

Why I am a liberal

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15 December 2008

Demos

Check Against Delivery

Liberalism, Socialism and Conservativism

First, a bit of sycophancy aimed squarely at you, Demos, the host of this event.

In an article last week, Richard Reeves, your Director, defined progressive politics.

It is, he said:

“about the production and distribution of power. To be progressive is to support environments in which individuals have the capabilities and opportunities to be self-governing; to oppose dependency and subjection in all their social and economic forms and to ensure people have the collective power to shape the conditions of their shared, overlapping lives. In short, a society of citizens, not subjects.”

For someone increasingly tutored in the thirty second soundbite, I have to say this doesn't exactly trip off the tongue.

But it's dead right.

Liberalism, progressive liberalism, has always been and always will be about the dispersal and distribution of power.

A liberal abhors excessive concentrations of power in politics and economics alike. I believe monopoly in the market place is as destructive of creativity and autonomy as is monopoly in politics.

And underpinning this attitude towards power, there is a particular liberal attitude towards people.

Like all liberals, I have an optimistic attitude towards people.

That most people, most of the time, will make the right decisions for themselves, their family and their community.

A belief in the dispersal of power only makes sense if sustained by this optimism. There would be little point in dispersing power from Governments to citizens, families and communities if you didn't think they have the capacity to put that power to better use than Governments themselves.

This, of course, is the fundamental difference between progressive Liberalism and progressive Socialism, a difference which has endured for the best part of a century and lives on in the modern Liberal Democrat and Labour parties.

Liberalism believes fairness, fulfilment and freedom can be best secured by giving real power directly to millions of citizens.

Socialism believes that society can only be improved through relentless state activism, a belief driven by far greater pessimism about the ability of people to improve their own lives.

A Liberal believes in the raucous, unpredictable capacity of people to take decisions about their own lives.

A Socialist believes in the ordered, controlled capacity of the State to take the right decisions about other peoples' lives.

A Liberal believes a progressive society is distinguished by aspiration, creativity and non conformity.

A Socialist believes a progressive society is characterised by enlightened top-down Government.

Meanwhile, the Conservative tradition in British politics has oscillated wildly between a paternalistic view of the state – as sceptical as the Left of the capacity of people to take charge of their own lives – to an aggressive consumerism wedded to an unreformed model of politics at home and a brittle, slightly neurotic, nationalism abroad.

The modern Conservative Party seems to me to be beached between these two traditions – keen to take a softer, paternalistic attitude towards social issues whilst taking an increasingly sink-or-swim attitude towards those hit by the economic downturn and a doctrinaire hatred of the EU.

The great strength of British Conservatism has been its aversion to excessive theorising, and respect for simple pragmatism.

But I'm not sure how even the most ingenious pragmatist will make sense of these new contradictions.

Liberalism works in bad times too

Optimism in people.

Dispersing power.

These then are the key instincts of Liberals.

But surely this optimism makes no sense when the newspapers are filled almost daily with harrowing accounts of people doing untold damage to others?

Karen Matthews, who had her own daughter kidnapped, drugged, bound and imprisoned to try and make some money.

The mother and step-father of Baby P, who beat their child to death.

The father in Sheffield who raped his daughters for twenty years.

How on earth is it possible to be optimistic about human nature with these crimes in mind?

And surely, as the economic recession tightens its chilling grip, Big Government is the only answer? Only the State can provide the protection and intervention needed at a time of economic emergency?

How, in this mood of uncertainty and angst, do you convince people that liberalism is not just a ginger beer doctrine for sunny days and picnics?

Wasn't it precisely economic liberalism which spawned the regulatory failure and corporate greed which toppled our economy into a binge of unsustainable private debt?

I flatly reject both allegations.

Evil may be the right word to describe what some individuals have done to others, especially their own children.

But our outrage as a people...

Our fury...

Our determination to stamp out these crimes wherever we can...

Shows that as a society – we are moral, we are decent.

And we have a choice: do we let the worst set the rules?

The world is not made up of the horrific examples I've listed.

These cases make the news because they are extra-ordinary.

Most parents, almost all parents, are loving, caring, and put themselves last when it comes to decisions that affect their children.

There are minor miracles done by parents, teachers, carers, total strangers, every day in schools, hospitals, homes, playgrounds.

Acts of kindness that are the overwhelming majority of human experience.

It is disaster politics to assume otherwise.

We know that it was the disaster politics response to the killing of Jamie Bulger that led to a massive upswing in the number of children in prison or prison-like secure accommodation.

And we know it isn't doing any good, it isn't cutting crime, it's just turning fragile children into damaged adults.

Turning out a generation of career criminals.

Yes, we need to protect against the worst, but we should not assume it.

Liberal economics

But it's the suggestion that the economic crisis demands a newly interventionist and activist state which I'd like to concentrate on today.

It's a suggestion that is made with increasing frequency on the Left, especially those in the Labour Party who never liked New Labour in the first place and now want to see a rapid return to an activist, Fabian state.

But it is liberalism which provides the best guide for what has gone wrong: a monumental failure of regulators and Governments to hold businesses to account, to identify and assess risk, to impose transparency on markets whose complexity made them increasingly immune to scrutiny.

Liberal economics is not laissez-faire economics.

Liberal economics believes our prosperity depends on regulation to challenge monopolies, to create a level playing field between big and small companies, to keep trade open and fair, to ensure short termism in business does not usurp our long term duty to the environment, and to give consumers the rights and information they need.

In other words, liberal economics rests on the idea that we have to get the rules right to allow the dynamism of a liberal economy to serve society's wider needs.

What it does not believe is that the State should seek to micromanage the economy, or run vast swaths of it directly itself.

By any standard, the failure of Gordon Brown to anticipate the end of an unsustainable housing boom or to halt the insanely leveraged business models pursued by a raft of British banks was a spectacular failure to understand the basic principles of a liberal economy: the rules were simply wrong, or absent altogether.

That is why the liberal critique of what went so wrong in recent years has now proved to be so accurate: we understood earlier than others that the City was not being adequately regulated, that an overheated housing market demanded new policy responses, and that the oligopoly which now exists in the energy market is not serving British families.

What we need now is a resetting of the rules which govern a dynamic, liberal economy – not a lurch back towards the economic policies of the 1970s.

Social, ecological and political crises

And what we also need to understand is this: the economic crisis rightly dominates the political debate today, but it also obscures deeper challenges which the country was already facing, and which are now further exacerbated by recession:

A social crisis.

An ecological crisis.

And a political crisis.

Social Crisis

Take the social crisis first.

Our society is deeply unfair.

The difference in the way that the recession is hitting those at the bottom compared to those at the top makes it impossible to pretend otherwise.

In 1997, when New Labour promised a new era for what we now call social mobility...

When they guaranteed that no one would be left behind because of their upbringing, the circumstances of their birth or the wealth of their parents...

And that everyone would have a chance to make something of themselves...

I, like many people, held out hope.

But the New Labour project has failed.

Relentless central Government activism has not produced the fairness we were promised.

After years of unprecedented Government expenditure and target setting, social mobility is worse now than it was in the 1950s.

Millions of children still go without, living in cramped and filthy accommodation.

This Christmas 4.5 million people will only be able to afford to heat one room in their homes.

And adults with disabilities are now twice as likely to be poor than those without disabilities.

Opportunity hasn't got better under Labour.

It's got worse.

And I believe a liberal society is impossible if children are condemned for life – their education, their health, their economic well being – by the circumstances in which they were born.

In parts of Britain today there is an almost caste-like distinction between different communities: a child born today in the poorest neighbourhood in Sheffield will die on average fourteen years before a child born in the most affluent neighbourhood a few miles away. Recent research suggests that a bright child from a deprived background will have fallen behind a less bright but more affluent child by the age of six, and the gap will simply widen in subsequent years.

It doesn't have to be like this.

Because I believe that there are so many things that we can do differently.

For a start we can change the way we tax people.

Our tax system punishes the worst off, who pay a higher proportion of their income in tax than the richest.

Leaving people on low and modest incomes unable to cope with rising prices or higher fuel bills.

We should be cutting taxes for ordinary families, paid for by closing the multi billion pound loopholes and exemptions which only benefit large corporations and wealthy individuals.

I am not advocating a return to the politics of envy.

As the fact that Gordon Brown's new 45p income tax rate will raise no extra money shows, gesture politics has no place in the taxation debate.

But I am advocating a simpler, more transparent, and fairer tax system which obliges those at the top to pay their fair share rather than avoid tax, and puts money back in the pockets of those on middle and lower incomes. Over the coming months, we will be setting out new, more detailed proposals to achieve just this.

We can also change the way we provide childcare.

My party has new plans to provide free childcare for all toddlers from the age of eighteen months.

Childcare costs are a punitive burden for so many parents today, inhibiting the freedoms and choices which parents in other countries take for granted.

And currently there is no help with childcare costs at all until a child is three years old.

If people want to work, let them.

We would offer 19 months of parental leave...

Shared between mothers and fathers...

So that - if they want to - men can stay at home with their children.

And - if they want to - women have more opportunities to get back into work.

We are also developing new policies which would target extra resources at the most deprived children, especially in those crucial early years of education, and introduce significantly lower infant class sizes.

If we don't target help early on in a child's education, it is virtually impossible to make up for it later in life.

I don't believe Britain is yet a country fit for children.

Our plans would revolutionise the care and schooling provided to young children, so giving both parents and children peace of mind and opportunities that have been denied them for far too long.

It's not rocket science.

A fairer, better balanced society rests on giving people a break – a chance.

Creating opportunities, and - crucially - empowering people to take those opportunities.

Empowering people to achieve their potential, to make their own lives better.

Ecological crisis

The second crisis isn't restricted to the UK.

It's the ecological crisis, and it hangs over all of us.

Everyone in this room will know about the dangers I'm referring to.

About dangerous climate change...

About environmental degradation, deforestation, rising sea levels...

Threats that are wiping out species across the globe and that are now threatening our own.

Just last week we saw Europe miss a huge opportunity for meeting green house gas targets, by giving heavily polluting industries exemption from carbon trading schemes.

Nation states bowed to pressure from big business, and there was no international body with the authority to stop them.

In exactly the same way we need international regulation to mitigate the worst excesses of our financial institutions, we need international regulation to protect our environment from self-interested elites.

Global problems require global solutions.

But only liberals truly believe in international governance.

In pooling sovereignty at supranational level.

That is why we are such steadfast supporters of Britain's role in the EU: so many of today's problems – economic, security, environmental – escape the clutches of the nation state. We can only successfully govern ourselves if we are prepared to govern together with others.

A policy of splendid isolation would leave the UK less, rather than more, capable of influencing the world around us.

Anti Europeans invoke sovereignty to justify their rejection of the EU when their actions would in reality curtail our sovereignty in an increasingly borderless world.

Liberals have been the driving force behind the growing structures of international law and cooperation.

That is what we must build on to tackle the ecological crisis.

And at the other end of the spectrum, liberalism also recognises the role of individuals and small scale innovation in resolving this crisis.

Although he may not believe it, Gordon Brown cannot save the world single-handedly.

Take energy: we need an energy revolution that moves us away from a reliance on heavy handed, statist fuel supplies, like nuclear power or dirty coal...

Towards a radical reduction in the amount of energy we use through much greater efficiency in the home, and a far greater diversity of new energy sources.

That means changing behaviour at the individual level, encouraging and helping people to alter the way they consume energy, and creating an energy grid capable of taking energy from a multitude of sources, big and small.

Crisis of trust in the way people are governed

The final crisis we are facing is a crisis in public trust in politics, in the way we are governed.

The figures speak for themselves:

Labour was elected on just 22% of the eligible vote.

In 2001 more people stayed at home than voted for the winning party.

In 2005 it happened again.

I have made no secret of my despair at Westminster...

For the way that the vast majority of voters in Britain are disenfranchised through an unfair electoral system...

For the way that dissent is silenced and pluralism is stifled.

Our political system acts as a roadblock to reform.

And it doesn't create pressure for real change, it just promotes the interests of the political class.

I believe we need to transform politics entirely.

Maybe that has something to do with the way I've come at it - from the outside in.

I didn't rise through the ranks of the Westminster village, and I was lucky enough to spend many years looking at the way politics works in other countries.

Even now, I spend every minute I can outside the Westminster village – I've held 30 town hall meetings around the country in the last 10 months alone.

And what I hear all too often is that people are switching off.

The economic downturn is exacerbating the political crisis.

People are growing even more fed up with the politicians they don't believe can or will help them.
So they are giving up.

And there is a chance that as large swathes of them turn off politics completely...
Others will turn to extremism.
That as more people lose their jobs, and end up on the streets, an alienated and frustrated minority will turn to aggression, to hate and to blame.

I have been appalled by the way Ministers have been playing to these simmering tensions.
Hardship creates anxiety, scarcity creates suspicion...
Yet we have seen the Justice Minister denounce human rights...
The Immigration Minister blame misery on asylum seekers...
And the Home Secretary scaremongering over Zimbabwean refugees coming here and spreading cholera.

This isn't leadership.
This is pandering to fear.
The only way we will make it through the hard times ahead, the only way we'll build a fairer, more cohesive society, is if we come together.
Not if we drive people apart.

Liberalism seeks to bring people together by recognising our own freedoms are dependent on the freedom of others.
I uphold your freedoms because you uphold mine.
I believe in you, because you believe in me.

And liberalism deflates extremism because it seeks to give people a voice.
A liberal politics spreads power fairly.
That means radical decentralisation away from Whitehall and Westminster.
A fair voting system.
And getting big money out of politics once and for all.

At a time of fear, people need hope

I have attempted to explain what I think is unique about Liberalism: its optimism in people, and its belief that power should be dispersed, given back to people.
The economic turmoil we face today is a direct consequence of a failure to adhere to simple liberal principles in the way we run our economy.
And we continue to face the triple challenge of a society which is unfair, ecologically unsustainable and disfigured by distrust in politics.

These problems all stem from power being in the wrong hands, or in too few hands.
That's what keeps people poor, it's what prevents us from protecting the planet, and it's what feeds the growing disillusionment towards politics.

So the solution must be sharing power, rather than hoarding it.
Giving people a say over their own lives.
Trusting people to make the right judgements for themselves, their families and their communities.

At the next General Election the Labour Government will no doubt say that they should be re-elected to get us out of this mess even though they're heavily responsible for it in the first place.

The Conservatives will no doubt say it's time for a change even though they have no intention of delivering real, lasting change.

I believe it will be the opportunity for Britain to do things differently.

To create a fairer society.

A greener economy.

A politics of trust.

Because at a time of fear, I believe people want hope.

Thank you.