

Introduction: Charting the Right

The phrase ‘Great Recession’ and references to crisis conditions eventually gave way to talk of recovery. In the United States (US), Gross Domestic Product (GDP) had, when adjusted for inflation, at least recovered sufficiently to surpass its 2007 total by 2011. British national output took longer to recover but finally matched its pre-recession figure in mid-2014.

Nonetheless, despite this and rising prices in some property markets, most of the references to recovery remained cautious and tentative. The financial crisis that erupted in 2008 and the recession that followed in 2009 had been the prelude to a prolonged period of fitful growth and were followed by persistent anxieties about the possibility of a ‘double-dip’ or even a ‘triple-dip’ recession. Earlier hopes of a more full-blooded recovery during the first few months of each year had to be abandoned as growth stalled just a few months later (*BBC News*, 2013a).

Although ‘recovery’ was redefined downwards so even the most modest signs of economic activity were hailed as evidence of such, few were reckless enough to talk in unqualified terms about future economic prospects. Even in mid-2014, despite talk of interest rate rises and the Federal Reserve’s limited and experimental ‘tapering’ as the rate at which quantitative easing (that had, as the crisis continued, become the primary form of macroeconomic management) was taking place was gradually reduced, forecasters were asserting that there would not be a return to monetary policy normality for a very long period to come.

At the same time, although unemployment never reached the peak that some had predicted when the crisis first struck, and there were encouraging signs in both the US and the United Kingdom (UK) (where by mid-2014 the rate was – at 6.6 per cent – the lowest rate since the crisis broke out), the joblessness figures took a long time to fall. Indeed, despite large numbers abandoning the labour market altogether, the long-term unemployed numbered four million in the US at the beginning of 2014 (Thompson, 2014). And, as of July 2013, around 915,000 people in Britain had been unemployed for a year or more (Dugan, 2013). The figures for youth unemployment were even more striking. In January 2014, the *New York Times* reported that 15 per cent of workers aged 16 to 24 were unemployed (Dewan, 2014). The same figure was given in the UK for the proportion of young people who were defined as

NEETs (not in education, employment or training) during the third quarter of 2013 (Mirza-Davies, 2014: 1).

Yet, despite the painfully slow character of the economic recovery (which led some commentators to talk of a 'lost decade' or long-run stagnation), the primary focus of attention had long shifted away from growth and employment and instead towards deficits and debt. What had initially been defined and represented as a crisis created by the banking sector had become, within a relatively short period, defined and represented as a crisis of excessive government expenditure. Both the UK and the US turned to fiscal retrenchment policies. For much of the Left as well as the Right the debate quickly became structured around the intensity and pace of retrenchment rather than the principle of retrenchment itself. The call went out for budget cuts and they became the defining policy of the Conservative-led coalition government that took office after the May 2010 general election. In the US, amidst intense partisan conflict, expenditure cuts were enacted through budget agreements and the federal government budget sequester, which took effect in March 2013.

Some on the free market Right have argued that the expenditure cuts that have been imposed in both the US and UK are not that significant or far-reaching. Daniel Mitchell of the Cato Institute, a libertarian think tank in Washington, DC, has referred to the 'United Kingdom's faux austerity' (Mitchell, 2012). He compared what he saw as the very limited nature of the Cameron government's budget cuts with those enacted in Canada between 1994–95 and 1996–97, which amounted, in nominal terms, to an overall reduction of 4.95 per cent. At the time at which he was writing, Mitchell noted that the British government foresaw a nominal cut of only 1.6 per cent (Mitchell, 2012).

Nonetheless, this line of argument should be treated with a degree of caution. The cuts were differentially applied and some sectors were ring-fenced so that retrenchment was felt much more severely in other sectors. Just as importantly, if projected population growth, shifts in the demographic structure of the country, probable economic growth (however limited) and inflation are factored in, this reduces projected government expenditure as a share of GDP significantly. In October 2012, the International Monetary Fund forecast a drop from 45.5 per cent in 2012 to 39.2 per cent in 2017 (International Monetary Fund, 2012). This relative form of measurement provides much more of a guide to the size and scale of government spending than do the raw numbers.

Studies and commentaries

Inevitably, the moment of crisis and its prolonged aftermath have given rise to a substantial number of reports, commentaries and scholarly studies reflecting upon the causes, course and consequences of the crisis. Some of these have been narrative accounts informed by insider sources, often recounting personal conversations. For example, the events of autumn 2008, when, at least according to legend, President George W. Bush, while seeking Congressional backing for the financial sector

bailout, proclaimed ‘if money isn’t loosened up, this sucker could go down’, have been described in some depth (quoted in Herszenhorn *et al.*, 2008).

Other accounts shift, at times uneasily, between analysis and polemic but also consider underlying economic processes. In most, the ‘sucker’ to which Bush referred was represented as world capitalism or, at the least, the financial system. Such accounts reflect upon the causes of the crisis and its roots in the structural imbalances between the US and Asia and the asymmetric flows of funds that stemmed from them. They also point to the impact of increased economic inequalities in the US and the ways in which stagnating real earnings created a demand for large-scale, and often ‘subprime’, borrowing from a largely unregulated financial sector that was structured around a lust for quick, speculative returns and a blind faith in the spreading of risk through the securitization of loans. In striking contrast, the rather smaller number of free market studies that have been published have emphasized the part played by swollen government budget deficits during the Bush years, market-distorting interventionism in the housing market (through, for example, the government-sponsored enterprises Fannie Mae and Freddie Mac, which securitized mortgages) and in some cases what they see as the political manipulation of the interest rate that led to the misallocation of investment funds and the incessant fueling of an asset bubble.

There is also a growing literature (much of it also lying on the divide between analysis and polemic) considering, to paraphrase the much-cited phrase from the Sherlock Holmes stories, the case of the dog that didn’t bark. Why, these studies ask, did the crisis fail to generate more sustained and radical departures from the neoliberal paradigm? Why, after seeming to hold out the prospect of radical reform and ‘the return of the master’ (the subtitle of Robert Skidelsky’s 2009 study of John Maynard Keynes, his ideas and their impact), did the pursuit of activist fiscal policies quickly give way to an emphasis upon ‘austerity’, the retrenchment of government spending and then, as the narrative developed, the need for a shrunken state (Skidelsky, 2009)?

Other questions have also been asked. Why, insofar as stimulus policies were still pursued after the crisis had moved beyond its opening phases, did they shift from fiscal to monetary policy and become a matter for central banks rather than government? Why, instead of reinvigorating the Left, did the unfolding crisis provide a backcloth to the emergence of the Tea Party movement in the US, contribute to the spread of Rightist populism in much of Europe and, in many countries, bolster the mainstream liberal and conservative Right?¹

Affinities

This book builds upon these accounts and studies by surveying the ways in which the Right in both the UK and the US responded to the 2008 financial crash, the ensuing recession and the years of prolonged economic uncertainty that followed.

The two countries are often spoken of in the same breath, and they are, after all, at the forefront of the 'Anglosphere'. In recent years, they have been bound together more closely than ever in the foreign policy arena. There are also institutional affinities. Although the UK has now embraced a multiplicity of voting systems for elections other than those for the Westminster Parliament, both nations use the first-past-the-post system and face the sometimes intense forms of partisan competition that it facilitates and encourages.

Those who assess countries in terms of economic models or welfare regimes almost always place the countries together. As the crisis took hold, French president Nicolas Sarkozy scornfully referred to the 'Anglo-Saxon model' and attributed the crisis to what he saw as its structural weaknesses and failings. More scholarly accounts have sought to draw a distinction between seemingly more managed economies and economies such as those of the US and the UK that take a 'purer' liberal form. The Varieties of Capitalism school, which takes the different forms of coordination between firms as its starting point, placed the US and UK together as 'liberal market economies', while the countries in much of continental Europe are represented in very different terms as 'coordinated market economies'.

Although academic opinion is often emotionally drawn to the coordinated market economies or, to an even greater extent, its Nordic social-democratic variant, the liberal economies have a resilience that often disappoints and dismays their many critics. While President Sarkozy asserted that, as a consequence of the crash, the world 'had turned the page' on the Anglo-Saxon model, little has happened to modify its fundamental characteristics (Hall *et al.*, 2009). Indeed, they have in many ways been bolstered in recent years and the model continues to play a major role in shaping the overall character of the world economy.

The structural similarities between the US and the UK provide a basis for comparative study. Because political activity in the countries of continental Europe has been structured by the relationship between the state and economic interests, the character of the labour market, the effects of proportional voting systems, the nature of political coalitions and extended welfare regimes, it inevitably takes a very different form from that found in much of the 'Anglosphere'. Comparisons between the liberal and the coordinated economies therefore only serve limited purposes. Comparative study within the different structural types is, however, much more fruitful. It can identify the variables that played a part in bringing certain actors to the fore while sidelining others, shaped the policy thinking that emerged during the crash and its aftermath, and brought forth particular policy outcomes.

Purpose of the book

The Right and the Recession tracks all of this. It looks at the principal actors, the ideas that emerged and were pursued, and the policies that were either sought or enacted. It surveys the efforts of the Right in both countries to shrink the post-war state

during the years that preceded the crisis, its initial responses once the extent of the crisis became evident, the shift to a retrenchment narrative during 2009 and 2010, and the changing character of that narrative during the years that followed.

The book is not, however, a chronology or description of events and policy processes or a listing of the similarities and differences between the US and the UK. The focus of the book instead considers the ways in which circumstances in the two countries opened up political opportunities for the Right while at the same time closing off others. Rahm Emanuel, who was to become President Obama's first White House Chief of Staff (and later Mayor of Chicago) said shortly after the November 2008 election, using phrases that the Right claimed were full of menace:

You never want a serious crisis to go to waste ... Things that we had postponed for too long, that were long-term, are now immediate and must be dealt with. This crisis provides the opportunity for us to do things that you could not do before.

(quoted in *The Wall Street Journal*, 2008)

The Right and the Recession assesses the efforts of the Right to ensure that the crisis did not go to waste and to 'do things that you could not do before.' It looks, in particular, at the ways in which the Right, during the crisis period in both the UK and the US and once the initial shock had passed, sought to shrink and reconfigure the role of the state.

In doing this, the book looks at the ways in which 'big government' came to be defined as *the* pivotal economic and political problem, and assesses the attempts to shrink the size and limit the scope of the state in its role as a service provider and curtail its role in ameliorating perceived market failures by recasting American conservatism and transforming the character of the Republican Party and its elected representatives through the Tea Party movement. And, as noted above, it also considers the impact of the Conservative-led coalition's programme of spending reductions and the shift away from a narrative that framed austerity as a pragmatic and necessary response to a structural deficit and the embrace of a restructuring process.

The Right and the Recession argues that the political responses to the crisis were shaped and moulded in large part by the relative failure of both the 'Reagan revolution' and Thatcherism, in particular the former, to bring about the lasting neo-liberal transformation of the state in both the US and UK that the Right had hoped to secure. Thus, events and processes during the decades that preceded the crisis were as important as events and processes during the crisis itself.

The book has two further purposes. First, it considers the drivers of institutional and ideational change. There are, as the Introduction outlines, five principal literatures surveying the contemporary Right. Each considers its development at a different level or, put another way, within a different tier. Some accounts, for example, concentrate on actors and their judgements or actions. Either implicitly or explicitly they suggest that the Right has been driven by actors' discretion and agency. Others,

in contrast, consider the logic of neoliberalism and the ways in which neoliberalism has forced an economic and political agenda upon countries. Another set of accounts points to the different constituencies and groupings from which contemporary conservatism is drawn and the role of, for example, white evangelical Protestantism in shaping the American Right. Institutional studies point to the character of the contemporary state, in particular that in the US where structures take a sprawling form and the demarcation lines between the state and civil society are often hard to identify with certainty, and the ways in which structures and policy legacies constrain neoliberal reformers as well as other actors.

The book argues that a comprehensive portrait of the Right must draw on all these levels or tiers but it seeks to go further. It employs some of the approaches associated with American Political Development (APD) that consider the relationships between political orders and emphasizes the stresses, strains and conflicts that characterize those relationships. The tiers or levels described in the contemporary literature are in some ways akin to the 'orders' around which APD accounts are structured. The relationships between them can therefore be considered in similar ways. While there are at times fits between different levels or tiers there are more often than not processes of 'chafing' and 'abrasion' between them. Each has its own set of logics and pace of development. There are inevitably stresses and tensions as levels or tiers abrade each other and interact. As APD theorists suggest in their studies of orders, it is these processes of 'intercurrence' that bring forth change.²

Second, *The Right and the Recession* seeks to assess the extent to which the change mechanisms enacted by the Cameron government in the UK might be expected to bring forth enduring change. Change is a subject about which much has been written in recent years, particularly within the framework of historical institutionalism. The point of departure for this literature has been the concept of path dependence. From this perspective, significant, path-departing change is largely confined to periods of acute crisis when there is intense ideational and institutional flux. During such periods, decisions are taken (often in difficult and contingent circumstances, with a rushed framework) that form the basis of paths that, over time, are established, reinforced and bolstered. The relative costs of abandoning such a path rise over time and it thus becomes increasingly difficult to depart from it. Expectations shift so as to fit around paths and they quickly become 'common sense'. In other words, path-departing alternatives are not considered or regarded as legitimate. Thus, path-departing change only again becomes credible in a further moment of crisis. If a long-run perspective is adopted, patterns of development can be understood as a process of *punctuated equilibrium*. There are short bursts of radical change followed by long periods of continuity within which the change that takes place is limited in character and path-maintaining or path-reinforcing.

Few would now subscribe to a picture as crude or structurally determined as this. It does, however, often serve, either implicitly or explicitly, as a starting point for discussions. Increasingly, however, attention has now turned to the forms of

path-departing change that can, despite the claims of those who adhere to punctuated equilibrium models, take place outside, and between, periods of crisis. Recent studies, perhaps most notably work by Jacob Hacker, Wolfgang Streeck, Kathleen Thelen and James Mahoney, have been structured around processes such as policy drift (whereby the impact of particular policy structures changes because the context within which they are situated changes in character), conversion (whereby the uses to which an institution is put are changed) and layering (whereby new structures are placed 'on top' of existing structures) (Hacker, 2004; Streeck and Thelen, 2005; Mahoney and Thelen, 2010). Over time, it is said, drift, conversion or layering undermine or 'subvert' existing institutional arrangements so as to bring forth long-run transformational change.

The history of the neoliberal Right abounds with examples of gradualist strategies. In October 1995, Newt Gingrich, then a leading Republican and Speaker of the US House of Representatives, caught their spirit when he said that he and fellow conservatives should, despite their commitment to the free market, avoid frontal assaults on government social provision (because it was so ideationally and institutionally embedded) and instead seek to ensure that programmes such as Medicare, the system of health provision for senior citizens, were eroded over time through the effects of gradual change mechanisms:

Now, we don't get rid of it in round one because we don't think that that's politically smart, and we don't think that's the right way to go through a transition. But we believe it's going to wither on the vine because we think people are voluntarily going to leave it – voluntarily.

(Newt Gingrich, quoted in *The New York Times*, 1996)

Yet, so far as Medicare is concerned Gingrich's hopes have been largely dashed. Indeed, far from withering, Medicare was bolstered and extended by the backing that Congressional Republicans and President George W. Bush gave to the 2003 Medicare Modernization Act. If reform processes more broadly are considered, gradualism has brought significant, indeed transformational change in some spheres, but in other spheres it has been reined in or rolled back. *The Right and the Recession* seeks to assess the extent to which gradualist strategies have least, when the role and structure of the state is considered, had a transformational character.

All in all, despite the loud assertions made at the beginning of the crisis years that the crash would usher in the resurrection of Keynesianism (or even Marxism), it has instead brought the Right (and in some instances the radical Right) to the forefront of politics. Furthermore, in Britain, the Cameron leadership has declared its commitment not only to fiscal retrenchment as a pragmatic necessity but also to a permanently 'leaner' state. Nonetheless, the processes that shape the character of the Right, at least in the UK and the US, and the nature of change mechanisms have at the same time placed limits upon the durability and staying power of the state restructuring processes that are taking place.

Thus, after the financial crisis, the prolonged period of recession and barely visible growth and the efforts to create a permanently 'leaner' state, the extent of overall and long-run structural change may well be rather limited. Put another way, the state structures that emerged from the Depression of the 1930s or the Second World War and its aftermath, and the relationships that those structures created, have a striking resilience. As the book will argue, those who seek radical reform may secure periodic political victories but they may in the longer run remain disappointed.

Literatures

Although there have been periodic lulls in interest, the Right in both the US and UK has been subject to extended scrutiny by both scholars and media commentators, particularly from the late 1970s onwards.

In assessing the responses of the Right to the economic crisis and its political fate, the book builds upon these earlier studies. Although there are, of course, extensive and far-reaching overlaps between them, these studies can be categorized in terms of five distinct and discrete literatures. The five should of course be regarded as ideal types, and it would be easy to find accounts that only fit uneasily with this schema.

First, the British Right has largely been considered through elite-based accounts that owe much, theoretically and methodologically, to political history. Indeed, there is no readily visible dividing line between studies that place themselves within politics and those that place themselves within history. In these accounts, there is a particular focus on processes, events and mechanisms within Westminster, Whitehall and the Conservative Party apparatus. In their classic form, the emphasis upon 'high politics' led not only to the neglect of broader settings and institutional contexts but also to the treatment of backbenchers and party members as an 'off-stage' presence (Bale, 2010: 14). In recent years, however, there has been an analytical broadening out because of both party democratization (which increased the visibility of the role played by the party membership) and the increasing use of quantitative surveys that have facilitated the more rigorous study of party attitudes and public opinion.

For the most part, these studies concentrate on short-term patterns and processes as much as longer-run trends. Actors and their ideas are at the forefront and the personalities of those who have at different times led the Conservative Party are afforded extensive coverage. In particular, early studies of Margaret Thatcher's governments readily lent themselves to this type of elite-based and actor-centred approach. All too often, developments and processes during the 1980s seemed to depend upon the decisions that she herself made, her seemingly strident personality, her character as an 'outsider' and her sustained efforts to remake the Conservative Party in her own image by sidelining dissident 'wets'. Certainly, it is difficult to represent the drama and intrigue that led to Margaret Thatcher's political demise in November 1990 in terms other than the discretion of well-placed actors.

Two features of this literature deserve close attention. First, there are methodological difficulties insofar as there is often a degree of analytical wavering when the motivations of actors are considered. At times, accounts stress personalities or the ideas and ideologies to which actors adhere or seek to promote. However, they also point to the importance of electoral considerations, the drive to maximize support at the ballot box, and (although usually only asserted implicitly) the search to win over the median voter. These different variables are rarely weighted. Second, although generally treated as secondary, there is also a recognition in much of the elite-level literature on conservatism that politics is, as Chancellor Bismarck noted in his celebrated phrase, the 'art of the possible'. In other words, and in the language of contemporary political science, actors are constrained (although sometimes empowered) by their institutional circumstances. In most of these accounts the institutions that are brought under the spotlight are limited to the formal structures and rules that define the work of the executive and legislative branches of government rather than the informal institutions that are considered by other theoretical approaches.³ The focus is therefore upon the parliamentary arithmetic at any given point in time or the ways in which particular actors are constrained by the dictates of collective cabinet responsibility.

There is a second literature of conservatism that has to be considered. In contrast to the accounts published in the UK, many of the scholarly studies of US conservatism and the Republican Party over the past half-century are structured around shifts within broad political constituencies and among particular demographic groupings.⁴ Kevin Phillips's studies, most notably *The Emerging Republican Majority* (1969) which considered the impact of the Republicans' 'southern strategy', and Thomas B. Edsall's accounts of the political challenges facing the Democrats, such as *Chain Reaction: The Impact of Race, Rights, and Taxes on American Politics* (1992), which he co-authored with his wife, are broadly representative of the genre. Daniel Williams's more recent book, *God's Own Party: The Making of the Christian Right*, is another such study (Williams, 2010).

Seen in terms of constituencies, the Republican ascendancy from the late 1970s onwards can be attributed to the realignment of political allegiances as the white South abandoned the Democrats in the wake of desegregation, the party's seeming embrace of cultural liberalism and the re-entry of white evangelical Protestantism, through organizations such as the Moral Majority and, later, the Christian Coalition, into the political process as a core component of the new Republican bloc. Republican operatives exploited the openings that cultural and demographic shifts created. In short, they went (to invoke Senator Barry Goldwater's celebrated phrase) 'hunting where the ducks are' (quoted in Schreiber, 1971: 157).

In these accounts, there has sometimes been an implicit recognition of the part played by particular institutional arrangements. Certainly the use of the direct primary in selecting federal and state candidates for public office gave some constituencies a disproportionate degree of political leverage that would otherwise have been

largely absent. Although, within this context, the efforts of political entrepreneurs, such as those who forged the 'new Right', have been recorded, their efforts are often treated as secondary.

Third, the emergence and growth of 'neoliberalism', and the dislodging of earlier economic thinking based upon Keynesianism and extended state social provision, have been the object of widespread study. In contrast with the literature of British Conservatism (which, as has been noted, is largely at elite level) and US conservatism (largely at constituency level), much of the neoliberalism literature is at regime level or multi-regime level.⁵ Its focus on, for example, the 'Washington Consensus' has also been informed or at least tinged by class-based or at the least class-related perspectives. The neoliberalism literature's loci of study have generally been normative frameworks, public policy, broad institutional structures, long-run socioeconomic processes and the relationship between such structures and processes, as well as capitalist interests or those of particular fractions of capital. Although there is sometimes a degree of wavering in the account, there is for the most part a stress upon long-run neoliberal logics and impulses, which can be distinguished from what particular firms seek at a particular point in time and are instead a function of what actors believe can be secured within the settings in which they are located.

Within this framework, there have also been important studies of 'embedded neoliberalism' and the processes through which neoliberalism has attached itself to other ideational frameworks or has been implanted and reshaped by the contours of particular settings and contexts. If we briefly look beyond the UK and the US, Bastiaan van Apeldoorn considers neoliberalism as it is embedded within the discourses and structures that play a part in defining the European Union (EU). There were, he has argued, different and competing projects within the EU. Neoliberalism coexisted, and at the same time competed, with a 'neo-mercantilist' discourse and social democracy (van Apeldoorn, 2009: 23). Whereas neo-mercantilism sought a European economy that was protected from, and in competition with, the remainder of the globe, social democracy stressed the need to flank or 'soften' the market's harsher edges while its Third Way variant focused on investment in human social capital through both education and training as well as more rigorous disincentives directed against those who proved resistant to processes of labour market inclusion.⁶ Within such a setting, embedded neoliberalism incorporated and to some degree made its peace with these other projects.

Nonetheless, although there is almost always an acknowledgement that neoliberalism takes embedded forms, the neoliberalism literature has for the most part shied away from the specificities of Thatcherism, Reaganomics (the economic policy thinking and policies pursued by the Reagan administration) or other, nationally defined and structured applications of neoliberalism, although there have been studies of the relationships between particular class fractions (such as finance capital or 'sunbelt capitalism') and processes of policy formation during the 1980s.

Fourth, there is a literature associated with historical institutionalism (HI). Its starting point is to stress the extent to which in considering the impact of Thatcherism or Reaganomics there have been continuities rather than change. Put another way, there are processes of path dependence. Although there was a recognition that neo-liberal reforms had been far-reaching in some policy areas, such as the sale of council housing enacted early in the Thatcher years, there was an emphasis on the failure of reformers to restructure some of the basic building blocks of the British welfare state, most notably the National Health Service (NHS). This has been represented as testimony to the strength of path dependency.⁷ Once particular paths – or logics – establish themselves they are reinforced and bolstered by institutional complementarities and adaptive expectations that militate against path-departing changes. Within such a perspective, fundamental change is largely limited to moments of crisis and the periods of institutional and ideational flux that they bring forth.⁸

Having said this, the ‘stricter’ path-dependence perspectives have not gone unchallenged. At a theoretical level, there has been an increasing emphasis upon gradual change processes that, taken cumulatively, have had a transformative and path-departing character (Mahoney and Thelen, 2010). At a more empirical level, and although not explicitly written within an historical institutionalist framework, there have been important appraisals of Thatcherite radicalism (in other words, the extent to which it was ‘path-departing’) and the points in historical time at which that radicalism began to take hold, and the differences between the extent of reform in different policy areas (Hay and Farrall, 2014: 10–19).

Last, there have been studies of Thatcherism and, to a much lesser extent, Reaganism and their political specificities. As Richard Hayton argues, these studies marked an important shift away from the elite-based studies that had, as noted above, rested either implicitly or explicitly upon the claim that political outcomes are largely shaped by the discretion of actors. The Thatcherism literature thus marked a ‘movement towards more structurally inclined modes of explanation, in contrast to the agency-focused historical narratives that preceded them’ (Hayton, 2012: 10). Having said this, accounts of Thatcherism have taken very different forms and indeed there is no single entity to be explained. The phenomenon has instead been represented and understood through its co-option or absorption into different political narratives: ‘there is no essentialist account of “Thatcherism”’ (Bevir and Rhodes, 1998: 111). As David Marsh notes in a parallel survey essay, Thatcherism has been understood in political, economic and ideological terms (Marsh, 1995: 598). Thus, whereas some (primarily Marxian) accounts represent Thatcherism as a response to the long-run crisis of international capitalism and efforts to restore profitability, others emphasize the ways in which uncertainties of the 1970s and the 1978–79 ‘winter of discontent’ enabled the Conservatives to secure political advantage.⁹ Seen in this way, Thatcherism was a form of ‘statecraft’ driven by raw political calculus (Bevir and Rhodes, 1998: 101–102). Broken down into its component parts, ‘statecraft’

rests upon successes or failures in party management, the construction and deployment of a winning electoral strategy, the securing of political argument hegemony around the most salient issues, demonstrations of governing competence and the winning of a further election (Bulpitt, 1986: 21–23).

Nonetheless, although ‘Thatcherism’ has been understood and discussed in these different ways, it is most usually depicted as an ideational order. Such representations have their origins in the debates that took place in the journal *Marxism Today* at the end of the 1970s and during the early 1980s about the changing character of hegemony. The debate was tied to the growth of ‘Eurocommunism’ and the move away from economistic and more militant versions of Marxism that had stressed labour militancy and sometimes seemed to attribute the relative weakness of socialist politics to the ‘false consciousness’ and the repressiveness of the state apparatus. ‘Hegemony’ was rooted in the ideas of the Italian Marxist theorist Antonio Gramsci and placed an emphasis on the pivotal role of ideas, their contested character and the ways in which they were tied to ‘real’ material experience. There was likely, from a Gramscian perspective, to be a prolonged ‘war of position’, during which conflict would often take a hidden form or be fought in the nooks and crannies of the cultural terrain.

Approached in this way, Thatcherism was, as Stuart Hall noted even before Margaret Thatcher secured the premiership, a ‘rich mix’. It combined ‘organic Toryism’ structured around the enforcement of ‘standards’, representations of the nation, the centrality of family, the imperative of duty, as well as notions of authority and tradition with ‘the aggressive themes of a revived neo-liberalism – self-interest, competitive individualism, anti-statism’ (Hall, 1983: 29). It tied the repertoire of anti-collectivism to the promises of reversing Britain’s long-run economic decline and making Britain ‘Great’ again (Hall, 1988: 49). In a phrase that was widely quoted, Thatcherite hegemony was structured around ‘authoritarian populism’.

These reconfigurations of hegemony built upon the declining hold of social democracy and the changes that took place in the 1970s when, amidst successive crises and moral panics around issues such as race, law and order and social ‘permissiveness’, ‘the popular mood shifted decisively against the Left’ (Hall, 1988: 40). Seen in this way, Thatcherism should not be regarded as ‘false consciousness’ in the ways that the more simplified versions of Marxism suggested. Instead, its guiding assumptions and claims corresponded with the lived experience of those on the lower rungs of the class ladder. Insofar as Thatcherism was a critique of the post-war welfare state, that state was seen and experienced by many as a cumbersome, unresponsive and bureaucratic apparatus. Thus, the anti-statist sentiments that Thatcherism conveyed had a ‘material’ basis:

Thatcherite ideology tapped discontents arising from popular experience in a range of fields extending far beyond what the Left, in general, normally thinks of as ‘political’, and linked them both to Thatcher’s central policy themes and to ‘deep’, traditional feelings and identities.

(Leys, 1990: 125)

Despite the Labour Party's later general election victories, 'New Labour' only won back some of those drawn to Thatcherism for a limited period and to a limited extent. Indeed, the growth of the United Kingdom Independence Party (UKIP) shows the ways in which 'authoritarian populism' continues to shape the British political landscape.

Although far less has been written about Reaganism and Republicanism as cultural processes, much the same could be said of those white, male manual workers who recoiled against the Democrats' seeming associations with 'acid, amnesty and abortion' at the time of the Vietnam War, backed President Nixon in his 1972 re-election victory over the hapless Senator George McGovern, acquired the mantle of 'Reagan Democrats' and were progressively drawn into the ranks of the Republican Party's core voting base over the years that followed. Thomas Frank's 2004 book, *What's the Matter with Kansas? How Conservatives Won the Heart of America*, looked at this by studying processes in just one state. It considered the ways in which moral issues drew workers and farmers away from economic issues and opposition to economic elites and instead pulled them into the Republican fold. Moral concerns were thereby used to obscure economic realities and lure workers away from class-based politics.

Levels and tiers

Each of these five literatures (considering party, constituency, regime, institutional settings and ideas and culture, respectively) has its own terms of reference, guiding assumptions and parameters. All contribute to a broad and comprehensive understanding of the contemporary Right and the contextual circumstances within which it has taken shape and exerted political leverage during recent decades. Each captures political processes and their dynamics at a particular level or tier.

Nonetheless, each level or tier tells only part of the story. Taken on its own, each of the literatures necessarily presents only a limited and partial account. Party- or elite-level studies often fail to consider the broader contexts and settings within which the processes that they describe are driven. Either explicitly or implicitly, they generally accord very considerable, arguably excessive, weight to agency and all its indeterminacies. Constituency-based studies often neglect the often layered character of socioeconomic shifts and transformations that shape the political horizons of those constituencies. As has been noted, regime-level accounts pay relatively little attention to the mechanisms through which changes in public policy are enacted, modified or in many instances blocked. Path-dependence arguments can underestimate the degree to which, although formal structures have remained largely unchanged, there have been important shifts in the character of the settings within which those structures operate since the 1970s (a process of 'policy drift'), thereby exposing individuals and households to much greater levels of social risk than formerly (Hacker, 2004). And, discursive studies structured around questions

of hegemony may over-estimate the extent to which neoliberal ideas have secured popular assent and can therefore neglect processes of sometimes fierce ideational contestation or underestimate 'material' considerations. In other words, such accounts may be guilty of 'ideologism' (Bonnett *et al.*, 1985: 73).

Interaction and intercurrency

Put another way, while all five literatures, levels or tiers are part of the story, none should be considered alone or in isolation from the others. A rounded and comprehensive portrait of the Right has to incorporate all of the tiers and consider the patterns of interaction and exchange between them. It is a premise of the book that the contemporary Right is shaped and driven by processes of interaction and exchange between party, constituencies, regime, broader institutional structures and ideational orders.

Nonetheless, that having been said, the character of that interaction between levels or tiers demands consideration. It is of course commonplace to plead for different literatures or foci of study to 'talk to each other' or become in some way reconciled. Yet, like the celebrated slogan of the late 1960s, 'give peace a chance', it fails to consider the terms on and the processes through which reconciliation should or could take place.

In place of such an approach, the book instead draws, albeit loosely, upon the concept of *intercurrency*. 'Intercurrency' is found in some studies of American Political Development (APD) and refers to the processes of contact and interaction between different institutional and ideational orders.¹⁰ Whereas many institutionalist accounts point to the 'fits' or complementarities between institutions that develop over time as paths (which often owe their origins to decisions taken at a moment of crisis) take shape and are subsequently bolstered, thereby raising the costs and reducing the likelihood of path-departing change, accounts employing intercurrency tend to suggest that any such 'fits' or complementarities are largely circumstantial or contingent. Indeed, in many instances, their existence depends upon the creativity and political entrepreneurship of actors or coalitions of actors. For the most part, however, there will be friction, 'chafing' and 'abrasion' between those orders because they came into being at different periods, in different settings, for different purposes and with different logics. Amidst this, the efforts of actors may well be frustrated. In other words, intercurrency suggests that although party, constituencies and regime may not be equal players, they each have their own separate logics and 'laws of motion'.

Thus, to take the concept away from its place in the study of US political development, Britain's health policy order or regime, largely structured around the NHS, was shaped and formed by the politics of the Second World War and the immediate post-war period. Despite incremental changes and efforts at reform by successive governments, the NHS's structural character still bears the imprint of the

political dynamics in play at the time of Clement Attlee's premiership and Aneurin Bevan's stewardship at the Ministry of Health. Given this, there has inevitably been sustained 'chafing' and 'abrasion' between the health policy regime and the structures of the labour market, as ideational orders structured around a commitment to markets and quasi-markets, new public management systems, shifting perceptions of health needs, changed demography and the contemporary fiscal policy regime clash and abrade with the structures, capacity and commitments around which the NHS is based.

Applying intercurrency

All of this has significant theoretical and methodological implications that, as Britain's NHS suggests, stretch way beyond the immediate concerns of APD. As intercurrency implies, accounts of political processes should move away from a search for 'fits' and compatibilities and instead concentrate more on the tensions and stresses between orders and the ways in which these, as well as the efforts of actors, can drive forward processes of political and social change.

The study of intercurrency has to date largely been confined to the study of relationships between political (or racial) 'orders' in the US. The book will argue that intercurrency or processes akin to it can be found in other settings. In many other settings, political outcomes are shaped by the relationships between differently structured logics. If the contemporary Right is considered, there are the different and separate logics associated with party, constituencies, regime, institutions and political cultures. Each of these has its own origins and dynamics. While there are at times fits and compatibilities, the book will argue that there are in many instances significant stresses and tensions between them.

If, for example, the dilemmas confronting the contemporary British Right and its relationship with the EU are considered along the lines suggested by intercurrency, an account would stress the profound tensions between a broadly neoliberal regime that, although segmented, rests in significant part upon securing gains from the transnational mobility of capital, labour, goods and services, a party elite and apparatus that have become far more resolutely 'Eurosceptic' over the past thirty years, and different constituencies and potential constituencies across the country that are, at least in generalized terms, fearful of immigration, regulations imposed in an alien Brussels apparatus, a distant political class and the seemingly relentless loss of British sovereignty to the EU. Furthermore, the institutional structures within which much of the European debate has been conducted and broader political processes have taken place have at times limited and constrained the Eurosceptic challenge while intensifying it in other settings. Elections to the European Parliament, held every five years, direct attention towards European issues and, through the use of the party list electoral system, allow minor or 'infant' parties to secure seats whereas other systems would stifle them. Parliamentary elections, held on a different cycle

and still using the single-member constituency first-past-the-post plurality system, continue to present almost insuperable barriers to such parties unless their support is geographically concentrated.

Understood through the spirit of intercurrency, the making of policy and policy outcomes are largely shaped by the friction, 'chafing' and 'abrasion' between party, constituencies, regime institutions and ideational orders. Put another way, outcomes are shaped and moulded by processes at the edges of each of these levels or tiers. These outcomes may be stasis and 'gridlock' or, if there is political change, it may well be in a form that is unanticipated and perhaps undesired by actors. Or, it may be that processes based upon mutual stresses and tensions open the way for the creativity of actors as they wrestle with different and conflicting demands. If the Conservative Party's policy towards the EU is considered, the tensions and clashes between tiers has led the Cameron leadership to pledge itself to a referendum on continued British membership and join together in the European Parliament with Rightist populist parties coming from markedly different traditions, but at the same time insist that negotiations with other member countries could produce fundamental reforms or allow the development of a 'two-speed' Europe that many British business interests would like to secure. The efforts of actors to navigate their way around these issues, and the friction points between the different tiers, will demand considerable judgement and luck.

Structure and outline

Aside from this Introduction, the book has eight chapters. Chapter 1 outlines the concept of intercurrency, around which the later arguments are structured, in greater depth. It addresses some of the questions that have been posed in commentaries critical of the concept. The chapter argues that the concept has a value and relevance to accounts of political development in both the US and beyond.

Chapter 2 returns to consider the structural development of the British and American states over recent decades. It suggests that despite the efforts of neo-liberal reformers, and notwithstanding the processes of 'hollowing out' in the UK as many established state responsibilities and functions have been transferred to agencies, sub-contractors or the EU, the post-war state in both the UK and the US has proved remarkably resilient. Indeed, if the size of the state and its character as a social provider is considered through the simple proxy of measuring government expenditure as a proportion of GDP, the state has repeatedly 'bounced back'.

These increases in state spending took place in part because of the 'automatic' processes by which government expenditure grows during economic downturns (because there are many more demands upon government social provision) and discretionary spending decisions that took place because political actors sought to secure particular domestic policy objectives or national security goals. Thus, to the

chagrin of neoliberal reformers, both the British and American states have proved obstinately 'sticky' in terms of size over recent decades.

Chapter 3 considers the ways in which the Right and its different factions responded to this 'stickiness'. It outlines the competing and contending strategies that emerged. These included, for example, 'civic conservatism'. The term refers to efforts to strengthen and bolster civil society, in particular the provision of social services and civic projects, in the hope that civil society and 'third sector' or 'not-for-profit' organizations and networks of volunteers would pick up the slack and assume far greater responsibility for social provision.

Chapter 4 considers the initial responses of the British and American Right as the extent and scale of the economic crisis began to become evident during the closing months of 2008. It looks at the financial bailout packages and, as the consequences of the financial crash for the 'real economy' became increasingly visible, the very limited 'return of the master' as policymakers in both the UK and the US seemed, albeit hesitantly and without recapturing the economic convictions of the mid-century decades when demand management had been ascendant, to rediscover Keynesian fiscal strategies.

In Chapter 5, the book surveys developments in the US that followed in the wake of the initial crisis and Barack Obama's inauguration as president, in particular the emergence and development of the Tea Party movement. Within days of the passage of the American Recovery and Reinvestment Act, the recession was being redefined as a crisis of excess government rather than a banking crisis or a consequence of market failure. The shifting agenda allowed the shrinkage and redefinition of the post-war state to come into the open and secure legitimacy as a political project. The porous character of the party system, the largely empty character of the Republican Party at precinct level and the intensity of ideological and partisan polarization all laid a basis for the growth of the Tea Party movement and its efforts to mobilize independently, confront the Republican Party 'establishment' and at the same time pull the party towards a more abrasive and confrontational form of conservatism.

Chapter 6 turns to consider the UK. While Labour had foreseen a switch from stimulus measures to fiscal retrenchment at an early stage, the Conservatives had by early 2009 embraced the concept of a 'structural deficit'. Through Labour's persistent over-spending from 2001 onwards, it was said, the UK would be in deficit even when the economy recovered. Such a deficit threatened the country's overall stability and threatened to choke off economic recovery. The sovereign debt crises in the Mediterranean countries, and the spillover effects for the eurozone as a whole, stood out as an object lesson. Nonetheless, once in government, the Conservatives moved, almost by stealth, from framing 'austerity' in pragmatic terms towards a proclaimed faith in the long-run shrinkage of the state and a fundamental redefinition of its role and relationships. There were suggestions of this as some talked about the promise of the 'Big Society' at the time of the May 2010 general election, but, as noted above, it became explicit by 2013–14. At the same time, just as the American Right

turned towards the Tea Party movement and ‘constitutional government’, significant sections of the British Right (in particular UKIP and its associated constituencies) embraced populist themes while fusing them with particular representations of the British nation.

Chapter 7 brings the preceding chapters together and returns to the concept of intercurrency that was introduced in Chapter 1. It surveys the ways in which the tensions, stresses and clashes between party, constituencies, regime, institutions and ideas and cultures shaped many of the outcomes described earlier. It also seeks to explain the differences in the character of political responses by the Right in the UK and the US.

The final chapter (Chapter 8) looks ahead. On the face of it, particularly if the UK is considered, a process of transformational change is taking place. The strategies pursued by neoliberal reformers appear to have secured far-reaching changes. Nonetheless, the book concludes, those changes are relatively fragile and the shrinking of the British state may prove relatively short-lived. The pressures and forces that have in recent decades repeatedly ‘brought the state back in’ remain in place.

Notes

- 1 The term ‘liberal’ is used here in its European sense to refer to what is sometimes termed classical liberalism or economic liberalism.
- 2 See pp. 22–23.
- 3 Such an approach is sometimes now termed ‘old institutionalism’.
- 4 There is also, as noted above, a rich US literature lying on the boundaries between journalism and political studies describing actors and their decisions. Ron Suskind’s book, *Confidence Men*, which charts the Obama administration responses to the economic crisis, is one of many examples (Suskind, 2011). Such literature is often informed by unattributed briefings given to the authors.
- 5 A ‘regime’ is, in this context, a set of structures, relationships, ideas and rules that holds sway for a particular period. Within each, particular interests are hegemonic.
- 6 Akin to physical capital, social capital is defined by the World Bank with reference to groups and networks, trust and solidarity, collective action and cooperation, social cohesion and inclusion, as well as information and communication (The World Bank, 2011). It is at its simplest ‘getting things done’ (Foley and Edwards, 1997: 551). It rests upon reciprocity, mutuality, participation and connectedness and is a driver of economic growth. As Robert Putnam asserted, social capital at least partially explains the differential in terms of growth rates between the Italian north and south. It encompasses civic engagement, institutional structures and associated value systems (dubbed the ‘habits of the heart’ in another context). Put another way, social capital consists of ‘values that people hold and the resources that they can access, which both result in, and are the result of, collective and socially negotiated ties and relationships. The focus is on networks, norms and trust, and resources, and the relationship between them’ (Edwards, 2004: 2).

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- 7 Seen in this way, institutional arrangements do not only restrict and inhibit actors. They can also facilitate political action. Arguably, the institutional obstacles that the Thatcher governments encountered in their efforts to reduce public expenditure paved the way for privatization programmes that offered another means of reducing the Public Sector Borrowing Requirement (Marsh, 1995: 601–602).
 - 8 Some studies of conservatism are also informed, albeit implicitly, by other forms of path dependence. In some accounts, one event or process leads to, and shapes, a further event or process. There is, in other words, a sequential chain. During the 1980s, the popularity of council house sales may well have encouraged the Thatcher government in its pursuit of privatization and a more widely based property-owning democracy. There may at times also be processes based upon reactive sequences. See p. 113.
 - 9 As David Marsh notes, many of these accounts overplay the coherence of the policy initiatives pursued during the Thatcher years. Policy disaggregation and the more detailed study of, for example, industrial relations policy, suggests that there was rather less coherence and consistency than accounts often suggest (Marsh, 1995: 603).
 - 10 ‘Orders’ are, however, defined in different ways within the APD literature. See Chapter 2.