

The Bow Group's IDEAS BOOK 2000

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Introduction

"Much done, much still to do." That's one of the favourite mantras of the Labour spin doctors. But for them, the sizzle means more than the steak. It's a phrase which would have been more apt of the Conservative Party, back in the Spring of 1997. Unfortunately, we were widely seen as divided, tired and bereft of ideas.

Well, the Tories are back - with fresh thinking and an approach which puts the proverbial clear water between us and the other side. The next Conservative government will be a government of spine, not spin.

The overall framework for the Party's policy approach over the coming months and years is summed-up in the title 'The Common Sense Revolution', and in William Hague's statement that government should do less but do it better. The Tories in government will be about finding the practical solution, and about rewarding people who do the right thing. This is great Tory ground, and it rings true with the electorate - as Mayor Schundler of Jersey City, NJ, said in a recent lecture to the Bow Group, "Some things are so obvious, you can only understand them *without* a PhD".

But more ideas are always needed. In putting together the Ideas Book, our aim is to collect and present a series of new policy suggestions across a wide spectrum of public policy areas. We've drawn on the Common Sense theme, and also a number of other complementary themes. We hope that the ideas that have come out will be of use to the Conservative Party, as it constructs its manifesto for the upcoming General Election, and also in framing policies at local and European levels.

We do also need to say a couple of things about what the ideas in this book are *not*.

First, the Ideas Book is not meant to be a cohesive programme. Indeed, the Bow Group consciously follows a policy that it holds no corporate view. Rather, it acts as a platform for individuals or groups of individuals within its membership to propose policies. Hence, the Ideas Book should be seen as an à la carte menu of policy ideas from which policy-makers can select. This is also the reason why in the text you will often see the word 'could', but rarely the words 'should' or 'must'. We recognise, of course, that given the need to reduce the tax burden, we could not afford to carry out absolutely all of those ideas which have a cost attached. On the other hand, many of the ideas would deliver a saving, or generate new sources of non tax revenues.

Secondly, the ideas that make up the Book are not necessarily each fully-elaborated, and few give a full account of financial effect (cost, revenue or saving). We have concentrated on trying to produce a volume of ideas, and in many cases show only the germ of the idea. As required, these can later be developed to turn them into policies and initiatives.

Over 30 Bow Group members have worked hard on the Ideas Book. I would like to take this opportunity to thank them all for their patience and good humour. We hope you find the Ideas Book interesting and stimulating. If you have any comments to make, please get in touch with me, at Research@TheBowGroup.org.

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Tory Themes for a New Century

Within the overall framework of the 'Common Sense Revolution', we believe it will be useful for the Conservative Party to use in its policy formation, and in its communication, a series of themes, which:

- ♦ explain in simple terms what it is the Party stands for, and how it is different from Labour (and the Liberal Democrats and others)
- ♦ set out a vision for the country, which goes beyond individual policies or actions
- ♦ demonstrate to people how their lives would be different under a Conservative government

Here, we suggest a number of possible themes, which you'll see reflected in the ideas throughout this book.

Delivering the Public Services We Deserve

The next Conservative government could commit itself to matching **world-class standards** in service delivery in healthcare, education, policing, locally-delivered services, and so on. We are a successful economy, and there really is no longer an excuse for having some of the poor public services we do.

Focusing on public service delivery, by the way, does not mean a commitment to 'tax and spend' profligacy. Conservatives need to get across their commitment to excellence, and their desire to bring (for example) every school up to the quality of the best one.

A key phrase here is '**outputs, not inputs**'. If successive governments' naïve focus on the amount of money spent, rather than the results achieved, were adopted by any private sector company, it would quickly go out of business or be subject to a hostile take-over. There are many more variables than just cash spend. For example: the efficiency of the methods employed; the percentage of time spent on non-value-adding activities; and the skill-sets, commitment and motivation of the key resource - people.

Another key phrase, and another learning the public sector can make from the private, is '**one size does not fit all**'. Procter & Gamble or Unilever do not produce just one brand of soap powder and expect it to launder all the clothes of the world. Even in a single country, they may offer five or more brands, each targeted to a subtly different customer segment or usage occasion. And that's just for washing your clothes.

So too with public services, we need a proliferation in the model of service delivery, to better suit the myriad different types of human being. Initiatives like NHS Direct are, admittedly, a first tentative step in this direction. But a Conservative government can take this to another level altogether, with variety in the types of school available, much more variety in ways of accessing healthcare at different times and in different places, and so on.

If you always do what you always did, you'll always get what you always got. In Britain we often seem to be slaves to the past. If we are to make a big difference to our public services, we need to develop a **will-
ingness to learn and change**. If, for example, the NHS is 'the best in the world', how come no other country copied it? Throughout the Ideas Book, we have shamelessly copied ideas from around the world, if we think they do it better.

Honest, Open Government

One of the reasons that both politicians and the media focus so much on cash spend as a measure of success is that this is (or at least was, before New Labour changed the rules of mathematics) easy to measure objectively. A government focusing on outputs rather than inputs would need to know what other measures to use. Here, an important principle is knowing *in advance* how a certain programme will be measured, and being consistent in that measurement - an 'apples to apples' approach. A number of useful yardsticks are available, and where these are generated independently (as, for example, with the WHO's five measures of healthcare quality!) they are that much more credible.

The next Conservative government could put such measurements at the heart of its agenda, by developing a '**Quality of Life**' index, which would be composed of a series of such independent benchmarks. It could announce in advance that it will seek to measure its performance against this index. Critically, the administration of such a system would have to be undertaken by a credible, independent body - for example a Ministry of Public Accountability drawn not from the Commons, but from all sides in a re-vamped House of Lords.

A parallel set of measurements could be used for government finances and fiscal policy. If the body doing the measuring were a private sector company, such as a Big Five accounting firm, its own credibility would rest on its analysis, and so its findings would be very believable.

Labour tried to give us 'joined-up government'. We'd like to see a fully '**grown-up government**'. It would be a bold move for the next Conservative government to engage in a sensible debate with the public about what the NHS (especially) and other public services can and cannot do.

There should be a **bond of trust** between the electorate and their government (and other public institutions) - so governments should learn to be honest about taxation (Labour talk a lot about 'rip off Britain', but not about 'rip-off government'. How about merging National Insurance and Income Tax, or making it compulsory to show *all* taxes on all receipts?). And they should ensure that the judicial system means what it says - if the sentence means "10 years, or maybe more if you misbehave", then don't say "life".

Governments in this country could also be a lot less secretive. A recent Bow Group paper² set out a framework for establishing the very small set of things which need to be kept secret. For the rest, new technology such as the Internet can be utilised to give access both to raw data, and to ready-analysed information.

A Renaissance in Our Cities

Many of Britain's inner-cities are depressing places - but they cannot simply be ignored. Politically, as well as morally, we need to get back into the cities.

Solving the problems of the inner cities goes hand-in-hand with reducing crime, and, by implication, drug supply. We can learn from some American cities, in their experiments with 'zero tolerance' (we must be careful not just to apply that term to any old initiative), or for example basing police officers in convenience stores. Cities also need to have a fully-functioning local economy. Government can help here, for example by partnering with the banks on administration of welfare benefits (the fee for which might tip the balance to making a branch economical; and should also be a net saving for the taxpayer).

Wedge Issues

When Lesley Noble, of the Canadian Conservatives, spoke to the Bow Group recently about her own party's renaissance, she talked of the importance of '**wedge issues**' - the issues that drive a wedge between the other side and their traditional support. We can find those issues in things like clamping down on benefits cheats and the idle, who are resented by hard-working poor families; and giving access to good schools for *everyone's* children.

Local people could be given more control over the management of their estates. Central government could stop tolerating left-wing councils when they fail to collect rents, and leave properties vacant, even as there are homeless people in the area. Ultimately, government could put in place a guarantee to get rid of all remaining depressing tower blocks within a set time-frame.

We can work to bring back civic pride, with private money for public art, planning laws that favour environment-enhancing buildings more, and an elected mayor to hold to account for the renaissance of the city.

Finally, we are one of the most capital-centric of the major nations. Unlike, say, Germany, with its multiple centres (for government, finance, high-tech, etc), just about everything in Britain centres around London. Government could take a lead by shifting more of its functions (and those it funds) to other towns and cities (which would also help relieve transport and housing problems in the South East). If the BBC were to move its HQ to Newcastle, what would that do for the North East?



"One size does not fit all"

Putting You In Control

Putting people in control means helping them to make the most of choices available to them, and ensuring ever more attractive choices become available.

A recent Bow Group paper, 'Power to the People', set out an extensive framework for governments to devolve many powers to the lowest sensible level³ - individuals, families and communities. This process puts **people, rather than theories, at the heart of policy**. To put people in control, you need to:

- ♦ provide **information** on choices available and quality of delivery
- ♦ **empower** people to act on that information
- ♦ ensure there is **remedy** - redress when things go wrong

These principles could infuse the fabric and culture of government, and every area of policy and practice. Throughout the policy programme, there could be more publication of delivery performance; more ability to choose supplier (e.g. by vouchers); and more guarantees of performance - with real come-back when they are not met.

Several government departments try to represent producer interests and consumer interests simultaneously. There is a natural conflict of interest, which should be eliminated. Instead, we could have a Ministry of the Consumer, to represent consumer interests across the board.

Decision-making could be made to happen as close as possible to those the decisions affect. As Conservatives, we believe in **local solutions to local problems**, but somehow in the 1980s we found ourselves caught on the wrong side of the argument. Local government could now be given more power at the expense of the centre.

Of course, we have to make sure we have equal access, a true meritocracy. Rather than broad public provision (which causes dependency), there are ways we can **use the market to level the playing field**. For example, a voucher scheme for schools could see under-privileged children get higher-value vouchers, so that schools with a high percentage of these kids would have a better chance of achieving results at or above the national average.

The Enterprise Generation

Much was achieved in the 1980s and early 1990s to turn Britain from a quasi-Socialist state into one where private enterprise and the profit motive were no longer dirty phrases. But when compared to America, we are still miles behind.



The next Conservative government could take real action to remove the impediments to small-business success. In particular it could light a **'bonfire of the insanities'** - all those regulations (they don't all come from Brussels) which waste entrepreneurs' time and money.

To make people aspire to be winners in enterprise, you have to start them young - at school. Economics and business studies curricula could be re-focused to be more practical. We could also see a lot more involvement of local businesses in schools. Work experience placements and internships could count as exam credits for the children involved.

With the **Internet**, we have been gifted an early lead among European nations - a result mainly of the English language. While we have this window of opportunity, we should use it to our advantage. The government could re-appraise the whole area of regulations for business start-ups, for example the way that share options are treated. But also, as the Internet gets internationalised, we would need to urgently address our gap in language skills and cultural awareness. At a very basic level, the government could work with competition authorities to ensure that all ISPs can give unmetered telcomms access. It could also do a lot more to increase Internet penetration in schools, and libraries could be re-defined as 'resource centres'.

Even with all our reforms of the 1980s and 1990s, there remains in Britain a strong dependency culture. Long after the royal "we" has fallen into disuse, **the royal "they"** is pervasive - a sense that "they" will provide, "they" should fix that problem, and so on. We would like to see a lot more use of both "we" and "I" in this regard. As well as the proposals on community involvement, we also suggest that much more can be done within the social security system to create a **self-dependency culture**.

Healthcare

By Chris Philp, with Marcus Marsh, Clare Whelan & Dr Karen Wilson

Background and Analysis

Standards and Funding

Many people know that the NHS is in a poor condition, but few realise just how bad the situation actually is. 85,000 Britons die unnecessarily each year from the three main diseases (cancer, heart disease and respiratory disease) simply because our standards of health care here are lower than anywhere else in Western Europe⁴. That's 230 avoidable deaths per day - not far off the UK's mortality rate during the second world war. Behind this appalling statistic is the fact that poor healthcare means your chances of surviving a serious disease in the UK are the lowest in Western Europe. Cancer is a case in point. The UK has the worst lung cancer survival rate in Western Europe, the worst colon cancer survival rate and the second worst breast cancer survival rate. In fact, the situation is so bad that you have more chance of surviving lung cancer in Poland than in the UK⁵.

Part of the problem is down to under-funding. The UK only spends 6.8 % of its GDP on health⁶, compared to an EU average of around 8.6%, and 13.6% in the US. The 1.8% difference between UK expenditure and the EU average is due to both a deficiency in public expenditure (0.9%) and lower private sector expenditure (0.9%).

Part of the problem also lies with clinical standards. Although the vast majority of doctors are highly competent and hard working, there are still far too many examples of unchecked clinical incompetence, leading to an unbelievable £2.8 billion in medical negligence claims being awarded against the NHS in 1998 - an astonishing 8% of its total budget⁷. Even the Chief Medical Officer admits that 850,000 patients per year suffer as a result of "adverse" treatment⁸. Another study⁹ showed that over half of acute adult emergency patients received "sub optimal" treatment before admission to intensive care. This leads to "increased morbidity, mortality, and avoidable admissions to intensive care". The causes of these problems were identified by the study as "failure of organisation, lack of knowledge, failure to appreciate clinical urgency, lack of supervision, and failure to seek advice." Internal NHS mechanisms for dealing with such quality issues have been proved time and time again to be ineffective - for example, the notorious Bristol (Dr James Wiseheart) and Canterbury (Dr Rodney Ledward) cases went undetected for years.

Primary Care

Primary care is delivered through General Practitioners (GPs), who usually act as the first port of call for a patient needing treatment. They then act as the "gatekeeper" to hospital care. The provision of primary care is fairly uniform across the country, and of generally good quality. The main issue with GP care at the moment is access. People, and particularly men, need to visit the doctor earlier. Because they often delay consulting their GP, diseases that would have been easily treatable become much harder to deal with - this costs lives and means the NHS incurs avoidable expense.

This problem is partly reflected by health statistics. Men are twice as likely to get lung cancer, and under the age of 65 are four times as likely to get heart disease. The rate of testicular cancer has doubled in the last 30 years, one in 10 men has an eating disorder and four times as many men commit suicide as women¹⁰. The success of treating men's illness is significantly inhibited by their reluctance to visit their doctor at an early stage. Part of this is due to men's reluctance to acknowledge that they need to see a GP, but a significant part of the problem is caused by the inconvenience of visiting a GP.

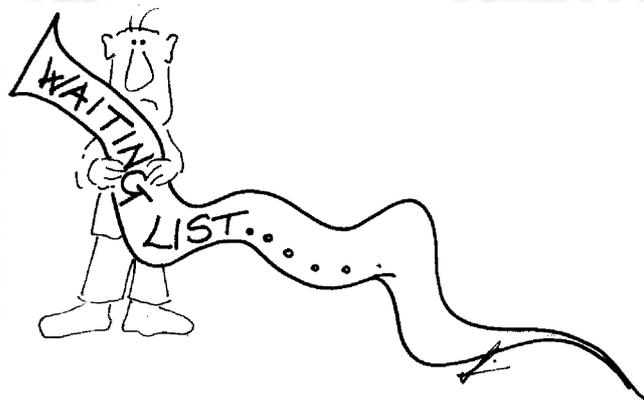
Secondary Care

Secondary care covers hospital-based treatment. The key challenge with secondary care is to ensure efficiency and equity in their provision. While the system of primary care is virtually uniform in the UK, the standard and availability of secondary care is highly variable between different health authorities and trusts. This has led to accusations of "post code" medicine by the press. Treatments that are available in one area are not available in others, and the standard of care varies hugely. This makes a mockery of a "National" Health Service, that should be the same for all.

The number of NHS hospital beds has fallen dramatically over the last 30 years. There are now insufficient beds for the population, which is one of the main factors behind the long waiting lists. There is also the perennial shortage of doctors and nurses. The UK has fewer specialists and doctors per head of population than any other developed country.

Labour's Record

At the time of the last election, Labour made a number of extravagant promises to the electorate about the health service. It was one of the areas that they talked about the most, and one of their five key election pledges was to get the inpatient waiting list down by 100,000.



"...to bring waiting lists down by 100,000..."

In office, Labour has failed to deliver on their promises of radical improvement. Over the past three years, the health service has become strained to breaking point, as the crisis last Christmas demonstrated. In order to meet the crude waiting list target that it set, clinical priorities have been skewed - non-essential but quick-to-perform operations have been prioritised over more clinically pressing but complex operations so that Labour's target is met. Another effect of this target has been to move the log-jam of patients down the chain to outpatient waiting list - in fact, the overall waiting list has actually grown since the last election¹¹. This damages patient health.

In terms of funding, Labour has also fallen short of the expectation they created. The additional £21 billion allocated to the NHS over a three year period involved some highly misleading double counting - the first year's increase was counted no less than three times towards the total! In any event, the funding increase promised was merely in line with the increases in expenditure that the Conservative party had already been implementing over many years. The Labour party has also promised to increase the level of health service funding to Continental European levels. They have not set a timetable for achieving this, and none of the announcements that they have made (usually several times) will take UK expenditure anywhere near the required levels. No effort whatsoever has been made by this government to increase the amount of private money that is spent on healthcare.

What is the government doing to raise health standards? They have set up NICE. This will make 30 recommendations a year about the "cost effectiveness" of certain treatments. The first decision by NICE was made last month - they decided to prevent Beta Interferon (which is an effective but expensive treatment for Multiple Sclerosis) from being made available on the NHS. NICE will effectively introduce health care rationing through the back door, in a way that is neither accountable nor transparent. It will certainly not set high standards for the health service to meet. CHIMP, the new inspectorate, will also be ineffective in raising standards. It will only inspect hospitals every four years, it will not have any real power to enforce improvement, and it lacks independence from the NHS Executive.

Taking stock, it is no surprise that people who voted Labour at the last election have found the party's performance on health so disappointing.

Policy Ideas

Funding

Although not the whole solution, more money does need to be spent on UK healthcare to raise standards to the same level as other Western countries. A recent MORI poll published by The Times showed over half the public rated health as the most important issue today. This, coupled with our poor standards of healthcare, crumbling NHS and the gap between the UK and the rest of Europe justifies an increase in public funding.

Proposal: Increase public funding of the NHS by 0.9% of GDP, to bring the UK's public spending in line with the European average. Do this over the lifetime of the next Parliament, from general taxation.

The next key issue is the deficit in private expenditure. Part of the reason for this is the myth that the NHS provides comprehensive care. It does not. There are many treatments available that the NHS does not provide, and rightly so - it would be possible to spend 100% of GDP on drugs and treatments, and still not offer everything. It is time to be honest with the public about what the NHS will and will not do.

Proposal: The government could **publish a list of priority treatments which it guarantees to be available on the NHS, within a guaranteed maximum waiting time**. Those treatments that are publicly funded should be universal and free at the point of delivery. This proposal will end for good health by postcode.

People could choose, if they can afford it, to seek private treatment either because it is not available on the NHS or because they would prefer to be treated faster. This may seem harsh, but it is the reality of a health system with finite public resources. Introducing transparency is honest, and will encourage people to use private provision (either insurance based or paid for at point of delivery), increasing private health expenditure.

Standards

The new agencies set up by this government will not set healthcare standards, and will not properly police quality. This needs to happen if our poor standards of healthcare are to be improved.

Proposal: To raise standards to a consistently high level across the country, an **independent standards agency OfHealth** (Office for Standards in Health) could be established. It would set doctors and hospitals targets for healthcare standards, make recommendations about best practice, annually review hospital and doctor performance and enforce improvements where needed.

Secondly, the public should be properly informed about the state of the health service through much fuller information. At the moment, patients have no way of knowing if they are being denied a lifesaving treatment that is freely available just up the road, how the treatment they receive compares to international standards, or whether the doctor treating them has a good track record or not. These are all things that patients should know, and in countries such as the US this kind of information is freely available. Patient choice (see below) will be impossible without the provision of this kind of information.

Proposal: Information could be published about waiting times and outcomes for hospitals, units and individual doctors. Great care needs to be taken that only valid comparisons are made. GPs should play a major role in helping interpret data for patients (see below).

Primary Care

Access to GPs needs to be improved. There are clear economic, social and health benefits in making GPs more accessible. People will take less time off work to visit their GP and less time off for the illness itself. By increasing opportunities for seeking an early consultation serious illness can be avoided resulting in less cost to the NHS and more effective treatment. One highly innovative example of this involved doctors visiting pubs to administer healthcare¹². Work is often the reason for not seeing a GP. To encourage visits, surgery hours need to be revised, and GPs need to be made more accessible.

Proposal: Operational norms could be adjusted so that fewer GPs are working at the same time, but a **greater period of the day is covered**, as in Australia, for example. Clearly, this must be balanced against the need for GPs to work reasonable hours, when they can deliver high quality care.

Proposal: Surgeries could be provided in offices, sharing facilities between companies. Some health advisory services should be available to areas where commuters congregate, for example, **mainline railway stations**.

There should be more flexibility for the patient to choose which Doctor they wish to register with. Currently transferring from one Doctor to another is a time consuming process for the patient and an administrative overhead for the surgeries.

Proposal: Patients could choose to have their records held centrally, so that **any surgery could access them electronically**. Then, although registered with a single GP, the person could get healthcare services at any surgery.

Finally, GPs should play a role that helps the patient make informed choices about where to seek treatment, and what sort of treatment to seek. As more patient choice becomes available (see below) this will become increasingly important.

Proposal: GPs should have a duty to advise patients on the quality of different options, and help them to interpret the data that is available.

Secondary Care

At present, there is very little competition on the supply side of the health service. In combination with the "do-nothing" attitude to quality improvement in some parts of the health service, this means that there is very little force for improvement - some health authorities have still not implemented the Calman-Hine recommendations on cancer care, for instance. This can be changed.

Proposal: Patients could be set free to choose which hospital they are treated at. Public funding would go with the patient to the hospital that they choose. Private hospitals should be allowed to compete freely with NHS hospitals for patients.

This proposal would introduce a huge incentive for better health standards. Published information on healthcare quality (see above) and impartial advice on quality from GPs (see above) would mean that patients could make an informed choice about the best place to be treated. Each patient would have a fixed amount of funding attached to them, depending on the nature and severity of the disease, as assessed by the GP. A hospital would be obliged to take patients that they are able to treat on a taxi rank basis. Hospitals that did not deliver on standards at the fixed price would have a stark choice - improve or lose patients and therefore funding. NHS hospitals should be able to apply for central **"improvement grants"** if they find that they become stuck in a downward spiral of poor quality leading to fewer patients leading to less money and therefore even lower quality. Teaching and research hospitals should have direct grants for these purposes.

Next, there is incontrovertible evidence that the NHS is desperately short of beds in all areas. Without more beds the waiting lists will never truly shorten.

Proposal: Use some of the increased funding proposed above to introduce 50,000 new beds into the NHS over the lifetime of the next Parliament.

Finally, there are insufficient doctors per head of population and waiting lists will not decrease until this is addressed. It takes many years of training to produce a specialist and substantial financial investment. The number of medical students in UK universities is proposed to rise but this will not fully correct the deficit. Many UK doctors do not remain in practice in the country, and steps must be taken to make the career structure more attractive.

Proposal: Post-graduate medical training could be more effectively structured to allow trainees to qualify more quickly as specialists. Shorter general training and unified training grades could allow the provision of more specialists.

Welfare

By Adam Bogdanor, with Andrew Hicks

Background and Analysis

The original aim of the post-war social security system was to wipe out poverty, primarily through state insurance. But the unconditional and permanent nature of welfare benefits has sapped incentives to work and undermined the family. While poverty has fallen in absolute terms¹³ and claimant unemployment is now below 6%, welfare costs have soared and dependency shows no sign of abating. Consider these facts:

- ◆ Social security costs the average household £80 a week and fraud costs the average family £10 a week¹⁴. Between 1979 and 1997 social security expenditure rose by 4% a year, above inflation.
- ◆ The rise in expenditure consists almost entirely of:
 - ◆ the rising number of one parent families on income support
 - ◆ the rising number of those claiming Incapacity Benefit and
 - ◆ the rising cost of supporting the elderly
- ◆ The claimant unemployment figures mask the true extent of economic inactivity : a third of men aged 18-24 are not in work - a rise of over half since 1989¹⁵. One fifth of households contain no worker - and this has actually risen since the economic recovery.
- ◆ The numbers claiming Incapacity Benefit have tripled in the last two decades. Since the health of the population has been improving and there are large regional variations in claimant levels¹⁶, it is a fair assumption that IB is being used as a substitute for unemployment benefit.
- ◆ 60% of lone parents are on income support. At least 40% of single parents who were on benefit in 1993 were on benefit four years later¹⁷.
- ◆ Four in every ten babies born today are born outside marriage.

Clearly, welfare needs reform.

On pensions, too, there are problems:

- ◆ Only a third of people are saving enough for a decent pension¹⁸.
- ◆ People receive the same benefits from the welfare state over their lifetimes regardless of income¹⁹.
- ◆ If pensions are linked with earnings, the proportion of GDP spent by the state on the basic pension will grow from 4.1% to 7.4% by 2030²⁰.
- ◆ A quarter of the population is forecast to be over 65 in 2031.
- ◆ The basic state pension will fall from 15% to less than 8% of average male earnings in 2040.

Labour's Record

New Labour promised in 1997 that welfare reform would be at the heart of their programme. Yet, growth in spending has risen from 1.3% a year from 1994/5 until 1996/7 to 2% a year in this Parliament²¹. Their two flagship policies are the New Deal and the Working Families Tax Credit.

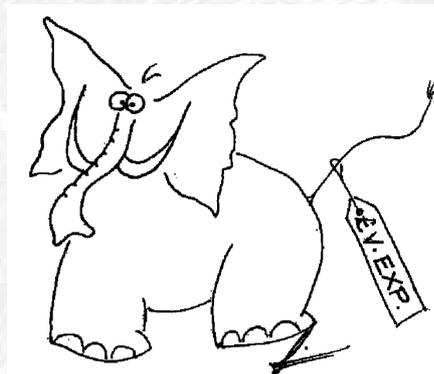
The New Deal

18-24 year olds unemployed for over 6 months enter the "Gateway" - 4 months of personalised help, then a move into unsubsidised work or one of four options: six months' subsidised employment, six months' work in the voluntary sector or in the environmental task force, or full time education and training. There is also a scheme for older workers out of work for over 2 years and lone parents.

The problem is that the New Deal has relied on socialist make-work schemes, rather than using benefits as a spur for people to take up private sector jobs:

- ♦ 90% of the jobs ministers claimed were a result of the New Deal would have arisen even if the New Deal had never existed. Therefore, the scheme has only actually created around 21,000 jobs for young people in two years²².
- ♦ In areas where there was no New Deal for single parents job take-up was higher than where the pilot programmes were operating²³.
- ♦ One quarter of those entering jobs are back on benefits in three months.
- ♦ Only 10% of the first group of New Deal entrants completed their training courses and two-thirds of those who do complete their training return to benefits²⁴.
- ♦ The cost of each job that the New Deal is actually responsible for is £37,700, compared to £282 per job under the Conservatives' Restart scheme²⁵.

The New Deal is, in reality, an expensive white elephant, that has wasted time and money and achieved nothing for it. In terms of value to the taxpayer, it is even worse than the Dome.



Working Families' Tax Credit

Labour converted the Conservatives' Family Credit into a tax credit paid through the wage packet and costing £6 billion a year. It is to be replaced with the Integrated Child Credit: combining elements of WFTC, income support and Jobseekers' Allowance. The WFTC has had a mixed success:

- ♦ While it has cut the number of workers facing marginal tax rates of 90% by three-quarters, the numbers facing marginal tax rates of 60% have increased by one quarter²⁶.
- ♦ It is poorly targeted : families with two children earning over £33,000 could receive the tax credit²⁷.
- ♦ It will produce a net gain of only 30,000 jobs with a cost of £200,000 per job²⁸. This is because of the disincentive effect on non-working married women.

The WFTC simply redistributes wealth from ordinary working families to benefit-dependent ones. It makes employers work as unpaid benefit offices and penalises families that look after their own children at home rather than putting them in paid child-care. By concentrating all assistance onto the children and declaring itself indifferent to the status of their parents, the government has devalued the one institution that has the most impact on childhood outcomes: the family.

Care for the Elderly

The Minimum Income Guarantee tops up the state pension for those on low incomes. The stakeholder pension will force employers who do not offer occupational pensions to offer money purchase schemes, but neither the state nor the employer need contribute anything. Labour have also introduced a State Second Pension to replace SERPS, which aims to be more generous to those on lower incomes.

The scrapping of dividend tax credits has left 300,000 pensioners paying £75 a year more to the government and future pensioners must pay £200 a year extra to receive the same pension. The state pension rose this April by only 75p a week - Labour have admitted using lower inflation figures for pensions than for petrol tax. Only 2% of those eligible have applied for the minimum income guarantee and it has cost £5 million in administration costs alone²⁹. Someone has to save £100,000 to be better off on a private pension than the minimum income guarantee³⁰.

Policy Ideas

General Welfare Reform, Learning from the Wisconsin Scheme

An important reform could be to abolish the New Deal and replace it with a welfare-to-work scheme similar to that introduced by Republicans in **Wisconsin**, USA. This has:

- ♦ Reduced the numbers of welfare claimants by over 92% since 1987³¹. This is not due to the economy: national welfare caseloads only fell by 35%³².
- ♦ Halved the cost of welfare in real terms.
- ♦ Halved child poverty.
- ♦ The average wage of those leaving the welfare rolls is over 20% above the British minimum wage³³.

With the exception of mothers with pre-school age children, the following reforms, based on the Wisconsin scheme, could eventually be applied to all non-disabled claimants for unemployment benefit or income support, but will need to be phased in gradually:

Receipt of **benefits could be delayed for a short period**. Claimants should be given short-term aid, for example loans, job counselling, help with transport and child care for a week or so: this gives people an incentive to look for work straight away and helps them with immediate barriers to work. It also discourages entry into welfare in the first place.

We could **require supervised job search** as a condition of receiving benefits for two months. On receiving benefit, claimants would be expected to turn up to job centres and look for work, supervised by administrators, at some time between 9 a.m. and 5 p.m. Job centres would have to be well-equipped with computerised job search systems and staff would tailor their help personally to each case. This makes it impossible to undertake black market daytime work and claim benefit. It also eliminates much fraud, for example signing on with many different names.

Benefits would be cut pro rata for every day of supervised job search missed without good cause. This is essential: it acts as a message that society will no longer tolerate *"something for nothing"*.

For those who **cannot find work in two months, taking a community job** could be a condition of benefit. Public sector work (paid at a little above the benefit rates) would be reserved for those who cannot find work after continuous supervised job search for 2 months, coupled with a withdrawal of benefits at that point. The purpose of this is to ensure work habits do not fade away and that dependency and hopelessness do not set in. It also encourages people to find work in the 2 months and discourages entry into welfare in the first place.

Unlike the New Deal, community jobs in the Wisconsin model are not an option straight away, but can only be taken after the supervised job search. Most prefer to take private sector jobs that are better paid, so very few in Wisconsin end up on the community jobs.

Training subsidies should only be for those in work. Training schemes under the New Deal are generally used to continue receiving benefits without looking for work. Training subsidies could be given only to those in work: it is essential that people find work as soon as possible³⁴. The Child Care Credit and other in-work subsidies would continue, so that added to the minimum wage, claimants are steadily lifted out of poverty. Costs would fall overall: every person off benefit saves the taxpayer £9000 in Jobseekers' Allowance and tax³⁵.

Job centres that fail to cut the welfare rolls could be replaced with outside contractors. Welfare bureaucracies currently have incentives to keep as many on welfare as possible, since that ensures the maximum employment for administrators. The threat of competition and the award of funds according to the number of claimants placed into private jobs would encourage bureaucracies to provide value for money for the taxpayer.

The government could **restore the Married Couples' Allowance, set at such a level as to make it worthwhile, and make all tax allowances fully transferable between husband and wife**.

The effect of illegitimacy on children is that poverty, crime, ill health, truancy and even child abuse are much more likely³⁶. While 55% of lone parents cohabit, cohabitation lasts an average of only 2 years³⁷, whereas most marriages last until the death of a spouse. People do not have illegitimate children in order to gain benefits, but permanent and unconditional welfare benefits have removed some of the financial cost of illegitimacy and combined with cultural causes to discourage marriage for the pregnant single mother.

Restoration of the MCA at a meaningful level would reverse the previous anti-marriage signal. Making tax allowances transferable between married partners would help non-working spouses who care for children or dependent relatives: he or she is currently unable to benefit from the WFTC. Labour's Child Care Credit is only available for institutionalised care: it could be complemented by a new Dependent Relative Tax Allowance paid to families who support dependent relatives, such as children and grandparents, without relying on state aid.

We could give **more help for the disabled, but with stricter tests**. The presumption of disability for Incapacity Benefit should be removed and a second independent test should be made a condition of receiving benefit. For those who are disabled, means tests should be relaxed. Those with minor disabilities but able to work should receive support and training. Retirement schemes for public sector workers, who have the highest levels of ill-health retirements, could be transferred to independent private sector management based on money purchase schemes and critical illness insurance.

Care for the Elderly

We could replace the basic state pension with savings based pensions. Due to the increased elderly population, the basic state pension will become unaffordable if the status quo is maintained.

The government could move to a system whereby there is a single compulsory savings-based system so that each **young person has his or her own private pension fund**. This would replace the Second State Pension and Stakeholder Pensions.

The basic state pension could be phased out as the new scheme is phased in such that workers who have contributed towards the existing scheme do not lose out. The value of the state pension would be maintained in real terms, but the government would reduce the fraction of it to which each generation is entitled. The reduction would be made up from compulsory personal savings - as costs to the state fall, National Insurance Contributions will also fall, giving people more scope to save. An initial, partial, reduction in National Insurance will encourage saving while maintaining tax revenue to support the existing scheme as it is phased out.

Therefore, in future, people retiring would own a fund built up out of their own savings and would not have to rely on the taxes paid by the working population of the time. Those who are too poor to save enough would receive **subsidised contributions, so that Minimum Income Guarantee would become a Guaranteed Minimum Savings Rate**. While the scheme is being phased in, the taper for the MIG should be lowered, to reduce the disincentive to save. To increase take-up, it would have to become more of an automatic bonus for poorer pensioners, not an add-on, dependent on humiliating form-filling.

The government could also reform the cost of nursing care. Too many pensioners are being forced to sell their homes to finance nursing care due to harsh means tests. The state could **pay for all nursing care after the first six months**, with the means test abolished. Most patients in full time nursing care either leave or die within six months, so the cost to the state would be low, while the liabilities of those needing longer-term care would be limited and affordable. For the first six months, people would have to finance their own care, but the state should offer **loans, secured on property** for those whose only main asset is their home. There could be generous **tax rebates for those who take out insurance to cover the first six months** of nursing care.

See also the section "Enterprise and the Economy" for further ideas on Welfare reform.

Education

By Francis Ingham, with Martin Wright & Charles Holroyd

Background & Analysis

Education is an area of crucial importance for millions of people. Opinion polls have consistently shown it to be one of the top three public concerns, even for those who have no children and therefore little *direct* interest in the issue.

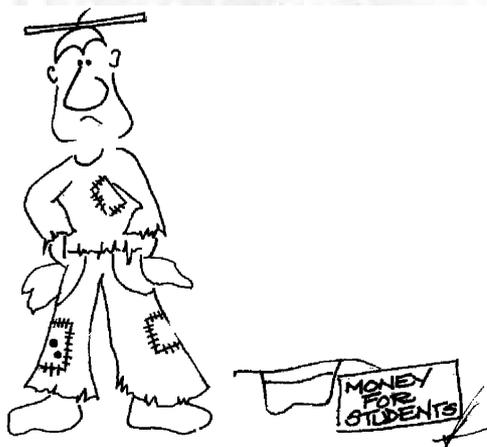
It has, however, often appeared to hold less interest for politicians than for voters. Relatively little time was spent on education in the first two terms of the Thatcher government, and during the Major years the issue was often overshadowed by the economy, crime or Europe. Attempts to both increase standards in schools through the National Curriculum, and to give parents more control over schools - and consequently local government less - often produced conflict and bureaucracy.

The higher education sector was changed beyond all recognition by the end of the division between polytechnics and universities, and by the massive increase in student numbers encouraged by successive Conservative governments. These changes brought problems, however: the increased burdens on already-stretched universities led to the clamour for university students to pay more of the cost of their education, and the ratio of university staff to university students became even worse.

The education sector as a whole has never been reformed with any coherent guiding principles, and the result is an over-regulated and under-focused system. While many of the aims of reforms for the past twenty years have been laudable, they have failed to set up the world class education system Britain needs, and have failed to halt the decline in standards widely believed to have taken place.

Labour's Record

Labour came to power promising a great deal for education, but have actually delivered very little. Through added bureaucracy for schools, tuition fees for universities, and spending less on education as a whole than Conservatives had proposed, Labour have done precisely the opposite of their pre-election rhetoric, and their post-election boasts. As in many other areas, they have proved to be "all mouth and no delivery".



Despite promising to increase education spending as a percentage of national income, Labour are now spending less than the last Conservative government did. Between 1992 and 1997, Conservatives spent an average of 5.0% of GDP on education; between 1997/98 and 2001/02, Labour plans to spend an average of 4.7% - a difference of £13 billion over 5 years³⁸.

Despite promising to reduce class sizes, Labour have actually increased them. Under the last Conservative government, the average primary school class size was 27.0; under Labour, the average size is now 27.4. In secondary schools, the average size was 21.66 under the Conservatives; and is now 22.02 under Labour³⁹.

Despite promising to raise morale in the teaching professions, Labour have presided over a slump in teacher confidence. In a recent survey, 53% of teachers and lecturers said they did not expect to be teaching in 10 years' time, including 36% of the youngest teaching professionals⁴⁰.

Despite arguing that more qualified teachers were needed, Labour have brought about a slump in new teacher recruitment. In 1992/93, 15,490 undergraduates enrolled at teacher training college; in 1999/2000, that figure was down to 9,730. By January of this year, almost 5% of all teaching staff were either supply teachers or instructors⁴¹. There are particular shortages in maths, science and technology.

Despite promising during the 1997 general election campaign that "Labour has no plans to introduce tuition fees for higher education"⁴², Labour introduced them, and abolished the Maintenance Grant. The number of people applying to university has consequently fallen for the second year running through the UK as a whole, but risen by nearly 20% in Scotland, where tuition fees are paid after graduation. Last year - before Scotland changed its policy on tuition fees - applications had actually fallen by 2.5%⁴³.

Policy Ideas

The policy ideas put forward here can be summed up in three phrases:

- ♦ World-class standards
- ♦ More choice and variety
- ♦ Getting the basics right first

Schools

It is an important plank of Tory policy that schools be funded directly, by-passing LEAs altogether.

Schools could **receive the full amount** due to them, rather than losing money to their LEA. LEAs could in future receive their restricted funding from central government, rather than top-slicing from schools.

The government could fundamentally change the way LEAs work. By taking them out of local government control, we would **make LEAs serve local schools, rather than vice versa**. We could reduce their range of functions to providing services which schools may buy into, such as special educational needs, and pupil allocation services. Instead of the LEA simply nominating Governors to schools, schools could also nominate representatives to govern the LEA.

We could modify the National Curriculum, to allow secondary schools more flexibility in how children are taught. We could **allow schools more freedom over what they teach**, by reducing the number of compulsory subjects for 11-14 year olds from 11 to 6⁴⁴, and from 11 to 2⁴⁵ for those over 14. We could also change the way the Curriculum is assessed, insisting that each child must be taught to an acceptable level, rather than simply study an arbitrary number of subjects for an arbitrary number of years.

We could **allow schools to specialise in vocational teaching** - as well as academic study - for children over the age of 14. Just as schools could select their own intake, so too they could have more freedom over what their pupils are taught after the age of 14. Schools could be allowed to reduce the number of National Curriculum subjects taught to just English and Mathematics after the age of 14, and substitute more vocational and technical subjects. They could be allowed to concentrate on preparing pupils for finding jobs, rather than on sitting often useless exams.

Schools could be given **absolute control over the selection of pupils, on whatever basis**. School Governing Bodies could be set free to select pupils on whatever basis they see fit, be it academic, sporting or musical ability. By doing so, we would encourage more diversity and specialisation in schools, offering an education to suit every child.

We could improve **the quality of governors** by setting exams, and attendance criteria.

We could **abolish Labour's targets for school exclusions**. Forcing schools to keep disruptive and badly-behaved children in their classes hinders the education of other pupils, and destroys the ethos of schools. Children must be taught that bad behaviour will not be tolerated.

The government could set aside **additional funding for our most improved and most improving schools** in order to encourage excellence. Each geographical area of the country could be allocated additional funds, to be distributed over a period of 5 years to the most improved, and most improving schools. Schools which had previously been seen as under-achieving would apply for these new resources by showing their achievements in the recent past, and their plans for the future. By doing so, we could turn previously poor schools throughout the country into centres of excellence.

We could bring back the **Assisted Places Scheme**.

The government could encourage primary schools to teach basic skills first. We could reduce the number of National Curriculum subjects they must teach from 10 to 2. **Primary schools should concentrate on teaching children the essentials** - Mathematics and English - before teaching peripheral subjects, such as art and crafts. We could establish minimum standards in reading and mathematics which must be met by every child. Only after these levels have been reached, would other subjects become mandatory. Next priorities would be technology and a foreign language.

We could free teachers from bureaucracy by making a firm commitment to **reduce the volume of paperwork expected from schools by at least 10% per year**. Teachers should be left to teach, rather than forced to complete forms. The government could make a commitment to reduce unnecessary red tape by a specific target each year, freeing up teachers to do what they do best.

All disciplinary decisions could be devolved to schools. Teachers know best which disciplinary measures will be most effective for each pupil. So long as teachers remain within the law, and every parent has the right of appeal to the Governing Body, the government should support them in upholding discipline.

We could introduce **tax incentives to encourage charitable donations to schools.** The government could encourage the donation of endowments, scholarships and bursaries, by making them more tax efficient. The experience of the United States is that when the conditions on charitable giving to teaching institutions are relaxed, donations increase substantially, benefiting both the individual giver and the educational body.

We could introduce **state boarding schools for unruly pupils.** The disruptive behaviour of the few should not be allowed to harm the education of all. Consistently disruptive children could - with their parents' consent - spend their weekdays being educated in state boarding schools. This would allow them to be taught in the more disciplined atmosphere they need to learn essential skills.

Ofsted inspections could be randomised. Ofsted inspections should be a way of establishing how well a school is normally run, and how well its pupils are normally taught. That does not currently happen, because schools are given advance warning in order to prepare lessons and tidy their premises. Visiting them without warning would be a more effective way of judging how they perform on a daily basis.

All new teachers could be made to sit yearly exams in English as well as Mathematics as part of their teacher training. The present government's introduction of numeracy tests is to be welcomed, but it could be extended. Numeracy and literacy tests could be sat by all trainee teachers each year rather than just at the end of their courses, providing on-going assessment of their ability in core subjects.

Schools and universities could be freed to **set pay levels** for the staff they employ. As part of devolving real responsibility to all teaching institutions, schools and universities could be given control over the salaries they pay their staff. Instead of being paid according to their position on a national scale, teaching staff could negotiate their own pay rates with the people who know best how much they contribute to their institutions - their governing bodies. The government could also help schools to widen the scope of **performance-related pay.**

Universities

We could establish a powerful **higher education audit body**, to ensure that university standards are maintained. Students are being short-changed by universities which teach badly, and award ill-respected degrees. Both independent and government evidence shows that teaching and research quality vary dramatically between universities. Teaching and Research evaluation could be combined with an improved external examinations system to create a new higher education audit body capable of detecting poor university departments, and forcing them to improve their standards. This way, university students could be sure that their investments of time and money were worthwhile.

We could encourage specialisation within universities through publishing all the findings of the higher education audit body. Universities could be **encouraged to specialise in particular areas, and to build up links with the business sector.** In addition to encouraging academic excellence, universities could develop a more career-minded focus: it should be viewed as a source of strength that universities prepare their students for working life, rather than a source of weakness. Through publishing complete information put together by the higher education audit body, universities would be put under pressure to improve, merge or disband badly performing departments, and concentrate on their areas of highest achievement.

We could **make degree classifications more exact.** The present system of placing degrees in 1 of 6 categories (from 1st to Fail) is artificial and cumbersome. Instead, we could introduce additional bands of classifications to make it easier for both employers and students to assess the skills learnt from university study.

And Another Thing...

More Education Ideas

by other Bow Group authors

- ♦ Introduce a GCSE in Practical Studies, which would include some compulsory elements (such as safety in the home, basic IT literacy, knowing your rights) and some options (such as cycling proficiency and basic cookery)
- ♦ Introduce an American-style High School Graduation certificate. To get it, you would have to pass at a minimum level, English and Maths, and any other GCSE (which could be the Practical Studies one). We could go further, and say that if this is not achieved by age 16, you have to stay on at school for one extra year. If still not achieved, it could (at the person's discretion) be re-tried for later
- ♦ In any 'voucher' system, give higher-value vouchers to kids from deprived backgrounds. This would help level the playing field and give schools in those areas a better chance of getting up to or beyond national averages
- ♦ Replace oddly-acronymed vocational qualifications, with an easy-to-understand one - the GCSE-V - equivalent to a GCSE but vocational in content
- ♦ We could give everyone leaving school at 16 a credit valid for five years, to complete up to an additional year's-worth of education or training

Enterprise and the Economy

By Jocelyn Ormond, with Simon Blunt, Bill Vincent, Guy Strafford & Andrew Lilico

Background & Analysis

- ♦ On current trends, the country will enjoy its 9th year of more than 2% growth in 2001, an achievement unparalleled since at least the Crimean War⁴⁶.
- ♦ Inflation has remained within the target range of 1.5-3.5% since the Bank of England was made quasi-independent of HM Treasury in May 1997.
- ♦ Many working people now have more than one job, but only their first job is caught by the PAYE and National Insurance (NI) systems.
- ♦ The government has stipulated five economic criteria as the sole basis on which it will judge the timing of the country's adoption of the euro, subject to a referendum.

Labour's Record

Tax under Labour has both increased overall, and become yet more complex. The increase under Labour in excise duty and VAT on fuel over and above inflation has amounted to £5 billion - equivalent to around 2p on the basic rate of income tax⁴⁷. Personal taxation is now impossibly complex (for example in the calculation of personal liability to capital gains tax), so that the average taxpayer no longer understands it. Companies are swamped with rafts of special incentives and exceptions. The tax treatment of dividends in the hands of pension funds will cost an average wage-earner aged 30 £200 extra a year⁴⁸. Final salary pension schemes are likely to be too costly in future.

The burdens imposed on business have also increased. Businesses have to act as unpaid welfare agents administering the complex Working Family Tax Credits (WFTCs) scheme. They must treat WFTCs as reductions in NI contributions, not as welfare benefits, so concealing the true costs of welfare. Signing the Social Chapter has handed over to the EU competence over large areas of business regulation. Businesses will be burdened with extra red-tape from Brussels.

Policy Ideas

Enterprise

Small Business and Deregulation

The government could **tailor company law for small private companies**, with separate additional requirements for larger private companies, public companies and quoted companies.

Regulations could be **written from the point of view of small businesses**, with extra sections for larger businesses, to minimise the burden on small businesses of having to read and comprehend them.

PAYE and NI could be re-designed, so that they can **easily be calculated on a PC spreadsheet** by small businesses. Alternatively, the government could provide every small business with an appropriate PC software package.

The government could **reimburse small businesses the cost of PAYE and NI collection** as an incentive to the government to make tax calculation and collection simpler and thus reduce the burdens on small businesses.

Inner Cities

The government could levy **VAT at a reduced rate on building conversions** (e.g., 8%⁴⁹). The same rate could be levied on new property development, to encourage developers to redevelop brownfield sites rather than develop greenfield sites.

Environmental improvements, urban greening and low-rise building could be encouraged in inner cities responsive to redevelopment, so that people (especially those working from home) want to live and work in them.

Mixed areas of housing, shops, businesses and community facilities could be encouraged instead of areas zoned for housing alone.

Corporate Governance

The government could negotiate an **opt-out from EU initiatives on corporate governance**.

Public Spending, Inflation and the Bank

Public Spending

The government could **replace the current NI system with a series of State-Owned Enterprises (SOEs)** for each existing area of welfare, from which individuals could purchase specific contractual provision of, e.g., pensions and unemployment insurance, by making contributions to separate central funds administered by each relevant SOE. This scheme could eventually embrace almost all areas of welfare provision. Individuals or (in certain cases) the State would fund a compulsory Minimum Level of Provision (MLP). Individuals could purchase provision above the MLP from the SOE if they so chose. Entitlements would be secure with a public service-provider.

The government could **make adjustments to the terms of public sector pensions** so that they are not better than those available in the private sector. Index-linked pensions and the practice of offering full pensions to early retirees would be phased out.

The government could increase the **public sector's use of the Internet** as a medium for doing business, to reduce the overheads associated with outsourcing public sector work.

The Child Support Agency could **require the parents of a single parent or the parents of the other parent of the child in question to provide financial support to the single parent** where they had the means.

Controlling Inflation

The government could **instruct the Bank of England to pursue price-level targeting (PLT)** instead of inflation targeting, i.e., long-term average inflation instead of the year-by-year inflation rate. Errors in one year would be made up for in later periods, making the long-term inflation rate more certain and reducing the risk premium in interest rates - thereby making more investments viable. PLT should involve less central bank intervention and offer a superior response in aiding recovery from a deflationary depression.

Increasing Accountability to Parliament

The Comptroller and Auditor-General could publish each year **audited summary accounts of public income and expenditure** over the previous five years, broken down by department and type of revenue, to be distributed to every household - as with Local Authority accounts - with full accounts being posted on a government web-site (publication of accounts for the Royal Household could be used as a precedent). The Opposition could hold government ministers to account in a major annual debate on these accounts each year in Parliament.

The government could **extend the term of office of the Governor of the Bank of England to 12 years** to make him more independent of the Chancellor of the Exchequer and the Treasury. The Treasury Select Committee could, however, be given the power to remove him if he consistently fails to meet the published inflation target without satisfying the Select Committee that there are extenuating circumstances.

The government could make members of the **Bank's Monetary Policy Committee (MPC) accountable to the Select Committee**. For instance, all individual appointments to the MPC by the Chancellor of the Exchequer could be subject to the approval of the Select Committee.

The Select Committee could be required regularly to question the Chancellor about the inflationary effects of his policies and at the same time call for the views of members of the MPC on these effects.

Taxation

Simplicity should be a key aim of personal taxation. The present **elaborate schemes of tapering relief, such as the Children's Tax Credit, could be abolished**.

The government could focus future income tax cuts on raising thresholds, with a stated target of **having less than half the population paying income tax within a parliament**. Those not paying income tax would still feel involved in public spending through the MLP under the SOE scheme (see above).

Excise duties on spirits and beer could be reduced, and more **differentiated labelling** for the home market introduced, to tackle smuggling and therefore increase revenues.

Charities

By Guy Strafford

Background & Analysis

Government has in recent history provided much of the welfare of the country. However, as Conservatives, we believe that there is no reason why a substantial element of welfare cannot be provided via the charitable sector, even if government funds that provision.

However, if we are to rely on the large charities, we must ensure that their performance is sufficiently good and accountable, in order to justify the provision of significant funds to these organisations. Otherwise there remains a danger that these organisations will continue to spend too much money on administration and fundraising, and not enough on charitable activities.

Labour's Record

The Labour Party came to power promising to provide considerable support to the charitable sector. In practice it has done little, and indeed Gordon Brown's changes to the tax laws on investment income have penalised the charitable sector.

Policy Ideas

The role of the **trustee could be redefined to make them directly accountable** to external stakeholders in the charity. We also recommend that the principal responsibility of trustees be redefined so that it becomes to hold the charity to account on behalf of its stakeholders.

Donors can be seen as the legitimate owners of charities. We suggest that **donors be given voting rights**, in proportion to the size of their donations, similar to those of shareholders. In order to vote a donor/shareholder would be required to demonstrate a significant or long-term commitment to an organisation. Furthermore, voting rights would be circumscribed within reasonable parameters, and would principally involve the election of trustees.

Responsibility for the charity sector could be concentrated under a **charity minister**, accountable for the sector.

An **enlarged Charities Commission, 'Ofchar'**, could be created, to proactively promote higher standards and to enforce greater accountability and efficiency.

The disclosure of output information could be improved. Ofchar could **require Charities to produce key output indicators** in one of the key sections of the annual report alongside the profit and loss and balance sheet and Ofchar would ensure that the reported outputs of the charity were consistent with the stated objectives of the charity.

Ofchar would require resource allocation, but government funding should not be necessary, as we believe there are adequate resources within the sector to fund change. Charities could be made to **contribute to Ofchar's funding, in proportion to their size**. As there are 181,000 charities in the UK, an average charge of £100 (ratcheted according to an individual charity's size) would provide resources of £18m pa to fund improvement in the sector.

We think that a new corporate structure could be devised for major charities, which allows the democracy and accountability of a public company combined with the elimination of the external shareholder's financial imperatives, as demonstrated by mutual societies, whilst retaining the best features of the current trust law structures. We suggest a **new body of legislation similar to the Companies Acts** be considered to provide a legal framework in which charities can operate more effectively in future.

Investors in Communities

Often, the best way to 'make a difference' is to have the people close to a problem get involved directly in fixing it. For example, a proposal in a recent Bow Group article⁵⁰ proposed a simple and inexpensive way to encourage firms to devote the equivalent of just one day a year of each employee's time to community involvement. If half the firms in the country did that, it would make a massive difference. In the 21st century, time is often a more precious currency than money.

Crime

By Peter C Lilley

Background and Analysis

Conservative Home Secretaries used to be guaranteed a rousing reception when addressing the Party Conference. If there was one issue which seemed to be inextricably linked with the Conservatives, it was law and order.

We can recapture lost ground and reassert law and order as one of the flagship policies of the Conservative Party - but it will require new ideas, strong convictions and a generous dose of political courage.

Since our defeat at the 1997 General Election, great efforts have been made to present the Party as being more inclusive, liberal and - dreadful phrase as it is - politically correct. While we generally welcome that transformation, there is one policy area where we believe such attitudes have no place - and that is in relation to law and order.

We are quite confident there is wide public support for a tougher stance and it is not only serious crimes which have to be tackled and punished effectively, urgent action also needs to be taken to halt the more insidious increase in petty lawlessness and general anti-social behaviour.

In June, Britain was shamed and disgraced when English hooligans went on the rampage during the Euro 2000 football tournament. Equally shaming and disgraceful was that we had no laws in place to mete out suitably harsh punishments to the thugs.

Few incidents are more saddening and angering than the death in February of 79-year-old Winifred Sills, an East London woman mugged for a few pence in her handbag. Just 20 years ago the story would have made front page news and shocked the nation. At the start of the 21st century, such incidents have become commonplace: barely reported and quickly forgotten.

What is also totally unacceptable is the disproportionate number of crimes now committed by under-16s who give the impression they feel they are above the law and cannot be brought to book. Sad to say, there is little evidence which would make them think to the contrary.

And yet there was no question of being above the law in the case of Norfolk farmer Tony Martin who tried to protect his home against burglars. For millions of law-abiding British citizens, his case provided the most vivid evidence yet of what had been feared for some time - that the state seemingly prefers to support perpetrators of crimes rather than its hapless victims. Such was the fury and outrage prompted by the Martin verdict that the case may just prove to be a watershed. It prompted William Hague to describe our criminal justice system as being "close to collapse" and he pledged that the next Conservative government would restore confidence in our courts and in the prison service. It was time, he said, to "rebalance" the justice system in favour of those people who defended their families, homes and property against criminals. It is this re-balancing in favour of law-abiding citizens and resolutely against criminals which forms the central plank of these suggested policies on law and order.

Labour's Record⁵¹

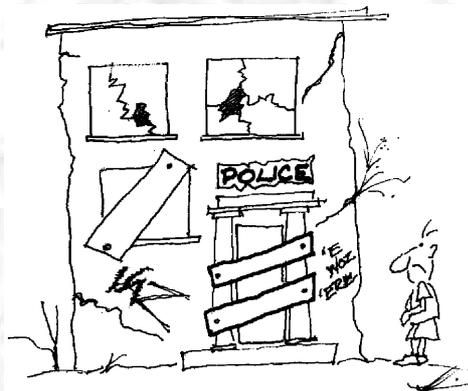
"Tough on crime and tough on the causes of crime" is one of the Labour government's best-known General Election pledges - but perhaps one the Labour party would prefer to be forgotten. It was a laudable aspiration and Conservatives should be wary about denigrating it if our proposals are ever to be taken seriously - as we will need to promote a similar message. Where we would have to be different is to deliver on the promise made.

Tony Blair's government has presided over a dramatic reduction in the number of police officers, with around 2,500 fewer than there were in May 1997. Police stations have also been closing at the rate of 90 a year - which sends out an alarming message particularly to those in isolated rural communities. Labour also deserves particularly savage criticism for its Special Early Release Scheme, which since the present government came to power has seen more than 20,000 criminals let out of jail before completing their sentences. This includes nearly 2,000 burglars, 800 robbers, 2,700 drug dealers and nearly 4,000 violent criminals. What a betrayal of those people who were the victims of the crimes.

Policy Ideas

While there are obvious social, financial and practical implications in supporting a **Zero Tolerance** policing policy, the Conservative Party need not be afraid of supporting the policy in principle. The Shadow Home Affairs team has already indicated that it would like to see pilot schemes introduced in selected towns and cities - that would be a worthwhile experiment.

Zero Tolerance policing is based on the idea that even perpetrators of so-called "petty crimes" are prosecuted and punished. **Burglary** is often referred to as a petty crime but for the victims involved, it can be a deeply upsetting and unsettling experience and is anything but petty. With or without a Zero Tolerance policy, burglary could be elevated above the status of a 'minor' crime.



"...police stations have been closing at a rate of 90 a year..."

We should support any initiative which might help **stop crime happening in the first place**. Greater government encouragement and support could be provided for **Neighbourhood Watch Schemes** and for voluntary **Special Police Officers**. It is undeniable that public support for the police has been damaged in recent times and needs to be restored. More Special Constables would not only provide much-needed extra manpower for our over-stretched police forces but also help re-establish vital ties between the police and local communities.

Young people under 16 are responsible for a disproportionate number of crimes - and that rise must be due to some extent to the feeling that young people have become untouchable and above the law. Time and time again we hear of the same youths committing countless offences and that the police are "powerless" to detain them. That has to be wrong. **Crime needs to be nipped in the bud and that means starting with the youngest offenders.**

Police could offer far fewer cautions and **prosecute more first-time offenders**. While there are many who believe corporal punishment was an effective way of dealing with delinquent juveniles, that method stands very little chance of ever being reintroduced. In its absence, we could have much greater use of community service orders (see below) and - for more serious offences - a dramatic increase in the number of places available **at secure training units** where youngsters are subject to a vigorous work programme aimed at both punishment and rehabilitation. See also the Education section of this book, where there is a proposal for the establishment of **state boarding schools for unruly pupils**.

As the law stands, children under the age of 10 cannot be prosecuted as they are regarded as being incapable of understanding the difference between right and wrong. The **age at which children can be prosecuted could be reduced**. By the time youngsters are 10, some will have committed a string of offences and yet never have been brought to account.

Lady Thatcher may regret she ever said there was no such thing as Society. Sadly, her words have proved all too prescient. In towns and cities particularly, a lot of community spirit has disappeared over the last 20 years - but it can be recreated. Crime is far less likely to occur in areas where there is a strong sense of community. Rather than paying fines, **wherever possible criminals should be made to repay their debt directly to the community** they have offended against.

Community Service Orders are currently seen as being something of a soft option - but there is no reason why they should be. As long as they are properly monitored and involve serious hard work for the offenders, we believe their much more widespread use would help restore public respect in the justice system.

Few aspects of law and order have annoyed the public more than seeing criminals released early from jail - almost as a matter of course. **Sentences handed down by a court should be the sentence served**. Rather than there being time taken off for good behaviour, time could be added on for those prisoners who cannot even behave when they are in jail.

The Conservative Party is already pledged to restore police numbers at least to the level they were in May 1997. Much more can be done to **allow police officers to devote themselves to law enforcement** rather than routine administrative tasks which can account for up to 75 per cent of their time.

And Another Thing...

More Law & Order Ideas

by other Bow Group authors

- ♦ More spot-checks on car boot sales (where a lot of stolen goods change hands), with the onus on the seller to prove any suspicious-looking goods are genuine, not stolen.
- ♦ Extend the Kent Private Bill nation-wide. In other words, make auction houses and antique dealers ask basic questions of people providing them with goods - to reduce burglary and other theft.
- ♦ Make it possible to register a crime and get a 'crime number' on-line. Then let the victim track progress of the crime investigation on-line.
- ♦ Make sequestration of assets the norm in theft and all serious crime cases, not just for drugs. Once someone is found guilty of the crime, it is reasonable to expect them to prove that any other assets they own are legitimately held.
- ♦ Although it is with a heavy heart we should ever restrict freedom of movement... introduce a system of 'endorsements' (with time limits) for passports, similar to those for driving. To apply only to three distinct types of crime: drug supply, paedophilia and violence. In the first two categories, this would help border authorities be extra-vigilant with high-risk people. In the third case, it would allow foreign border controls to make better judgements about who to turn away at the time of, say, a major football tournament.
- ♦ Everyone deserves a second chance - make all but the most serious criminal records officially expire (with all record destroyed) after a 'clean' period of, say, 10 years.
- ♦ But people don't (in general) deserve a third chance. Extend the '3 strikes and you're out' principle widely.

The Constitution

By John Strafford, with Simon Blunt, Peter Booth, Esther Samuels & Patricia Steel

Background & Analysis

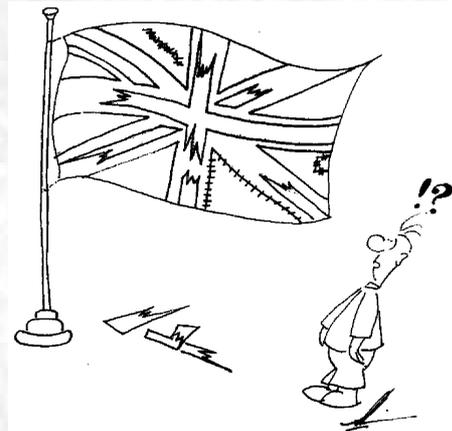
In the three years since the Labour government was elected they have embarked on huge constitutional and electoral change, which in large part has resulted in an onslaught on democracy. One of the results has been a dramatic fall in the number of people who vote. The House of Commons is empty most of the time because even MPs find it irrelevant. The power rests in the Executive and, within the Executive, with the Prime Minister and the Chancellor. This is extremely unhealthy and needs urgent rectification by the next Tory government.

The relationship between Westminster, the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly has not even been considered, and the House of Lords has been decimated without any idea of what will happen at Stage II.

The debacle over the selection of the London Mayoral candidates by both parties (though only the Labour Party tried to manipulate its members) produced a poor turnout for even that controversial election.

The closed list system in the elections for Europe, the Scottish Parliament, the Welsh Assembly and London has produced Parliamentarians chosen by the few and answerable to no one - an inbuilt democratic deficit.

"...constitutional vandalism..."



Labour's Record

Constitutional reform is one area where this Labour government has been particularly active -although it might be more appropriate to substitute the word 'vandalism' for 'reform'.

They introduced new tiers of government in Scotland and Wales after referendums in Autumn 1997, although devolution in Wales secured a mandate of only 25% of the electorate. The Scottish Parliament has tax raising powers, the Welsh Assembly doesn't, and the new Northern Ireland Assembly set up under the Good Friday Agreement is different again. Add that to a new Mayor and Assembly in Greater London and we have over 300 extra politicians and a considerable increase in bureaucracy and expense.

Furthermore, for electing each of these new bodies, as well as at the European elections, a new system of 'proportional representation' was introduced, meaning that the UK is now using five different systems for electing different politicians.

In the House of Lords, despite a pledge to remove all hereditary peers, 92 have remained after 'Stage I' of reforming the Upper House; in the meantime, Blair has appointed over 200 peers in three years, 11 of whom gave more than £5,000 to Labour in either 1996, 1997 or 1998.

And there are further constitutional changes being made in this session of Parliament: to force councils to change their structures, with the likelihood of more elected mayors and professional councillors; and another bill to restrict spending by political parties, ban foreign donations, and set up a Commission to regulate referendums.

Labour's proposed legislation on Freedom of Information falls short of openness and availability. It contains exemptions, which protect all information regardless of whether disclosure is harmful. Technology has not been used to promote wide distribution of information. The public is denied an independent authority to regulate Freedom of Information.

Policy Ideas

Local & Regional Government

To have local councils **raise most of the money they spend**, so that they are accountable to their electorate, the funding of all education and long term-care could be transferred to central government. To make **local councillors more accountable**, the only grounds for appeal against refusal of a Planning Application could be that the decision was not taken in accordance with Planning Guidance. Where Mayors are elected there should be a proper system of accountability between elections.

We believe that there are already too many politicians. **Regional Development Agencies, put in place by Labour, could be disbanded.**

Democracy could be built up in **Northern Ireland** by giving more power to local government.

Local authorities could be allowed to **determine their own system of government**, including the option to continue with the existing committee system, and not be forced to change to a new system proposed by the Labour government of a mayor or cabinet. Any change in the status quo should be determined by a local referendum.

National Government

The **number of MPs could be reduced** to around 400, with a proportionate reduction in the government payroll.

Rules could be changed so that any **major constitutional change would require a two-thirds majority** of those voting in both Houses.

To deal with the 'West Lothian question', there could be an **English Grand Committee** consisting of English MPs. This Committee would deal with similar legislation affecting England that in Scotland or Wales would be devolved to the Scottish Parliament or the Welsh Assembly. On the grounds of fairness, the number of Scottish MPs at Westminster could be reduced at the earliest opportunity to the same proportions as other parts of the United Kingdom.

Each **Select Committee could have its reports debated on the floor of the House** to hold the Minister to account (maximum five reports per committee per annum) and the Select committees reinvigorated by removing the Whip's control over membership. The procedures of the House of Commons could be reformed so that Ministers are more accountable and backbenchers more powerful and influential.

We could abolish the Westminster Hall Chamber because it distracts from the main chamber of the House of Commons.

Standing Committees within the House of Lords could **review draft Secondary legislation**, and review draft regulations prepared to accord with EU directives - which are at present unchecked by Parliament - before they come into effect. They could have the power to recommend changes or re-drafting, to protect us from gold-plated regulations or incomprehensible rules. Since so much legislation is now enabling legislation there could be parliamentary scrutiny of secondary legislation before implementation.

The Parliament Act could be amended to give one more session of delaying power.

Europe

Much could be done to **make European institutions more accountable and acceptable** to the peoples of European countries, including our own. For instance:

- ♦ Having individual Commissioners dismissable by the European Parliament.
- ♦ Subsidiarity strengthened by having a set of European Institutions and modus operandi in which Nation States are all-powerful.
- ♦ Meetings of the Council of Ministers open to the press and public, as it is undemocratic that they should meet behind closed doors with a secret agenda.
- ♦ Elections to the European Parliament on the basis of constituency members, with the regional list system abolished.

Freedom of Information

The United Kingdom does not enjoy the Freedom of Information laws that apply in many western democracies. To keep the United Kingdom in the vanguard of democracy a change in attitude to information disclosure is needed. The next Conservative government could introduce a new **Freedom of Information Act**, extending open government.

Information should be disclosed unless it can be shown to be harmful to personal privacy, national security or criminal investigations. **Technology** can be used to organise and collate large amounts of information and to use the **Internet** as the medium of distribution. For example, details of public sector grants to industry would be more accessible if they were published in company name order each year. There would have to be an independent authority to regulate and promote information disclosure.

And Another Thing...

More Ideas on Reform

- ♦ Establish a Royal Commission to examine the impact on democracy of industrial and commercial globalisation including use of the Internet, and to recommend ways in which democratic accountability, privacy etc can be maintained.
- ♦ Have tighter rules on use of referendums. Whenever there is to be a referendum, six months' notice should be given, to avoid the government using opinion polls to decide on a short-notice referendum. Campaign funding should be equitable between those for and those against the issue in the referendum. The government should not be permitted to spend public money to influence the result of a referendum.
- ♦ Abolish the closed party list method of proportional representation.
- ♦ Treat subscriptions up to £100 per annum to a political Party in the same way as Gift aid to charities, to encourage political parties to be funded by a broad membership. In order for a party to qualify it would have to demonstrate that it has a democratic constitution. Conversely, donations (whether from an individual or an organisation) of more than £100,000 per annum could be banned (phased in over four years, as parties generate other sources of income). Foreign donations could be banned altogether.

Foreign Policy

By Michael Grenfell

Background & Analysis

A successful British foreign policy for the twenty-first century needs to draw on modern Conservative principles and values:

Rejecting appeasement, deterring aggressors: One of the key lessons of the last century was the folly of trying to appease aggressors. Under the last Conservative government, a resolute policy of resisting aggression yielded success - in confronting Soviet expansionism, and in the Conservative response to the military invasions by Argentina in 1982 and Iraq in 1990, to Libyan terrorism in 1986, and to international terrorism more generally. On all these issues, Labour equivocated.

National freedom and self-determination: A commitment to freedom is at the heart of Conservative values - freedom for individuals, and freedom for nations.

Respecting national self-determination is essential for peace and stability. When different nations are crammed into multinational states, and no longer free to determine their own destinies, the results are tension between the constituent nations, extreme nationalism, and, all too often, war. The former Soviet Union and the former Yugoslavia are recent examples.

On the two occasions when the last Conservative government took military action - over the Falklands in 1982, and Kuwait in 1990-91 - it was to uphold their peoples' right of self-determination. Labour's record has been patchier: during the Falklands War, Tony Blair, then a Labour by-election candidate, said, 'I don't think that ultimately the wishes of the Falkland Islanders must determine our position'⁵².

Free trade: Conservatives support free trade between nations. In addition to its economic benefits, free trade is vital to an effective foreign policy. It enhances prospects for international peace - free trade fosters contact between people around the world, and gives people an interest in stable relations between their countries.

The last Conservative government actively promoted free trade - taking the lead in creating the European 'Single Market' and helping to achieve success in the GATT talks.

An effective approach to human rights: Conservatives believe in individual freedom, and the importance of protecting human rights. During the 1980s, Britain's Conservative government made sure that human rights of citizens in Communist countries were never forgotten⁵³. In 1984, when Margaret Thatcher as Prime Minister met the South African President P.W. Botha, she did not shy from criticising the apartheid system to his face⁵⁴.

By contrast, when Tony Blair as Prime Minister visited Communist China in 1998, he repeatedly rejected opportunities to criticise China on human rights⁵⁵.

Labour's Record

New Labour's 'ethical' foreign policy has proved to be mere words. Like so much of this government's performance, it is a triumph of spin over substance.

The broken manifesto promises

Labour's manifesto promised that 'We will make the protection and promotion of human rights a central part of our foreign policy'⁵⁶.

The reality, however, has fallen short of New Labour's smooth promises.

When the leading Chinese dissident Wei Jungsheng came to London in January 1998, Robin Cook had 'no time' to meet him - even though Wei had earlier been received by President Clinton in Washington⁵⁷.

But when the Chinese President Jiang Zemin made his notorious state visit to Britain last October, Robin Cook and Tony Blair had plenty of time for him. Downing Street said that human rights 'was not the issue by which relations with China should be defined'⁵⁸ - a direct repudiation of Labour's manifesto pledge.

The empty bombast

In April 1999, Tony Blair made a grandiose declaration of his foreign policy:

"We need to enter a new millennium where dictators know that they cannot get away with ethnic cleansing or repress their peoples with impunity. We are fighting ... for a new internationalism where the brutal repression of whole ethnic groups will not be tolerated."⁵⁹

One year later, Tony Blair's words have proved worthless. In the spring of 2000 Robert Mugabe embarked on a wave of brutal repression and ethnic persecution in Zimbabwe. But Tony Blair did nothing to stop the murders, the violence, the persecution⁶⁰.

The triumph of spin

During the Kosovo campaign, senior British military officers said that 'commanders are not being allowed to make decisions, it is all being run by the press people' and that 'this is a war determined by presentational considerations' .

It is because of this preoccupation with spin that New Labour has failed to keep its pledges and failed to enhance Britain's reputation in the world. Everything is for show. Britain's international interests are forever being sacrificed to tomorrow morning's headline.

Policy Ideas

Russia - avoiding appeasement, supporting human rights

Russia under its new President is at a crossroads. Will Mr Putin continue in the path of respecting international norms? Or will Russia turn to a more aggressive role internationally?

Britain and its allies cannot decide for Russia. But where we do have influence (through financial assistance, trade rights, according diplomatic respectability), that influence must be used wisely - avoiding appeasement and deterring aggression.

In short, the West should be:

- ♦ tough on Russia if it is aggressive
- ♦ welcoming to Russia if it is willing to share the West's basic values, trade with the West and co-operate with the West in maintaining the peace.

We must not let President Putin and his advisers believe that they can 'get away with' military adventurism. Tony Blair's uncritical visit to see Mr Putin in St Petersburg, while Chechnya was being relentlessly bombed, was more showmanship than statesmanship.

Britain and its allies should be **vigilant against any violation of the borders** of the now-independent states of the former Soviet Union.

In particular, if Russia turns aggressive towards the Baltic states (it has already started to stir unrest) we should consider offering them the **protection of NATO membership or associate status**.

At the same time we can make it worthwhile for Russia to be pro-Western in its foreign policy and in its economic and political practices.

It could be made clear that **if Russia chooses pro-Western policies, the West will embrace it** rather more fulsomely than it did in the 1990s, offering

- ♦ targeted Western **financial assistance** (e.g. for transport infrastructure or health services)
- ♦ increased trade and, as an ultimate goal, **possible entry of Russia into the European Single Market** (as President Clinton has suggested⁶¹).

National freedom and self-determination

Tony Blair's government supported the right of the East Timorese to a referendum on independence from Indonesia. By the same token, on **Kosovo**:

- ♦ The government could support the right of the people of Kosovo to a **referendum on whether they want independent statehood**
- ♦ If they vote for independence, Britain should **recognise an independent Kosovo**.

The people of the **Falkland Islands and Gibraltar** wish, overwhelmingly, to remain under British rule. Yet, even today, Britain's governance of those territories is under challenge from foreign countries. It is within Britain's power to **uphold the right of self-determination** both of the Falklanders and of the Gibraltarians, and it is our clear duty to do so.

Free trade

We could **demand a timetable for the Eastern expansion of Europe's Single Market within five years**. The EU has been depressingly slow in admitting the former eastern bloc countries to its ranks. In the decade since the collapse of communist rule in Eastern Europe, not one has been allowed in. By contrast, NATO has managed to integrate three former Warsaw Pact countries into its military structure.

As William Hague has pointed out, EU tariff barriers to Eastern Europe have actually been raised. Hungary is allowed to sell 6,500 tons of beef a year to the EU, compared to 100,000 tons twenty years ago⁶².

If these countries are kept out from western Europe's markets, their prosperity will be delayed, and their electorates may become disillusioned with capitalism and vote for communist or extreme nationalist parties - jeopardising European peace and stability.

There is little point enjoying the advantages of the European Single Market, if we then retreat behind a 'fortress Europe' and build barriers against our other trading partners. There are huge markets to be tapped in North America as well as in Europe, and a very successful free trade area has been created through NAFTA. Senior US politicians are actively canvassing possible British participation in NAFTA. A huge opportunity is opening up for Britain, and no responsible government should let it slip.

The next Conservative government could **actively seek much closer involvement with NAFTA as well as the EU**.

Europe

By Alan Young, with Robert Blum & Simon Blunt

Background and Analysis

The creation of the European Union (EU) as an institution emanated from the desire of European nations to prevent the recurrence of war on the European continent. As the "European Economic Community", it had a distinct identity as a single market free trade area. As the (current) "European Union", the EU has moved increasingly in the direction of greater economic and political integration.

This has led to a growing body of opinion in the UK, which sees the EU as moving inexorably towards the creation of a single economic and political State. The EU is perceived as continuously increasing the number of directives and regulations imposed upon its Member States, to the detriment of national sovereignty. The resulting directives and regulations are often made overly burdensome as a result of enthusiastic "gold-plating"⁶³ by UK civil servants. These directives are then seen to be enforced with greater enthusiasm in UK than in other EU Member States. Subsidiarity, in as far as it operates, is not seen to be working, nor is Westminster seen as effective in scrutinising secondary legislation from the EU.

This has led to sections of the British population becoming increasingly alienated from the EU. They see the EU as distant, irrelevant and as a body imposing damaging legislation on the UK, rather than as a partnership in which the UK has its own influence and from which it draws significant benefits.

Britain has much to gain from leading debate in the EU, but playing a leading role in Europe will be difficult for any government against this background. A Conservative government should set out policies to tackle the European issues that concern UK electors (and the popular press). It is only through pursuing a practical and achievable programme of reform that this growing sense of alienation from the EU will be addressed and that the stage will be set for Britain to assume a constructive and leading role in Europe.

Labour's Record

Labour's record on Europe is poor. As in so many areas of policy, Labour has failed to show leadership on key European issues. It has vacillated over the issue of the Single Currency, eventually conceding a referendum, to be held once the Chancellor's economic criteria for membership of the Euro have been met (which could be at any given time).

The Labour Party is split over Europe and as the debate on the Euro and the economic effects of Britain's non-membership gathers pace (with pressure from the CBI and the TUC as well as BMW, Nissan and other export-dependent UK companies), the split will widen further.

Labour says it wants to move away from a "social" Europe to a Europe that focuses on the development of free trade and economic competitiveness, yet this is the same government that signed up to the Social Chapter, reducing Britain's competitiveness at a stroke. Labour simply cannot be trusted on Europe and this is the message the Conservatives must get across.

Policy Ideas

This section is by no means intended to set out a comprehensive set of policies on Europe. It steers clear of philosophical arguments and focuses specifically on the issue of public perception of Europe in the UK and suggests constructive steps a future Conservative administration might take to directly address growing public concerns over Europe.

The Conservative Party should provide leadership on Europe, where it is lacking in the Labour government. It must devise practical and realistic policies on Europe that address UK citizens' concerns over Europe and policies that it will realistically be able to deliver in government. Some suggestions for action in this area are listed below:

Possible actions at UK level

- ◆ Closer **scrutiny of draft EU legislation by Parliament** and more time allocated for debating European legislation in the relevant committees, before decisions are taken by the Council of Ministers.

- ♦ Copper-bottomed guarantee that EU legislation will be transposed into UK law only at the least onerous level permitted under the legislation - **avoiding any 'gold-plating'** by the UK civil service.
- ♦ Focus on **avoiding duplication** between EU legislation and existing UK legislation.
- ♦ UK government to decide on penalties for non-compliance with EU Directives. Minor infringements (such as those relating to the use of weights and measures) should be **treated with discretion** and not punished under criminal law.

Possible actions at EU level

- ♦ There should be a clearly defined and regularly used **process for abolition, revision or simplification** of EU legislation. Where decisions are taken by qualified majority voting, the same must apply. This would help to counter the "ratchet" effect of increasing transfer of legislation and powers to the EU.
- ♦ Where appropriate, EU legislation should contain a **'sunset' clause**, after which the legislation automatically expires unless renewed.
- ♦ A **detailed, publicly available, cost-benefit analysis** should be carried out before any EU legislation is put forward for decision by the Council of Ministers. This is a sort of financial equivalent of the EU's current 'Environmental Impact Assessment'.
- ♦ Change of emphasis in EU legislation away from social protection towards **facilitating competitiveness** in the EU by promoting improved labour flexibility and mobility and by pushing for the removal of all protectionist barriers to trade and of all trade-distorting national subsidies.
- ♦ Tighter **financial control over the Commission** and its funding of EU projects.
- ♦ A thorough **review of the EU's spending programmes**, refocusing them on actions to achieve greater competitiveness within the EU and away from ill-defined social aims, with a strong emphasis on **'zero-based' budgeting**.

Transport

By Mark Wheatley, with Eunice Byrom & Patricia Steel

Background & Analysis

Part of the problem which transport services face, is the rise in consumer expectations. We live in an age defined in part by the rapid transfer of information electronically and the ease of global communication yet still commuters find themselves caught in the daily grind of traffic jams and stalled trains.

Complicating this is the ageing of our transport infrastructures and increased burdens upon them. Our grandparents may have more readily accepted delays but they used networks that were newer, fresher, and less jammed by volumes of traffic.

We recognise that not all of the problems of our transport services are readily susceptible to policy suggestion but feel that some ideas are worth considering. Whenever possible we have tried not to recommend coercive measures and instead suggest policies that will go with, rather than against, human nature.

Policy Ideas

Road Travel

Environmental concerns are at the forefront of the debate on cars. Cleaner fuel technologies and road construction sensitive to areas of outstanding beauty are now a matter of consensus among the main parties. Our focus is therefore towards safety, cost and congestion issues.

Motorway speed limits reflect automotive capabilities from decades past. Most cars, if driven responsibly in decent weather conditions, are capable of being driven safely at speeds in excess of 70mph. However in rural areas 30mph may be an excessive speed as drivers cut through village communities. We believe that **speed limits on motorways could be raised to 80mph**, more rigidly enforced. As in France, there could be a **reduced motorway limit when it's raining**. Reduction of the limit from **30mph to 20mph** could be extended to more residential areas (some rural ones on trunk roads as well as in urban areas).

Congestion could be addressed by restructuring the infrastructure of the UK road network. It would be possible to split the Highways Agency, which runs our motorways and trunk roads, into **one body to manage the network and another to regulate that service**. The management body could then be re-styled the **National Highways Company**, allowed to raise revenue in new ways, such as 'tolling', and be charged with pure responsibility for maintaining the network and addressing congestion.

Many people, especially rural dwellers and some disabled drivers, depend upon their cars and are hard-hit by expensive fuel costs. Motorists raise over £36 billion for the Treasury but receive back only about £6 billion of investment in the infrastructure. Much of this is raised by petrol duties, which fall particularly heavily on those least able to afford such expense. The **revenue raising could shift from indirect duties towards direct road tolling** targeted towards areas of particular congestion. The overall burden should not increase and could even reduce as motorists already make a major contribution to the provision of public services.

'HOT' lanes (High-Occupancy Toll) are a great way of charging only those who really value speeding up their journey by avoiding congestion. You can choose to either travel in the regular lanes, free, or travel in the special uncongested lanes for a charge. Automated electronic charging mechanisms (using a sensor inside the vehicle that the driver elects to have fitted) make payment easy - this payment mechanism has worked for years in Atlanta, GA, with the 'Georgia Cruise Card'.

For congestion charges for built-up areas, it could be ensured that tolls fall on those coming into the area, not the residents of the area. There could be **discounts for use at off-peak times**. We could **ban peak-hours lorry deliveries** in congested areas altogether.

The government could **reject workplace parking restrictions** as these may lead motorists to parking in unsuitable places or travelling by public transport before such is suitable for their needs. Rural areas for example are not well served by public transport, which tends to be 'nodal' and require a critical mass of travellers to be feasible.

And Another Thing...

More Motoring Ideas

by other Bow Group authors

- ◆ Many of the improvements to our road system would cost. We need to be able to pay for these without resorting to general taxation. As well as tolls and charges, how about allowing extensive advertising on motorways? It happens in other countries
- ◆ High-Occupancy Vehicle (HOV) lanes on main motorways - only for cars with more than one person in
- ◆ Discounts on tolls by time of day, with no charge at all between midnight and 5am
- ◆ Adopt-a-Highway schemes in which businesses take part in keeping highway areas clean, and in some cases even landscaped
- ◆ Signs telling you how long is the journey time to key points, given traffic conditions. The best examples of this (as in parts of America) also tell you how much time you would have saved by taking the HOV lane. A logical place to start would be motorways to big airports, such as the M56 and M4
- ◆ In a few particularly acute problem stretches, consider copying the snazzy (though pricey) scheme that operates on the South East Expressway in Boston, MA. The 'Zipper Lane Machine' actually moves the central crash barrier twice a day to ease rush-hour traffic
- ◆ Allow more development at motorway junctions to provide competition to rip-off motorway service stations. As an extra source of revenue, these restaurants, hotels and petrol stations could pay to have their logos included on junction signage (as in America, and elsewhere)
- ◆ Noise screens (as in Holland and France, for example) that enable housing to be built closer to the motorway (which is, after all, already 'spoiled' land) - could be extra revenue for the government
- ◆ Run a public information campaign to remind motorists of the existence of an inside lane on motorways
- ◆ Wheel clamps are not a good way to keep the traffic moving. Ban them and use higher fines instead
- ◆ Allow towing of vehicles only if there is an actual obstruction. Otherwise use higher fines
- ◆ Bring in a national hotline for people to call if they are being blocked by another vehicle, so that that vehicle can be towed away
- ◆ Bring in the 'green wave' on roads with lots of traffic lights. As the first light goes green, a sign lights up telling you what speed you have to drive at to hit every green light (an idea stolen from Germany)
- ◆ Allow left turns at a red light, with some exceptions. It works in America (for right turns)
- ◆ Prevent councils from banning parking at parking meters that are out of order
- ◆ A national system of signage for Park & Ride so it's easy to work out where these are (whether rail or bus) - as in Holland.

Rail

Consumers have a voice through nine regionally based rail users' consultative committees now known as the Rail Passengers Committees. These could be enhanced by granting them greater financial support and ensuring wider public involvement. It has been suggested that committee members receive **remuneration** for their efforts and that the various committees could form a **network of networks** with representatives electronically connected for rapid response on key issues. We could support these moves.

More freight could be transported by rail. Many hauliers switched to road during the period of rail strikes in the seventies and eighties. They are now unlikely to shift back without clear service commitments and facilities support. We believe that **transshipment points** could be created to allow hauliers to shift freight from trains to road closer to the ultimate destination. These would be funded by PFI initiatives.

The existing Conservative policy proposal of allowing micro-franchising (where companies get permission to construct small lines linking their premises with the main network) is much to be welcomed.

London

The Underground

Reliability is a major bugbear for travellers on the London Underground. Signal failures and track problems delay thousands of commuters on an almost daily basis.

Investment is required to remedy this problem. Although this is a Mayor's issue, we could continue to **advocate a full privatisation**.

Frequency is also a problem on some lines. This is often driven by the physical inability to accommodate more trains safely on a specific section of track. New **Safety Cell technologies** have been tested recently to allow bubbles around individual trains rather than closing off longer sections of track. These could be **implemented across the network** as soon as possible.

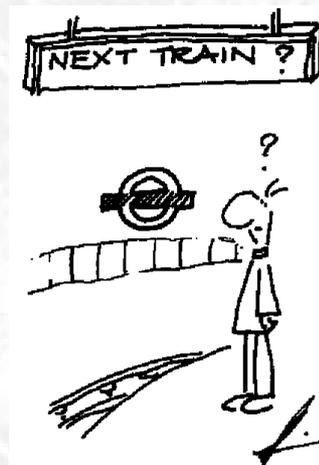
London is also now recognised as a 24 hour city but with an underground network that closes around midnight. We feel that the Underground network could remain open 24 hours per day with repairs being conducted at the quieter moments in the night. If that is not possible, given the volume of repair work, then at least it could be kept **open 'til 3am**.

The Thames

River taxis proved unsuccessful in the eighties at a time before Canary Wharf was fully developed. We could now support moves to **make more of river traffic with more regular river taxis, integrated into the London Transport network**, and publicly funded. The river could be regarded as a distinct additional 'zone' with its own charge for use.

Trams

Manchester and Sheffield have developed tramway networks to serve their citizens, whilst a similar scheme has begun in Croydon. We believe that all local authorities could **assess the feasibility of tram developments** as these are often reliable, dependable and can often sit easily alongside other road users. The studies should be financed by public authority but actual physical development could be funded by PFI.



And Another Thing...

More Public Transport Ideas

by other Bow Group authors

- ♦ Impose higher penalties on public transport operators (especially trains) for being late, and make this instantly payable in vouchers at the point of arrival, without having to fill out forms and post them off
- ♦ Put pressure on rail companies to scrap the ridiculous seat reservation non-system, and adopt an SNCF-style (French) system instead. In this model, everyone has a reserved seat. For the UK, we could improve it, using inexpensive WAP technology (as well as a call centre alternative), to enable people to alter a seat reservation up to one minute before the train leaves
- ♦ More bus lanes, including peak-hours-only ones, with really strict enforcement
- ♦ As it becomes cheaper (through GPS and mobile internet technology), make bus companies in all cities agree to implement the Countdown system (which tells you how long you have to wait for the next bus) as part of their franchise renewal
- ♦ In London, investigate the possibility of having ticket machines at bus stops, so we could do without conductors (but have more inspectors), and re-invest the money saved elsewhere. (This 'honour' system works on the Manchester tram network, as well as in places like Amsterdam)
- ♦ Make rail companies share the burden of keeping track-sides clean and tidy
- ♦ In many places the difficulty of getting a licensed cab at night is beyond a joke. Put the night-time prices up and issue more night-only licences. If that doesn't do the trick, relax the requirements for 'The Knowledge' - better to be in a cab with an A to Z, than standing in the street waiting for a driver who doesn't need one
- ♦ In any case, 'The Knowledge' can become less stringent as GPS (Global Positioning Satellite) technology becomes more affordable - this should ultimately bring down fares

Cycling

Bicyclists risk the dangers of open traffic and all too often find themselves exposed to danger from cars or lorries. The risk to life and limb all too often results in tragedy. **Cycleways could be integrated into roadways with separate traffic lights for cycles and cars**, as in Amsterdam. This would be particularly feasible in urban centres and may encourage more cycling - relieving congestion at rush hours.

In Amsterdam **car drivers are held responsible** in collisions between them and cyclists. This may be worth considering as a further protection for cyclists and would also encourage more courteous driving.

There could be more stringent safety requirements for the **bikes themselves**, for example having to have a reflective inner wheel rim, as on Dutch bikes.

Firms could be given tax breaks (for a limited period) for installing **cycle racks, changing facilities and showers**. There could also be more cycle racks at **rail stations**.

The cycling proficiency test for youngsters could be made more worthwhile by counting it as a **credit towards a GCSE** (in Practical Studies, for example).

Endnotes

- 1 See the World Health Organisation's 'World Health Report 2000'
- 2 'Access to Government' by M Marsh, Bow Group, 2000
- 3 'Power to the People' by G Strafford & D Hinds, Bow Group, 1999
- 4 p. 17, 'Making the NHS Better' by C Philp, Bow Group, 2000
- 5 OECD, Eurocare, World Health Organisation, Office of Health Economics
- 6 OECD
- 7 The Guardian, 25th June, 1999
- 8 p. 36, The Economist, June 17th, 2000
- 9 McQuillan et al, BMJ 1998 316: 1853 - 1858
- 10 The Guardian, May 17, 2000
- 11 p. 26 'Making the NHS Better' by C Philp, Bow Group, 2000
- 12 The Guardian, May 17, 2000
- 13 Households Below Average Income, DSS 1997 and 1999 : expenditure by the bottom 10% rose by 28% from 1979 to 1995. Income for the bottom tenth rose by 10% before deducting housing costs and fell by 3% after deducting housing costs from 1979 - 1997/8.
- 14 'ANew Contract for Welfare', DSS, 1998
- 15 This is not accounted for by an increase in young people in higher education: the numbers hardly changed during this period.
- 16 19% of households in the North receive disability benefits, compared to 9% in the Southeast.
- 17 Noble and Smith 1997: the true rate is likely to be higher: less than half responded to the survey.
- 18 Towers Perrin survey.
- 19 Figures in this paragraph : John Hills, The future of welfare
- 20 Even if linked with prices, they will be grow to 4.8% of GDP in 2030.
- 21 DSS Expenditure Plans 2000/2001 - 2001/2002
- 22 Extrapolated from the National Institute for Economic and Social Research study, commissioned by Department of Education and Employment. Ministers claim 210,160 jobs have been produced as of March 2000; the New Deal started in March 1998. Figures in this paragraph refer only to the New Deal for young people, unless otherwise stated.
- 23 Hales et al Evaluation of the New Deal for Lone Parents, commissioned by DSS 2000
- 24 Government Statistical Service
- 25 House of Commons Library; Damian Green The Four Failures of the New Deal CPS
- 26 HM Treasury reply to David Willetts, Hansard 5.4.00, c.499W
- 27 David Willetts "Browned Off" Politeia 2000
- 28 Institute for Fiscal Studies
- 29 Jeff Rooker's House of Commons replies.
- 30 Panorama 6th May 2000
- 31 Wisconsin Department for Workforce Development (formerly Department of Social Services), US Department of Health and Human Services.
- 32 Robert Rector "Wisconsin's welfare miracle" Policy Review Mar-April 1997 : 13 states with lower unemployment than Wisconsin experienced a rise of 20% in welfare rolls from 1987-1997. Robert Rector "Wisconsin's welfare miracle" Policy Review Mar-April 1997 : 13 states with lower unemployment than Wisconsin experienced a rise of 20% in welfare rolls from 1987-1997.
- 33 Average wage:\$7.42 an hour : Wisconsin administrator's testimony to House Subcommittee on Human Resources. The UK minimum wage is about \$6 an hour.
- 34 Since 1997, Wisconsin has operated a programme called W2: this reserves training and other support for the unemployed only for those with mental, drug or alcohol problems.
- 35 Dennis Snower, Financial Times, 20 April 1994
- 36 Patricia Morgan: Farewell to the Family; Norman Dennis: Rising Crime and the Dismembered Family.
- 37 Kiernan and Estaugh 1993
- 38 House of Commons Library, 21st January 2000
- 39 Department for Education and Employment, 12th April 2000.
- 40 ICM Poll, 29th February 2000.
- 41 Times Educational Supplement, 12th may 2000
- 42 Evening Standard, 14th April 1997.
- 43 UCAS, 14th April 2000
- 44 English, Maths, IT, History, a Science and a Foreign Language. Schools would themselves be left to decide which Science and which Foreign Language they taught.
- 45 English and Maths.
- 46 Bill Jamieson in The European Journal, Volume 7, No. 7 (May/June, 2000), based on HM Treasury figures collated by Chantry Vellacott, accountants, since 1855.
- 47 The Daily Telegraph, 3rd July, 2000.
- 48 The Daily Telegraph, 1st July, 2000.
- 49 This could be in violation of EU VAT rules, but note Labour's reduction of the rate of VAT on fuel to 5% notwithstanding these rules.
- 50 'Investors in Communities', by A Murrison, Crossbow, Bow Group, 2000
- 51 Source: Conservative Party press releases / web site
- 52 Quoted by Boris Johnson, 'The kind of war that the Labour Party loves', Daily Telegraph, 14 April 1999.
- 53 In November 1988, when Margaret Thatcher as Prime Minister made an official visit to Communist Poland, nearly half her time was spent on 'private' engagements, for example attending the Warsaw church of the murdered Solidarity priest Jerzy Popieluszko and meeting the Solidarity leader Lech Walesa in Gdansk (Timothy Garton Ash, 'The road from Gdansk', The Spectator, 12 November 1988).
- 54 Most notably when he visited her at Chequers on 2 June 1984 and in subsequent correspondence. See, on this: Margaret Thatcher, 'The Downing Street Years', HarperCollins (London), 1993, p514-5; Bernard Ingham, 'Kill the Messenger', HarperCollins (London), 1991, p277; Geoffrey Smith, 'Reagan and Thatcher', The Bodley Head (London), 1990, p202; Hugo Young, 'One of Us', Macmillan (London), 1989, p483 (at the Chequers meeting 'she had impressed on him the need for change').
- 55 'Blair ducks chance to attack Chinese over human rights', Daily Telegraph, 7 October 1998.
- 56 Labour manifesto 1997, New Labour - because Britain deserves better, page 39.
- 57 Daily Telegraph, 9 January 1998 ('Cook has "no time" to meet China's top dissident').
- 58 Daily Telegraph, 22 October 1999 ('Human rights protests anger China').
- 59 Newsweek, 14 April 1999.
- 60 Quoted in Sunday Telegraph, 16 May 1999 ('Media campaign "more important than the needs of the military"').
- 61 Daily Telegraph, 3 June 2000 ('EU must embrace Russia, says Clinton').
- 62 Daily Telegraph, 14 May 1999 ('Hague: Members must be able to opt out of Euro laws').
- 63 The process whereby Whitehall officials, when transposing EU Directives into UK Law, include additional provisions not required under the terms of the original EU Directives

And Finally...

Here's our parting shot... a last lorry-load of ideas, most of them relatively quick and easy to do. To address some of the fixable annoyances of daily life, how about...

- ... charging utilities and other companies for each day for each square foot of road or pavement they have dug up
- ... banning the practice of restaurants adding a service charge to the bill while still leaving space on the credit card slip for a tip
- ... guaranteeing a certain level of football and other sports to always be free on TV (including the FA Cup Final, Home Nations' competitive football internationals, Wimbledon, etc). Build this into licence agreements for satellite, cable and terrestrial TV companies, and a quid pro quo for policing support for the sports concerned
- ... tightening up the rules on sex, violence and bad language on TV. Soft porn should not be available on terrestrial TV, even after 11pm
- ... banning smutty advertising and branding
- ... being better at sport. The politically correct approach to competitive sports is now coming home to roost. In 2000, we find ourselves awful at just about every sport. We need more sport at schools - competitive sports - and more investment in sports facilities. The emphasis should be on 3-year-olds, as much as on 15-year-olds. Set up a national academy of excellence for each major sport
- ... charging local authorities a fee for every day they have a council property vacant while there are others on the waiting list, or homeless people in that area
- ... showing all taxes (not just VAT) on all receipts. Make transparent what proportion of the price of a pint of beer or a gallon of petrol goes straight to the government
- ... outlawing gazumping
- ... making estate agents advertise houses and flats in square feet as well as number of bedrooms
- ... reducing the admin involved in applying for a driving licence
- ... making power companies buy excess energy generated by environment-friendly sources (e.g. solar power from homes or work-places)
- ... giving grants to churches, based on number of registered members, and number of regular attendees
- ... requiring more accountability for undemocratically appointed advisors
- ... skewing the business rates system to favour sole traders serving local communities
- ... setting sensible limits on compensation awards
- ... giving free stamps to OAPs at Christmas
- ... abolishing all remaining restrictions on Sunday trading
- ... allowing voting by multiple methods. Make postal votes easier to get, and introduce on-line voting. Keep polling stations open at least 3 days before election day itself
- ... teaching British history in a non-PC way
- ... allowing draught beer to be served in measures other than pints and half-pints
- ... making sure there is competition between British airports
- ... combining Income Tax and National Insurance into a single, more honest, tax
- ... putting in place more opportunities for pre-legal mediation
- ... delivering real deregulation of liquor licensing laws, to reduce the volume of trouble generated by accelerated drinking and the flash-points surrounding closing times at 11pm and 2am. Instead, close down bars that have a bad record on noise, nuisance and violence
- ... introducing a 'Vacant Lot' tax for all unused brown-field sites and empty buildings
- ... investing in a BBCWorldService.com in multiple languages, as part of a modern foreign policy
- ... prosecuting those advertised on fly posters
- ... prosecuting those answering prostitution lines advertised in telephone boxes and closing the lines immediately, without asking questions
- ... having a government mark to indicate approval of a trade association. If we're looking for a plumber to install a gas oven, we probably know to look for a CORGI-registered company. But we don't know what the trade body is if we're installing a burglar alarm or an electric light or buying a time-share or signing up to an ISP
- ... bringing back navy blue passports

