Beyond Liberty

Is the future of liberalism progressive?

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Beyond Liberty

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Introduction: Beyond liberty?

Julia Margo

‘We should not try to shore up a traditional liberalism based on the priority of private responsibility against the winds of empirically-based change in our understanding of human minds. This nostalgic strategy does not provide much guidance to hopes for a liberal future, as the cognitive sciences continue to advance. A progressive social liberalism should serve the public good within the public ecology of responsibility in ways that counter manipulation and support the rationality and responsibility of citizens. Such an ecological conception of liberalism is not a way of abandoning liberalism, but a way of revitalizing and strengthening it for the future.’ Hurley (2007)

This book is a challenge to modern liberals. Drawing on the latest and best research from across the social sciences, it argues that liberals need to update their thinking in response to the way the world is changing. In it, the contributors engage with emerging currents in social, political and legal thought on both sides of the Atlantic, which have provided fresh analysis of the relationships between individuals, their communities, and social change – ideas that are fast becoming the new common sense of the age. Both liberal thinkers and practising Liberal politicians (writing in their own right rather than representing their party) have written in response to IPPR’s research and ideas, alongside key progressive thinkers.

All ideologies evolve in response to societal shifts. Thatcherism rode the tide of history as it swept away the post-war Keynesian consensus. The economy was deregulated, nationalised industries were privatised and while traditional community horizons waned new social divisions and inequalities opened up.

So, too, was New Labour a product of its time. It borrowed much from the economic liberalism of Thatcherism but married this with a
renewed commitment to social justice and strong public services. People could see inequality and poverty spiralling out of control and public services becoming dilapidated. A new British progressive project emerged from the ashes of repeated electoral defeat and a process of reflection and renewal. And New Labour got the softer side right: rejecting Thatcher’s mantra of ‘there is no such thing as society’, the narrative was one of Britons being ‘in it together’. Things could only get better.

After its heyday in the 19th and early 20th centuries, political Liberalism became largely irrelevant, arguably because Labour captured the working class vote and marshalled progressive forces behind it (although strands of liberal thinking informed Labour intellectuals at different points in the century). As the post-war Keynesian settlement unravelled, and Labour’s core class base shrank, new political horizons opened up, which the Social Democratic party/Alliance at first tried to fill. But Labour reinvented itself, building a new post-Thatcher coalition for progressive change, and once again it squeezed Liberalism out of the mainstream contention for power.

The Liberal Democrats prospered in the 1990s and early 21st century, but many would argue that this was largely the result of the electoral weakness and rightward drift of the Conservative party. They were also fortunate to have a strong historical base in Scotland, which allowed them to participate in power-sharing in the devolved Scottish Parliament. They used their localist traditions to good effect in English local government too, building local platforms for national representation in clusters around the country.

Although there have been major political attempts to redefine Liberalism, none of these succeeded in offering a holistic and compelling alternative to the progressive or conservative narrative of the day. Lloyd George’s *Yellow Book*, of 1928 (officially known as the Liberal Industrial Inquiry Committee) was an attempt to develop big government solutions to the economic and social issues of the day, arguing for greater state intervention in more indirect ways (Liberal Industrial Inquiry Committee 1928). And arguably, liberal activist and theorist Bernard Greaves, with his series of short books on ‘community politics’ in the 1970s (Greaves 1976, Greaves and Lishman 1980) pushed Liberalism towards a localism that ensured that a – then – small national party retained some political purpose. But neither managed to carve out distinct political territory for Liberalism.

Furthermore, although the publication of the recent *Orange Book*...
(Marshall and Laws 2004) by those on the right of the Liberal Democrat party represented to many the first large-scale attempt at a revival of liberal thought since the *Yellow Book*, it did not produce a major new direction for Liberalism. Rather than advocating a major rethink of this ideology (in light of major social and global change), it argued instead for a rehabilitation of traditional economic liberal thought. This is an understandable conclusion: the flexibility of today’s economy, the dawn of the ‘information age’ in which individual autonomy can reap dividends, is after all more welcoming to classical liberalism than the socio-economic climate of previous decades.

Is there political space or need for a distinctive ideology based on ‘the fusion of economic and social liberalism’ suggested by Marshall and Laws (ibid)? Or should the future of political Liberalism – the Liberal Democrat party – be more recognisably progressive?

We argue in this book that there is a dual impetus for a renewal of a progressive liberalism. Political considerations consolidate the case for renewal, based on emerging strands of research in the social sciences, which we present here. To contribute to the emerging 21st century politics and stand a chance of affecting social and political change, rather than defining themselves in opposition to modern progressives, the Liberal Democrats need to find a better defined place in the progressive project.

**Progressive politics today**

The scope of politics and governance is changing in Britain today and progressive thought in recent years has moved beyond accepting much liberal economic orthodoxy to asking new questions about the wider role of government and civic society.

In recognition of this, ippr invited some leading members of the parliamentary Liberal Democrat party to reconsider their core values in response to these new currents of progressive thinking. Although many of our contributors are politicians, this book is not a party political exercise concerned with electoral power; rather it is about the power of ideas, particularly liberal ideas, and their relevance for achieving social justice and wider progressive ambitions.

ippr has a long history of helping to refresh progressive political thought, which it does through the marshalling of rigorous evidence and the best academic research in the service of normative goals. It is
ambitious about the potential for social change but a practical realism about how people think and behave in the real world underpins its approach, analyses and prescriptions.

This book’s challenge to modern Liberals is underpinned by this kind of approach; rather than a merely philosophical exercise, it investigates how Liberals might marshal both values and a robust understanding of the modern world into a coherent political ideology that has contemporary resonance.

It is important to stress that our challenge to modern liberals to carve out a liberal progressive position does not require a break with the past. On the contrary, liberals have a rich tradition of progressive thought to draw upon, as Section 1 of this book outlines. In examining the progressive consensus of 1906-14 in Chapter 2, Iain McLean and Guy Lodge argue that the contribution of Liberal politicians and thinkers such as Lloyd George and Campbell-Bannerman made the progressive alliance one of the most progressive, reforming governments of the 20th century, with its landmark reforms such as the introduction of a national insurance scheme and state pensions. And the progressive strand of liberal thought did not die out with the progressive consensus. As Stuart White illustrates in Chapter 3, a persistent theme of 20th century Liberalism has been the idea that the state has a role in spreading ownership more widely through interventions to redistribute wealth.

**Liberalism, agency and fairness**

Like all political ideologies, liberalism has an apparently simple motivation: society should be ordered so as to enable people to be free. This leads many liberals to think that government should as far as possible remain neutral about the good – that issues about what constitutes a good life and how best to pursue it should be left to citizens’ private choices. The idea is that because people disagree widely about how best to live their lives, the best way to ensure that people are as free as possible is to focus on ensuring that citizens’ individual and collective capacity to decide things for themselves is the primary aim of government. Although many liberals disagree about how to do this in practice, a consistent concern for questions of agency runs through liberal thought. In other words, a concern for autonomy, or free exercise of human capabilities, is at the very heart of liberalism.
In some ways, this central concern for individual autonomy is a product of the past, embedded in the historical development of liberalism. Although its roots are deeper, modern British Liberalism can arguably be traced to John Stuart Mill’s *On Liberty* (1869), which set questions of individual freedom at the heart of its analysis. Given that it was written at a time when technological (particularly industrial) change and rising affluence were casting existing structures of class and expectation in an increasingly unfavourable light, and when the new worlds of America and Australasia were offering unprecedented opportunities for new beginnings and new ways of doing things, this focus on questions of freedom is understandable. (Mill was also reacting to the utilitarianism of his father’s generation, which treated individuals as happiness maximisers, rather than autonomous human beings capable of great moral, political and artistic endeavour. The utilitarian strand of liberalism returned to the fore in the late 19th century, in a concern for the general welfare. But Mill wanted to assert the primacy of human freedom and fulfilment.)

Fast-forward nearly 150 years and the current Constitution of the Liberal Democrats – as suitable a candidate as any for an exposition of the state of modern liberal thought – maintains this priority for freedom, albeit tempered by a concern for equality and the more elusive value of ‘community’. The Liberal Democrat party exists, it states:

‘... to build and safeguard a fair, free and open society, in which we seek to balance the fundamental values of liberty, equality and community, and in which no-one shall be enslaved by poverty, ignorance or conformity. We champion the freedom, dignity and well-being of individuals, we acknowledge and respect their right to freedom of conscience and their right to develop their talents to the full. We aim to disperse power, to foster diversity and to nurture creativity. We believe that the role of the state is to enable all citizens to attain these ideals, to contribute fully to their communities and to take part in the decisions which affect their lives.’ Preamble to the Liberal Democrat Party Constitution, November 2006

The traces of both social democratic and contemporary Conservative thought can be discerned in this mission statement. But the central focus of the preamble remains one of promoting people’s ‘agency’ – the ability to make meaningful choices about one’s own life. As many commenta-
tors have argued, for liberals, fairness often comes second to freedom – equality is only something to be aimed for to the extent that it promotes freedom; it is instrumentally, rather than intrinsically, valuable.

In practice of course, in the messy realities of day-to-day politics, this distinction (between viewing fairness as a means to an end or an end in itself) matters relatively little. There can still be much shared ground at the policy level: both conceptions still value equality highly. Both agree that government should remain neutral about ‘the good life’: that government should be enabling rather than proscriptive. Although liberals may see social justice as primarily a matter of ensuring people have the capacity to develop and exercise individual autonomy, and social democrats see social justice as the primary goal, there is much to agree on. Indeed, a contemporary conception of progressivism would appeal to many liberals.

**Defining progressivism**

Unlike liberalism, conservatism or socialism, progressivism is not a term with clear associations. It was used in late 19th/early 20th century Britain to describe a kind of Lib-Lab political orientation; in early 20th century United States to refer to a somewhat managerialist philosophy of the state; in the mid/late 20th century by Communists to refer to movements and parties that while not socialist were nevertheless considered to be part of a broader coalition for change; and in the past few years in Britain to refer to what used to be called ‘The Third Way’ (Giddens 1998) or ‘progressive governance’ (Blair 2003).

In this book, we take progressivism as meaning to have a commitment to social justice at its heart (Pearce and Paxton 2005). Broadly speaking, a socially just society is one where each has equal opportunity to fulfil his or her potential, in which the distribution of social and economic goods is fair and in which a fair distribution is understood to require high, though not necessarily complete equality (Miller 2005).

Contemporary progressives see a flexible, open market economy, supported by strong public services (what has recently been called an ‘Anglo-Social’ model) as the best means to achieving social justice (Dixon and Pearce 2005). And in common with the liberal tradition, modern progressivism aspires to a society that is also open – economically, intellectually and culturally – in which individuals and their families can progress on the basis of their aspirations and hard work, and are not held
back by family background or circumstance. Open societies are confident, dynamic and liberal.

This concept of a just and open society is a more demanding one than some weak concepts of equality of opportunity, such as meritocracy. It justifies action to close social class gaps in wealth, income and wellbeing, and not just to lift people out of poverty. But it is also liberal in its insistence that some inequalities are the just and necessary outcome of people exercising meaningful choices. It has purchase on public sentiment in a liberal democracy in ways that a stronger egalitarianism of equality of outcomes does not.

Progressives have also consistently advocated constitutional and democratic reform. They have strong liberal commitments to the constitutional protection of individual rights and freedoms, and the increased democratisation of the institutions of state, spreading power to the lowest level consistent with the effective running of our political institutions, be they local or national. But many progressives supplement their liberal convictions with a commitment to civic society and strong communities, upholding duties as well as rights and personal freedoms, and prioritising active citizenship and participatory political engagement. And they take an increasing interest in how power is distributed across our society: not just in the state, but in the organisations of our economic, social and cultural lives.

Progressives are also strongly committed to environmental sustainability (Miliband 2006). As ecological awareness spreads, progressives search for socially just and achievable routes to environmental sustainability, looking for ways to reconcile economic efficiency and social equity with protection of the environment and stewardship of natural resources. In this and other areas, progressives stress the importance of multilateral institutions in the fight against poverty, conflict and environmental degradation.

The progressive challenge to contemporary Liberalism

This definition of progressivism will appeal to many Liberal Democrats. But others may find less to agree with. It is here that we come to the heart of the challenge to modern Liberal Democrats. Our contention is that the brand of economic and social liberalism offered by those on the right of the party is not enough. To gain contemporary relevance and provide a compelling narrative for the challenges facing both Britain and
the British people over the next decade, traditional liberalism needs to be augmented with a better and more realistic understanding of two key concepts: ‘agency’ and ‘fairness’. In the past decade, progressive policymakers, social scientists and other political thinkers have transformed their understanding of these two ideas, while classic liberals have largely failed to keep up with a changing evidence base.

The remainder of this introduction marshals the best of this recent evidence and theory to draw out the challenge to modern liberalism, to which contributors respond throughout the book. The central question we pose is whether Liberalism must now in fact be progressive in order to offer a resonant political narrative for modern Britain. This is not merely a theoretical exercise. Indeed, drawing on public opinion research we argue below that 2007 could in fact mark a new and unprecedented period of political relevance for liberal ideas – if these can be developed in a progressive way.

A new understanding of agency

Our first challenge to modern Liberals stems from an emerging school of evidence about how people’s agency – perhaps the fundamental concept in liberal thought – is developed throughout childhood, adolescence and later life. Measuring agency is of course fraught with difficulties, but reliable tests and indicators have recently been developed that now allow us to bring a new scientific perspective to existing debates about agency, responsibility and the appropriate role of the state.

One of the most important (and intuitive) measures is known as ‘locus of control’, which captures the degree to which people perceive events as within their control. People with a very ‘internal’ locus of control tend to see events as within their control: they have a strong sense of personal agency; whereas people with an ‘external’ locus of control tend to see events as beyond their control and determined predominantly by external forces.

A second psychological measure is ‘application’ – which broadly translates as dedication and concentration.

Both of these attributes matter for success in life. A strong internal locus of control and high levels of application are systematically associated with high earnings; less risk of delinquency or crime; reduced chances of smoking, playing truant, being unemployed or becoming a teenage parent; and improved life chances in many other areas (Margo
and Dixon 2006). British Liberals have of course usually recognised that class determines not just chances but the ability to effectively take them up. It is encouraging that the 2006 Liberal Democrat policy review, *Trust in People: Make Britain Free, Fair and Green*, said:

‘In modern Britain, where you are from, what your parents did, the school you went to, your physical ability, your ethnicity and gender still in large measure determine your chances in life – your educational attainments, your work prospects, even how long you will live. The pursuit of a more equal society – not as an end in itself but as a precondition of freedom – will be a major political goal for the Liberal Democrats in the approach to the next election and a major plank of our campaign. […] Creating a fairer society means creating a freer society. Liberty and equality are not a zero-sum game; on the contrary, the ability to enjoy the opportunities provided by a democratic society is increased by the redistribution of wealth and power.’

Yet there are still questions to be answered by the Liberal Democrats over the role of the state. Will they choose a minimal role for the state, arguing that public action crowds out individual and voluntary endeavour, or will they recognise that the state has a vital role in redistributing resources and promoting social justice?

The progressive challenge to modern Liberals is to develop a policy agenda and role for the state that would genuinely tackle class inequalities (explored below). This is vital to the renewal of a progressive liberalism. Bluntly, the evidence shows that individuals from more advantaged backgrounds are not only more likely to have access to the material goods that open up opportunities, but are also more likely to develop the psychological capacity to take up opportunities once they are available (Margo *et al* 2006). Our contention is that this finding warrants a rethinking of the nature and purpose of the state in liberalism. By glossing over the way individuals develop the capacity for personal autonomy or agency, modern classical Liberals, while accepting many of the historical arguments for distributional fairness, have yet to base policy on the latest evidence about why structural inequality matters, why ‘socialisation’ – interaction within families and early life experiences – is crucial, and hence why the role of the public institutions in this area – in supporting families and parents and in providing opportunities to individuals to progress – is so
important; too important to leave to civil society and the voluntary sector alone.

A progressive liberalism, based on an improved understanding of human psychology, would therefore be more geared towards ensuring that individuals are able to develop their individual autonomy and sense of agency than traditional liberalism sees necessary. In practice, this means Liberalism should come closer to progressivism than many have hitherto realised, for example by highlighting the role of the state in the family – something that Steve Webb broadly supports in Chapter 7.

Framing, conceptual biases and the power of example

Recent research shows that the role of the state in other areas – from advertising regulation to urban planning – is also more important for agency than had previously been understood (Margo et al 2006). Recent research from the cognitive and behavioural sciences can now offer new evidence of how humans make decisions and what the role of government could be in changing behaviour.

As Susan Hurley argues elsewhere for ippr (2007), social scientists have shown that the choices we make as individuals are subject to ‘biases’ and ‘framing’: the way in which options are presented to us, and the examples we see in our local communities make a huge difference to our decisions. For liberals, this creates significant new challenges: it is clear that without appropriate and effective regulation, people’s meaningful ability to make informed choices and act on them – their agency – can be undermined. Two Nobel Prize-winning economists put it thus:

‘A physician, and perhaps a presidential advisor as well, could influence the decision made by the patient or by the President, without distorting or suppressing information, merely by the framing of outcomes and contingencies.’ Kahneman and Tversky (2000: 11)

This is something the private sector understands well. It is no coincidence that in the US, for example, lobbyists for the credit card industry have insisted that any price difference between cash and credit purchases be labelled as a cash discount rather than a credit card surcharge (Kahneman and Tversky 2000). Because people are more aware of losses than gains and are therefore less likely to accept a surcharge than forgo a discount, this means that people are more likely to use credit cards than they otherwise
would be. But this idea has implications far beyond regulatory issues. It is increasingly clear that the people and events that individuals encounter in their everyday lives also make a huge (and on average relatively predictable) difference to their aspirations and hence what is effectively possible for people to choose. This position is very close to that espoused by the US economist Cass Sunstein: that government should respect choice and agency but frame the default in progressive ways (Sunstein 2003).

A new understanding of fairness

Our second challenge to contemporary Liberals concerns fairness. Liberals have always understood that economic inequality limits people’s choices, hence the commitment to a degree of equality of resources, something that comes out clearly in the chapter by Steve Webb. Yet there are considerable divisions over what this means in practice in terms of redistribution or the role of the state in tackling inequality – see Webb in Chapter 7 and Laws in Chapter 8 for two perspectives. Despite the Liberal Democrat party placing a commitment to ‘fairness’ at the heart of its previous election manifestos, it seems there is not a mainstream Liberal narrative about what this actually means.

This lack of narrative is particularly important in light of current political developments, as a new political consensus appears to be emerging, prompted in part by the realisation that Britain’s internationally high level of economic and social inequality underpins many of our most profound social problems, as noted in chapter 5. After a decade of Labour in government we may not have seen the extensive change in levels of inequality and poverty that we hoped for (we have seen steep reductions in child and pensioner poverty, but not overall poverty or income inequality), but there are now clear signs of a cultural swing to the left. Indeed, modern Conservatives appear to be rapidly approaching progressive ground on issues relating to the role of the state and poverty. For example, the first publication from the Conservative party’s Social Justice Policy Review Group (Clarke and Franklin 2006, Social Justice Policy Group 2006) argues that:

‘Relative poverty matters because it separates the poor from the mainstream of society. Thus in accepting the idea of relative poverty, Conservatives must also accept another concept that is traditionally associated with the Left: that of social exclusion.’ (Clarke and Franklin 2006: 5)
Such assertions post a challenge to all political parties. Progressives have long seen distributional fairness as fundamental to a good society, and have made the case for it strongly. But it would be wrong to imply that the Liberal Democrats are the only party that is yet to embrace a truly progressive agenda: progressives could equally make the case to other parties. The question is whether the Liberal Democrats can carve out a position on distributional fairness that is distinctly liberal, and distinct from the positions inhabited by the Conservative and Labour parties. They have recently advocated a child poverty target as well as new targets to increase child literacy and numeracy. These steps should be broadly welcomed, but they do not amount to a full commitment to distributional fairness.

Moreover, Liberal Democrats in the 21st century are missing an important opportunity to reclaim a substantial part of their liberal heritage for distributional fairness. As Stuart White argues in Chapter 3, key Liberal thinkers in the 20th century, such as Jo Grimond and Paddy Ashdown, stressed a commitment to a fairness that had redistributing wealth and property, and the accompanying freedom they bring, at its core. An attention to the fair ownership of assets, rather than simple income redistribution, as a primary means to egalitarian ends has become increasingly prominent in progressive thought in the Anglo-Saxon democracies. Yet Liberal Democrats today are pledged to abolish the Child Trust Fund, a policy that might be seen as an incremental step towards the universal asset policies that prompted much interest among David Steel and Paddy Ashdown in the 1980s. Can Liberal Democrats pursue the progressive promise of this legacy despite their rejection of the Child Trust Fund?

Steve Webb outlines a Liberal vision of a progressive tax system in chapter 7, which is discussed in the conclusion. But for the policy approach to be progressive an explicit commitment to tackle relative poverty would be required, through, for example, a higher minimum wage or benefits uprated with earnings rather than prices. And although the Liberal Democrat Conference of 2006 approved a motion in support of land value taxation as a long-term ambition, it is not clear that David Laws, Vince Cable and others have connected asset ownership to distributional fairness in distinctively liberal ways, something that is discussed in detail in the concluding chapter.

An ambitious agenda to tackle income and wealth inequality should be central to the renewal of modern progressive liberalism, and this would take the Liberal Democrat party beyond the ‘fusion of social and economic liberalism’ outlined by those on the political right of the party
(Marshall and Laws 2004). So it is clear that Liberal Democrats are yet to espouse a unique view on distributive justice, despite their rich tradition of progressive thought in this area.

Leading progressive thinkers are moving beyond a sole concern for outcomes and are now beginning to revisit the idea of ‘procedural fairness’. This strand of thought acknowledges that ‘fairness’ consists not simply of distributive justice, vital as this is to any progressive account of fairness, but also to procedural justice: how decisions are made, rather than what is decided. In its philosophical sense, procedural fairness of this kind is central to liberal democracies. It underpins the legal and political equality of citizens and their rights to be treated fairly, without discrimination. It is about a very British sense of fair treatment, or fair play, and it captures the idea of an ethic of fairness.

Questions about procedural fairness are of central importance to the renewal of modern liberalism, because they highlight the way that individuals experience the huge social and economic shifts that have altered British society in recent decades. Qualitative research suggests that individuals are most concerned about global developments such as increased international migration, technological change and pressure on resources when they believe they may lose out in relation to others and do not understand the procedures involved (Lewis 2007). When procedures are more transparent, open and fair, public concern diminishes. For example, evidence suggests that where there is a perception of procedural fairness about local housing allocation, public hostility towards migrants diminishes (ibid).

The debate over procedural fairness becomes ever more urgent. The need to address concerns about resource allocation and rationing in the NHS will become more acute as public expectations continue to rise, as new and expensive drugs and treatments are developed, and as lifestyle diseases become relatively more prevalent. Shortages in affordable and social housing in many areas mean that grievances are strong – a situation which the far right has been quick to exploit in relation to levels of international migration and lone parents.

So, fair treatment is an important concept for progressive liberals to grasp. But not only because it would help them to determine policies that would better support a fair society. Progressives also care about procedural fairness as well as distributional fairness because it says something about the kind of society we want to live in, one in which we respect each other’s autonomy and wellbeing, and treat each other well.

This debate offers a golden opportunity for progressive liberalism. In
many ways fair treatment fits very naturally with liberalism. First, because it is about treating people as ends, not means – which is at the heart of liberal thinking. And second, because it can be aligned with more localism in decision-making: it is hard to ensure that people are involved in decision-making and that they perceive public authorities to be fair if most decisions are taken at a distance, in the centre.

But liberals also care about respecting and promoting individual autonomy. It is intuitively obvious and empirically proven (Margo et al 2006) that an individual’s capacity for autonomy depends at least partly on the recognition and respect they receive from others (the affirmation of their autonomy), particularly as individuals develop through childhood and adolescence (ibid). Psychologists have long proven that the way people are treated in their everyday lives matters for their sense of self efficacy – their belief that they can affect change in their lives. It makes sense that this understanding should also determine policy approaches. Providing individuals with the sense that they can change things – through providing opportunities to deliberate over processes and ensuring such processes are as open and transparent as possible – should form an important aspect of the renewal of modern Liberalism.

The progressive liberal moment

The challenge posed to liberalism by these new strands of thinking around the importance of socialisation and agency, and the salience of fair treatment (procedural fairness) is not merely intellectual. It is no coincidence that academic insight in the last few years has focused on these two areas; indeed, it is increasingly clear that these two themes underpin many of the most significant emerging political and social questions. Due to fundamental trends and drivers shaping modern societies, 2007 may in fact mark the ‘progressive liberal moment’: the point at which progressive liberalism’s relevance to contemporary political challenges is clearly in the ascendance. To understand this properly, we need to look to the recent historical context.

From the post-war period to the mid-1970s, the pathways individuals followed from compulsory education to work were relatively straightforward and homogenous. For most, leaving school was swiftly followed by getting a job. Relatively few continued on to higher education – just three per cent in 1950 – but for those that did, relatively stable employment soon followed. But by the end of the 1970s, youth labour markets were collapsing under the pressures of rapid deindustrialisation, it became increasingly difficult to move
directly into work, and rising unemployment set school-leavers in direct competition with more experienced workers in the hunt for jobs. Young people were decreasingly able to rely on formal organisational structures, and more dependent on their own agency and motivation. And once they were in an increasingly service-orientated economy, their personal and social skills – their agency – became ever more important in determining their success.

Parallel shifts were taking place in the public sector: the education system shrugged off its deterministic view of children's development and began to emphasise choice and personalised learning, and public services – under the banner of New Public Management – became more aligned to responding to ‘customer’ demands. Across the board, those with good personal and social skills – the hallmarks of agency – began to outdo their contemporaries. In just over a decade, these attributes became 33 times more important in determining relative life chances (Margo et al 2006). But the impact of these social and economic shifts were not confined to personal success alone; they also fed through into national challenges.

**Agency and the challenges facing Britain**

Chapter 5 shows that the most resonant challenges facing Britain are no longer about macroeconomic issues such as reducing unemployment or restricting and stabilising inflation, as they were in previous decades. This is partly an effect of economic and social policy. As Geoff Mulgan has recently argued, ‘relative success in sustaining overall economic growth and bringing down joblessness, in redistribution through tax credits, and in improving performance in public services, has, like the tide going out, left other things more visible than a decade ago’ (Mulgan 2005: 91). But it is also a result of more deep-rooted trends.

As we look to the future, tackling many of the most fundamental challenges Britain faces – from climate change to anti-social behaviour, from obesity to lifelong learning in a global economy, from rising personal debt to increasing recycling rates – increasingly depends on the choices Britons make as individuals, and the interaction of their autonomy and social structures. None of these will be solved without people changing their own behaviour. Reaching national targets to reduce carbon dioxide emissions, for example, can only be met if individuals behave more sustainably: this is not a job for the state alone.

Collective action is also important in tackling these issues, particularly in terms of responding to climate change. And we must also understand
better the role of communities as well as individuals and institutions in the fight against anti-social behaviour, crime and disorder. In the future, enabling and promoting responsible agency will determine success or failure. In facing up to existing and emerging problems, the limits of government to act in traditional ways are becoming ever clearer.

21st century politics: public appetite for progressive liberalism

The changing nature of the challenges facing Britain is something the British public increasingly recognises. People's political identities are increasingly based on specific issues, rather than political parties or ideologies, as Chapters 3 and 4 of this book demonstrate. Recent debates about green taxation and the environment or immigration cut across traditional left or right dividing lines. In this new era a new politics is required.

The potential therefore exists for the Liberal Democrats to offer an original policy response to the challenges we face. The prospect is promising: indeed, Peter Taylor-Gooby argues in Chapter 4 that the progressive liberal position is flourishing, particularly in the realm of personal life. He believes there is real concern about vulnerable groups in relation, for example, to redistribution. For progressive liberals, then, 2007 marks a political moment of unprecedented relevance.

The most pressing and relevant subjects of public debate (including terrorism, obesity, anti-social behaviour and climate change, to take just the newspaper front pages in early 2007) are increasingly centred on the appropriate balance between personal freedom, individual responsibility, public goods, and the role of the state in mediating these. But these concerns are not restricted to media headlines and comment; they also reflect a growing sense of public unease.

Research into public opinion clearly shows the changing nature of people's concerns. Based on trend data spanning the last quarter of a century (Ipsos MORI 2006), Figure 0.1 tracks changes in what individuals see as the 'most important issues facing Britain today' in five domains. Some striking trends can be seen.

Since the early 1990s, 'work, wealth and the economy' – comprising issues such as unemployment, pensions, inflation and low pay – have been of decreasing concern to most Britons, while challenges in the area of 'politics, welfare and [particularly] public services' have become increasingly resonant. Underneath this big-picture shift, subtler patterns can be seen: 'identity, migration and international development' have become more important to
the British public, while the ‘environment and sustainable development’ have remained less so. Although the latest post-Stern Review data appears to show the balance shifting, there is clearly still work to do to persuade people that the environment is a critical national challenge. At the same time, worries about ‘crime, morality and violence’ appear to have fluctuated more unpredictably, although there are clear signs that public concern in these areas has been rising since around the millennium.

Figure 0.1: The most important challenges facing Britain, 1983-2006

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1 We have used composite indicators for each domain. Work, wealth and the economy consists of ‘pensions’, ‘unemployment’, ‘economy’ and ‘inflation’, ‘low pay and minimum wage’; ‘crime, morality, violence’ consists of crime, law and order, violence and vandalism’ and ‘morality and individual behaviour’; politics, welfare and public services consists of ‘NHS’ and ‘education and schools’; environment and sustainable development consists of ‘countryside’, ‘pollution’, ‘housing’, ‘transport’; identity migration and international relations consists of ‘race and migration’, ‘nuclear weapons’ and ‘Europe’.

Source: Ipsos MORI (2006)
Underpinning these trends are the common themes of individual behaviour, personal responsibility and fair treatment. Questions of fair agency are clearly increasingly resonant in modern Britain.

Unlike conservatism or social democracy, liberalism has never sat comfortably within a left/right dichotomy. So the hope for modern Liberals is that a number of contemporary trends offer them a firmer footing in the progressive camp – and the opportunity to contribute intellectually to shaping a progressive agenda.

But what are the prospects for progressive liberalism?

The prospects for progressive liberalism

In Section 1 of this book, liberalism is first examined in its historical context. Professor Michael Freeden examines in Chapter 1 the ideological legacy of liberalism, arguing that there are three central themes in liberal thought: a constitutional element, a market element and a welfare element. He argues that the crowning achievement of British Liberalism, however, has been its integration of the requirements of social welfare into a respect for individual liberty. In Chapter 2, Guy Lodge and Iain MacLean examine the history of the progressive consensus, focusing in the main on the historic alliance between the Liberal, Labour and Irish parties. Their analysis of the pinnacle of 20th century political Liberalism echoes that of Michael Freeden’s: they argue that many of the great progressive reforms of this period were achieved as a result of Liberal politics. In Chapter 3, Stuart White examines Liberalism’s progressive past, arguing that there is a strong Liberal legacy of thinking on a particular strand of distributive fairness that has received increasing attention in Anglo-Saxon democracies: how to promote ‘ownership for all’.

Section 1 suggests that the history of political Liberalism shows that when it really understands what it is that is stopping people from exercising their agency, it commands popular support. As Lodge and MacLean argue, the 1906 Liberal landslide was underpinned by the party’s commitment to state intervention to tackle poverty and introduce welfare and pension reform. One reason political Liberalism has been less successful in recent years has been its failure to bridge a polarised political narrative. Public opinion has swung alternately to the right – in denying that agency is socialised and that the state has a role in developing it – and then to the left – that actions are all socialised and that
agency has no role, so the state has to step in. Yet under Labour and with
the Conservatives undergoing an explicit period of renewal in opposi-
tion, apparently founded on more progressive values, the political mood
has now shifted to a growing realisation that success increasingly depends
on responding to the interaction between agency and social structures.

Section 2 illustrates the social, economic and attitudinal trends that
underpin this shift: Peter Taylor-Gooby examines developments in
public opinion in Chapter 4, and Julia Margo and Sonia Sodha offer an
audit of the state of the nation in Chapter 5. These chapters suggest that
there is scope for a progressive liberal moment in 2007, if Liberalism can
take on board the new evidence and respond to it.

The challenge: can Liberalism be progressive?

The essential contention of this book is that for Liberalism to be relevant
in Britain in 2007, it must offer a political and policy approach that is
capable of playing a progressive role. Is the Liberal Democrat party up to
this task? What might they bring to the progressive project?

For the last 20 years, the Liberal Democrats’ core positions have been
in favour of: constitutional liberalism, including defence of civil liberties,
promotion of devolution/decentralisation; support for electoral reform;
strong pro-Europeanism; and a relatively liberal stance on the economy.

But what really constitutes modern political Liberalism today?
Richard Grayson addresses this question in Chapter 6. Much of the
Liberal Democrats’ traditional constitutional agenda, including local
government reform, and, potentially, electoral reform, would be valuable
contributions to progressive politics, as Lord Wallace outlines in chapter
11; but none requires substantial policy renewal, or is particularly ‘new’.
So, to be politically relevant, modern Liberal Democrats need to have
distinctive things to say on other issues.

For reasons outlined in Chapter 5, and due to advances in our
evidence base and widespread socio-economic change, the key areas
where all political parties must develop their ideas are ‘fairness’ and social
justice, the future of public services, the environment, social cohesion
and immigration, crime and foreign policy. These are the areas that the
contributors to Section 3 were asked to consider.

In Chapter 7 Steve Webb MP considers the liberal perspective on
social justice. He explores the role of the liberal welfare state in distribu-
tive justice, outlining a policy approach to poverty, inequality and the
role of the state in the family, which draws on the literature on agency and autonomy discussed above.

Also considering this new evidence base, but in so doing highlighting a potentially divisive area in liberal thought, David Laws MP considers in Chapter 8 the role of the liberal state from a more traditional liberal position. He argues that the state should be much more limited in its provision, contending that Gordon Brown’s drive towards means testing has created a ‘culture of dependency’ that must be challenged if individual autonomy is to be promoted. Laws addresses the trade-off between means-testing and incentives to work.

Nick Clegg MP takes crime, civil liberties and anti-social behaviour as the focus of his chapter (9). Clegg presents new thinking for Liberal Democrats on the role of collective responsibility in tackling social problems, and does so by taking a largely progressive position. His starting point is that there is scope to go further than the present government has and create a new progressive consensus on law and order, one that builds on the evidence for the importance of promoting and enabling individual autonomy through ensuring openness and accountability – also central to procedural fairness.

Clegg argues that four principles underpin a progressive, and effective, approach to criminal justice: engaging, as well as excluding, offenders; enhancing liberty as well as security; entrenching justice in communities; addressing fear of crime as well as crime itself. Readers will judge whether these constitute the building blocks of a progressive alternative to the Government’s law and order agenda.

In Chapter 10 Vince Cable MP outlines a modern approach to public services. There are three key challenges facing public services with which Liberal Democrats must engage: rising public expectations, improving equity, and the need to consider what the exercise of meaningful choice means in the context of the evidence outlined above. Liberals should in theory find that much of the earlier analysis fits easily within their current policy approach. The concept of ‘meaningful’ choice is included in the ongoing policy review in respect of health, and underpinned previous policies such as the Maternity Income Guarantee in the 2005 Manifesto. It was also at the heart of the sections on choice in the public services policy paper of 2002 – better known as the Huhne Commission. Cable dissects when and how choice works best in public services; again, the question is whether this analysis will underpin new directions for the public service reform of the Liberal Democrats.
In Chapter 11 Lord Wallace assesses the prospects for reform of the electoral and political system. Improving democracy has been a traditional concern for Liberal Democrats, with their long-standing proposals for electoral reform and devolution. This concern is a commendable one in light of the evidence we review in Chapter 5. But the challenge for the Liberal Democrats is to develop their proposals so that they encourage participation by all citizens, and recognise new forms of political engagement that have been developing. They also need to recognise that there may be a tension in pushing for a greater degree of localism in order to enhance democracy, and the inequitable outcomes that could potentially result – a point that we revisit in the Conclusion chapter.

Social cohesion and multiculturalism are particularly big issues for modern liberals, as Michael Freeden points out in Chapter 1, and as academic debates in the 1990s occasioned by Charles Taylor’s seminal essay demonstrated (Taylor 1992). It is these issues that are tackled in Chapter 12 by Lord Dholakia. The challenge for the future lies in ensuring that all ethnic (and other) groups feel effectively integrated into society and to this end, Lord Dholakia outlines a liberal perspective on identity, arguing for cultural pluralism and new directions for modern Liberalism that might distinguish the party from social democrats. If his approach is convincing, this could provide a vital contribution to the progressive project. If not, it will highlight an area where new thinking is urgently required.

When thinking about tackling climate change, there is a gap in British politics in which Liberals could set out their vision of how governments should go about changing people’s behaviour. How someone chooses to get from A to B; whether they put their empty wine bottle into the bin or the recycling; whether they choose to insulate their house – these are all choices that can no longer simply be regaled to the private sphere, beyond the reach of government. What is the Liberal response? Chris Huhne MP discusses this in Chapter 13, setting out the Liberal Democrat agenda on tackling climate change. But does Huhne say something more than Miliband or different from Cameron?

Lastly, in Chapter 14 Michael Moore MP assesses the future of a progressive liberal foreign and security policy in the post-Iraq era. Security policy again offers a clear opportunity to Liberal Democrats to offer fresh ideas about how to reconcile concerns about security and the protection of civil liberties, but is there the potential for a new agenda or will the party merely sit on the fence? Liberals also need to prove they
can take a line on terrorism that reassures the public, and to commit to alleviating global poverty.

In the Conclusion, Julia Margo, with Sonia Sodha and Rob Vance, considers what this all means for contemporary Liberalism, whether it is progressive and, if so, what it has to offer the 21st century progressive project.

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Note: web references correct January 2006

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