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## Francis Maude - Ten Years of Modernisation: Looking back and the challenges ahead

Wednesday, 07 March 2012



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### Synopsis

### Speech text

It's 10 years since a group of us founded two new institutions: Conservatives for Change, or CChange; and Policy Exchange. CChange was an overtly political group promoting the modernisation of the Conservative Party. I was its Chairman; and our hope was that CChange would not be needed for long. Our task was to point out why the Conservative Party was failing to gain any electoral traction; and what the remedies might be.

We made ourselves redundant when after the 2005 election I became Party Chairman and six months later David Cameron became Leader.

My speech at the 2005 Party Conference was the culmination of CChange's mission. In it I spelled out, sometimes with brutal honesty, what I thought was needed. I showed, with what is still described as "Francis' killer slide", how voters confronted with the party's immigration policy neutrally supported it by two to one, but when told that it was a Conservative policy the proportions reversed. It was all about the motives that people attributed to us. I remember during this period a discussion with the editorial team at a leading Conservative newspaper. Was I saying, they asked, that sound conservative ideas damaged the Conservative Party? No I replied. The Conservative Party, as it was then seen, was damaging good Conservative policies.

This is where the missions of CChange and Policy Exchange overlapped. Policy Exchange was explicitly not associated with the Conservative Party, but was intended to be an independent policy institute promoting innovative thinking from a centre-right standpoint in areas that had largely escaped the attention of the Party itself.

It was mostly Archie Norman's idea. I raised the money and hired Nick Boles to be its first Director. Together we recruited Michael Gove to be its first chairman, having taken the unusually self-effacing position that its board should contain no active politicians. In those early days it sometimes struggled for attention, and money. It felt then like a cottage industry, while today it bestrides the policy landscape like a colossus.

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We wanted Policy Exchange at the start to focus on four policy areas: public service reform; decentralisation; internationalism; and the environment. The point was to develop new centre-right thinking and solutions to the issues that people most cared about but which the Conservative Party seemed to ignore.

Ten years ago, just before we launched Policy Exchange, I delivered the RA Butler Lecture. I entitled it, deliberately provocatively, "Modernise or Die". And while I want to revisit some of the ideas in that speech I think it's important to say that modernisation did not begin in 2002. The Conservative party is the oldest and most successful party in the history of democracy. To survive and succeed over the centuries it has had continually to modernise and evolve. When we have failed to do so – when we failed to understand and influence the spirit of the age – the electorate rightly punished us.

We can sometimes forget now how bleak the outlook was at that time. The course of history has a tendency with hindsight to look inevitable, and as we look back from our present vantage point we could be mistaken for thinking that the party's revival and recovery was somehow bound to happen. It wasn't. Yes in that Butler Lecture and in my 2005 conference speech I used apocalyptic language. For the Party it was "five to midnight". There was no guarantee we would even retain second place. I was described by one commentator as the Private Fraser of the conservative party, forever crying "We're doomed". Telling the brutal truth to a party still largely in denial was a minority pastime. Not many of us were doing it but it needed to be said and done.

Modernisation is a strand right running right through Conservative history. It is, paradoxically, one of our strongest traditions. We are the party who more than a century ago made a man born into a Jewish family prime minister. We are the party that sent the first female MP to Westminster; and we are of course the party of the first female Prime Minister. We legislated to introduce women peers into the Upper Chamber and in government now we will legislate to introduce same-sex marriage.

But we have also been on the wrong side of the debate – and when we were and when we are again we must have the courage to say so, to accept that we were wrong and to change. The Conservative party will always suffer if it is seen as if it is trying to turn the clock back to an imagined golden era. You can't drive policy looking through a rose-tinted rear-view mirror. If we are seen as being defined by backward looking social attitudes we will be seen as unacceptable and unelectable.

In the 1990s and beyond we were wrong about minority rights. I have spoken before of how my brother's untimely death from AIDS brought home to me that Section 28, legislated for honest motives, had come to represent an attitude of intolerance that alienated a multitude of decent citizens with Conservative instincts who saw us as hostile to them. I remember a conversation a decade ago with a conservative commentator who asked why the party continued to oppose gay marriage. "Don't you see," he asked, "that it's a deeply conservative idea to allow people whatever their sexuality to make a public commitment to each other?" It was one of those moments of insight that can shape politics.

In my conference speech in 2005 I recounted how a voter I met in Crawley had said something that shocked me. A former Conservative voter, she said she wouldn't vote for us because our party didn't "approve" of her. Why not I asked? "Because I'm a single mother" was her response.

And that's why some of what I said in that Butler Lecture was about inclusiveness. It was regarded at that time by some as a fluffy and superficial concern. Some of it was about candidate selection. But most of it was about being a national party: for the cities as well as for the countryside and suburbs; a party as much for its non-white citizens as for the white; for women who work and unmarried couples as much as for full time mothers and the married.

We have done much to remedy this. Not enough. We are still too absent as a force in the great cities. Despite having a parliamentary party much more representative of modern Britain than ever before too few BME Britons see us as their natural home. The Conservative Party can never ever let up in its drive to show Britain that we are, as Disraeli put it, "a national party or...nothing".

What then of policy direction? What should a modern Conservative Party offer for the future? Looking back a decade – actually three decades since my career began - I remain in most ways the same Conservative I have always been: fiscal conservative, economic liberal, realistic Euro-sceptic, and a defender of civil liberty. But it is on social questions that I have changed the most – that the party has changed the most – and indeed that British society has changed the most.

Like British society the Conservative Party has the suppleness that allows it to adapt to a new moment, a new time and to absorb the spirit of the age. Not because we lack conviction but because unlike the Labour party, the Conservative party was never a party of dogma. Yes we have long believed in certain basic ideas: in freedom, in security, in aspiration and in equality of opportunity, but around these basic ideas much else has evolved.

This ability to evolve, to adapt – when we allow it to happen – lets us be in touch with society in a way that a party based on dogma never can be. Being pragmatic rather than dogmatic means we shouldn't arrogantly assume we always know best and that society should conform to our expectations rather than us adapting to evolving social norms.

So how does today's conservatism shape up to what I speculated about in my Butler Lecture ten years ago? Well, not too badly really. I said we needed to focus on four themes. The first I inelegantly and for want of a better tag I described as groupism. This I meant to be voluntary collectivism; neither the state collectivism that had comprehensively failed; nor the sterile individualism that Conservatism became caricatured as in the eighties. Today we would call this the Big Society; or as I put it then: smaller state, bigger citizens, stronger society.

Then there was localism or decentralisation; long favoured by oppositions and rapidly abandoned by governments. At last with the strong commitment of both Conservatives and Liberal Democrats it has become the hallmark of the Coalition Government; and is the theme running through our reforms of education, health, police and local government.

Third was social justice, which I characterised as being less about redistribution than about genuine opportunity for all; with emphasis on serious welfare reform, tackling multi-generational deprivation, and promoting the neighbourly society. Iain Duncan Smith has brilliantly taken this theme and turned it into a centre piece of the government's programme. Under this head, I argued, well before it was fashionable, for the business community to recognise the obligations, beyond those that are strictly legal, that a consensus in favour of capitalism imposes. As I put it then, "This theme must be central to modern Conservatism – that obligations, freely undertaken and

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cheerfully discharged, are the bonds that bind society and the community together.”

And the fourth theme was around internationalism: a plea that euro-scepticism should not lead to isolationism; that we should recognise our self-interest as well as our obligation to attack poverty wherever it arose. Our commitment at a time of fiscal retrenchment to increase our overseas aid budget has amply met the end that I sketched out then.

These themes stand up well ten years on. For in the intervening years the last government went down paths that made radical change even more necessary than it seemed in 2002. For 13 years Labour thought they knew best. They thought that a narrow Whitehall elite knew best. They didn't trust people. They wouldn't give people real choice over how they should run their lives. They patronised people and smothered everyone in a bubblewrap of bureaucracy.

Labour's nanny state sought to mollycoddle and to micro-manage from cradle to grave. But a controlled people can never be free. And that's why Conservatives needed to break down the concentrated power of the state and through decentralisation return power to the people. And in Government we are doing this: introducing directly-elected Police and Crime Commissioners to give us all a say in how our streets are policed, more city mayors and a more open, transparent politics. But we need to go further. We need a wholesale decentralisation of power back to local areas – this will strengthen the fabric of British society and ultimately make our institutions at every level of government more effective.

So where now? Well, I'm going to say something that may sound surprising from a Conservative: Karl Marx was right. Well - about one thing at least. Alienation is a central problem in modern society. For people who do not own feel alienated. They feel dispossessed from any control over their own destiny.

Of course Marx wasn't right about the solution. But this is a problem which Conservatives can solve. And a big part of the solution is to spread ownership. This was already identified by the Conservatives of the last century who worked to create a property-owning democracy that really came into being under Margaret Thatcher. Conservatives did this because they understood that giving people a stake, an asset that they owned themselves, would give them 'ownership', would give them independence through ownership, and would allow them to relate to one another in a more meaningful way.

And ultimately a strong society rests on strong and independent people.

So how can we rise to the challenge of alienation in our modern time? Yes by consolidating and expanding on the successes of our past through the property-owning democracy. So a renewal of the Right to Buy is long overdue. But we must go much further if we are to improve the lives for everyone in Britain. A central means will be by encouraging mutuals, cooperatives and social enterprises to spin out of the public sector. So that workers can take control of their destiny. Have accountability and responsibility for what they do and what they deliver. Mutuals and cooperatives can give workers ownership over their work. And with ownership can end alienation.

It's happening already, building on the back of work we did in Opposition. Today more than £1 billion of NHS services are already provided by mutuals. No longer should we be imprisoned by a binary choice between public services being delivered by bureaucratic monolithic public sector monopolies on the one hand; and or straight outsourcing or privatisation to commercial providers on the other. Mutuals, cooperatives and social enterprises offer ways to provide services well beyond these simplistic opposites.

We have introduced a Mutuals Pathfinder programme to demonstrate the benefits of employee-led organisations across public services. Because, from social care to school IT support, spinning out into a mutual can deliver benefits for the workforce, for customers and for the taxpayer. Giving staff ownership over their work – even if not in a financial sense – can dramatically improve productivity. Workers feel empowered and liberated. One health care provider, with over 1,000 staff, found that annual absenteeism fell by half after spinning out. The benefits to the taxpayer of this improved productivity are obvious – and users benefit from a greater choice of services.

And to drive this further we are developing a suite of Rights to Provide where public sector workers can request to take over the running of services.

More than half of every pound of our nation's wealth is spent by the state and while we all know the dangers of private sector monopolies we think all too little about the perils of state monopolies over service provision. The state is an inherently monopolistic entity and a state monopoly can be the enemy of enterprise. Within the public sector there is a legion of entrepreneurs, fired with the public service ethos but deeply frustrated with the constraints imposed by the monolith within which they are imprisoned. Liberating them as leaders of a new cohort of public service mutuals will create a whole new enterprise sector in our economy, a serious supply side reform whose economic benefits we are only just beginning to grasp.

But the benefits of mutuals are not just financial: across British society today there is a general sense of alienation – which often manifests as apathy. An administered people with no sense of ownership over a government that became more impenetrable than ever before will feel alienated from the state and from society itself. We need to give the state back to the people. We need to allow society to thrive and grow alongside the state and not despite it.

The greatest tool for this is transparency. Knowledge, as Francis Bacon said, is power and greater transparency can lead to a rebalancing of power and accountability – between governments and large organisations - and individuals. Data is invaluable raw material and opening it up gives people choices and opportunities that they've never had before.

And transparency is already transforming public services: in parts of the UK where the National Health Service has published data on local medical practices - thousands of patients have exercised their right to choice and moved to services which reported better standards. At a more mundane level, it's making life more convenient for London commuters who can their phone apps to decide whether to rush for the bus or grab a cup of coffee thanks to greater transport data.

Transparency is not soft or fluffy – it's hard edged and vigorous. It is taking governments out of their comfort zone. The future is open. And Conservatives are making transparency a defining characteristic of our future public policy.

Last autumn we made world-leading commitments to open up more public sector data that will make travel easier and healthcare better. and create significant growth for industry and jobs in the UK. At the heart of what we are doing is building a two way data

relationship between the state and society.

We are in the first formative years of a new age of Open Data and although there are risks and challenges ahead the prize is effective personalised 21st century democracy. The prize is empowered citizens, rather than administered citizens, citizens who can expose corruption, get the best value out of their governments and have equal access to valuable information.

In the future we face challenges including climate change, energy use, security, aging populations and migration we need our critical infrastructure and services to be more aware, interactive and more efficient. Open data will be crucial in making this happen. And I have no doubt as we become increasingly data rich we will all look back and wonder how we ever tolerated such collective ignorance in the past.

I said in 2002: "The Conservative Party is a phoenix, not a dodo." We did rise again from what felt uncomfortably close to ashes ten years ago. We did so through David Cameron's brave and inspiring leadership; and because we finally reverted to the great tradition of modernisation. We are very close today to being the genuinely contemporary party, proud of the past but looking to the future. We are the radical reformers, with powerful ideas for how Britain can itself revive and thrive. Policy Exchange was never or for the Conservative Party. Its mission was and remains to reinvigorate a bubbling intellectual ferment around centre right policy. It has done so based on rigorous research and compendious evidence, not on bland assertion or specious argument. It has done much more and meant much more than its founders ever dreamed of. To Charles Moore and Danny Finkelstein, and Neil O'Brien, who between them took it from its modest and beleaguered beginnings to its present strength and profile, I give congratulations; and encouragement. The work is never done. The next ten years will demand as much or more as the last.

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