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Conservatism, the Conservative Party, and Its Political Economy

Any study of the Conservative Party’s making of economic policy this past half century needs to be placed in the context of the nature of conservatism and the implications for political economy that stem from such a body of political thought. Indeed, such is the importance of these issues that they require some exploration prior to the undertaking of a substantial empirical analysis. To navigate an area of public administration as complex and demanding as economic management, it is unsurprising that political parties of all hues have tended to rely on some sort of basic economic world view. The main thesis of this chapter is that the Conservative Party has, throughout its history, tended to rely on one of two general economic outlooks when making and implementing its economic policies.

It should be noted that throughout the chapter conservative in the intellectual sense of the word is given a lower-case c so as to distinguish it from the by no means perennially synonymous Conservative Party. The chapter first outlines some of the key insights which have tended to underpin all forms of recognisably conservative thought. The focus then moves to how most conservative economic thought can be categorised into one of two major strands: libertarianism and paternalism. I then explore the implications of these two outlooks for both microeconomic and macroeconomic policy making.

The fundamentals of British conservatism

An obvious problem with trying to set out the fundamentals of British conservatism (referred to simply as ‘conservatism’ from this point
on) is the difficulty of espousing a set of firm principles to which conservatives at all times hold. Although thinkers of a conservative disposition can be traced back at least as far as Richard Hooker and the Elizabethan era (Quinton, 1978: 9–10), the intellectual origins of much post-Enlightenment conservative thought, with some justification, have been credited to Edmund Burke and in particular his epic denunciation of the French Revolution (Burke, 2009). But people looking for a distinct political programme in Burke's writings will find themselves disappointed; indeed, the central message of his work was that distinct political programmes should be met with considerable scepticism.

Even contemporary conservatives who revere his legacy would certainly not seek to advocate for many of the causes championed by Burke. But he himself observed that a state without the means of change was without the means of its preservation, when he defended himself against charges of hypocrisy from those who noted his admiration for the 1688 Glorious Revolution and the American Revolution of 1775–83 (Burke, 2009: 21). Conservatives and conservatism have therefore tended to adapt themselves to changed circumstances, and it should not be taken as a sign of intellectual weakness or political opportunism that they frequently reassess their position as society evolves.

To the present-day conservative, the value of Burke's work lies less in the specific causes he espoused (which are often archaic by today's standards), than in the mind-set from which he considered the political problems of his day. As Michael Oakeshott (another luminary in the conservative canon) observed, conservatism is better considered as a disposition as opposed to a formal creed or doctrine (Oakeshott, 1991: 407). Rather than attempt to draw out a list of principles or policies that should be pursued under all circumstances, the conservative generally prefers to adapt his principles and proposals to circumstances. Conservatives also tend to claim that abstract ideas with metaphysical appeal may prove to have unexpected and often disastrous results if developed by reason alone into a political programme for implementation.

Oakeshott condemned those who sought to impose ideological blueprints on society with no consideration of how they might come unstuck in practice, pejoratively regarding such an undertaking as 'rationalism in politics' (Oakeshott, 1991). But this