given to physical and social realities’ (Hajer, 1995, p. 44). The construction of discourses can be pictured as an argumentative struggle at whose end one discourse dominates the structure of the whole debate on a particular issue (Hajer, 1995, p. 61). It is this “career” of discursive constructs that becomes the object of research’ (Hajer & Kesselring, 1999, p. 2) with discourse-analytical means. In other words, discourse analysis shows how a particular understanding of a policy problem at some point has gained dominance and authoritative status while other understandings are discredited, pushed to the margins or silenced. Discourse analysis scrutinises what is said and the institutional context in which it is said, it makes sense of texts, understands them in relation to their social background, and looks at their content and at whom they are directed.

What is a ‘discourse coalition’ and how is it constituted? A ‘discourse coalition is the ensemble of a set of storylines, the actors that utter these storylines, and the practices that conform to these storylines, all organized around a discourse’ (Hajer, 1993, p. 47). The notion of the ‘storyline’ is central in Hajer’s concept of the discourse coalition. It is a linguistic mechanism around which discourse coalitions assemble, a ‘generative sort of narrative that allows actors to draw upon various discursive categories to give meaning to specific physical or social phenomena’ (Hajer, 1995, p. 56). A discourse coalition is held together by its members’ shared belief in one particular interpretation of a threat, crisis or event which constructs ‘the nature of the policy problem under consideration’ (Hajer, 1995, p. 247). Because most political actors do not possess well-developed theories to make sense of the physical or social world, an effective storyline is one which simplifies a policy issue and ‘condenses large amounts of factual information intermixed with normative assumptions and values’ (Fischer, 2003, p. 87) into shorthand for what is usually a complex issue. Such shorthand becomes the basis for the emergence of a broad coalition of quite diverse actors. Those subscribing to the storyline assume that others in the coalition understand what they mean, but ‘the assumption of mutual understanding, however widespread, is often false, concealing discursive complexity. Even when actors share a specific set of storylines, they might interpret the meaning of storylines rather differently’ (Hajer & Versteeg, 2005, p. 177). Storylines, even though they reduce complexity to the degree that large and highly diverse coalitions can form around them, have the power to stimulate political change by re-ordering meaning when adopted by the members of a discourse coalition.

The discourse coalition concept is appropriate for this research because it allows understanding think tanks as one-actor-among-many in a wide network of actors which are not necessarily known to each other or interact directly. Think tank outputs in the form of, for example, analytical papers, blogs and media commentary, contribute to the making of storylines around which discourse coalitions can form or strengthen. Think tanks are also physical locations where disparate political actors may meet and where they can generate shared storylines.
The Conservative Party and its turn towards austerity

The Conservative Party, in the early 2000s, was in programmatic disarray. In 2005, David Cameron became leader and took his party onto a centrist modernisation path towards ‘a post-Thatcherite style of liberal Conservatism’ (Kerr, 2007, p. 47) which incorporated elements of neo-liberalism, New Labour and One Nation Toryism. The modernisation process was structured along three interdependent elements: the ‘Big Society’, ‘Localism’ and ‘Compassionate Conservatism’.

The Big Society discourse offered a critique of the power of the central state. The emphasis was not on ‘rolling back the state’ but on ‘rolling forward society’ (Cameron, 2007). Accepting that there was a ‘thing called society’, Cameron emphasised that it was ‘just not the same as the state’ (Cameron, 2005). Closely connected to the idea of the Big Society was the Conservatives’ anti-étatiste emphasis on ‘localism’. Local voluntary and community organisations should be ‘enabled’ by the state to mend Britain’s ‘broken society’ (Conservative Party, 2006, p. 2). Compassionate Conservatism described a shift from an ‘econo-centric paradigm to a socio-centric paradigm’ (Letwin, 2007). During this modernisation process, the Tories eschewed any demands for public spending cuts or any criticism of public sector organisations such as ‘our NHS’, as Cameron persistently referred to the National Health System (e.g. Cameron, 2008b).

Certainly, this modernisation course was neither uncontested within the Conservative Party nor did it persuade all organisations and individuals in its orbit. But the Tories’ centrist journey came only to a halt due to the exogenous shocks of Global Financial Crisis and Great Recession. As a result of these crises, the party aborted its modernisation course which had so much challenged ‘Conservative instincts’ (Bale, 2013, p. 135) and returned to an ideology of neo-liberalism and small-but-strong state without, however, adopting the zealous anti-public services rhetoric of old or reneging on its liberal social agenda. Rather, the Conservatives developed policies under the storyline of the ‘age of austerity’, which they deemed ‘inevitable’ due to the need for ‘fiscal consolidation’ after years of ‘Labour profligacy’ and ‘living beyond our means’. This storyline anchored the party within the austerity discourse coalition which developed after the Global Financial Crisis and gathered strength with the Great Recession.

Between 2005 and 2008, i.e. until the Global Financial Crisis erupted, the oppositional Conservatives were committed to maintaining public spending at the level planned by the Labour Governments under Tony Blair and then Gordon Brown. Still in September 2007 – i.e. around the time that the first British bank, Northern Rock, collapsed as a sign of things to come – the Conservatives’ shadow chancellor, George Osborne, announced that government spending under the Conservatives would rise from £615 billion in 2009 to £674 billion in 2010/11 to match Labour’s spending plans: ‘Under a Conservative government there will be real increases in spending on public services, year after year’ (Osborne quoted in BBC, 2007a). But after May 2008, as the Global Financial Crisis unfolded and started having an impact on Britain’s economy, Cameron’s policy preferences on spending, debt and deficit started changing. He put it to the public that ‘we need to start living within our means’ and warned that ‘we have reached the limits of acceptable taxation and borrowing’. However, he was careful still to point out that these new realities would not lead to cuts in public spending. Instead, Cameron chose the term ‘controlling public funding’ and gave assurances that ‘we will give public services the proper funding they need so that everyone
in the country can have access to the services they need’ (Cameron, 2008a). However, some media commentators and fellow Tories increased the pressure on Cameron and Osborne to move more clearly towards austerity. In August 2008, Conservatives Lord Forsyth and John Redwood were quoted as calling on ‘the Conservative leader […] to abandon his pledge to match Labour spending amid fears that Britain is heading into recession’ (quoted in Kite, 2008). Slowly accepting this position, David Cameron used his speech at party conference in early October 2008 to accuse Labour that its ‘spending splurge left the government borrowing money in the good times when it should have been saving money. So now that the bad times have hit, there’s no money to help’. This meant that the moment had come to ‘rein in government borrowing’ (Cameron, 2008c). George Osborne, in late October 2008, added to this shift in discourse by saying that a Conservative government would resist any notion that a Keynesian stimulus package would be employed: ‘even a modest dose of Keynesian spending’ would act as a ‘cruise missile aimed at the heart of recovery’ (Osborne, 2008). Finally, in November 2008 Cameron explicitly abandoned his party’s pledge to match Labour’s spending plans (Cameron, 2008d). Over the course of a year and under the impressions of Global Financial Crisis and Great Recession, the Conservative leadership had made a full U-turn on its commitment to maintain public spending at pre-crisis levels and had shifted into ‘austerity mode’, even rejecting Labour’s timid Keynesian attempts at stimulating the economy.

However, Cameron and his shadow chancellor shied away from putting a number to any spending cuts or tax increases until spring 2009. Then the scale of the Global Financial Crisis and its impact on Britain’s ‘real economy’ became clear as Britain, in January 2009, entered recession. Reacting to this development, in April 2009 Cameron announced that a government under his lead would ‘have to take some incredibly tough decisions on taxation, spending and borrowing’ (Cameron cited in Summers, 2009). George Osborne clarified at the Tory’s 2009 spring conference that for him ‘the root of our problems is too much debt’ and that ‘we will make efficiency savings […] but we don’t pretend that they will be enough. […] we can be a “Government of thrift” in an age of austerity’ (Osborne, 2009a).

A little later the Conservatives indicated, for the first time, where spending cuts would fall under their government. On 10 June 2009, the Tories’ shadow health secretary, Andrew Lansley, said in an interview that spending on all departments would be cut by 10%, with health, education and international aid exempted (see Sparrow, 2009). This statement was widely interpreted as a gaffe as it allowed Labour to attack the Tories as the ‘party of cuts’. While Lansley’s ‘10% message’ may have been unfortunate, since April 2009 it had been clear that leading Conservatives were seeing reductions in public spending as an inevitable necessity. The public was also increasingly prepared for austerity. For example, the Institute for Fiscal Studies (IFS) think tank warned that ‘two full parliaments of mounting austerity’ would follow the Chancellor’s April 2009 budget which forecast the biggest deficit in UK post-war history (see BBC, 2009c).

Following the ‘June gaffe’, more details became known about how a Conservative government would tackle debt and deficit through tax increases and spending cuts (see Hennessy & Jamieson, 2009 and Merrick & Brady, 2009). In October, at Conservative conference, Osborne demanded a public sector pay freeze (Osborne, 2009d) and said that, under his watch, over the next parliament more than £23 billion would be cut from public spending to halve the deficit by 2014 (Wintour, 2009). Finally, in April 2010, one month before the general election, Osborne put concrete figures to his debt and deficit reduction strategy
which had ‘around 80% of the work coming from spending restraint and about 20% from tax increases’ (Osborne, 2009c).

After the election of May 2010, the Conservatives formed a coalition government with the Liberal Democrats and now had the power to implement their austerity agenda as developed in opposition. George Osborne, as new Chancellor, declared that the government would abandon all fiscal stimulus measures in favour of rapid and strict fiscal consolidation with the aim to reduce the structural budget deficit over five years (Government, 2010a). Calling it an ‘unavoidable budget’ (Osborne, 2010), Osborne announced a package of fiscal tightening worth £40 billion by 2014/15 of which 80% were to be spending decreases and 20% tax changes, including an increase of VAT to 20% (Edmonds, Webb, & Long, 2011, p. 22). In other words, Britain chose more austere fiscal policies than any other comparable country leading to a ‘radical shrinking of the state’ with a particular focus on welfare (Smith & Jones, 2015).

Think tanks and the U-turn

Did think tanks play a role in the Conservatives’ U-turn in the wake of Global Financial Crisis and Great Recession? Did they, as one of many actors in the austerity discourse coalition, contribute to the authority of the ‘age of austerity’ discourse before the 2010 election?

Think tanks such as Policy Exchange, Reform, the Institute of Economic Affairs and the Institute for Government are central to answering these questions. This small sample out of a large British think tank population was arrived at on the basis of an analysis of the research literature, media reporting, think tank output and government publications making reference to particular organisations or individuals.

As outlined earlier, a crucial moment in the Conservatives’ turn not only towards austerity but towards first concrete plans on public spending cuts was the ’June gaffe’ by Andrew Lansley. Prior to 2009 the Conservatives were not convinced that they could convey to the electorate that drastic spending cuts were the necessary ’price’ for supposedly reckless spending under Labour. In order to argue for austerity without diminishing electoral prospects a changed political discourse was necessary. […] If someone had published something in 2008 saying that we should cut £130 billion of public spending then nobody serious would’ve touched it with a barge pole,

as someone close to think tank Policy Exchange assessed the situation in 2008 and 2009 (Interview 1). In particular Greek crisis, Eurozone troubles, UK recession and the growing deficit constituted the required ‘exogenous shock’ to open a window of opportunity for the Tories to turn the notion of drastic spending cuts from a recipe of political suicide into the only ‘game in town’ in the public imagination. Policy Exchange helped pushing this window more open by publishing its own recommendations on debt and deficit in a short paper – called ’Controlling Public Spending: the Scale of the Challenge’ – on 3 June 2009. Co-authored by the think tank’s director (and later special advisor to Osborne in the Treasury) Neil O’Brien, a new recruit from economic consultancy Europe Economics and former IFS and Institute of Directors economist Andrew Lilico, and later Downing Street 10 special advisor Adam Atashzai (Lilico, O’Brien, & Atashzai, 2009) it developed some influence on Conservative thinking. Lilico had been hired by Policy Exchange as Chief Economist in 2009 to bolster the think tank’s economic policy expertise – an area that it had hardly addressed prior to the crises, instead focusing on education policy, prison
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reform or housing. Lilico had already made a name for himself as a vocal supporter of steep public spending cuts (e.g. Lilico, 2009a, 2009b; Monaghan & Hennessy, 2008). Rupert Harrison, a confidante of Osborne’s and later special advisor at the Treasury where he was ‘a central figure in devising the government’s deficit reduction programme, as well as successive pay freezes’ (Wintour & Syal, 2014), helped to recruit Lilico for Policy Exchange. The co-authored paper proposed plugging the hole in Britain’s finances by fiscal tightening worth at least £100bn over the next parliament of which 80% were to be spending cuts and 20% tax changes. The paper made reference to fiscal consolidation programmes in other countries – in particular Canada and Sweden in the 1990s – and urged Britain to accept the lesson that an economic crisis and high debt and deficit must be dealt with through austerity and lower taxes.

The paper is unlikely to have been published without the prior consent of the party leadership – ‘Policy Exchange is Cameron’s favourite think tank and they all knew what we were going to say before we said it’ (Interview 1) – and sought to put to the test of public opinion the notion that severe spending cuts were without alternative. After all, Policy Exchange, being much closer to the Conservative Party than, for example, the Institute of Economic Affairs (IEA) and other ‘old guard’ think tanks, was at the time known as a ‘float organisation’ in the Westminster Village: ‘everyone knows that they will float ideas on behalf of Conservatives’ (Interview 2). The media reaction to the paper in outlets considered to be ‘relevant’ for the Conservative Party leadership was positive. In particular the paper’s proposition that spending cuts should be the main source of fiscal consolidation ‘had quite an impact’ (Interview 3), as one observer noted. Martin Wolf in the Financial Times (2009) and Roger Bootle in The Daily Telegraph commended the paper. Bootle, for example, argued that the government should go

directly for the thing which is at the root of the problem and cut public expenditure. […] Last week the Policy Exchange think tank published a paper showing that the current fiscal plans envisage what amounts to a second Gordon Brown public spending splurge. (Bootle, 2009)

By no means were Policy Exchange’s proposals the most radical made to that day. Think tanks like Reform and IEA, pressure groups like the Institute of Directors, and campaign organisations such as the Taxpayers’ Alliance had come out with more drastic ideas on how to reduce debt and deficit. The influential ConservativeHome blog (see e.g. Montgomerie, 2009) and many in the centre-right mainstream media were also contributing to the general discussion:

There was quite an intense debate about the future of public spending and a lot of voices in that debate were saying that all parties were going to have to adjust their spending plans in the light of the reality. And I think the Conservatives were the first ones to do it (Interview 5)

by adopting the ‘age of austerity’ storyline. However, while IEA and Reform have always zealously argued in favour of reducing the size of the state – whether during economic upswings or downturns – Policy Exchange’s turn to economic policy and its ‘floating’ of austerity ideas helped the Conservative leadership to assess whether austerity would meet the consent of those considered to be amongst the ‘key commentariat’ of opinion formers. The endorsement in, for example, the Financial Times mattered because of its authoritative position in the British media landscape. This is a good moment to point out to the symbiotic relationship between think tanks and the media. While think tanks want to see their work
endorsed by leading media, the same media is keen to use think tank output, as one think tank staffer describes:

You make friends with certain journalists and then you feed them lots of stories all the time, including lots of ones that make them look good and that you know have your name on. And then, if you give them good stories and they work and it makes them look good, then they keep publishing these stories (Interview 1).

It seems that, more generally speaking, media commentary on the rapidly unfolding crises between 2007 and 2009 was highly relevant for policy-makers of all colours, perhaps more so than in ‘normal times’:

It must have been the first period I’m aware of where something’s happening in real time and I almost found out by reading blogs and what people were saying more than anything else. Because nobody really knew and people were speculating in blogs and writing articles. So, people like Martin Wolf were quite important.

The above quote shows how a special advisor to Prime Minister Gordon Brown described the situation between 2007 and 2009 (Interview 6). A director of a centre-right think tank seconded: ‘People like [the BBC’s] Robert Peston and [the Financial Times’] Gillian Tett, people who could explain what was going on in the crises and media figures who were continually reporting were a big focus for policy-makers, not think tanks’ (Interview 5). Thus, Wolf’s and Bootle’s endorsement of Policy Exchange’s paper showed that Policy Exchange were in the mainstream of where this discussion [about debt and deficit, H.P.] was going to go at that point. […] These were the guys you wanted to convince. […] The Conservatives knew they were on a runner with what they were now considering to propose publicly (Interview 1).

A week after the paper’s positive reception in the ‘media that matters’, the shadow health secretary made his ‘gaffe’ and leading Conservatives abandoned their worries that an agenda of spending cuts would inevitably lead to electoral disaster. On the contrary, David Cameron and others started to move the Conservative Party firmly into the austerity discourse coalition by employing a successful ‘communicative discourse’ (Schmidt, 2008, p. 4) which emphasised the ‘inevitability of consolidation’, evoked national unity by emphasising that ‘we’re in this together’, and promised to save the country from ‘becoming like Greece’ by ‘clearing up Labour’s legacy’.

However, some think tanks close to the Conservative Party criticised the party leadership for its supposedly timid approach to cutting debt and deficit. These impatient voices within the austerity discourse coalition, however, did not do the party leadership any disservice, as is shown in the following. Among those demanding more austerity was think tank Reform, on the libertarian right of the political spectrum. It had been promoting spending cuts alongside the privatisation of public services ever since its foundation in 2001. While it had little to say, as most think tanks then, in terms of policy responses to the Global Financial Crisis itself, the growing deficit and the increasing debt burden since 2008 presented a new opportunity to promote its ideas of privatisation, welfare reform and small state to the general public and the Conservative leadership alike: ‘The crisis changed the environment of ideas about public spending and public services’ (Interview 5), as a senior think tank staffer at Reform said.

Before the Tories’ April 2009 conference at which Osborne embraced the ‘age of austerity’, Reform published a paper – ‘Back to Black’ (Bassett et al., 2009). Reform’s explicit objective
was to force politicians from across the spectrum to face the supposedly inevitable consequences of the financial and economic crises for public spending; at this point Reform found that most leading politicians were afraid of addressing this problem. The paper was co-authored, among others, by Conservative MP, Reform deputy director, later government minister and free marketeer Elizabeth Truss, also founder of the Free Enterprise Group of Conservative MPs. The publication argued against using higher taxes to clear the deficit, for drastic reductions of health spending and for the abolition of universal child benefit. In total, it urged government to reduce spending by at least £30 billion in 2010–2011. As one among many contributions to the debate, the paper was ammunition for the ‘austrians’ and ‘enabled people to start saying in public what they were saying in private’ (Interview 5), as one of Reform’s staffers believes.

Reform was not the only think tank to demand most severe cuts in public spending. The Institute of Economic Affairs also contributed to the career of the austerity discourse – rather than providing detailed plans for cuts, it operated with ‘higher level arguments’. An IEA staffer saw the crisis as a new opportunity for the think tank to infuse its ideas into mainstream thinking:

We’ve flourished somewhat in the past five years […] owing to the severe economic difficulties and challenges which have opened up spaces for those with more radical ideas to actually get a hearing in the media, in the corridors of power, and the wider public take a greater interest in the sort of ‘Hell, what are we going to do now?’ type questions (Interview 4).

This marked a change for the fortunes of IEA as before 2009, the IEA regarded the Tories’ acceptance of Labour’s spending levels as ‘an ideological defeat’ (Interview 4) and the Conservative leadership had few dealings with the IEA. But now IEA’s persistent push for drastic cuts rendered the think tank useful to the Conservative Party – maybe not so much in the sense of the Tories adopting IEA’s ideas or ideology, but rather in the sense of ‘triangulation’. Set both against IEA’s radical proposals and against those arguing for counter-cyclical Keynesian fiscal stimuli measures, George Osborne’s positions appeared moderate. While neither IEA nor Conservative Party strategists planned this triangulation – it ‘wasn’t co-ordinated, this wasn’t an agreed public relations strategy with the Conservatives’ (Interview 4) – radical proposals such as that coming from IEA helped the Conservative leadership make a convincing case for their ideas as the ‘most rational’ and ‘balanced’.

Not only those think tanks easily identifiable as ‘centre-right’ but also less partisan and less ideologically outspoken think tanks influenced the Conservatives’ thinking ahead of the 2010 elections. For example, the Institute for Government (IfG) assisted the Conservatives to draw lessons from episodes of fiscal consolidations in Sweden and Canada and thus helped the Tories develop the argument that austerity will bring about economic recovery also in the UK and thus benefit everyone. As an IfG staffer said:

The way in which we took lessons from Canada; it was used as an example of the case for the importance of controlling spending. It was part of a much higher-level debate, actually. It was used in the ‘We do need to cut’ context, I think, politically. And it was used to say ‘We can cut the deficit’ so it’s a sort of a positive story to create motivation and to show, I think, that the consequences of some cuts wouldn’t be disastrous (Interview 2).

Furthermore, analysis developed at IfG assured the Conservative leadership that public spending cuts would not necessarily be disastrous electorally: ‘Undertaking comprehensive strategic reviews which resulted in balanced budgets, reduced public debt and sustained
economic performance [led to] governments which initiated these reviews [being] repeatedly re-elected’ (McCrae, Myers, & Glatzel, 2009, p. 6), as an IfG report reads. 

Lastly, the think tank also helped, though not explicitly or exclusively, to prepare the Conservative Party for government. Throughout 2009, IfG ran a series of seminars focusing on Swedish and Canadian experiences of how severe spending cuts could be best implemented without jeopardising cabinet unity – after all, some departmental portfolios would be more seriously affected by cuts than others, thus creating the potential of highly disruptive conflicts over resources. In June 2009, George Osborne was reportedly considering committing the shadow cabinet to binding spending cuts if the Conservative Party were to gain power at the next election: ‘shadow cabinet sources said the idea is modelled on cabinet discussions held by the Labour government in the 1970s, and would force department heads to agree how spending will be brought under control,’ as the Daily Telegraph reported (Kirkup, 2009).

The analysis presented in this section can necessarily convey only a sense of what think tanks did to support the Tories’ U-turn back to policies more akin to ‘Conservative instincts’ and to build the authority of the ‘age of austerity’ discourse coalition. The limits of this article mean that the many more think tanks and other institutions, but also individuals, which made contributions to the austerity discourse cannot be discussed here.

Conclusions

While the article makes no claim that causal relationships existed between think tank activity and the development of the Conservative Party’s policy positions on public spending, debt, and deficit, the thick description showed that think tanks contributed to the Conservative Party’s U-turn on public spending by strengthening the austerity discourse coalition. Think tanks used their symbiotic relationship with parts of the British media to put ideas for austerity measures to the test with the public. In that way, they contributed to convincing a wary Conservative leadership that dropping the pledge of matching Labour’s spending plans would allow the party to gain economic credibility over the Labour Government. Think tanks gave the Conservatives an impetus to develop their austerity agenda and to promote austerity as something inevitable – and to use the austerity course as a vote-winner against a Labour Government which was successfully painted as the reckless originator of debt and deficit. Here, the Conservatives could also rely on a number of journalists and editors in an often ‘compliant media’ (Wren-Lewis, 2015) who helped them in the ‘politics of mobilization of consent’ (Gourevich, 1986) against the Keynesian discourse coalition which had burgeoned only briefly in 2009. Again, some think tanks were useful for the Tories as their proposals for an age of austerity were drastic enough to make the Conservatives’ debt and deficit reduction plans appear moderate, also compared to those of the ‘deficit deniers’ in the Keynesian camp. In sum, think tanks helped to make the austerity discourse dominant and were part of a powerful silencing mechanism which ‘institutionalised certain courses of action and at the same time made alternative courses simply inconceivable’ (Radaelli, 1998, 9).

What do these findings mean for future research? Two related aspects are of particular importance. First, the findings emphasise the importance of the relationship between media and think tanks in Britain. However, there is too little research which highlights the symbiosis and entanglement between media – old and ‘new’ – and think tanks. This gap in the
research exists even though think tanks are omnipresent in the British print and electronic media and, in addition, fill the Internet with commentary, bypassing the gatekeepers in newspapers and TV via their own channels (Pautz & Heins, 2016). The second aspect is related to the notion of symbiosis, but maybe more to that of ‘entanglement’. The research for the article has shown again how British think tanks – of whatever partisan association or ideological orientation – are embedded in a Westminster network whose members know each other, were trained at the same universities, have worked in similar jobs, and have had the opportunity to swap professional identities in the many revolving doors of this network. Therefore, a Social Network Analysis approach could give comprehensive insights into the multi-layered entanglements of actors in the Westminster network as it could incorporate the whole actor spectrum and thereby provide a more encompassing analysis of the relationship between ideas and policy positions.

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Notes on contributor

Hartwig Pautz is a lecturer in Social Sciences at the University of the West of Scotland. His interests lie in the analysis of the role of ideas in policy-making and in the study of think tanks and how they influence policy debates. He also has published on e-democracy, is currently writing about right-wing populism, and is involved in the UWS-Oxfam Partnership.

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