

**THE NEW RIGHT THINK TANKS  
AND POLICY CHANGE IN THE UK**

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# *Abstract*

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It has often been claimed that, during the 1980s and early 1990s, the new right think tanks — namely the Institute of Economic Affairs (IEA), Centre for Policy Studies (CPS), and Adam Smith Institute (ASI) — had a major impact on policy-making and policy change. This thesis addresses such claims by examining three reforms in which the new right think tanks have been attributed an influence — bus deregulation, education reform, and prison privatisation. It seeks not only to empirically assess their impact, but also to relate these findings to the policy-making literature, in particular the Rhodes Model which emphasises policy continuity and the Advocacy Coalition Framework which seeks to explain policy change.

It is argued that the new right think tanks had an impact on all three policy changes, as members of "advocacy coalitions", although the nature and extent of this impact varied. In some cases, the IEA, CPS, and ASI were able to have a direct impact on policy change, obtaining access to policy-makers through coalition allies. In other cases their impact was indirect, in shaping the broader "climate of ideas". The new right think tanks also contributed to new patterns of policy formulation, although there is limited evidence of any long-term structural impact on policy-making in these areas. It is also argued that the case studies raise a number of issues for the Rhodes Model and the Advocacy Coalition Framework, although these could be addressed by integrating the two to develop an approach to account for both policy continuity and policy change.

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# *Abbreviations*

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ACC	Association of County Councils
ACF	Advocacy Coalition Framework
ADC	Association of District Councils
AMA	Association of Metropolitan Authorities
ASI	Adam Smith Institute
BCC	Bus and Coach Council
BSIA	British Security Industry Association
CCO	Conservative Central Office
CJCC	Criminal Justice Consultative Council
COMA	Committee on the Medical Aspects of Food Policy
CPS	Centre for Policy Studies
CPSESG	Centre for Policy Studies Education Study Group
CPRS	Central Policy Review Staff
CLEA	Council of Local Education Authorities
CNACE	Conservative National Advisory Council on Education
CPPU	Crime Policy Planning Unit
CRD	Conservative Research Department
CTC	City Technology College
DEmp	Department of Employment
DES	Department of Education and Science
DfEE	Department of Education and Employment
DHS	Deloitte, Hoskins and Sells
DOE	Department of the Environment
DoH	Department of Health
DTp	Department of Transport
EPF	European Policy Forum
ERA	Education Reform Act (1988)
FEVER	Friends of the Education Voucher in Experimental Regions



GLC	Greater London Council
GMS	Grant Maintained School
IEA	Institute of Economic Affairs
IFS	Institute for Fiscal Studies
IPPR	Institute for Public Policy Research
IPT	Informal Passenger Transport
ILEA	Inner London Education Authority
LEA	Local Education Authority
LMS	Local Management of Schools
LSE	London School of Economics
HASC	Home Affairs Select Committee (House of Commons)
HMI	Her Majesties Inspectorate
MSC	Manpower Services Commission
NACRO	National Association for the Care and Resettlement of Offenders
NASUWT	National Association of Schoolmasters / Union of Women Teachers
NAPO	National Association of Probation Officers
NCC	National Curriculum Council
NBC	National Bus Company
NCES	National Council of educational Standards
NIESR	National Institute for Economic and Social Research
NTBG	No Turning Back Group
NUT	National Union of Teachers
PAC	Penal Affairs Consortium
PAR	Programme Analysis and Review
PGA	Prison Governors Association
PNP	Prisons are Not for Profit!
POA	Prison Officers' Association
PPBS	Planning-Programming-Budgeting System
PRT	Prison Reform Trust
PTA	Passenger Transport Authority
PTCG	Public Transport Campaign Group
PTE	Passenger Transport Executive
PTEG	Passenger Transport Executive Group
RPTSG	Road Passenger Transport Steering Group
SAU	Social Affairs Unit
SBG	Scottish Bus Group
SCE	Standing Conference on Education
SEAC	Schools Examination and Assessment Council

SCAA	Schools Curriculum and Assessment Authority
SMF	Social Market Foundation
TES	Times Educational Supplement
TSC	Transport Select Committee (House of Commons)
TSG	Transport Supplementary Grant
TVEI	Technical and Vocational Educational Initiative
UKDS	United Kingdom Detention Services

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For my parents

# *One*

## *The Parameters of Analysis*

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Over the last twenty years think tanks have become an integral part of the British political landscape. During the 1980s, media and academic attention focused largely on the three "new right" think tanks: the Institute of Economic Affairs (IEA); Centre for Policy Studies (CPS); and the Adam Smith Institute (ASI).<sup>1</sup> The number of think tanks has grown steadily in recent years. Since 1988 the Institute for Public Policy Research (IPPR) and Demos have been established on the left/centre-left, while the European Policy Forum (EPF) and the (re-launched) Social Market Foundation (SMF) have been established on the right/centre-right. In 1995 another new right think tank was formed, Politeia, "dedicated to carving out a revolutionary new social policy agenda for the rest of the century" (The Times 19.10.95).

Of course, think tanks are not recent innovations. The Fabian Society dates back to 1884, Political and Economic Planning to 1931,<sup>2</sup> and the IEA to 1957. Nor should think tanks be seen as purely partisan or ideological organisations. The Institute for Fiscal Studies (IFS), for example, specialises in the study of budgetary and taxation issues. However, it is the work of the IEA, CPS, and ASI which deserves the closest scrutiny for it is widely perceived that these three institutions played a significant role in defining and developing "Thatcherism". The Times claimed that Mrs Thatcher had "three favourite boutiques", the IEA, CPS, and ASI, from which she could "buy policies ready made off the shelf" (17.02.89). According to The Sunday Times "think tank commanders were the SAS of Toryism, working silently behind enemy lines, destroying outmoded policies, capturing the hearts and minds of ministers in pursuit of national revival" (21.04.94). Some suggested that policy-making had become privatised (The Spectator 23.04.88; The Times 17.02.91).

Moreover, the perceived success of the IEA, CPS, and ASI perhaps helps explain the growth of think tanks since the late 1980s. Cockett argued that "the new generation of

think-tanks on the left has consciously taken its cue from the success of the free-market think tanks that launched the Thatcherite revolution: the Institute of Economic Affairs, the Centre for Policy Studies, the Adam Smith Institute *et al'*" (The Times 08.08.94). In its promotional literature the IPPR claims that, when it was founded in 1988, "its purpose was to provide an alternative to the then-influential free-market think tanks".

The above observations raise two important issues which need to be disentangled. The first is that the new right think tanks were influential in bringing about policy change. The second is that they contributed to changes in the way in which policy is actually made. This research addresses both these claims. It shows how the IEA, CPS, and ASI attempted to influence policy, examines their relationship with other actors in the policy process, and assesses their impact on policy change and policy-making in three policy areas. The obvious limitations attached to any research such as this are acknowledged, namely the difficulties of quantifying "impact", and "proving" causal links between the work of specific policy actors and policy outcomes. However it is still possible to make a qualitative judgement of the impact of the new right think tanks. This research adopts a research framework, the "template", which attempts to incorporate the key factors which influenced policy change. This allows the contribution of the new right think tanks to be placed in its proper context. The template is then applied to three case studies: bus deregulation and the Transport Act 1985; secondary education reform and the Education Reform Act 1988; and finally prison privatisation, contained in the Criminal Justice Act 1991.

This introductory chapter has four sections. The first reviews the UK literature on think tanks, and identifies a major gap in the literature. The second explains how this research intends to fill that gap, and outlines its aims and the approach used. The third section outlines the research strategy and methodology adopted. The final section provides a brief outline of subsequent chapters.

## THE THINK TANK LITERATURE IN THE UK

The study of think tanks in the UK has generated a growing body of literature in recent years. Previously, the academic literature on the subject was said to be "underdeveloped" (James, 1993: p.492) and "meagre" (Denham and Garnett, 1995: p.324). Prior to 1996, there had been little produced on think tanks, other than Richard Cockett's Thinking the Unthinkable (1994).<sup>3</sup> However, four further books were published in 1996: Think Tanks of the New Right by Andrew Denham;<sup>4</sup> Capturing the Political Imagination by Diane Stone; and a two-volume work entitled Ideas and Think Tanks in Contemporary Britain edited by Michael David Kandiah and Anthony Seldon.<sup>5</sup> This section first highlights the early contributions of the study of think tanks from a number of articles prior to 1994. Second it assesses the major strengths and weaknesses of the four substantive book-length studies indicated above.

The academic study of think tanks in the UK began to develop momentum only in the late 1980s/early 1990s, with the appearance of a small number of articles. Some of these were comparative. Gaffney (1991) compared the IEA, CPS, and ASI with ministerial *cabinets* in France, while Stone (1991) examined how the respective constitutional, institutional, cultural and legal environments helped explain differences in the number and type of think tanks between the US, UK and Australia.<sup>6</sup> Other articles addressed specific think tanks, such as the IFS (Kay, 1989), the PSI (Daniel, 1989), and the IPPR (Cornford, 1990). Of these three, only Cornford makes any broader observations about think tanks in the UK. He questions some of the exaggerated claims made about think tank influence, calling them "the performing fleas of the body politic, constantly seeking that critical moment when a small sting may goad the beast in the right direction" (1990: p.22). Similarly, according to James:

The impact of think tanks on Britain's policy-making system has been marginal rather than structural. Just as it is no longer possible to dismiss think tanks as irrelevant cranks, so it is unrealistic to claim (as some free market zealots have done) that policy making *has been snatched from the hands of Whitehall*. Yet while one can point to successful and unsuccessful bodies, it is difficult to draw any general conclusions about think tanks as a class (1993: p.504).

Drawing on examples from a range of think tanks, James's article broke new ground in attempting to evaluate their impact on British government. Yet, despite his own warning, James was himself guilty of drawing general conclusions. It is doubtful, for example, whether the impact of all think tanks was equally "marginal". James himself conceded that there has been "successful" and "unsuccessful" bodies. Moreover, James did not adequately distinguish between the various types of think tanks and the different functions they perform, and was thus unable to suggest the extent to which certain types of think tanks were more or less "marginal" than others. The influence of think tanks was also likely to have differed between policy areas, yet the various factors determining their influence were not addressed. This research will attempt to distinguish between the different types of think tank, and will suggest how the contribution of the IEA, CPS, and ASI to the policy process was distinctive from that of other think tanks. It will also identify the variables which influenced the impact of new right think tanks across three case studies. Although any generalisation based on three case studies must be qualified, the research nevertheless provide a starting point in the attempt to establish which factors determined think tank impact on any particular policy change.

To date there has been little debate regarding the impact of think tanks on British government. Only Denham and Garnett (1994, 1995) have responded to James's article, although they focus their attention largely on the issue of definition (see chapter 2). Surprisingly, given the attention and influence attributed to the new right think tanks by sections of the media, there have been few articles looking specifically at the IEA, CPS, and ASI collectively. One exception to this is Desai (1994), who sought to identify lessons for the left from the role of the new right think tanks in Thatcherism's "struggle for hegemony", although Desai's analysis largely accepted assumptions of influence uncritically. It was only with the publication of Thinking the Unthinkable in 1994 that a detailed analysis of the significance of the new right think tanks was attempted.

### **Thinking the Unthinkable, Richard Cockett (1994)**

Cockett's Thinking the Unthinkable is "a study of the revival of the doctrine of 'economic liberalism' in British political life, from 1931 to 1983" (1994: p.2), and the incorporation of these ideas into the reform programme of the Conservative Party under Mrs Thatcher.



Cockett endorses Maurice Cowling's opinion that the pioneers of this economic liberal counter-revolution numbered around fifty people. Thinking the Unthinkable "is the story of those fifty people" (*ibid*). Cockett's study emphasises the role of the new right think tanks in bringing about this new orthodoxy of economic liberalism. Cockett argues that the new right think tanks "did much to articulate and publicize the application of 'economic liberalism' to economic affairs" and "did as much intellectually to convert a generation of 'opinion-formers' and politicians to a set of ideas as the Fabians had done with a former generation at the turn of the century" (*ibid*).

The strength of Thinking the Unthinkable lies in the detail in which the evolution and development of the counter-revolution movement, and its relationship with the Conservative Party, is explained. Drawing upon a wealth of archival and interview material, Cockett is able to chart the growing importance of the IEA, and later the CPS, to senior Conservatives such as Enoch Powell, John Biffen, Keith Joseph, Geoffrey Howe and Margaret Thatcher. It is also a fertile source of information regarding the foundation, evolution, strategy and output of the new right think tanks. However there are two main weaknesses. First, Cockett fails to produce a conceptual framework, or "lens" through which the reader can interpret the evidence provided. The reader is presented with plenty of information but little instruction as to its importance or use. It is unclear, for example, how this information relates to the relationship between think tanks and the broader political environment, or the relationship between think tanks and other political actors (are think tanks to be treated as individual organisations, or part of "coalitions", or "networks"?).

The first two-thirds of Thinking the Unthinkable concentrate on the years before Mrs Thatcher became leader of the Conservative Party. Cockett's analysis of this period produces an informative and readable historical account of the arguments against the then "Keynesian consensus". However, after Mrs Thatcher became leader of the Conservative Party in 1975, the number of think tanks, study groups and individuals involved increases significantly. The policy agenda broadened from one largely concerned with economics to one placing a greater emphasis on social policy. Lacking a conceptual framework, Cockett is unable to present these developments effectively - the purpose of this information, or how it supports his central thesis, is often unclear. As such, the final third of the book at

times reads as a sequence of mini-biographies of individuals and organisations, with only superficial treatment of their impact upon specific policies.

A second criticism is that Thinking the Unthinkable lacks a contextual framework. In maintaining that the new right think tanks played an important role in bringing about the "new political economy", and by describing that role, Cockett fails to take into account other contributory factors. As one reviewer observes, Thinking the Unthinkable has nothing on the oil shocks of the 1970s which did so much to undermine Keynesianism, or the Labour divisions on Europe which contributed to Conservative victories in 1983 and 1987 "without which economic liberalism would not have triumphed in the same way" (Douglas, 1994: p.245). Any research which seeks to evaluate the role of think tanks (or indeed any groups or individuals) in the process of policy change must also take into account the broader political, economic, and social context within which change occurs. This will help determine whether think tanks were the prime movers in policy change, opportunistic policy entrepreneurs, or merely epiphenomenal.

#### **Think Tanks of the New Right, Andrew Denham (1996)**

Denham's Think Tanks of the New Right adopts a different approach to evaluating think tanks. Its stated aim is simply to examine "the ideas and policies of the New Right in contemporary Britain" (1996: p.iv). Denham outlined a more substantive aim in his thesis, claiming he wanted "to produce the first detailed study so far of the institutional significance or otherwise of New Right think-tanks in the period after 1975 in philosophical and policy terms" (1992: p.i). Denham assesses the impact of four new right think tanks, the IEA, the CPS, the ASI, and the SAU, exploring the philosophical and policy differences between them. Think Tanks of the New Right has a much sharper focus than Cockett's study. First, the philosophy and approach of each individual think tank is carefully examined. Second, these are applied to specific policy reforms, namely the Education Reform Act of 1988, and the Prime Minister's Review of the Health Service leading to the National Health Service reforms of the late 1980s. Finally, he considers the prospects of the new right think tanks in the post-Thatcher era.

The strength of Think Tanks of the New Right is the extent to which Denham distinguishes the philosophical differences between the four new right think tanks. There has been a tendency (especially in the press) to group together the IEA, CPS, ASI, and to a lesser extent the SAU, with little appreciation of their individual characteristics. Denham shows that, philosophically at least, each is distinctive and reviews the different schools of thought which drive their work: the Austrian, Chicago and Virginia schools of economics for the IEA; the social market for the CPS; micropolitics for the ASI; and the "ignorance of social intervention" for the SAU. However, Denham's assessment of the impact of the new right think tanks on the health and education reforms has major weaknesses.

Denham's arguments can be criticised on the grounds of what he believes to be evidence of cause and effect. For Denham's analysis is almost entirely dependent on think tank publications. The case study on education reform, for example, dedicates over half the chapter to a review of think tank publications on the subject. There is very little on how the IEA, CPS, ASI, and SAU attempted to translate their ideas into Government policy, or of the overlap and interaction between them and other political actors.<sup>7</sup> In education, an argument that the think tanks were "useful but exaggerated" (1996: pp.109-110), is based upon the testimony of a single special adviser, Stuart Sexton (although this view is neither questioned nor endorsed by Denham). In the case study on health, Denham argues that the CPS was "more influential" in bringing about the NHS review than the other new right think tanks. However, not only do his arguments depend heavily upon a single, secondary source,<sup>8</sup> but the evidence presented is largely circumstantial. He argues, for example, that the CPS was "instrumental" in bringing about the Prime Minister's review, on the basis that it published a pamphlet shortly before the review was announced. Yet no evidence is produced to support this interpretation (*ibid*). Noticeable in Denham's analysis is the lack of broad-based primary evidence. For example, there is no interview material in either case study from civil servants who might have been well-placed to see what impact (if any) the new right think tanks had directly on policy formulation. The absence of such perspectives undermines Denham's arguments.

The case studies also overlook the possible consequences that any "impact" of the new right think tanks might have on conventional models or patterns of policy-making. As will be shown in chapter 3, an important aspect of the work of the new right think tanks is the

extent to which they might have been used by the Conservative Government to bypass groups and service providers who would normally expect to be consulted in the process of policy change. However, models of policy-making are not addressed by Denham. Moreover, Denham's final chapter avoids drawing any general conclusions or hypotheses regarding the impact of the new right think tanks, focusing instead on the philosophical differences and challenges which they face in the 1990s. Thus, although an informative work on the philosophical similarities and differences between the new right think tanks, Think Tanks of the New Right does not really consider their "institutional significance" and as such makes only a limited contribution to understanding their role in policy-making.

### **Capturing the Political Imagination, Diane Stone (1996)**

Diane Stone's Capturing the Political Imagination does seek to link the subject of think tanks with models of policy-making, agenda-setting, and policy change. It is a comparative study of think tanks from the US and the UK, described as "a step towards establishing why think tanks have proliferated primarily in the US" (1996: pp.3-4). However, Stone covers much more ground than this, looking at such areas as definition and classification, the organisational dynamics of think tanks, models of policy-making, and think tank influence. The broad scope of this study means that the book does not so much construct and defend a specific argument, but compares think tanks across a number of dimensions, such as think tanks as part of "knowledge communities", "policy entrepreneurs" or "second-hand dealers in ideas". A running theme throughout the book is the notion of think tanks as disseminators of knowledge and ideas. Recognising the methodological difficulties of quantifying the influence of think tanks, Stone attempts to incorporate the work of think tanks within policy-making concepts, and in particular epistemic communities (addressed in chapter 3). Given the breadth of Stone's study it would be difficult to review all her arguments in the space available here. But she raises a number of important points, many of which this research endorses, regarding methodology and policy-making which will be addressed in the relevant sections below.

**Contemporary British History: Ideas and Think Tanks in Contemporary Britain**  
**Vols. 1 & 2**

This two-volume study seeks to assess the influence of ideas and think tanks through a collection of articles, transcribed interviews, and "witness seminars". All of the interviews address the influence of ideas on a particular policy area (such as defence policy, or economic policy) or the influence of a particular discipline (such as philosophy or sociology) in post-war Britain. The interviewees are leading academics or commentators in their field. The two witness seminars address the No.10 Policy Unit, and "The Market Place of Ideas". Only the articles specifically address the work of think tanks.

The collection provides a comprehensive survey of contemporary think tanks, including articles on the IEA, CPS, ASI, SMF, Demos, the Fabians, and the IPPR. In some cases the articles make an original contribution such as those on Demos (Bale, 1996) and the SMF (Baston, 1996), neither previously addressed in the academic literature. These articles are largely biographical and historical rather than analytical, but provide valuable background information on two relatively young think tanks. Muller's (1996) study of the IEA, however, largely re-visits ground covered by Cockett. An opportunity to go beyond 1983 (where Cockett's analysis ends) is somewhat wasted, as the main focus remains on the IEA's earlier phases. Harris's (1996) study of the CPS is less repetitive in this respect and provides more analysis of its role in policy-making, such as the "paradoxes" faced in sustaining its influence (see Chapter 2). Heffernan's (1996) study of the ASI brings together a variety of primary and secondary material into a convenient article format, and takes the history of the ASI beyond 1983 to 1996. The articles on the centre-left think tanks are timely, given Labour's victory in the 1997 election. Largely overshadowed by the new right think tanks in recent years, their role in the contemporary left and "New" Labour had been neglected. These articles (which focus on Labour's years in opposition) will form a useful base for any future analysis of the impact of the centre-left think tanks on the Blair Government. All these case studies have their limitations. In particular there is little engagement with the policy-making literature, although as these articles are a contribution to the study of British contemporary history rather than political science it would perhaps be inappropriate to identify this as a serious criticism.

Other articles address the impact of think tanks in the UK generally. Like Cornford and James, Denham and Garnett (1996) play down the impact of the new right think tanks since 1979. They argue that studies showing that 75% of economists, many Conservative politicians, and the wider public do not agree with the free market message "shows that the victory of economic liberalism has been incomplete" (1996: p.51).<sup>9</sup> Denham and Garnett conclude their article by maintaining that "it is more valuable to investigate the impact of 'think tanks' on the 'climate of opinion', which in turn affects government, rather than trying to trace decisive influence over specific policies" (1996: p.57). But, they do not explain why this is so, or how the impact on the "climate of opinion" can be measured. It is also a strange assertion to make given that think tank publications, conferences and coalition-building focus on specific policy areas. As such, specific policy areas may well be a more logical starting point for assessing think tank influence, although the "climate of opinion" would form part of the context of policy change.

Whatever the strengths and limitations of individual articles, the weakness of the study as a whole is that it lacks a substantive purpose. Its aim, stated very simply, is to consider "the influences on politics and policy-making", and "the place and significance of ideas in the shaping of British policy-making" (Kandiah and Seldon, 1996: p.1). How this is to be achieved is unclear. There are no common themes running through the individual case study articles which could be used as a basis for comparison. There is no conclusion to bring the individual contributions together, and no hypotheses concerning the role or impact of ideas and think tanks generally. There are brief "Afterthoughts" provided by Richard Cockett, but this does not compensate for the lack of a general conclusion.

### **Building on the Literature**

The study of think tanks has, in recent years, produced a body of literature which now gives us a greater understanding of the histories, philosophies and organisational structures of think tanks in general, and of the new right think tanks in particular. Attempts have also been made to assess the impact of the new right think tanks on specific policy change, and to incorporate think tanks within particular concepts in the policy-making literature. However, claims that the impact of the new right think tanks has been only marginal (Cornford, 1989; James, 1993; Denham and Garnett, 1996), or substantial (as many of the

media quotes in this research suggest) are largely over-generalisations based upon selective evidence. Consequently a significant gap in the literature exists - there is very little case study material (with the exception of Denham, 1996 and Stone, 1996)<sup>10</sup> on which to make informed judgements about the impact of the new right think tanks. This research attempts to help fill that gap.

## RESEARCH AIMS AND APPROACH

*The primary aim of this research is to assess the impact (if any) of the new right think tanks on specific policy changes in the UK, and the extent to which the IEA, CPS, and ASI either brought about, or benefited from, a change in the style or pattern of policy-making in these areas. The secondary aim is to consider the theoretical implications of these findings for the leading models of policy-making and policy change: the Rhodes Model and the Advocacy Coalition Framework.*

The new right think tanks are thus the independent variable – this research assesses their impact on policy change (the dependent variable). The focus on particular policy areas is justified because the new right think tanks largely targeted specific policy issues in their publications/seminars/conferences. The *style* of policy-making relates to the extent to which policy-making can be characterised, for example, by consultation or imposition (Jordan and Richardson, 1982). The *pattern* of policy-making refers to the line-up of groups who, in consultation with government, help shape policy outcomes - one policy area might be very open and another relatively closed, while some might be dominated by professional values and others by economic interests (the categorisation of such relationships is a key feature of policy network analysis, and in particular the Rhodes Model). The style and pattern of policy-making are addressed because of claims that they have changed significantly since 1979 and that the IEA, CPS, and ASI might have played a part in this shift.

Although the IEA, CPS, and ASI have been identified as the "agenda-setters" of the new right, it would be simplistic to say that they operated exclusively at the earliest stages of the policy process. This ignores the links that the new right think tanks had with other key

policy actors both inside and outside government, as part of a "new right network" which allowed them to influence policy in later stages of the policy process. As such the new right think tanks should be assessed through meso-level approaches, which attempt to link the processes of agenda-setting, policy formulation, and implementation. Two of the most influential meso-level approaches have been the Rhodes Model and the Advocacy Coalition Framework (ACF). Both focus on specific policy areas for their case studies and both put forward major propositions about how groups contribute to the policy-making process.

The dominant meso-level approach to understanding policy-making in recent years in the UK has been policy network analysis, described by Smith as "a means of categorising the relationships that exist between groups and government" (1993: p.56), and in particular the Rhodes Model. The Rhodes Model is perhaps the most widely used network approach in the UK and forms the basis of network discussion in this research. The Rhodes Model classifies group-state relations into five types of network, ranging from stable, restricted and highly integrated policy communities to unstable, unrestricted issue networks with limited degrees of interdependence. However, despite its clear contribution to our understanding of policy-making in the UK, it will be argued that the Rhodes Model is limited in explaining policy change and it is unclear how, or if, it could incorporate the work of the new right think tanks.

Alternatively the ACF addresses policy change, the role of groups in policy change, and the context in which change occurs. The ACF suggests that groups organise themselves into competing "advocacy coalitions", underpinned and held together by belief systems. The ACF is a causal model of policy change, arguing that change occurs when external events interact with stable parameters, which provide the opportunities for coalition members to influence policy. However, it will be argued that applying the various hypotheses of the ACF to the case studies in Part Two will not provide the necessary focus to address the primary research question highlighted above. This research therefore develops an alternative framework, or "template", which recognises the contributions of both the Rhodes Model and the ACF to our understanding of policy-making and policy change but which allows for the work of the new right think tanks to be given greater attention. The template is not an explanatory model but a mapping framework which



incorporates a range of important variables which either accelerate, promote, hinder or delay the process of change. By looking at the relationship between variables, it is possible to assess the contribution of each and focus on one in particular, in this case the new right think tanks. That is not to say that the template makes no contribution to the theoretical literature – the conclusions of the case studies have important implications for the Rhodes Model and the ACF, and it will be suggested why and how these approaches might be integrated.

The template is applied to the three case studies: bus deregulation; secondary education reform; and prison privatisation. It will be argued that, although impossible to quantify, it is possible to argue that the new right think tanks did have a noticeable impact on policy change although the extent of this impact varied between the case studies. Each case study suggests that policy change occurred in a context that was conducive to change, and that there were other influential policy actors (such as ministers and advisers) also advocating change. However, it would be simplistic to infer from this that the work of the new right think tanks was coincidental to the process of change. Not only can the new right think tanks be identified as part of advocacy coalitions (interacting with many of those actors), but they also contributed to the "climate of ideas" which helped determine the direction and content of policy change.

It will be argued that, on the basis of the three case studies considered, the IEA, CPS, and ASI helped promote and shape policy options in response to pressures and/or crises in individual policy areas, and were able to influence outcomes directly through other coalition members and ministers. It is not suggested that the new right think tanks transformed policy-making in the UK, but in some cases (education policy and bus deregulation) they were able to benefit from and exploit new points of access to policy-makers brought about by ministerial will. In other cases policy-making has always been relatively open (such as in penal policy) allowing groups (including think tanks) to participate. Overall, the direct impact of the new right think tanks on policy change and policy-making can be said to have been marginal in the case of bus deregulation and prison privatisation (although in different ways), and more significant in the case of education reform.

## RESEARCH STRATEGY AND METHODOLOGY

Researching the impact of think tanks on policy change presents tough methodological problems for political scientists, which perhaps accounts for the lack of research on the subject. Part of the difficulty is that think tanks are just one of a number of factors which help explain why change occurs. According to Stone:

It is impossible to establish a causal link between the activities of think tanks and policy outcomes. A particular policy and its implementation can rarely be attributed to the influence of one organisation (Stone, 1996: p.4).

Some of these methodological problems in evaluating think tanks are common to social science research as a whole in that it is rarely possible to use the experimental method (Mackie and Marsh, 1995). As such it is difficult to hypothesise with any degree of accuracy whether policy outcomes would have been different without the involvement of the new right think tanks. Even if it is argued that the new right think tanks were not directly influential in bringing about a policy change, it would be harder to prove that they had no indirect influence in shaping the "climate of ideas". Stone suggests that "One way to mitigate the problem of quantifying influence is by looking not at the *degree* of influence but the role think-tanks see themselves playing, the contributions they make to the policy process and how, or if, these contributions are used" (1996: p.4).

This thesis adopts the case study method as the central research strategy. It is a *multiple*, or comparative, rather than a single case study research strategy, examining three case studies. This approach allows for broader generalising than is possible with a single case study strategy, where there is always the possibility that the results highlight the exception rather than the rule. Yin notes that the advantage of the multiple case study strategy is that the evidence "is often considered more compelling, and the overall study is therefore regarded as being more robust" (1984: p.45). The major disadvantage of such a strategy is that there are fewer resources (time, money, word limits) available for each case study. In a multiple case study strategy, there must therefore be a balance between the specificity and detail necessary for each case study, and the resources available. The thesis requires there to be enough case studies for generalisations, but not so many as to oversimplify their results.

This section has three parts. The first addresses the issue of case studies, and outlines the three criteria which helped determine which ones were chosen. The second explains which sources are used, and the strengths and weaknesses of each. Finally it shows how the sources were used in the case studies, highlights the problems encountered, and how they were overcome.

## Case Studies

This thesis applies the template to three case studies: the deregulation of the bus industry; the reform of secondary education; and prison privatisation. Although no three case studies can be totally representative, efforts have been made to choose a selection of policy issues which help answer the key research questions. There were three criteria which helped determine the choice of case studies. First, that the new right think tanks were active in that policy area. Second, that there was change in that policy area. Third, that the case studies should not be exclusively focused upon a specific period of the Thatcher/Major governments (for example, 1987-88 when Mrs Thatcher was perceived to be relatively strong within her party) or upon a narrow area of policy, such as welfare or the economy. In short, the case studies should have variety across time and policy space. These three criteria will now be discussed in turn.

*The Requirement of Think Tank Activity:* The first requirement in selecting case studies was that the IEA, CPS, or ASI had actually advocated the policy change in question. This thesis does not purport to offer a general theory of policy change, address the "three faces" of power (Lukes, 1974) in British policy-making, or claim to undermine or endorse specific theories of the state - all of which might require case studies without new right think tank involvement. That is not to say that such exercises would not be worthwhile, but would detract from the principle objective of this research which is the role and impact of the new right think tanks on specific policy changes. Such an exercise would be less productive if case studies are chosen in which the new right think tanks were not active.

*The Requirement of Policy Change:* One legitimate criticism is that this research should contain at least one case study where there has been no clear example of policy change

despite policy promotion and pressure from the new right think tanks. There were two reasons why such a case study was not chosen. First it is difficult to identify a policy area in which the new right think tanks were active which did not experience policy change (although not necessarily *radical* policy change) of some kind between 1979-97. As the case study on education reform will show, even where the new right think tanks failed to have a specific measure adopted - the voucher - fundamental reform in the shape of the Education Reform Act was only a few years away and was then largely built upon the foundations laid by the New Right Coalition over a twenty year period. Second, there already exists mainstream approaches to policy-making which account for policy continuity or, perhaps more accurately, the failure to introduce radical policy change. One such approach is the Rhodes Model which has suggested that policy networks are able to utilise their resources and bargaining strategies to frustrate the introduction of policy change. With the Rhodes Model we therefore already have an approach which is capable of explaining why think tanks might not have been successful in getting certain policy changes adopted. Focusing on policy change therefore allows for the development of a more complete picture of policy-making in the UK, incorporating both policy continuity and policy change.

*The Requirement of Variety:* With the proviso that all case studies constitute examples of policy change, an attempt has been made to focus on the work of the new right think tanks in various policy areas across time. The key items of legislation around which the case studies revolve span the Thatcher and Major years. The education case study covers legislative reform between 1979 and the Education Reform Act of 1988. Bus deregulation was contained in the 1985 Transport Act. Prison Privatisation was contained in the 1991 Criminal Justice Act. The case studies thus address policy changes from the fields of transport/economic policy, the welfare state, and the criminal justice system. As such, this thesis is not dependent upon case studies from a particularly narrow area of policy, or unrepresentative time-frame. The pattern of think tank involvement also differs between the three case studies. While the IEA, CPS, and ASI (plus others) were active in education, only the IEA and ASI were active in education, and only the ASI in prison privatisation. Although this might have the disadvantage of making it difficult to make useful generalisations, any common themes which can be identified are also more likely to apply to policy-making and policy change in other fields.

Although the three case studies chosen fulfil the requirements of these criteria, there are a range of policy issues which could have been included and which were also consistent with the above criteria such as:

- abolition of exchange controls;
- contracting-out in local government;
- the health reforms of the late 1980s (internal market);
- the community charge;
- the Citizen's Charter; or
- rail privatisation.

The new right think tanks were active in all these policy changes, so what was the rationale for choosing bus deregulation, education reform, and prison privatisation ahead of others? First, there are a number of case studies such as rail privatisation which were (and in some cases still are) highly contentious issues when this research began which would have made access to policy-makers difficult. This was found when an attempt was made to address the impact of think tanks on the Deregulation Initiative of 1993/4 as one of the case studies.<sup>11</sup> Thus all the case studies in this research had the relevant legislation in place before the 1992 election (the latest was the Criminal Justice Act 1991), over a year before the beginning of the research and when they had largely been "depoliticised" in Westminster. This brought greater opportunities for access to key protagonists, many of whom may have moved on from posts from which they observed or participated in the relevant policy change and who are likely to have had fewer *inhibitions about discussing* their involvement.

Second, a number of these issues had already been researched, albeit not necessarily using the approach adopted in this research. Issues such as the origins of the health reforms and the community charge (see, for example, Butler, Adonis and Travers (1993) for the community charge and Denham (1996) for the health reforms) have been well documented, and some have emphasised the role of the new right think tanks in these reforms. Cockett (1994) also considers the role of the new right think tanks with regard to the introduction of contracting-out in local government and the abolition of exchange controls. Although these policy areas were not addressed in any real depth, the intention of this research was to

look at issues which had not previously been considered in order to highlight new areas where think tanks had been active, and perhaps influential, in bringing about policy change.

However, this second point begs one question: why include education reform as one of the case studies in Part Two, the origins of which have been considered in depth elsewhere (Chitty, 1989; Knight, 1990; Baker, M., 1994). Indeed, Denham (1996) specifically looked at the role of the new right think tanks in education policy. The reasoning for his is fourfold. First, the three major policy reforms that the IEA, CPS, and ASI have been credited with are, arguably, education reform, the internal market in health, and the community charge. Given the lack of any detailed empirical research, it would be unsatisfactory for any substantial analysis of the new right think tanks not to consider at least one of them, although to include all three would not have produced the desired variety across time and space. Second, health, education, and local government finance have all figured prominently in the Rhodes Model literature, so the inclusion of one as a case study would ensure that the think tank literature and policy network literature were fully engaged in at least one of the case studies. Third, health and education were the two case studies addressed by Denham (1992, 1996). Applying the template to one of these policy areas would allow useful comparisons to be made between different approaches for assessing think tanks. Fourth, although the new right think tanks have been credited with helping to formulate and introduce health and education reform, it has been argued by some (see Chapter five) that the new right also had a structural impact on policy-making in education beyond the Education Reform Act in that their influence continued long after legislation. Given that one of the aims of this research is to consider the structural impact of the new right think tanks on policy-making as well as policy change, a case study on education reform provides the opportunity to examine such issues in greater depth. Neither health reform nor the community charge satisfied all four criteria.

## Sources

Three key sources will be used in this research:

1. *Primary and Secondary Published Literature:* There is a considerable literature in the public domain such as existing studies, think tank and pressure group publications, Government and party publications, Hansard, consultation responses to White Papers and submissions to select committees, newspaper articles, trade and specialist press, political memoirs, and other academic studies.

2. *Private Documentation:* This refers to non-public papers which require privileged access or prior permission. Such sources include archival evidence from think tanks and pressure groups and the private papers of individuals involved in the policy process. Personal letters from individuals to the author also constitutes a source under this heading.

3. *Interview material:* From ministers, advisers, civil servants, MPs, and others. All these sources have their strengths and weaknesses. Primary and secondary literature have the advantages of being retrievable, easily and repeatedly. They are also likely to provide a wealth of information, especially from newspapers which have tended to take a greater interest in the new right think tanks than academics. Private documentation offers the advantage of clear and precise information. However, it is also likely to be selective, and occasionally access may be difficult, or denied. Official documentation is unavailable due to the Thirty Years Rule. There is the further difficulty of knowing where to locate the relevant material. For example, evidence of contact between think tanks and ministers is unlikely to be contained within official files, due to the practice of sensitive policy advice from non-official sources being channelled through ministers' parliamentary offices. While this makes retrievability easier, its dispersal makes it harder to locate, although even then there is no guarantee that it will be made accessible. Finally, interviews allow specific questions to be targeted at key political actors. Through the semi-structured interview respondents are allowed "considerable liberty in expressing their definition of a situation that is presented to them" (Frankfort-Nachmias and Nachmias, 1992: p.255). According to Richards, the advantages of interviewing are:

- They can help in interpreting documents, or reports, particularly if you gain access to the authors responsible for putting together a relevant document or report.
- They can help in interpreting the personalities involved in the relevant decisions and help explain the outcome of events.

- They can provide information not recorded elsewhere, or not yet available (if ever) for public release.
- They can provide a series of accompanying benefits: They can help you to establish networks or provide access to other individuals, through contact with a particular interviewee (Richards, 1996: p.200).

The disadvantages of interviews include bias due to badly constructed questions, response bias, inaccuracies due to poor recall, and reflexivity - the interviewee gives what interviewer wants to hear (Yin, 1984: p.80). On the question of elite interviewing Richards highlights a number of methodological and operational problems involved:

- Although unrepresentative sampling is not often a problem in elite interviewing, where it is so, it may be due to problems of access.
- [...] The reliability of the interviewee is sometimes questionable. This often results from failures in his/her memory. The older the witness, and the further from events they are, the less reliable the information (though the more willing they may be to talk).
- [...] Interviewees asked about the same event can say different things at different interviews or alternatively, they can change their mind in the course of a single interview ...
- [...] The problem can arise of interviewers being too deferential in their interviews. This can work on a sliding scale - the more famous (notorious) the individual, the more deferential the interviewer can become (1996: p.200-201).

Additionally, quantitative studies were also considered. Two such examples are a quantitative review of newspaper references and publications sales, both of which could be used as indicators of the ideas of the new right think tanks were having an impact. However, both have serious methodological weaknesses. In the case of newspaper references, allowances must be made for how think tanks attempt to manipulate media attention. Nor does media attention pick up all contact between think tanks and policy-makers. In some cases, close supporters of think tanks work within departments, far from the media spotlight. Sales figures are equally misleading. In many cases, not all sales are recorded. Some "sales" may simply be pamphlets sent by think tanks although unrequested by their recipients. Nor does it "weigh" where publications are sent. A pamphlet requested by a minister is perhaps a greater measure of influence than a pamphlet requested by a student. As Stone observes:

influence cannot be measured. Proof of it is elusive and, at best anecdotal. Think-tank indicators such as media citations or appearances of staff before Congress and



parliamentary committees merely signify that think-tanks have attracted the attention of the media and politicians. It does not demonstrate that the thinking or the perceptions of the public or politicians has been influenced or that some policy initiative has resulted. Asking the question "How much do you measure influence misses the point. It is more important to ask first "What do they do that is policy relevant and how?" (1996: p.219).

There have been attempts to quantify the influence of different think tanks, as shown in Tables 1 and 2 below. Emerging from the media rather than academia, neither offers any justification for how the "scores" for each think tank were reached, nor what determined the criteria against which the think tanks were assessed. Moreover, these tables focus on general influence, rather than influence in particular areas. Such exercises are interesting in reflecting how think tanks are perceived in parts of the media, but such attempts at quantifying influence should be treated with caution.

### **Application**

The principal epistemological and methodological questions for research such as this are "What counts as evidence of impact?" and "How can this evidence be collected?". This is not a scientific exercise, as variables cannot be isolated and "impact" cannot be proven. Assessing the impact of think tanks requires a qualitative judgement - a plausible interpretation of evidence both presented and omitted. To strengthen the plausibility of these interpretations requires that evidence be gathered from a range of sources. During the course of this research, all of the sources indicated above were used. Some were more accessible than others, and problems were encountered with those which were used. In some cases information was difficult to obtain. Private documentation was made available, although this was rare and did not contain information directly relevant to the central arguments in this research. Unfortunately, the new right think tanks keep very little archival material, while past government documentation is subject to official constraints. Where such evidence helped support secondary points it was utilised. However, the main sources used were primary sources in the public domain, secondary literature, and interviews.

**Table 1**  
**"Scores on the Doors"**

(marks out of ten)	Profile	Political Influence	Intellectual Rigour
Institute of Economic Affairs	5	6	8
Centre for Policy Studies	5	5	6
Adam Smith Institute	8	8	8
Social Market Foundation	6	6	4
Institute for Public Policy Research	8	7	6
Fabian Society	4	4	6
Demos	9	9	3
Employment Policy Institute	2	3	8
Institute for Fiscal Studies	6	9	9
Policy Studies Institute	1	2	8

Source: The Guardian 01.04.95

**Table 2**  
**"The Ideas Business"**

	Influence on events	As hosts	Creativity	Business-friendly	Ambience	Well-Connected	Funding
ASI	5	3	5	3	3	5	2
CPS	2	2	2	3	1	1	3
Demos	3	4	3	5	3	2	4
IEA	2	4	2	5	4	3	5
IPPR	2	3	1	4	3	3	5
SMF	3	2	4	4	3	3	3

Source: Watson, 1996: p.83

The primary and secondary sources were used for two main purposes. First, through looking at think tanks publications, select committee reports, government white papers and other such documents, possible cause-effect relationships can be identified between think tanks and policy change, and the evolution of policy change charted over time. The content of such documents does not in itself reveal "impact", although it may suggest a possible

relationship between the new right think tanks and policy change to be investigated. Second, primary and secondary sources can also be used to provide empirical evidence. For example, the case study on education reform draws heavily on three accounts of the evolution of the Education Reform Act, namely Chitty (1989), Knight (1990), and Baker, (1994). All provide evidence of relevance to this thesis, although the education case study in Part Two re-conceptualises this evidence according to the framework outlined in Chapter 3. Primary documentation was used to suggest the existence of advocacy coalitions. In some cases these coalitions were formalised and documentation from these coalitions will show the composition, interaction, and co-ordination of such coalitions. In other cases, advocacy coalitions were less formalised and therefore lacked such documentation. However, overlaps in group membership helped identify possible advocacy coalitions, although this had to be verified by interviews.

Neither primary nor secondary sources, however, provided persuasive evidence of the impact (if any) of the new right think tanks. Both academic studies and media reports have argued that the think tanks were influential in bringing about change, but they provide little empirical evidence to support these arguments. Thus there is the danger that such accounts have accepted assumptions of think tank influence uncritically. Those accounts which do provide evidence (however anecdotal) of "impact" are used, and when taken collectively constitute an important source. However, these are few in number. As such the major source for assessing "impact" was interviews. Over the course of this thesis over fifty interviews were conducted on a semi-structured basis with the major policy actors involved in policy change. These included: ministers (from Cabinet ministers to Parliamentary Under-Secretaries); senior officials (from Permanent Secretaries to Under-Secretaries); MPs; special advisers; think tank personnel and authors; shadow ministers; representatives from trades unions, local authority organisations, and pressure groups involved in opposing advocacy coalitions to those of the new right think tanks; private sector representatives; and academics.<sup>12</sup> Generally interviews lasted between 30-60 minutes. Occasionally second interviews were conducted. In some cases, interviews were conducted over the telephone.

As was suggested in the previous section, interviews have the advantage of making it possible to direct specific questions at relevant policy actors. In this thesis, interviews provided the opportunity to question ministers, officials, and special advisers on the direct

impact of the new right think tanks on policy change. Despite their weaknesses as a source (see above) interviews remain one of the only ways by which the internal development of policy can be researched. The major problem encountered concerned the difficulty interviewees found in recalling certain developments due to the passage of time. This was a particular problem in the case of bus deregulation, which occurred over twelve years ago. Although education reform and prison privatisation proceeded some years after the 1985 Act, the interviewee's inability to recall events remained a constant danger. In an attempt to remedy this problem, a full list of questions was sent out a few days prior to the interview. A synopsis, or draft of the case study chapter, would also often be sent. This gave the interviewees time to consider the questions and familiarise themselves with the principal issues. The results of this approach were largely positive. The interviewee had not only been able to give more detailed thought to the questions, but the draft chapters also provided a useful focal point of discussion in which the interviewee could point out areas of both agreement and disagreement.

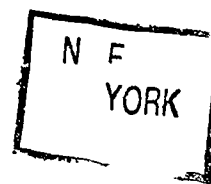
## **RESEARCH OUTLINE**

This research is divided into two main parts. Part One is entitled "A Framework for Assessment". Its purpose is to explain which think tanks are being assessed, how, and why. There are two chapters in Part One. Chapter 2 is entitled "Think Tanks in the UK". Its aim is to clarify the organisational focus of the research by examining think tanks as a specific type of political actor, suggesting how the new right think tanks can be characterised and how they are distinctive from other think tanks. It also argues that the new right think tanks should be evaluated at the meso-level. Chapter 3 is entitled "Think Tanks, Networks and Coalitions". The aim is to show why the major meso-level approach to policy-making such as the Rhodes Model and the ACF are inappropriate for assessing the work of the new right think tanks. It also outlines the alternative research framework, the template, which will be used to assess the impact of the IEA, CPS, and ASI. Part Two contains the three case studies: bus deregulation; education reform; and prison privatisation. Chapter 7 provides the conclusions to the thesis. It brings together issues which emerged from the case studies, considers the theoretical implications for the Rhodes Model and the ACF, and suggests areas for future research.

## NOTES

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- <sup>1</sup> Another new right think tank operating at this time was the Social Affairs Unit (SAU) although this attracted much less attention.
- <sup>2</sup> This was a forerunner to the Policy Studies Institute (PSI) established in 1978.
- <sup>3</sup> Think tanks were often mentioned in the study of broader political phenomena. The new right think tanks, for example, were occasionally discussed (albeit briefly) in studies of Thatcherism (see, for example, Kavanagh, 1990).
- <sup>4</sup> This first emerged as a PhD study in 1992, entitled Think Tanks of the New Right: Theory, Practice, and Prospects
- <sup>5</sup> These were published simultaneously as books and special editions of the journal British Contemporary History, and as such have both chapters and articles respectively. In the interests of consistency, all references will be made to the journal articles.
- <sup>6</sup> See also Hames and Feasey (1993), who compared "conservative" think tanks in the US and UK under Reagan and Thatcher.
- <sup>7</sup> This is despite noting that, in education, the new right think tanks "enjoy interlocking memberships, an observation which renders the question *which* think tank was most obviously 'responsible' for suggesting the ideas which subsequently 'became' the ERA? both unhelpful and inappropriate" (1996: pp.109-110).
- <sup>8</sup> This refers to Paton (1989).
- <sup>9</sup> In a critical reply to Denham and Garnett, Oliver argues that this is a false measure of impact, suggesting that Denham and Garnett miss a fundamental point - that "it is not the number of conversions that are important, but rather whom the conversion affects" (1996: p.81), highlighting the conversions of Thatcher, Joseph and other senior Conservatives.
- <sup>10</sup> Of Stone's two case studies, the first, on the spread of privatisation ideas, has a global focus and does not focus exclusively on the UK. The second, on foreign affairs, focuses on think tanks from both sides of the Atlantic but not the new right think tanks (who rarely address foreign affairs unless on the subject of Europe).
- <sup>11</sup> During the course of this case study, a content analysis of key documents was undertaken and a number of interviews with pro-deregulation activists were also conducted. However, access to policy-makers inside Whitehall proved very difficult and the case study was discontinued as the witness sample would have been heavily weighted towards the new right think tanks and coalition partners.
- <sup>12</sup> In the case of ministers, officials, and special advisers, all were no longer in government



# **PART ONE**

## **A Framework for Assessment**

# *Two*

## *Think Tanks in the UK*

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The aim of this chapter is to provide a brief review of think tanks in the UK, and of new right think tanks in particular. Its purpose is to establish: what think tanks are and how they differ from other political actors; how the new right think tanks differ from other think tanks and other providers of policy advice and policy analysis; the similarities and differences between the new right think tanks themselves; the opportunities they have for influencing policy; and how these opportunities correspond to the perception of the new right think tanks as "agenda-setters", and possible approaches for assessing their impact. There are three sections. The first considers the problems of definition and classification and proposes alternatives for each. The second section provides a survey of the key new right think tanks in this research, namely the IEA, CPS, and ASI. The aim is not to produce a comprehensive study of these individual organisations, but brief background profiles on their origins, philosophies and work. The final section examines the different roles of the new right think tanks in policy-making, and highlights the "network" which not only includes the new right think tanks, but also special advisers, Conservative MPs, journalists and others. This "new right network" offers opportunities to influence policy in a number of ways, five of which are shown. It also suggests that if the new right think tanks are to be seen as "agenda-setters", then they need to be incorporated into broader "meso" approaches to policy-making.

### **DEFINITION AND CLASSIFICATION**

This section first considers the problems of defining think tanks, and proposes a new definition distinguishing think tanks such as the IEA, CPS, and ASI from other policy research and advice bodies. Secondly, it looks at two existing think tank classifications,

and suggests a third dimension by which think tanks can be classified. Finally, this section considers the place of the new right think tanks within the broader structures of policy advice, further distinguishing their work from other organisations geared to providing policy analysis.

### **Defining Think Tanks**

There is no standard definition of a think tank on either side of the Atlantic. Denham and Garnett suggest that the term is "notoriously difficult to define" (1995: p.324), while Stone notes that it is "an umbrella term that means different things to different people" (1996: p.9). The problem is that the term "think tank" is used as shorthand to describe a range of organisations involved in policy research. A similar problem was identified in the US where "the phrase 'think tank' is the imprecise and generic term we have coined to describe the many and diverse research centers and institutes dotting our political landscape" (Smith, 1989: p.178). In the UK the term "think tank" has also been widely applied. Within government, the Central Policy Review Staff (CPRS) was known as *the* Think Tank (see below). Party research departments have also been labelled think tanks, especially the Conservative Research Department (for example, see Ranelagh, 1991: p.150). Another approach has been to treat think tanks as a form of pressure group (e.g. Grant, 1995).

There have been numerous attempts to define think tanks from both the US and the UK. From the US, Dror (1984) defines think tanks as "policy research, design, and analysis organisations", whereas Weaver (1989) refers to "the non-profit public policy research industry". Fischer (1991) talks of "policy experts" and "policy advice-giving organisations". Stone (1991, 1996) in her comparative work on think tanks in the US, UK, and Australia prefers "independent policy planning institutes". While these definitions provide some insight into what think tanks do they fail to distinguish such organisations as the IEA, CPS, and ASI from pressure groups, trade associations, and university research since all can produce policy research and advise government. From the UK, a more substantial definition is provided by James: a think tank is "an independent organisation engaged in multi-disciplinary research intended to influence public policy" (1993: p.492). James adds that think tanks have three characteristics. First, think tanks are intellectually independent from government but their output is geared to government needs. Second, they



undertake public interest and strategic research. Finally, James notes that most think tanks are politically partisan although this "manifests itself in varying degrees" (*ibid*).

The James definition is criticised by Denham and Garnett (1995), who dispute James's inclusion of the IEA, CPS, and ASI as "think tanks", questioning their "independence". Denham and Garnett argue that a think tank cannot be independent if it is politically partisan. It is certainly the case that the IEA, CPS, and ASI have been closely associated with the Conservative Party, and that the IPPR has a close relationship with the Labour Party. However, these relationships are not institutionalised. Allegiance should not be mistaken for subservience. Neither the Conservative nor the Labour Party formally intervenes in the running of these organisations. The think tank most closely connected to a political party is the Fabian Society, whose constitution affiliates it to the Labour Party, but it maintains editorial independence and is free to disagree with Labour policy. It is possible to be a member of the Fabian Society but not the Labour Party, although the Fabian constitution prohibits membership to anyone intending to stand in an election against an official Labour candidate. The independence and formal distance of the new right think tanks from the Conservative Party probably gave them their greatest asset - deniability.<sup>1</sup> According to James, deniability means that:

Think tanks can float ideas in which politicians may be interested but which they are uncertain about voicing publicly themselves. If public reaction is good, politicians can take up the idea. If not, they can repudiate it or ignore it; and even then the think tanks will have added another option to the foot of the policy agenda and keep lobbying for the idea, slowly softening up public opinion (1993: pp.499-500).

The example of the IEA illustrates a problem with Denham and Garnett's analysis. Denham and Garnett associate the IEA with the Conservative Party because both advocate market-oriented policies, not because there is any formal link. Yet the IEA was founded nearly fifteen years before the Conservative Party's first rediscovery of economic liberalism under Heath with the 1970 "Selsdon Man" election manifesto. It has been argued that after years in the political wilderness, the IEA was instrumental in helping to shape both Heath's and, later, Thatcher's liberal economic policies (see below). But it does not follow that the IEA suddenly became less independent when the Conservatives adopted a liberal economic

platform and won power in 1970. Surprisingly, given their criticism of James, Denham and Garnett do not provide an alternative definition.

It is possible to identify a number of organisations conventionally called "think tanks" from the left and right, as well as those not overtly politically-aligned. These organisations have a number of characteristics which, collectively, distinguish them from other political actors. Merely to describe think tanks as "policy researchers", "policy advisers", or "policy formulators" does not sufficiently make this distinction. It is therefore unsurprising that definitions which simply stress these functions of think tanks will draw in other organisations as an unintended consequence. The definition proposed here is that:

*A think tank is an independent organisation acting primarily as a forum for policy discourse, which aims to influence Government policy through the publication and dissemination of its ideas and research.*

A central characteristic of a think tank is that it should be *independent* of government departments and political parties. Independence is regarded as organisational (legally separate) and editorial (inability of government or party to veto output). *This would rule out the CPRS, which was part of the government machine. The CPRS was constitutionally part of the Cabinet Office and its research was largely directed by the Prime Minister (James, 1992; Blackstone and Plowden, 1988). Stone suggests that think tanks must also be permanent, to distinguish them from government enquiries, task forces and other ad hoc bodies with limited life spans (1996: p.14). However, Stone's insistence on "permanence" can be questioned on two grounds. First, it is possible to exclude these other bodies as think tanks on the basis that their terms of reference are established by government, hence impeding their editorial independence - they cannot pick and choose their field of research. Second, there are bodies which fulfil all the above criteria of a think tank but which were established to operate for a limited period of time, such as the Constitution Unit.<sup>2</sup> To rule out such organisations as think tanks would be somewhat arbitrary. For these two reasons the term "permanent" is omitted.<sup>3</sup>*

The phrase *forum for policy discourse* is employed because think tanks vary in size and research capacity. Think tanks in the US are significantly larger than those in the UK. The

Brookings Foundation, the Heritage Foundation, the Hoover Institution on War, Peace, and Revolution, and the Urban Institute all have over one hundred scholars and research staff. The RAND Corporation has approximately one thousand researchers (Stone, 1991). In the UK, the Royal Institute for International Affairs (RIIA) and the PSI are identified as the UK's largest think tanks, with eighty-four and fifty-six staff respectively (*ibid*). These latter organisations are able to generate their own in-house research. However, at the other end of the scale are the new right think tanks. These organisations often employ less than a dozen staff, with much of their research contracted out to their networks of academics, industrialists, businessmen, journalists and MPs. The new right think tanks bring together individuals within these networks for conferences, seminars, lectures, and study groups, all of which promote policy discussion and generate policy ideas for publication. A *forum for policy discourse* encompasses think tanks of varying sizes and research capabilities.

This definition differs from that proposed by James in three ways. First, it stresses the primacy of the policy research and discussion function of think tanks, as opposed to James who refers to them merely "engaging" in policy research. Thus, think tanks can be distinguished from organisations such as trade unions or trade associations which may produce policy research but whose primary aim is the representation of specific groups or interests. Secondly, it highlights the importance of publications and ideas. A think tank seeks to influence public policy by virtue of its ideas, the quality of its research, and the strength of its arguments. Think tanks disseminate their ideas publicly through their pamphlets and reports, journals, and newspaper articles in addition to media coverage of conferences and lectures. They do not engage in forms of political protest which include violence, demonstrations, petitions, etc. Finally, the definition adopted in this research does not demand that research be "multi-disciplinary". James's inclusion of this term is not defined, nor is it explained why organisations conducting "disciplinary" research (either focusing exclusively on a single policy area or drawing upon a single discipline of the social sciences) should be excluded. There are a number of organisations (some of which are actually identified as think tanks by James himself) which are issue-specific yet which are like "multi-disciplinary" think tanks in all other respects (see below).

## Classification<sup>4</sup>

Weaver (1989) and Stone (1996) provide two distinct think tanks classifications. From the US, Weaver identifies three types of think tank according to the type of research conducted, and their relationship with other political institutions and the broader political system. First, the "university without students". The emphasis is on academics as researchers, producing book-length studies with a long-term focus. These organisations aim to change the climate of opinion through the "battle of ideas" rather than attempt to influence policy in the short-term. Examples of such think tanks include the liberal Brookings Institution, and the conservative American Enterprise Institute. Second, there is the "contract research organisation", which carries out research projects for other organisations, including government. An example of this is the relationship between the RAND Corporation and the US Department of Defense.<sup>5</sup> Finally, there are "advocacy tanks" who "combine a strong policy, partisan, or ideological bent with aggressive salesmanship and an effort to influence current policy debates" (1989: p.567), such as the Heritage Foundation. They produce brief reports, are accessible directly to policy-makers, and market themselves aggressively.

Weaver's classification is only partially helpful when applied to think tanks in the UK. The US constitution has created significant gaps which have allowed think tanks to proliferate (Smith, 1989; Weaver, 1989; Denham and Garnett, 1995; Stone, 1996: chapter 3). The structural friction between the Presidency and Congress has created an environment for think tanks to flourish, where "policy research institutions have been able to supply data, analysis, technical help, and political argument because of interbranch rivalries" (Smith, 1989: p.180). The separation of powers in the US permits Congress to be an *active* rather than a *reactive* legislature. Policy entrepreneurs within Congress constitute "a ready made audience both for critiques of the executive's proposals and for alternative proposals" (Weaver, 1989: p.570). Weaver also identifies a further contributing factor, "a tradition of corporate, foundation, and individual philanthropy to support non-partisan social science research" (*ibid*). This is sustained by tax laws making such donations a deductible expense.

This environment has spawned a larger number of think tanks in the US. By the end of the 1980s there were an estimated 1000 think tanks in the US, with over 100 in Washington

alone (Smith, 1989: p.178). It is common for US think tanks to exploit the above conditions and carve themselves a *niche* in the policy market-place. This is not the case in the UK. There is not the constitutional friction between executive and legislature as in the US. Government is executive-dominated and Parliament is more reactive than active, reducing opportunities for exploiting interbranch rivalries. As a result there are fewer think tanks in the UK. Nor can it be said that many UK think tanks have a specific, structural role in the political process according to Weaver's classification. There are exceptions. The IEA, with its emphasis on changing the climate of ideas amongst "opinion-formers", academics and students could well be described as a "university without students". The ASI, with its steady flow of brief, practical policy proposals is very much in the mould of Weaver's "advocacy tank".

However, few think tanks can be categorised so simply. It is unclear where a "university without students" ends and an "advocacy tank" begins. Weaver's categories are not mutually exclusive. In the UK, many think tanks can be categorised as either. For example, the SMF has produced both longer-term philosophical tracts regarding the future of conservatism (Willetts, 1994; Gray, 1994), but it has also produced practical policy proposals such as the suggestion that local education authorities should be abolished and all schools become grant-maintained (Pollard, 1995). The PSI also falls between two categories. It is a "university without students" in that it produces book-length reports with a long-term focus, but it could also be described as a "contract research organisation" since it conducts research on behalf of Whitehall departments such as the Department of Social Security (see, for example, McKay and Marsh, 1994).

Stone's classification draws upon her comparative work of think tanks from the US, UK, and Australia. In this classification think tanks

are distinguished along two dimensions: temporal (old and new) and ideological (old guard and new partisan) ... The temporal dividing line is 1970. It represents the end of the economic boom ... but precedes the recession of the early 1970s. The first period of growth, of the "old guard" institutions, occurred in the fifty years between World War One and 1970. While the second growth period (1970-1990) spans only twenty years, the growth of new partisan IPPI's [independent policy planning institutes] has been staggering (1991: p.201).

Ideology may appear an obvious criteria for classification, but Stone's typology is open to criticism in that it masks similarities as well as emphasising differences. In a later work, Stone (1996) divides the New Partisans into four sub-categories: ideological tanks; specialist tanks; state tanks, which address state and regional issues (within federal political systems); and think and do tanks which are less academic and engage more directly in political activity, especially abroad in emerging democracies.<sup>6</sup>

<b>Table 3</b>	
<b>The Stone Typology of Policy Institutes<sup>7</sup></b>	
<b>Old Guard</b>	
Conservatism	IEA
Liberalism	-
Non-Partisan	PSI, RIIA
Socialism	Fabians
<b>New Partisans</b>	
Neo-Conservatism	CPS
Libertarianism	ASI
Non-Partisanship	-
Socialism	IPPR

Source: Stone, 1991: p.202

However, this breakdown is of greater relevance to the US than the UK. No UK think tanks are mentioned as think and do tanks, while the prospect of state tanks is dismissed as unlikely in unitary political systems such as the UK. While Stone highlights certain UK ideological tanks (although only the CPS and ASI), she mentions no UK specialist tanks, maintaining that "specialisation is most pronounced in the USA" (1996: p.21).<sup>8</sup> The Weaver and Stone classifications are useful, but neither can fully account for the key differences between think tanks. Consequently a new classification of think tanks is proposed, which does not therefore seek to supplant the contributions made by Weaver and Stone, but add a further dimension. It identifies three types of think tanks based on their objectives and intentions.

*1. Policy Promoters.* A think tank may seek to promote a set of beliefs, or ideology. From the late nineteenth century onwards, the Fabian Society promoted its vision of society,

based upon the values of the early socialist movement in Britain. The Fabian constitution explains that:

the Society consists of Socialists. It therefore aims at the establishment of a society in which equality of opportunity will be assured and the economic power and privileges of individuals and classes are abolished through the collective ownership and democratic resources of the community.

More recently such think tanks have been associated with the new right. The IEA began publishing in 1957 "with specialised studies of markets and pricing systems as technical devices for registering preferences and apportioning resources". The ASI maintains that it "explores new ways of extending choice and competition into public services". In his analysis of the new right think tanks, Desai notes:

the label "think-tank" is in an important respect a misnomer. Most think-tanks and certainly all the Thatcherite ones were set up not to "think up" bold new ideas but to elaborate and peddle a single, already fairly well worked-out ideology. They were in essence proselytizers, not originators (1994: p.62).

The same point is made by Cockett who notes that, compared to the centre-left think tanks (see below), the IEA, CPS, and ASI "were formed to propagate an idea, not to form one" (1994: p.326). This does not mean that such think tanks cannot produce imaginative or original policy proposals (as the ASI claims to do), but suggests that these proposals are formulated and guided by an overarching ideology. As Stone notes, "there is a world of difference between the expert, or theoretician compared to the intellectual who propagates and purveys ideas" (1996: p.137). Hayek called the latter "second-hand dealers in ideas".

Occasionally think tanks are established with the overt or covert aim of promoting the ideas, and career, of particular politicians. This practice is widespread in the US where presidential candidates frequently establish "governments in exile", where policies are developed and members of future administrations recruited.<sup>9</sup> In the UK, a centralised and unitary state with the integration of legislature and executive discourages factionalism and encourages discipline in the party system. Nevertheless it could be suggested that senior politicians utilise think tanks for the promotion of their own careers, although this may be denied. The Centre for Policy Studies was established by Margaret Thatcher and Sir Keith

Joseph in 1974/5. The CPS never promoted itself as a support organisation for the leadership ambitions of either politician. However, Joseph did consider closing the CPS down after Mrs Thatcher became leader of the Conservative Party (Todd, 1991), which suggests that it might have served at least part of its function.

More recently, John Redwood established the Conservative 2000 Foundation (C2000F) after his failed attempt at the Conservative leadership in 1995. The C2000F was widely seen as a means for John Redwood to establish his credentials for a future leadership campaign. The first of the C2000F stated objectives is: "To develop the policies set out by the Right Honourable John Redwood MP in the campaign from June to July 1995 for the leadership of the Conservative and Unionist party (C2000F, Press Release 16.08.95). Following the Conservatives' general election defeat of May 1997, The Sunday Times noted that the C2000F "is still too much of a vehicle for Redwood's ideas to have a significant impact - unless [he] carries off the leadership this time" (18.05.97). In the Conservative leadership election of June that year, Redwood was eliminated in the second ballot and the C2000F was wound down in July 1997 after he accepted a position in William Hague's shadow Cabinet.

2. *Policy Originators.* While the new right think tanks (and the Fabians before them) sought and continue to promote a specific set of beliefs and policies, other think tanks attempt to shape a new agenda. Recent political developments have presented challenges to the left. The turn-of-the-century Fabian vision appeared increasingly dated with the breakdown of the post-war settlement in the 1970s (Kavanagh, 1990). Four successive election defeats forced Labour to modernise its institutions, processes and ideas. Three particular think tanks, the Fabians, the IPPR, and Demos have attempted to shape the new Labour agenda. The Fabians have dropped much of their socialist baggage, arguing for example that the NHS, a shibboleth to most of the Labour Party, could learn much from the US private health system (Sieverts, 1996). The IPPR, which describes itself as "centre-left", maintains that:

The new mood is not for a return to the corporatism of the 1970s, far less the statism of the 1940s. Rather it is for a new approach combining the market economy with ideals of fairness, partnership, responsibility, and community. The IPPR's role is central in helping to convert aspiration into sound and sensible policy.



Demos attempts to "reinvigorate public policy and political thinking which was felt to have become too-short term, partisan and out of touch".

In the past creative political thinking often came from within the main political ideologies. Today these are no longer able to keep up with the pace of change in society, the economy, technology, and culture. Society has become more porous and complex, as old traditions and hierarchies have broken down.

Although the search for a new agenda has determined the *modus operandi* of these think tanks, it is far from certain that they have achieved much success. According to The Times:

What is most striking for Mr Blair (the Labour leader) is the collective acknowledgement that there is no "big idea" for Labour. In this the new generation of think tanks are truer to their calling, in that rather than just proclaiming the gospel of the free market like the good old days, they are involved in a much more pragmatic evolution of ideas and policies, drawing their inspiration from a wider range of disciplines (08.08.94).

The Director of Research at the Fabian Society, Ian Corfield, acknowledges the role played by the new right think tanks in sustaining Thatcherism, and in helping Conservative ministers formulate a programme of reform. But, he continues:

the same cannot be said of the present Labour Party. There is little sense of a driving purpose or mission. Ministers will arrive in office practised only in Opposition.

Similarly on the intellectual Left there is some good thinking, but few good ideas. David Marquand, Frank Field, Patricia Hewitt, Will Hutton, James Cornford - all intelligent people but hardly thinkers of the stature of Hayek, Friedman or Rand. This is perhaps understandable. The Left has only been released from its collectivist straight-jacket since the collapse of the cold war. In sharp contrast the new Right had forty years of work to build upon started by the Mont Pelerin society and others in the Austrian School (Tribune 14.02.97).

This lack of new ideas has led to suggestions that the centre-left think tanks - the IPPR and the Fabians in particular - have played more of a supporting than trail-blazing role for New Labour. For example, according to Ruben:

The IPPR lacks a definite ideological agenda and Peter Hennessy has therefore suggested that they, unlike many think tanks, are "evidence driven". Gerald Holtham suggests that "There is an egalitarian provision lying behind our policy prescriptions. But it is not the grand formula the IEA have". The Institute is widely seen as the brains of the Labour Party's modernisers who want to jettison policy and ideological baggage as a means of getting Labour back in touch with the electorate (1996: p.73).<sup>10</sup>

Although these may appear to contradict their role as policy originators, it may be more a reflection of the inability of the centre-left think tanks to develop an alternative agenda to challenge that of the new right. However, it might be unfair to the centre-left think tanks to claim they are lacking in intellectual direction. Ashford, for example, highlights a network of thinkers from the centre-left think tanks and Labour Party with their own "coherent policy programme that will transform Britain's welfare system and with it British politics" (1997: p.1).

Socialism is in an intellectual, political and economic crisis. In particular, Labour is caught between public resistance to any tax increases and increasing demands on health and welfare. The Blairite solution to this dilemma is to reduce the role, responsibilities and obligations of the state, the traditional instrument of power for the Labour Party, and to transfer them to the individual and the family through the trade unions, the co-operative movement, friendly societies, charities, non-profit and private insurance, based on the principles of self-help and mutual aid (*ibid*).

Whether the centre-left think tanks will be able to develop a programme to sustain the Labour Government for a prolonged period in office is, at present, unclear, and is clearly an issue for future research.

*3. Policy Contributors:* Finally, there are think tanks whose aim is not to promote or discover a particular belief system, but to conduct high quality research with the aim of enhancing policy debate. Such think tanks can conduct multi-disciplinary research, or specialised research into defined policy areas.<sup>11</sup> An example of the former is the Policy Studies Institute, whose "mission is to inform the policy-making process through the conduct of high quality research and the active dissemination of research results". According to a former PSI Director:

We have no set programme or policies to promote. We have no basic political position or philosophy underpinning our work other than empiricism and pragmatism (Daniel, 1989: p.24).

The Institute for Fiscal Studies performs a similar function within the narrower field of budgetary and taxation issues. The IFS

exists to investigate issues of current public policy through a combination of rigorous economics and a detailed understanding of institutional reality. Too often there is a gulf between the work of academic economists and the interests of practitioners and policymakers; IFS aims to bridge that gap.

An IFS researcher maintains that "my own interest derived less from concern about what policy should be than from the process by which policy was determined" (Kay, 1989: p.20). James (1994) also identifies the Royal Institute for International Affairs (RIIA) and the Institute for Strategic Studies (ISS) as specialist think tanks in foreign and defence policy respectively, as well as the King's Fund (health) and the Police Foundation.

It should be noted that categorisation is not permanent. It is conceivable that think tanks, under certain circumstances, could switch categories. For example, when the policy originators have discovered an "agenda", they may become policy promoters. Alternatively, the Fabians were policy promoters but are now perhaps best seen as policy originators. In some cases, there may be a very fine line between the categories. Think tanks in the UK are, generally, flexible organisations which do not always adhere rigidly to their own stated *modus operandi*. A detailed content analysis of think tank publications would always find anomalies. As such, the *modus operandi* remains a useful focus for classification, with the qualification that it should allow for some element of deviation. It is not suggested that all think tanks must belong to one of the three types, which should be regarded as ideal types. Some think tanks might fall between categories. However, what this brief comparison does emphasise is that the new right think tanks are distinctive as policy promoters.

**Table 4**

**A New Classification of Think Tanks**

<b>Policy Promoters</b>	IEA, CPS, SAU, ASI, C2000F, SMF
<b>Policy Originators</b>	Fabians, IPPR, Demos
<b>Policy Contributors</b>	NIESR, PSI, IFS, RIIA, Kings Fund, Police Foundation

Note: The above classification does not claim to include all think tanks.

**Think Tanks, Policy Advice and Policy Analysis**

As the above section on defining think tanks suggests, there are a multiplicity of organisations which provide policy advice to government. It is widely regarded that comprehensive advice structures are essential for modern governance, whether this advice be internal within government or external, formalised or ad hoc, sought or unsolicited. Peters and Barker, for example, argue that:

Providing advice to government has become a very large game in which almost any number can play. A large number of individuals and organisations, inside and outside of government, are involved in the process daily and modern governments have become major consumers of advice (1993: p.1).

They suggest three reasons for this development. First, democratic governments must increasingly be seen to be both seeking and taking advice from others in order to legitimise their policy decisions. They argue:

If government is willing to allow groups in society to put forward their ideas for serious consideration, then any policy-making must be seen as properly democratic rather than imposed along preconceived lines. Further, this openness to participation may allow government to co-opt the groups which do participate; having had their say once, the groups should be expected to keep quiet even if the decision goes against them (Heisler, 1974). Thus, taking and even requesting advice helps democratic governments to legitimate their decisions (pp.1-2).

Occasionally Government's seek to exploit this function by forming standing advisory groups or committees to produce advice which can be self-serving to government departments but which appears "legitimate" because it is presented to ministers and officials by experts. An example of this was the Committee on the Medical Aspects of Food Policy (COMA) which was set up within the Department of Health (DoH) to provide expert advice on dietary questions. However, the DoH were able to significantly influence the output of COMA by determining its composition and terms of reference, and writing COMA's reports based on members' opinions which were later agreed by the Committee. This drastically reduced the possibility of COMA recommending policies which were not to the DoH's liking (Mills, 1993). A second reason why policy advice has grown in recent years is that, in an information age, governments must "be seen to be accepting and welcoming information no matter what its origins". Finally, in the interests of good public policy "governments may accept or seek advice because they want to make the right decisions" (1993: p.2).

Advice structures in British government have grown as the scope of government activity has increased. King (1974) highlights the issue of "government overload", and James suggests that the enormous growth of government and its increased complexity has been a major factor behind the decline of Cabinet government (James, 1992: p.3). Dror identifies a number of "inherent defects" of modern rulers, two of which are quantitative work overload and qualitative work overload. Quantitative work overload refers to the "many ritual activities taking up a great deal of time and energy and super-saturated decision agendas producing great fatigue". Qualitative overload refers to the "perplexing quandries combining with time pressures to result in stress" causing a "decay in decision quality, leading to confused policy behaviour and policy convulsions" (1987: p.189).

Governments have attempted to ease these pressures on policy-makers by improving the processes of information collection and policy advice, and institutionalising decision-makers growing dependence upon expert help through the development of policy analysis. Largely a product of the US, Williams defines policy analysis as "a means of synthesizing information including research results to produce a format for policy decisions (the laying out of alternative choices) and of determining future needs for policy-relevant information" (1988: p.68). Amongst the innovations spawned from this approach in the US was the

Planning-Programming-Budgeting System (PPBS) in 1965, “mandating analytical offices [throughout federal government] and establishing an outcome-oriented system as the base for US policy planning” (*ibid*).

The UK also sought to develop its own analytical capability through the creation of Programme Analysis and Review (PAR), in-house departmental policy units, and the aforementioned CPRS. PAR was launched in the 1970 White Paper The Reorganisation of Central Government and “involved the review of departmental and interdepartmental programmes on a regular basis and in a fundamental way” (Gray and Jenkins, 1985: p.105). The White Paper also announced the creation of the CPRS, which would assist ministers to:

take better policy decisions by assisting them to work out the implications of their basic strategy in terms of policies in specific areas, to establish the relative priorities to be given to the different sectors of their programme as a whole, to identify those areas of policy in which new choices can be exercised and to ensure that the underlying implications of alternative courses of action are fully analysed and considered.

The contribution of policy analysis to policy-making has been mixed (Williams, 1988). Government sponsored attempts to develop in-house analytical capabilities have either only brought limited benefits or have been abandoned. In the UK, PAR was discontinued in 1974. According to Gray and Jenkins (1985) one of the principal reasons for its demise was the loss of any strategic focus by the Heath Government as it became increasingly preoccupied with industrial problems, although they note that PAR had produced a number of substantial pieces of policy analysis during its brief existence. Hennessy highlights the institutional shortcomings of PAR and the difficulties of establishing truly strategic and interdepartmental processes, maintaining it “became slow, top-heavy and the victim of the relentless interdepartmental grind” (1990: p.236).<sup>12</sup>

The UK has also sought to improve its central analytical capability by creating in-house think tanks or “policy planning units”, whose role is to provide rational policy analysis *within* individual Whitehall departments. This was reinforced by the CPRS which sought to provide long-term strategic thinking *across* government departments. Both have had limited impact. Prince (1993) argues that the impact of in-house policy planning units has

been limited because of the tension between rational policy analysis and its acceptability within departments, which might regard such contributions as a nuisance and at odds with more immediate priorities. The fate of the CPRS, however, tells us more about the changing role of policy analysis and policy advice under the Conservatives from 1979.

In June 1983 Downing Street announced that the CPRS was to be abolished. This decision followed a leak from the CPRS to The Economist earlier in the year claiming that the Government was considering a range of user charges for the NHS. The outcry which followed was for many the defining moment when Mrs Thatcher decided to disband the CPRS. Willetts (1987) lists four reasons why the CPRS was abolished. First, it appeared to become obsolete for a self-styled conviction government. Second, as it served the whole Cabinet, the circulation of reports reached all ministers encouraging the temptation to leak any undesirable policy proposals. Third, the CPRS's work tended to undermine departments by overshadowing their policy proposals with ones of their own. Finally institutions like the CPRS can only exist if the Prime Minister of the day is comfortable with them, and Mrs Thatcher was not. Thatcher herself confirms many of Willetts' arguments.

The CPRS had originally been set up ... at a time when there were fewer think tanks, special advisers in government and a widespread belief that the great questions of the day could be solved by specialised technical analysis. But a government with a firm philosophical direction was inevitably a less comfortable environment for a body with a technocratic outlook. And the Think Tank's detached speculations, when leaked to the press and attributed to ministers had the capacity to embarrass. The world had changed, and the CPRS had not changed with it. For these reasons and others, I believe that my later decision to abolish the CPRS was right and probably inevitable. And I have to say that I never missed it (1993: p.30).

Thus the new right think tanks could be said to have prospered because the IEA, CPS, and ASI were much more in tune with the conviction politics and Thatcherite approach to public policy than departmental and interdepartmental policy units. Organisations such as the CPRS were perceived to be too bound up in the technocratic and positivist approach which conviction politicians explicitly rejected: Williams (1988: p.69, 74) notes that both Thatcher and Reagan were anti-analytical, leading to a decline in the demand for policy analysis during the 1980s. There was less demand for evidence-driven analysis during this

period because public policy was, in theory, to be built upon key “new right” principles. This contributed to an environment far more conducive to the work of the IEA, CPS, and ASI than the CPRS. The study of the new right think tanks is thus markedly different from that of governmental policy units, being the study of independent, ideological policy promotion as opposed to in-house technical policy analysis.

Although it can be argued that there was a decline in the demand for policy analysis in the 1980s there are lessons regarding the potential impact of policy analysis which may have relevance for the study of the new right think tanks. Meltsner’s (1976) study of the impact of policy analysis, for example, suggests that there are four variables which are influential in the production and use of policy analysis. First, the analysts themselves, who produce and present analysis with various degrees of analytical, political, and presentational skills. The second important factor is the client, upon whom any analyst is ultimately dependent. In the UK, the key clients of policy analysis will might be the Prime Minister, individual ministers, or the Cabinet. The third factor is the organisational situation, and the place of the analyst within the policy-making structure. For example, in some cases the analyst might have more than one client, or the client more than one analyst. Some analysts will be closer to decision-making centres than others, while some policy areas might be more “open” or “closed” than others (see chapter 3). The final key factor is the nature of individual policy areas. Some issues are highly technical or scientific, such as energy policy or defence, and as such may be more conducive to specialised policy analysis than, say, penal policy where policy is as likely to be influenced by popular than “informed” or expert opinion (see chapter 6).

Although Meltsner’s framework was built upon the study of the impact of policy analysis, it nevertheless identifies a number of variables which might be as important in determining the impact of the new right think tanks. It raises such questions as:

- How effective were the think tanks (in this case the “analysts”) in getting their message across and what resources and strategies were employed in this process?
- How receptive were officials, advisers, ministers, and Prime Ministers (the “clients”) to the policy ideas being promoted?
- What access to decision-makers did the new right think tanks enjoy (the “organisational situation”)?



- Finally, how did the characteristics of the individual policy areas determine the impact of the think tanks?

Such issues are central to understanding the impact of the IEA, CPS, and ASI on policy change. The following chapter will outline the template which, although developed from the broader policy-making literature, incorporates Meltsner's four variables and helps provides answers to the above questions.

## **NEW RIGHT THINK TANKS: A SURVEY**

This section provides the institutional context of the key think tanks addressed in this research. It considers the origins, methodology/philosophy, and work of the IEA, CPS, and ASI. First, however, a point about the term "new right". The use of this term is somewhat controversial and needs qualification, as it is dismissed by those who are themselves labelled as "new right". Reflecting on the resurgence of economic liberalism, Seldon maintains that the term "new right" is a "derogatory description used by critics who dismiss the new liberalism as reactionary because it rejects the post-war all-Party consensus based on Fabianism, Beveridgism, and Keynesianism" (1985: p.xi). Similarly Ashford and Davies argue:

The term "new right" is used by left-wing and socialist commentators as a portmanteau label for the many anti-socialist movements in politics and philosophy which have become prominent in recent years. This assumes that the various movements so put together are ideologically akin in some fundamental sense so that it is proper to consider them as a single object. This is simply not true (1991: p.187).

Introducing a series of essays on the "new right enlightenment" by twenty authors, Seldon notes that:

the "new right" as a title is condemned by most of the essayists as a pejorative description of modern classical liberalism - the New Entitlement that most of them, explicitly or implicitly, portray. It is neither new nor right (-wing) (1985: p.xii).

Evans's sociological study of the Conservative youth movement between 1970-92, identifies an alternative, libertarian "new right" challenging conventional interpretations. He argues that:

the New Right has often been popularly aligned with Fascism and South African apartheid. However, the truth is entirely different. The mainstream of the British New Right explicitly rejects such values. It is instead internationalist, individualist, culturally relativist, and secularist. Its adherents regard racism, sexism and nationalism as no more than different forms of the collectivist ideology to which they are implacably opposed ... Their advocacy of the free market has nothing to do with imposing discipline at second hand, and everything to do with reducing - and in some extreme instances, totally eliminating - the power of the State over the individual (1996: pp.xii-xiii).

The origin of the term "new right" has been traced to a Fabian pamphlet in 1968, entitled The New Right: A Critique by David Collard (Cockett, 1994: p.157). Collard emphasised the importance of the market system to the new right, whose ideas had been "most coherently expressed in the publications of the Institute of Economic Affairs". According to Ashford and Davies, the new right today is a fusion of two beliefs. First neo-liberalism, which "is the revival and development of classical ideas such as the importance of the individual, the limited role of the state, and the value of the free market" (1991: p.185). Secondly, neo-conservatism which in the UK "has been used to describe the revival of traditional conservatism [and who] insist that order is the main concern of conservatism" (*ibid*). Thatcherism has been described as a fusion between these beliefs. Ashford and Davies (1991) describe Thatcherism as "liberal conservatism", while Gamble (1988) characterises it as "a free economy and a strong state". Although Thatcherism emphasised non-interventionism in the economy, it supported state intervention to pursue social and moral objectives, such as family values and morality in education.

For the purposes of this research, the "new right" provides a convenient umbrella term for a number of political, economic, and philosophical strands of thought sympathetic to the free market,<sup>13</sup> and is applied to describe the IEA, CPS, and ASI collectively. The term is used in preference to alternatives such as "free market" or "libertarian", as these do not sufficiently incorporate the role of the state within the "social market" favoured by some think tanks. The "new right" is used to incorporate both free market think tanks such as the IEA and ASI, and the social market think tanks such as the CPS (and more recently, the SMF). The

term is in no way intended to attribute nationalistic, racist, sexist or homophobic tendencies to these organisations.

### **The Institute of Economic Affairs**

*The Origins of the IEA:* During the 1930s, liberalism appeared to its supporters to be in global retreat. Throughout mainland Europe, fascism and communism were gaining strength, while the popularity of the New Deal in the US and Keynes' General Theory in the UK suggested that collectivism posed a threat even in these supposed bastions of liberalism. The outbreak of the Second World War significantly increased the role of the state in economic planning in the UK. Cockett notes that: "By the end of 1940 Britain was the most rigorously planned and regimented society in Europe, fighting 'total war' to a degree that the Germans never achieved" (1994: p.58). Leading liberal academics in Europe and America became concerned with this trend and sought to reverse it. Professor Louis Rougier from France suggested "an international liberal forum", while Professor Friedrich von Hayek from the London School of Economics (LSE) envisaged "a gathering of those intellectuals who shared his views to discuss and redefine liberalism" (*ibid*). Following the War, Hayek began turning this idea into a reality, inviting a number of liberal scholars from Europe and America to a conference in Switzerland in the spring of 1947.

The Mont Pelerin Society (MPS), as it became known (because the inaugural conference took place on the slopes of Mont Pelerin), met between 1 and 10 April 1947, three years after the publication of Hayek's highly influential The Road to Serfdom.<sup>14</sup> Other than Hayek, the delegates included Lionel Robbins, Stanley Dennison, John Jewkes, Ludwig von Mises, Karl Popper, and from the US Aaron Director, George Stigler, and Milton Friedman. It expanded its operations considerably, especially during the 1960s and 70s, when British politicians such as Geoffrey Howe, Enoch Powell, John Biffen, Keith Joseph and Rhodes Boyson attended MPS meetings (Cockett, 1994: p.118).

Thus, leading liberal intellectuals committed themselves to the "battle of ideas" for securing the long-term liberty of the individual, rather than trying to influence governments directly. It was recognised that this process may take many years, and it was with this in

mind that the IEA was formed. While it is the economists Ralph (now Lord) Harris and Arthur Seldon who are most frequently associated with the IEA, it was actually founded and initially funded by a chicken farmer called Anthony Fisher. Ralph Harris was recruited from St Andrews University to become the first General Director on January 1 1957, Arthur Seldon was recruited soon afterwards "and an extraordinarily fruitful partnership begins" (Blundell, 1987: p.31).

*The Philosophy of the IEA:* The status and approach of the IEA is set out on the inside cover of all its publications:

The Institute is a research and educational charity ... independent of any political party or group, and financed by sales of publications, conference fees and voluntary contributions from individuals and organisations.

... It specialises in studies of markets and pricing systems as technical devices for registering preferences and apportioning resources. Micro-economic analysis forms the heart of economies and of the work of the Institute. Such analysis is relevant and illuminating in both the public and private sectors, and in collectivist, individualist, and "mixed" economies.

While there is no corporate view, and while the Institute has a tradition of welcoming discussion, debate, and papers from those on the left, the IEA promotes the market. Denham detects two prominent themes in the IEA's publications. First, a belief in limited government and, second, "the technical (and moral) superiority of markets and competitive pricing in the allocation of scarce resources" (1996: p.2). Seldon argues that the essence of the IEA was

that governments could not assemble the information required for the desired use of resources; that only individuals could derive the information from their local, voluntary, private lives; that they could reveal and apply the information only or most effectively by coming together as buyers and sellers in markets (1981: p.xvii).

Building on the theoretical foundations of the Austrian, Chicago, and Virginia schools of economics, the IEA has promoted the role of the price mechanism in both public and private sectors.<sup>15</sup> The low priority politicians attached to prices for most of the "consensus" years "has produced massive de-stabilising, simultaneous wastes of surpluses and shortages" (*ibid*). Thus the IEA approach was, and remains, a reaction against the belief that social and economic problems are best solved by an interventionist state. Governments

do not have the knowledge or the capacity to process the information needed adequately to solve such problems. Rather than trying to impose at a macro-level, it is better to empower at a micro-level through such mechanisms as markets, prices, and property rights.

*The Work of the IEA:* As suggested above, the IEA is best described as a "university without students". Its primary target is not politicians but "the gatekeepers of ideas", namely the intellectuals, academics, and journalists. The IEA believe that a change in the intellectual climate is a pre-condition for any ideological shift within political parties or government institutions. It commonly utilises a military metaphor, with the IEA as the artillery firing the shells (ideas) and clearing the way for the infantry (politicians) at a later stage. Some land on target - the intellectuals (Blundell, 1987: p.32). According to John Blundell, the IEA's General Director:

The role of the IEA is to provide a platform to people who share our interest in exploring the problem-solving capabilities of markets, property rights and the rule of law. And we do that in a number of different ways, probably best known for our publications, but we also do a lot of conferences, lectures, seminars. We also have student outreach, and we do an awful lot of brokering of introductions and building of networks.<sup>16</sup>

The IEA's work is generally more theoretical than political, and has a rigorous refereeing process for all its publications. John Blundell observes that the IEA is probably better classified as a specialist publisher than as a think tank.<sup>17</sup> Nevertheless the quality of its work had a profound influence upon senior Conservative politicians such as Keith Joseph, Geoffrey Howe, and Margaret Thatcher, who were regular attendees at the IEA during the 1960s and 1970s. Upon her election in 1979, Margaret Thatcher wrote to Ralph Harris, thanking him for the IEA's contribution to her new agenda:

let me thank you for all you have done for the cause of free enterprise over the course of so many years. It was primarily your foundation work which enabled us to rebuild the philosophy upon which our Party succeeded in the past. The debt we owe to you is immense and I am very grateful (Cockett, 1994: p.173).

It was the arrival of "stagflation" in the 1960s, and the defeat of the Conservative Party in the 1964 and 1966 general elections, which initially opened the window of opportunity for the IEA to influence policy debates. According to Cockett, it was "perfectly natural that

politicians should turn to the IEA for answers to the country's economic woes, as by 1964 the Institute had been publicising a coherent analysis of Britain's economic problems for almost a decade, and proposing workable solutions to those problems" (Cockett, 1994: p.162). The experience of the Heath Government in the early 1970s would further increase the IEA's profile, as it "created a far more determined group of politicians, eager to explore the alternative economic strategy as laid out by the IEA" (Muller, 1996: p.101). Mrs Thatcher's election to party leader in 1975 allowed the IEA "indirect access" to the Conservative's policy-making machinery (*ibid*).

During the late 1970s and 1980s, the IEA campaigned vigorously for monetarism and monetary stability, and trade union reform (Muller, 1996; Cockett, 1994). Social policy also began to attract the interest of the IEA at this time. The Social Affairs Unit (SAU) was formed in 1980 by Digby Anderson at the suggestion of Arthur Seldon. Cockett notes that "Seldon and Anderson conceived of the SAU as doing for sociology and social policy what the IEA had done for economics, fighting an intellectual counter-revolution against the prevailing collectivist, interventionist orthodoxies which permeated most of contemporary social policy" (1994: p.280).

Since the late 1980s, the IEA has had to respond to new challenges, and a new political agenda. One area of growing issue to the IEA is Europe, which also served as the catalyst for the IEA's most serious crisis. Between 1987-92 the IEA's General Director was Graham Mather. He had spent the previous four years as Head of the Institute of Director's (IoD) Policy Unit. Around the time of the accession of John Major to the premiership, clear and open tensions developed between Mather and the "founding fathers", namely Harris, Seldon and their supporters on the IEA's advisory council. The Financial Times (30.12.92) reported that Mather "refused to become the repository of the Thatcher legacy". Mather believed that the style and strategy of the IEA was no longer appropriate, if it had ever been successful. He questioned whether the long-term aim of trying to influence academic economic opinion had been as central to the development of a new consensus around market economics as IEA supporters might claim. Mather commissioned a survey of academic economists which showed in the late 1980s that most British economists were still committed to the same Keynesian ideas which had been so important and influential in the post-war years (Ricketts and Shoesmith, 1990). Yet, for Mather the ideological battle

had still been won. There was now little dispute about the need and importance of monetarism and market mechanisms, leading Mather to doubt the link between the IEA's strategy and policy outcomes.<sup>18</sup>

Mather identified a new agenda based on institutional and constitutional issues, with the aim of increasing the link between voter choices and policy outcomes.<sup>19</sup> Under Mather the IEA pursued a research programme of law and the economy, the future of regulation, the application of public choice to bureaucracy, constitutional reform, and Britain's relationship with Europe (Muller, 1996: p.105). Mather also instigated a change of strategy, as the IEA became increasingly prepared to participate more directly in policy debates. For the founding fathers, these changes in ideas and technique betrayed the principles upon which the IEA was built. Mather was seen as popularising and politicising the cause. Eventually the relationship became unsustainable and Mather and three colleagues resigned from the IEA to set up another think tank, the European Policy Forum.

Following Mather's departure, John Blundell was appointed General Director in January 1993. Under new management, "the IEA began to return to its former objective of consistently applying free market analysis to the changing and evolving political arena without overt political lobbying" (Muller, 1996: p.106). Since 1993 the IEA has focused on such issues as:

- utility regulation, with the IEA operating a joint lecture and publication series with the London Business School;
- the environment (the IEA established an Environment Unit in 1993 "to apply market analysis to environmental problems");
- education (a new Education and Training Unit was established in 1996 with the aim to "explore the part which markets can play in meeting the educational needs of individuals, families, communities and industry, hence reducing the role of the state").<sup>20</sup>
- and the welfare state, with the IEA Health and Welfare Unit focusing on dependency and the underclass, and non-state forms of welfare provision.

Since the departure of Mather, the IEA has also developed a more sceptical line on Europe. Since 1993, IEA publications have argued strongly against the centralisation of political

decision-making, criticised plans for monetary union, and highlighted the danger of EU social policy for Europe's long-term competitiveness.

### **The Centre for Policy Studies**

*The Origins of the CPS:* The CPS is the most partisan of the three main think tanks, being the direct creation of former Conservative Cabinet ministers. The CPS grew out of the failure of the 1970-74 Conservative Government to achieve its initial stated objectives. Halcrow notes that: "The New Right had briefly hoped that Edward Heath might prove to be the instrument for the radical changes they wanted in the British economy" (1989: p.61). Yet the Heath Government's enthusiasm for market reforms faltered, and the U-turns were followed by electoral defeat in February 1974. Those Cabinet ministers on whom the IEA had placed such hopes, namely Joseph, Thatcher and Howe "vanished without trace" (Cockett, 1994: p.207). Joseph returned to the IEA for intellectual support following the 1974 election defeat, while Harris and Seldon provided Joseph with reading and general guidance. Alfred Sherman, a journalist and Joseph's former speech writer from the days of opposition during the 1960s, and Alan Walters, later to be Mrs Thatcher's economic adviser, fine-tuned the arguments over monetarism and other elements of market theory (*ibid*). Mrs Thatcher joined these meetings in the spring. These series of discussions convinced Joseph that "it was only in April 1974 that I was converted to Conservatism. I thought I was a Conservative but now I see that I was not one at all" (quoted from Halcrow, 1989: p.56). With this re-awakening, Joseph saw the need for a new institution to promote this brand of "conservatism". The CPS was not envisaged as a competitor with the IEA but more a partner - it was "to do in political terms for the free market what the IEA had so successfully done in the wider intellectual community" (Cockett, 1994: p.236)

Given the ideological standpoint of Joseph and Sherman it is perhaps surprising that Heath allowed the CPS to be established at all. In 1976 he claimed he hadn't (The Times 05.07.76). Willie Whitelaw, Conservative Party Chairman in 1974, with "a reputation for being one of the shrewder political observers of the time regarded it as one of the great political mysteries that the Centre for Policy Studies was allowed to come into being" (Halcrow, 1979: p.65). However it appears that Heath not only knew about the CPS but, as party leader, approved it. This he did "with no great enthusiasm after it was explained that



the object was to examine how the market system worked in the various economies of the world" (*ibid*). Moreover, he nominated Adam Ridley from the Conservative Research Department (CRD) to the board of the CPS, to act as a link between the two bodies (Todd, 1991: p.10). Joseph became chairman of the CPS with Mrs Thatcher as a director, and Sherman as Director of Studies. The CPS was officially launched on January 14 1975, during the campaign for the party leadership.

*The Philosophy of the CPS*: Specifically, the CPS was established to study the success and relevance of the "social market" economies and especially the *soziale marktwirtschaft* of Germany. Sir Keith Joseph explained that:

[The idea] was mine and Alfred Sherman's ... I did it to try and persuade myself and then ... the party and the country, that the German social market philosophy was the right one for the Conservatives to adopt. I set it up - with Ted Heath's understandably slightly grudging approval - to research, and then to market, social market philosophy (Denham, 1996: p.39).

The CPS's declaration of intent stated:

The Centre will state the case for a social market economy: this is a free market economy operating within a humane system of laws and institutions. This case will be presented in moral as well as economic terms, emphasising the links between freedom, the standard of living and a market economy based on private enterprise and the profit discipline (*ibid*).

It is this emphasis on morals, values and community which distinguishes the CPS from the IEA and, as suggested below, the ASI. The CPS was still a market-friendly institute. David Willetts, Director of Studies between 1987-1992, explains that "We are, of course, free marketeers but we were never just free marketeers ... We don't think that economics is the explanation, nor believe the free market is the solution to everything" (*ibid*). Denham also noted that "there was early interest ... at the CPS, in reviving the so-called 'Victorian' values of hard work, thrift and self-reliance" (*ibid*), a theme which was to recur in the speeches and rhetoric of Mrs Thatcher throughout her premiership.

The important point here is that for the CPS, a free economy, and a free society ultimately *depend* on a moral citizenry - on the voluntary exercise of morality by individual citizens. In this connection, economic self-sufficiency and moral

restraint are seen not just as a personal but as a *social* responsibility. Because the individual is no mere individual, but an individual *and* social being, he or she must be prevailed upon to exercise certain responsibilities; to fulfil moral duties and obligations; to recognise "legitimacy" in authoritative social institutions and observe the "fact" of community (*ibid*).

One of the earliest CPS pamphlets was entitled Why Britain Needs a Social Market Economy.

The notion it conveys is that of a socially responsible market economy, for a market economy is perfectly compatible with the promotion of a more compassionate society. Indeed, by encouraging the energies and initiative of the creative and sturdier members of our society, the resources available for the helping the aged, the sick and disabled are substantially enlarged (CPS, 1975: p.7).

Harris notes that one of the most important themes behind the work of the CPS has been promoting the moral superiority of market capitalism. This has been one of increasing importance to the CPS as the political debate has moved away from macroeconomic issues to social and cultural issues. Harris argues that "the shift in the nature of the left-right debate, and similarity in language (community, duties as well as rights, individual empowerment with moral responsibility) owes much to the CPS, even if it is possible to be critical of the Thatcher governments' record on these issues" (1996: p.57).

*The Work of the CPS*: The CPS has gone through a number of stages during its twenty year history. Initially it helped launch Margaret Thatcher to the leadership of the Conservative Party. Under Alfred Sherman it assisted Joseph in moving Conservative policy away from the centre ground, by assisting him with research and information, and Sherman acting as his major speech-writer. Cockett argues that the task of the CPS between 1975 and 1979 "was to translate [the IEA's broad principles of economic liberalism] into practical policy proposals, and to win acceptance for those policies within the Conservative Party" (1994: p.244). Desai suggests that the CPS "was and remained primarily a launching pad for a collection of individuals with a semblance of institutional coherence, rather than a unified organisation working towards an accepted goal with accepted methods" (1994: p.55). The CPS sat uneasily with the CRD, despite the fact that their roles, in theory, were very different.

The CPS and the CRD conducted what amounted to guerrilla warfare against each other for much of that time, reflecting the ideological divisions within the Party between the old, 'paternalistic' Conservatism and the new "free market" version. Beneath the civilities of Conservative Party politics at the higher levels, the CRD tried to neutralise the work of the CPS, and the CPS tried to work around the CRD (Cockett, 1994: pp.254-5).

Gradually study groups replaced pamphlets as the main means of influencing Conservative Party policy. These groups were established by Sherman and "consisted of a variety of people such as MPs, journalists and people working in or interested in the policy area under study, who met regularly to discuss current and alternative policies in their respective areas" (Desai, 1994: p.56). Three were established in opposition on health, energy, and trade union reform. The CPS was also responsible for the influential "Stepping Stones" policy document. By 1983 there were sixteen such study groups (Cockett, 1994: p.276), which worked closely with the No.10 Policy Unit and Cabinet ministers.

Sherman had hoped to get an "army" of CPS advisers into government in 1979. Hoskyns and Strauss were taken into the Policy Unit, ahead of the CRD's Adam Ridley, David Young was appointed special adviser at the Department of Industry, and Stuart Sexton was appointed special adviser at the DES but that was all. Alan Walters was later appointed special economic adviser to the Prime Minister and Sherman himself was given some limited, privileged access to No.10. However, by 1983 Hoskyns and Strauss had left Downing Street, Walters returned to the US and Sherman was effectively eased out of the CPS by its new Chairman Hugh Thomas. It had become increasingly difficult for the CPS to "think the unthinkable", with its senior members were so close to Mrs Thatcher. Sherman, in particular, had a tendency to criticise the Government's pace of reform in public, which eventually undermined his position. According to Cockett "the CPS was so closely associated with Mrs Thatcher that it had to be either with her totally, or divorced from her" (1994: p.317). Thomas therefore attempted to change the CPS from an independent trail-blazing institute to a research arm for ministers and the Prime Minister.

In the words of one former member of the CPS and member of the Policy Unit, the CPS "died when Sherman left".<sup>21</sup> Cockett believes this judgement reflects the views of most involved in Conservative politics (1994: p.320). It is suggested that between 1987-92, under David Willetts, CPS had effectively become simply a defender of the Government's

social policy (Hames and Feasy, 1994), and under John Major was never the voice that it once had been. Indeed, in September 1995 the director of the CPS, Gerald Frost, was forced to resign because he had failed to deliver the CPS a high enough profile in the post-Thatcher era. According to The Guardian, the CPS was in serious decline "with falling donations, fewer publications, fewer conferences and outshone by rivals which were not even directly connected with the party" (01.09.95).

Harris argues that major the problem for the CPS throughout its history has resulted from "the paradoxes of power". This refers to the CPS's "dual role of being the institutional expression of the tendency that wanted to 'convert' the party, and indeed control its hierarchy, and as a participant in public debate" (1996: p.52). Harris concludes that:

There are many paradoxes to the story of the CPS. It has always trodden the thin line between "intellectual integrity" and access to the party and government. It was formed to speak over the heads of the party to create a public debate, yet relied on the party as the vehicle to implement its ideas. perhaps the central paradox has been its closeness to power and yet its apparent marginalisation (*ibid*).

The CPS's future looks uncertain. Despite the efforts of the new director, Tessa Keswick, to turn the CPS's fortunes around, it still remains closely associated with Mrs Thatcher. Following the defeat of the Conservative Party in May 1997, The Sunday Times argued that unless a Thatcherite leader of the Party revitalises it "There does not seem the remotest hope that the CPS could reclaim for itself the central role it played in formulating Tory policy when it was last in opposition in the mid-1970s" (18.05.97). With William Hague as Conservative leader, the future of the CPS remains unclear.

### **The Adam Smith Institute**

*The Origins of the ASI:* The ASI has its origins in the University Conservative Association of St Andrews in the late 1960s and early 1970s. It was there that two postgraduates, Madsen Pirie and Eamonn Butler, who currently run the ASI, met Robert Jones, Christopher Chope, Michael Fallon and Michael Forsyth, all of whom went on to become ministers in the Thatcher governments. This gathering of individuals prompted the Glasgow Herald to run a two-part feature entitled "St Andrews; Crucible of Revolution" which purported to "trace the tributaries of Thatcherism from it's Scottish source and

follows the route from the East Neuk of Fife to the Adam Smith Institute and ultimately to No.10 itself" (5.10.89). The ASI was conceived in 1976, the bicentenary of the work of Adam Smith's Wealth of Nations.

*The Philosophy of the ASI:* According to Madsen Pirie, the ASI has a "clear agenda". He states that "the aim of the ASI is to transform society from one which is run from the top to one which is run from the bottom",<sup>22</sup> or "to redistribute power downwards from government and its bureaucracy, and into the hands of ordinary citizens" (Pirie, 1992: p.9). What distinguishes the ASI from the other new right think tanks is not ideology but methodology and, in particular, an emphasis on public choice theory. Public choice theory is the application of economic analysis to the political process and challenges the view that policy-making is driven by the pursuit of the "public interest". Instead, the early proponents of public choice theory, James Buchanan and Gordon Tullock, argued that political actors should be regarded as "rational utility maximisers", with politicians as vote-maximisers and bureaucrats as budget-maximisers.

Building upon the foundations of public choice theory, the ASI has developed the concept of "micropolitics" (Pirie, 1988). In particular, micropolitics focuses upon the role of interest groups in the policy process. Public choice theory regards the electorate as coalitions of interest groups, or minorities. It is argued that it is politically easier to satisfy the wish of a minority than a majority, because, although the benefit to the minority may be substantial, the cost to the majority is proportionately lower. The minority therefore have a greater incentive to fight for the benefit than the majority have to reclaim its cost. Pirie argues that if a benefit is withdrawn from a group, it is necessary either to replace it with another, preferably larger benefit, or to create another interest group which would benefit from the policy change. Benefits are simply commodities which can be traded.

Just as many economists find that study at the micro-level is needed for a more accurate picture of economic reality, so it could be argued that the equivalent might be useful in the field of politics. If it is true that people bid and trade in political markets as they do in economic ones, then study at the micro-scale might give a more meaningful picture, and might even lead to more practical solutions. The suggestion is that there is a "micropolitics" just as there is a microeconomics (Pirie, 1988: p.127).

Micropolitics is thus the "creative counterpart"<sup>23</sup> of public choice theory, turning public choice analysis upside down to bring self-interest to potential opponents and create incentives for them to support and implement policy change. It is suggested that privatisation provides an example of micropolitics in action.

For privatisation is a policy which takes on board as many of the interest groups as possible; the former civil servants become the board of directors of the new private companies, the workers have 8-10% of the shares allocated to them at half-price, customers are given a preferred share allocation with reductions on the bills if they are shareholders. You buy off every interest group you can identify, deliberately using public choice principles to ally the interests of all major groups in support of the policy.<sup>24</sup>

According to micropolitical analysis, this is why the privatisation under the Thatcher Government "succeeded" while denationalisation under the Heath Government "failed", because the latter ignored public choice theory and the political marketplace. Pirie (1988) argues that the Thatcher Government was generally more successful than the Heath Government in achieving its policy objectives because it adopted micropolitical strategies when implementing policy change.

Instead of running headlong into the opposition of interest groups under *threat*, they were able to introduce policies which offered such groups the opportunity to trade for greater advantage. The Conservative programmes of the early 1970s met with failure. Those of the 1980s met with some successes. The difference between the two was policy technique. It was the entry of ideas concerning political markets into the activity of policy formulation (Pirie, 1988: p.134).

Denham suggests that micropolitics is "less confrontational and less holistic than conventional policy, in that it seeks to work with, rather than against, the grain of entrenched interest groups" (1996: p.33). Given that micropolitics attempts to minimise confrontation between interest groups "it is more piecemeal and more gradual" than some free market programmes" (Pirie, 1988: p.125).

*The Work of the ASI:* The role of the ASI was to be one quite different from the IEA, as Pirie reveals:

Basically the IEA was serving a different purpose. Its main strength was then, and still is, influencing the ideas of a generation, and their main work was always done in the universities with academic economists and so on ... What we wanted to do was extend the range of policy options; to develop creative solutions to problems which governments or others could take up if they wished; it was a different niche, there was room for us both (Glasgow Herald 5/10/89).

Nor was the ASI a Conservative think tank in the mould of the CPS. Pirie describes what he regards as the key differences between the ASI and the CPS:

The CPS was founded by two important Conservatives, and remains fundamentally interested in altering the opinion of the Conservative Party - its market is the Conservative Party. The CPS does absolutely excellent work reminding the Conservative Party of its own soul and persuading it of the eternal verities of the principles of economy, and modesty of government which it may forget from time to time. The ASI does nothing like that. All we do is innovate and produce new ideas designed to solve specific problems.<sup>25</sup>

While the IEA sees its target audience as the "gatekeepers of ideas", the ASI focuses more directly on decision-makers. According to Heffernan, the Institute is "elite centred, targeting decision-makers first and opinion formers second" and its "primary audience is to be found in Whitehall and Westminster, among them ministers, civil servants and political opinion-formers" (1996: p.78). Central to the ASI's approach to policy change is the belief that ideas are not enough to bring about reform themselves. As the concept of micropolitics implies, the ASI attempts to turn theory and ideas into workable policies which have a chance of being accepted and implemented. Pirie (1988) draws an analogy between scientists and engineers, with think tanks such as the IEA as "policy scientists" generating and promoting an understanding of ideas, while organisations such as the ASI serve as the "policy engineers" to help enact them.

According to Heffernan, the ASI is "fiercely libertarian" and "campaigns for the free market in almost every sphere of life from the deregulation of licensing laws to the privatisation of the prison service". It has also "has been particularly active in promoting privatisation across a range of services at the level of local and national government" (1996: pp.74-5). Some argue that the influence of the ASI upon the Thatcher Governments was significant. The Times (17.02.89) lists its "battle honours" as not only the privatisations of British Gas, the electricity industry, water, and Rolls Royce, but also the

internal markets in health and education, and local government reform including contracting out, privatisation, the abolition of the GLC, and the community charge. Many of these policies were first advocated in the ASI's The Omega File (Butler *et al*, 1985), which established working parties and reported on all areas of government policy.

Of the three new right think tanks in this survey, the ASI probably had the smoothest transition from Thatcher to Major. While the IEA split, and the CPS found itself increasingly marginalised, the ASI has been "prepared to make the most of the election of John Major in succession to Margaret Thatcher" (Heffernan, 1996: p.82).<sup>26</sup> In particular the ASI can claim some credit for the development of Citizens Charter, although this might be disputed by others.<sup>27</sup> Pirie's work on the Citizens Charter was publicly acknowledged by the former Public Services Minister, William Waldegrave (1993), and he was appointed to John Major's Citizen's Charter Panel of advisors between 1991-95. More recently, the ASI has been active in promoting the shift from a pay-as-you-go to a funded pension system, or what are called *fortune accounts*. Between 1995-97, the ASI committed most of its resources to this project, which will eventually produce over a dozen publications, and numerous seminars, lectures, and conferences. It also brought together practitioners from the insurance industry into a working party who were closely involved in developing the detail of the policy.

## **POLICY-MAKING AND THE NEW RIGHT THINK TANKS**

The aim of this section is to identify the approach which would be most suitable for assessing the impact of the new right think tanks. There are two parts. The first considers the extent to which a *new right network* existed between the new right think tanks and other political actors. It highlights a number of ways in which think tanks attempt to influence policy, both as organisations in their own right and as part of a this network. The second examines whether the new right think tanks should be evaluated through a "stages heuristic" approach (through their work as "agenda-setters"), or whether a meso-level approach (such as policy network analysis, epistemic communities, or the Advocacy Coalition Framework) would be more useful.



## A New Right Network

As the previous section suggests, it is difficult to generalise about of think tanks in the policy process. Each think tank carved itself a niche in the market, and each purported to have a different role and audience. However, they did not work in a vacuum. Think tanks worked closely with other actors to promote their policies and a number of bridges existed to connect think tanks with others in government. Special advisers, for example, played a pivotal role in linking ministers with the ideas of think tanks - indeed, some had written and served in think tanks. The No.10 Policy Unit membership also had a tradition of close think tank association, especially with the IEA and CPS. Former ministers, and many Conservative backbenchers on the right of the party, were keyed in to the thinking within such circles. Many candidates at the 1992 general election were drawn from this environment: it was noted that "of the 58 Tory seats which are being vacated, nine have gone to the former political advisers of Cabinet ministers" (The Independent 27.03.92).

There was also a great deal of interaction and overlap between the think tanks, and movements between think tanks and positions within government. Graham Mather began in the Policy Unit of the IoD<sup>28</sup>, became General Director of the IEA in 1987, helped establish the EPF in 1992, and he is now an Conservative MEP. Oliver Letwin began as a special adviser to Keith Joseph in the early 1980s, transferred to the No.10 Policy Unit, wrote for the CPS (and served on its Education Study Group), was a parliamentary candidate in the 1987 and 1992 before being elected to Parliament in 1997. Anthony Flew wrote, or participated, on the subject of education reform for the IEA, the CPS, and the ASI. All Heads of Mrs Thatcher's Policy Unit have had close links with the CPS. Many of the Thatcherite No Turning Back Group, which regularly met at the IEA, had close links with the ASI, with their respective founding members studying at St Andrews together during the late 1960s and early 1970s.

The existence of what could be called a *new right network* has been identified elsewhere. Kavanagh suggests that:

close personal links existing between many activists in these groups have helped to develop what might be called a "free enterprise solar system" ... The offices of the

groups are located within a few square miles of each other in Westminster, close to Parliament. The regular lunches at the IEA and the CPS study groups provide mutual social and intellectual support for participants (1990: pp.111-112).

Dunleavy and Rhodes note that "Thatcher had a very extensive network of advisers, image consultants, speech writers and intellectuals" (1990: p.10). According to James:

Since the 1980s, this loose but potent network has linked the free market think tanks to sympathisers in Parliament, in the Cabinet, and in advisory posts in Whitehall. Some members of the network went full circle: David Willetts left Mrs Thatcher's Policy Unit to become Director of the Centre for Policy Studies, later elected a Conservative MP, and became a leading light of the Social Market Foundation. The significance of this network is a much neglected feature of recent government (1993: p.503).

James actually talks of a policy network "of think tanks and Whitehall insiders" (*ibid*). Similarly, Ashford argues that:

To understand the project later labelled 'Thatcherism', they should have read the works of thinkers such as Sir Keith Joseph, Ralph Harris, Arthur Seldon and Dr Madsen Pirie and think tanks such as the Centre for Policy Studies, the Institute of Economic Affairs, and the Adam Smith Institute that made up a small, but ultimately influential, policy network dedicated to the promotion of a set of ideas, associated with the new right, that were to come to dominate British politics for well over a decade (1997: p.1).

Reflecting on Mrs Thatcher's early years in power, Riddell notes that she "kept open lines to free-market and pro-business thinkers outside the government through some of these advisers" (1983: p.54). Singer maintains that the economic academic profession was not the intellectual source for the economic policy of the Thatcher Government after 1979. He talks of "the increasing influence of a system of anti-Keynesian private think tanks" (1993: p.77), and highlights the importance of the CPS and the IEA and their contribution to the development of Conservative economic policy.

Other organisations contributing to the anti-Keynesian network have followed, among them the Adam Smith Institute (with an Austrian economics approach) and the long-established membership organisation, the Institute of Directors (with supply side orientation). Journalists formed a part of this network: Bernard Levin and Peter Jay in The Times, Ronald Butt in The Sunday Times and Samuel Brittan in The Financial Times (Singer, 1993: p.77-78).

Singer notes that the advice from this network was institutionalised by bringing such experts into the government system as special advisers or members of the Policy Unit, or directly into the Treasury and other departments.

The objective was to create a network of influence inside the government to rival the traditional power of the Whitehall mandarins and to create channels for regular contact between the Prime Minister's Office and the external Conservative think tanks (1993: p.78).

This "general operating style" was utilised throughout a variety of policy areas and "involved the extensive use of small, informal ad hoc groups of ministers and experts of her own choice. This circumvented the formal paths of decision-making in the Cabinet and its decision system" (*ibid*).

The existence of this new right network enabled think tanks to influence policy in a number of ways. First, however, think tanks are able to influence policy in their own right. The traditional weapon of the new right think tank was the pamphlet or report. These were often supported by a conference, seminar, or lecture. Very occasionally, it is possible to highlight such a report which has directly led to policy change. One example of this is the abolition of retail price maintenance. In 1960, the IEA published Retail Price Maintenance and Shopper's Choice, by Basil Yamey. In 1964 the responsible minister, Edward Heath, piloted the Bill to abolish retail price maintenance (RPM) through the House of Commons. Heath himself later highlighted the importance of the IEA, and that particular report, in a celebratory lunch at the IEA in February 1994, marking the twentieth anniversary of the abolition of RPM. Cockett, however, offers a cautionary note for this example noting that "it is impossible to attribute the abolition of RPM by Edward Heath in 1964 solely to Yamey's paper, but if Anthony Fisher's story of Heath telling him at an IEA lunch that the troubled passage of the legislation to abolish RPM was all Yamey's fault, then Yamey could at least claim some credit for this small step towards a free market" (1994: p.146).

Often, though, the influence of think tanks was dependent upon network allies. For example, a second strategy by which think tanks exercised an influence on the direction or timing of government policy was by utilising its "transmission belts". These involved the

appointment of members, or associates, of think tanks to advisory positions within government. They may have been appointed special advisers, or members of the Prime Minister's Policy Unit. In these positions they had access to official documentation, assisted in speech-writing, or wrote articles for their minister. Gerald Frost, the former Director of the Centre for Policy Studies, maintained that: "There used to be a transmission belt from us to Keith Joseph's speeches" (The Guardian 01.04.95). James highlights the links between the No.10 Policy Unit and the CPS which "provided a conduit for CPS papers to the centre of policy-making" (1992: p.237). Proposals from the new right think tanks were more likely to be channelled to ministers or Prime Minister when such advisers are appointed, although the success of this strategy was probably determined by the status of the special adviser within the department (or standing with the Prime Minister). Increasingly, given the growth of QUANGOs<sup>29</sup> and regulatory agencies, greater patronage is now in the hands of ministers to appoint political allies to office. Individuals from the new right network were sometimes appointed to such bodies, giving them a greater input during the implementation of policy, as happened to some extent in education (see chapter 5).

The role of a special adviser or an adviser in the Policy Unit leaves little time for detailed examination of long-term problems or solutions. During the 1980s and 1990s, many advisers left their departments not only with ideas about the direction of Government policy, but also the direction the minister's/Prime Minister's thinking.<sup>30</sup> This led to a third strategy: some advisers wrote pamphlets for think tanks after leaving Whitehall. The eventual incorporation of their proposals into government policy may have had little to do with the document itself, but as a consequence of the former adviser having seen the policy evolving in Whitehall. David Willetts, Hartley Booth, and Oliver Letwin all contributed to one or more of the new right think tanks after leaving the Downing Street Policy Unit. Some think tank reports were formerly private briefings to ministers from when the author was a special adviser.<sup>31</sup>

Fourth, the new right think tanks were frequently asked by the media to give a free market perspective on current policy issues. The think tanks themselves, with their small permanent staff, were in no position to handle most of these requests directly, but could recommend relevant specialists from their own networks. When that person appeared on

the television or radio news, or is quoted in the press, there was no mention of the think tank which brokered the introduction. Yet it was, and remains, a vital function of modern think tanks, and ensured a steady flow of their ideas into the public domain.

Finally, it is necessary to consider a strategy which may give the illusion of influence, but in reality suggests that certain think tanks did not act quite as independently as they might claim. Ministers might have asked think tanks to publish a pamphlet on a particular subject with specific proposals. While the proposals were still *deniable*, ministers might have been intending to implement the proposals from the outset. For ministers, the pamphlets could have helped create the illusion that there was an independent call for policy change. Such a strategy might have been useful as a means of enabling ministers to test reaction to certain policy proposals. The extent to which this kind of relationship existed between ministers and think tanks is unknown, there is little empirical evidence, and would be difficult to gather given that it would not be in the interest of either ministers or think tanks to make such information public. Ministers might have been accused of not having the courage to reveal their intentions and perhaps encouraged taunts of "hidden agendas" - and they might also have found it difficult to distance themselves from less-helpful reports in the future. For the think tanks it would have been a blow for their claims of independence and might damage their credibility with the press, supporters and sponsors.

### **The New Right Think Tanks and "Agenda-Setting"**

This notion of a new right network is useful in highlighting the opportunities available to the IEA, CPS, and ASI to influence, or be seen to influence, policy. However, the notion has its limitations. For example, it is also unclear how the new right network manifests itself in particular policy areas or on specific issues. Moreover, none of those who refer to this "network" expand on its role, or address its implications for our understanding of policy-making. However, although the role of this network in policy-making is unclear, some have identified a major policy-making role for the IEA, CPS, and ASI as the "agenda-setters" of Thatcherism. The Guardian suggested that since 1979, "the influence of the new right think tanks has been disproportionate. To a remarkable degree, they have set the political agenda" (13.01.89). James argues that one of the new right think tanks' most significant breakthroughs was in persuading the civil service "to share its control of the

policy agenda" (1992: p.239). Seldon notes that the new right think tanks "helped prepare the ground and occasionally the detail of the Thatcher agenda" (1994: p.154).

Given these perceptions, it might be tempting to assess the impact of the new right think tanks through the stages approach to policy-making which breaks the policy process down into a series of temporally distinct subprocesses. For example, Hogwood (1987) breaks down the policy process into the stages of issue emergence, agenda-setting, agenda processing, decision-making, legislation, resource allocation, implementation, adjudication, and impact and evaluation. If the views quoted above are correct, the stages approach would place the work of the new right think tanks at the agenda-setting stage of the policy process. However, the notion of a new right network would suggest that organisations such as think tanks can have an impact on policy-making throughout the policy process, through their close links with network allies. It should be remembered that agenda-setting and policy formulation can continue during and beyond legislation, and the stages approach needs to be developed to take account of these factors. It is not denied that there are temporally distinct processes - policy formulation is required before legislation, which may be required before implementation. The task is to ensure that the work of groups, networks, or coalitions which transcend one particular stage is not lost by overlooking the factors which link the stages together. As Parsons argues:

although "problem" recognition and definition, the search for information, the framing of agendas, and alternatives are "early" stages in the policy process (*qua* model or map) these activities/stages are not logical sequences which culminate in decision and implementation. Policy-making in this sense may be viewed as a form of "collective puzzlement on society's behalf; it entails both deciding and knowing" (Hecl, 1974: [p.]305). This puzzlement in the form of defining problems and framing agendas continues - like a core thread - throughout the policy process (1996: p.85).

Similarly Oliver Letwin argues that:

There's a sort of naive view that the policy process consists of a think tank originating an 'idea', and that this gets translated into 'policy' by some special adviser with the Policy Unit, and then this gets translated into ministerial will, and then somehow translated into law by officials. Now this is a wholly false view - I mean it is simple enough to be significantly wrong.<sup>32</sup>

A proper evaluation of the new right think tanks must acknowledge their relationships with other policy actors, and their links throughout the policy process. In this respect meso-level approaches may be able to make a telling contribution. Meso-level analysis focuses on "the linkage between the definitions of problems, the setting of agendas and the decision-making and implementation processes" (Parsons, 1996: p.85). There are meso-level concepts such as policy networks and advocacy coalitions which not only provide general models of these processes (Parsons, 1996: p.184) but which also place a heavy emphasis on the importance of groups in policy-making. Such approaches might help provide a more accurate account of the role and impact of the new right think tanks in policy change than the stages approach. Focusing at the meso-level also has the added advantage of relating the work of the IEA, CPS, and ASI to two of the most influential approaches in the policy-making literature - the Rhodes Model and the Advocacy Coalition Framework. Moreover, focusing on approaches which use the language of "networks" and "advocacy coalitions" is appropriate given that many identified a "new right network" the IEA, CPS, and ASI, the last two of which had been identified by Stone as advocacy tanks (see above).

## CONCLUSION

The purpose of this chapter was to introduce the organisations which are the focus of this research. It suggests that think tanks are distinct political actors and that the new right think tanks, as policy promoters, are distinct types of think tank. However, claims that the new right think tanks acted as "agenda-setters" in the process of policy change should be treated cautiously. To suggest that the IEA, CPS, and ASI operated at the beginning of a policy process composed of temporally-distinct stages is to overlook two important factors. The first is that the new right think tanks do not operate in a vacuum and, through the new right network, have opportunities to shape policy throughout the stages of policy formulation. The second factor is that policy formulation is an on-going process and, although it can be distinguished from policy implementation, it is important to recognise the overlaps and links between these two processes. Meso-level approaches help provide the basis of a framework that can avoid the limitations of the stages approach as a means of assessing the impact of the new right think tanks. This will be discussed in the following chapter.

## NOTES

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- <sup>1</sup> Interview with David Willetts.
- <sup>2</sup> The Constitution was established as a two-year project in June 1995. It examined the technicalities of constitutional reform, and closed on 31 May, 1997.
- <sup>3</sup> The above definition does, however, share other features of think tanks identified by Stone, in particular their organisational and editorial independence, and a focus on influencing government policy.
- <sup>4</sup> For the purposes of this section, all uncited material refers to promotional literature of think tanks.
- <sup>5</sup> Weaver notes that "The steady flow of defense dollars has made Rand by far the largest of the think tanks, with fiscal year 1986/87 revenues of almost \$77 million" (1989: p.566).
- <sup>6</sup> Stone quotes the examples of the Washington-based Center for Democracy Which "has organised a 'Gift of Democracy' programme involving donations of personal computers, printers, copiers, fax machines and other communication facilities to the Polish legislature, as well as the Library of Democracy programme involving gifts of collections of 'classic' works on democracy for contribution to civic groups in Eastern Europe" (1996: pp.22-3).
- <sup>7</sup> Stone's typology also included think tanks from the US and Australia, not of direct relevance here.
- <sup>8</sup> See also Barberis and May (1993) who divides UK think tanks into those on the left, the centre, and the right, or in-between categories.
- <sup>9</sup> See, for example, The Sunday Times (08.11.92).
- <sup>10</sup> See also Callaghan on the Fabian Society, which he claims is "more important in reflecting the shifting priorities of the Labour party than bringing them about" (1996: p.48).
- <sup>11</sup> Despite the above criticism of James's use of the terms "disciplinary" and "multi-disciplinary", they are nevertheless employed here. James's use was criticised as it made application of his definition of think tanks arbitrary. Here they are not used for either definition or classification, but for description. The point that the difference between them is arbitrary is acknowledged and accepted. However, seen as a continuum (from highly-specialised to multi-disciplinary) the terms can have descriptive value.
- <sup>12</sup> See also Hecló and Wildavsky (1981: chapter 6) and Campbell (1983).
- <sup>13</sup> This follows Collard's original use of the term which uses the support of the free market as the common denominator of the new right.
- <sup>14</sup> For a review of The Road to Serfdom's initial impact, see Cockett, 1994, chapter 2.
- <sup>15</sup> For more information on the Austrian, Chicago, and Virginia schools, see Denham (1996), and Ashford (1993).
- <sup>16</sup> Interview with John Blundell.
- <sup>17</sup> Interview with John Blundell.
- <sup>18</sup> Interview with Graham Mather.
- <sup>19</sup> Interview with Graham Mather.
- <sup>20</sup> Promotional literature.
- <sup>21</sup> Christopher Monckton interviewed by Richard Cockett (1994: p.320)
- <sup>22</sup> Interview with Madsen Pirie.
- <sup>23</sup> Interview with Madsen Pirie.
- <sup>24</sup> Interview with Madsen Pirie.
- <sup>25</sup> Interview with Madsen Pirie.
- <sup>26</sup> See also Hames and Feasy (1994: p.236).
- <sup>27</sup> See Hogg and Hill (1995: p.103)
- <sup>28</sup> The IoD is not a think tank as such. It is a representative organisation for directors but with its own policy unit. The IoD was founded in 1906 and is distinguished from other trade associations by its consistent free market approach (as opposed to more interventionist organisations such as the Confederation of British Industry), and in that members subscribe as individual directors rather than corporate representatives. As such, the IoD is perhaps less beholden to large donors than other trade associations.
- <sup>29</sup> Quasi-Autonomous Non-Governmental Agencies.
- <sup>30</sup> Interview with former member of No.10 Policy Unit.
- <sup>31</sup> Private information.
- <sup>32</sup> Interview with Oliver Letwin



# Three

## *Think Tanks, Networks and Coalitions*

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The aim of this chapter is to consider the utility of competing meso-level policy frameworks for assessing the impact of the new right think tanks on policy change, and to present a framework for assessment based on the strengths and weaknesses of these approaches. There are a number of existing approaches and theories which seek to explain the role of groups in policy-making and/or policy change, such as policy network analysis (in particular the Rhodes Model) and the Advocacy Coalition Framework (ACF). It will be argued that such approaches either fail to incorporate think tanks into their analysis or do not allow sufficient focus to be placed upon the activities of think tanks to enable the primary research questions outlined in chapter one to be answered. That is not to say that these approaches are of little value. On the contrary, both the Rhodes Model and the ACF make *valuable contributions* to our understanding of the role of groups in the policy process. However, these approaches have been developed to address issues different from the focus of this research. Consequently the application of these approaches carries the potential danger of distorting the evidence, or the presentation of evidence, in a way which would not directly address the impact of the new right think tanks.

The framework adopted for the case studies will be known as the *template*. The template is designed to allow a greater degree of flexibility than is provided by existing approaches, although it draws heavily upon aspects of both the Rhodes Model and the ACF. The major difference between the template and these approaches is that the former does not promote a particular theory of policy-making and/or policy change. The template is primarily a mapping device which structures and presents the relevant case study data, against which qualitative judgements of the impact of the new right think tanks will be made. It seeks to incorporate a range of key variables which either accelerated or hindered policy change so that the assessment of the IEA, CPS, and ASI on specific policy changes is placed in its

proper context. The template is thus a heuristic framework rather than an explanatory model, although it is argued that further research might be able to give the template greater explanatory value.

This chapter has three sections. The first looks at the Rhodes Model and suggests that its difficulties in accounting for policy change limit its potential for assessing the impact of the new right think tanks. Much of this section concentrates on the Rhodes Model as developed by Rhodes (1986, 1988), Marsh and Rhodes (1992a) and Smith (1993). Although Marsh and Smith (1999) have since produced a more dynamic “dialectic” Rhodes Model,<sup>1</sup> the earlier work remains important as it generated a number of case studies which reflect important weaknesses in this approach which have yet to be fully addressed. The second section considers the key characteristics and criticisms of the ACF. It argues that, despite having a number of features which might make it superficially more appealing than the Rhodes Model, it is primarily a theory of policy change with a number of testable hypotheses which, if applied, would not adequately address the issue of think tank influence. This section also briefly considers epistemic communities which have been used to explain the work of the new right think tanks, and which have also been presented as a subset of advocacy coalitions. The third section outlines the template which seeks to amalgamate some of the key insights of both the Rhodes Model and the ACF to construct a framework for the case study chapters. This section suggests that Marsh and Smith’s dialectic approach incorporates some of the important dynamics present in the ACF, and that the two could be synthesised to develop a more comprehensive approach which could help explain both policy continuity and policy change. Although the template is although designed to help assess the impact of just one particular variable - think tanks - it may have wider theoretical significance by providing the basis for integrating the two approaches.

## **POLICY NETWORKS**

One of the most influential recent developments in the British policy-making literature has been policy network analysis. Dowding suggests that "Policy network analysis has become the dominant paradigm for the study of the policy-making process in British political science" (1995: p.136), whilst Hay maintains that the “network paradigm” is “reshaping the

political, economic, and social landscape of the advanced industrial societies” (1998: p.33). There have been a number of approaches to policy network analysis in recent years, including: the rational choice approach; the personal interaction approach; formal network analysis; and the structural approach.<sup>2</sup> This research focuses on the Rhodes Model, which presents networks as groups linked by “resource dependencies”. This is not to deny the validity of alternative approaches to policy network analysis, but the Rhodes Model is the most widely applied and probably the most influential approach in the UK.

Another reason for employing the Rhodes Model is that it has proved to be more dynamic than other network approaches. Not only has the Rhodes Model evolved in response to some of the criticisms levelled against it, but it has also attempted to integrate some of the more important contributions of alternative approaches. Most network approaches are either structure-centred or agency-centred, where the former emphasises the structural nature of networks (for example, Knoke, 1990) and the latter focuses on the importance of interpersonal relations within the networks (for example, Heclo and Wildavsky, 1974). Although Marsh and Smith believe that the Rhodes Model is “essentially structural”, they have recently developed a “dialectic” approach to the Rhodes Model which is neither simply structure nor agency-based but one which recognises that structures and agents continually interact. Although the dialectic approach does not address all the criticisms levelled at the Rhodes Model it is research in progress and its major propositions are beginning to dovetail with those of the influential Advocacy Coalition Framework. This suggests that the dialectic Rhodes Model is likely to be the most important network approach in the near future.

This section has two parts. The first examines the key characteristics of the Rhodes Model. The second highlights its main weaknesses and limitations. Although the Rhodes Model literature has acknowledged that the new right think tanks promoted policy change, their role is insufficiently conceptualised. To incorporate the IEA, CPS, ASI and their allies into the analysis would require the Rhodes Model either to extend its typology or to adopt a more flexible approach to categorising its networks, with guidance as to the implications of these new groups and/or networks for the future analysis of policy-making and policy change. Although research into the Rhodes Model and the role of policy networks on policy outcomes has progressed recently with the development of the dialectic approach, it

has not sufficiently addressed this weakness. In particular, there are a number of questions regarding the relationship between the new right networks (or “personal networks”), policy networks and policy outcomes that remain unexplored. This limits the capacity of the Rhodes Model in its present form to provide a complete analysis of the impact of the new right think tanks.

### **Key Characteristics of the Rhodes Model**

Rhodes and Marsh explain that the policy network concept has grown out of the inadequacies of both the pluralist and corporatist models as neither "provided a very realistic picture of the relationships between government and interest groups, largely because they purported to offer a general model of these relationships" (1992a: p.3). They argue that such relationships may differ markedly between policy areas and therefore what is needed is an approach which will "disaggregate policy analysis and stresses that relationships between groups and government vary between policy areas" (*ibid*). At the heart of Rhodes's analysis is the notion of power-dependence. This contains five propositions:

- a) Any organisation is *dependent* upon other organisations for resources.
- b) In order to achieve their *goals*, the organisations have to exchange resources.
- c) Although decision-making within the organisation is constrained by other organisations, the *dominant coalition* retains some discretion. The *appreciative system* of the dominant coalition influences which relationships are seen as a problem and which resources will be sought.
- d) The dominant coalition employs strategies within known *rules of the game* to regulate the *process of exchange*.
- e) Variations in the degree of *discretion* are a product of the goals and the relative power potential of the interacting organisations. This relative power potential is a product of the resources of each organisation, or the rules of the game and the process of exchange between organisations (Rhodes and Marsh, 1992a: p.10).

In his study of central-local relations, Rhodes suggested that: "Central-local relations take on aspects of a 'game' in which central and local participants manoeuvre for advantage, deploying the resources they control to maximise their influence over outcomes and trying to avoid becoming dependent on other 'players'" (1988: p.42). Organisations have a number of resources which can be deployed, such as authority (legal resources), money (financial resources), political legitimacy (political resources), and informational and organisational

(people, skills, equipment) resources (Rhodes, 1988: pp.90-1). Organisations also deploy strategies "for imposing upon other organisations and organisation's preferences concerning the time of, conditions for and extent of the exchange of resources" (*ibid*). Strategies can include consultation, bargaining, confrontation or persuasion.<sup>3</sup> The concept of power-dependence was first deployed by Rhodes to analyse the relationship between central and local government (1981, 1986). He argued that "both central departments and local authorities are inter-dependent and no matter how powerful central government may seem it is always dependent upon local government to some degree" (1986: p.17).

The definition of a policy network is given as "a cluster or complex of organisations connected to each other by resource dependencies and distinguished from other clusters or complexes by breaks in the structure of the resource dependencies" (*ibid*). The term "policy networks" is treated as an over-arching label, with the Rhodes Model identifying five ideal types. Policy communities (derived from Richardson and Jordan, 1979) and issue networks (derived from Hecló, 1978) represent the two extremes of the model. While policy communities (and territorial communities) have a highly restricted and integrated membership, such as fire services or education (Richardson and Jordan, 1979; Rhodes, 1986: chapter 4; Rhodes, 1988: chapter 4), issue networks are characterised by a large number of participants, diverse and fragmented, with no single focal point at the centre, such as with leisure and recreation policy (Rhodes, 1988: p.78). In between lie professional networks, intergovernmental networks, and producer networks, on a continuum (from policy communities to issue networks) based on increasing numbers of participants per network and decreasing vertical independence.

The Rhodes Model is different from that adopted from Richardson and Jordan (1979) in distinguishing between different types of network. While Richardson and Jordan use the term "policy community" to describe nearly all types of state/group relations, the Rhodes Model distinguishes between relations in different policy areas on the basis of composition, integration, and interdependence. The Rhodes Model is presented as a meso-level concept, addressing the structural relationship between units of sub-central government, as opposed to a micro-level concept looking at relationships within specific units of government (for example Hecló and Wildavsky, 1974; and MacPherson and Raab, 1988), or a macro-level analysis which focuses upon the interaction between groups and the broader socio-

economic and political context (Rhodes, 1988: p.46). Recent analysis suggests that the policy network approach has little utility as an explanatory concept unless it is integrated with macro and micro-level analysis (Marsh and Smith, 1999), but the principal focus of the Rhodes Model remains interest group intermediation (Daugbjerg and Marsh, 1998).

**Table 5**

**Policy Community and Policy Network: the Rhodes Model**

<i>Type of network</i>	<i>Characteristics of network</i>
Policy community/territorial community	Stability, highly restricted membership, vertical independence, limited horizontal articulation
Professional network	Stability, highly restricted membership, vertical independence, limited horizontal articulation, serves interest of profession
Intergovernmental network	Limited membership, limited vertical interdependence, extensive horizontal articulation
Producer network	Fluctuating membership, limited vertical interdependence, serves interest of producer
Issue network	Unstable, large numbers of members, limited vertical interdependence

Source: Rhodes and Marsh, 1992a: p.14

**The Rhodes Model, Think Tanks and Policy Change**

One of the main criticisms of the Rhodes Model is that it has little to contribute to our understanding of why or how policy changes. The remainder of this section will address this criticism to consider whether the Rhodes Model could be a suitable framework through which to assess the impact of the new right think tanks.

Since it was first presented the Rhodes Model has developed and responded to certain criticisms. Some have proposed a “dialectical” approach to the Rhodes Model (Marsh, 1998; Marsh and Smith, 1999; Hay, 1998) which provides a more dynamic account of the relationship between policy networks and policy change, but which fails to incorporate groups which promote change and which do not fall comfortably within the Rhodes Model

typology. It will be argued that the failure fully to address this limitation means that, for the purposes of addressing the key research questions outlined in chapter 1, alternative approaches must be explored for an appropriate framework to be found.

The main criticism of the Rhodes Model here is that it struggles to account for policy change. Smith maintains that the "role of a policy community is to prevent change by excluding threats to the dominant interests" (1993: p.76). Marsh and Rhodes note that their case studies "show that policy networks exist to routinize relationships; they promote continuity and stability", and that much of the literature "sees policy networks as a major source of policy inertia, not innovation" (1992c: p.261). This is not to suggest that policy change never occurs. Marsh and Rhodes argue that "policy networks do not necessarily seek to frustrate any and all change, but rather to contain, constrain, redirect, and ride out such change, thereby materially affecting its speed and direction" (*ibid*). It is recognised that "there has been policy change, both in the shape of the policy networks and in the outcomes, but the existence of a policy network or community acts as a major constraint upon the degree of change" (*ibid*).

The Rhodes Model does not ignore the question of change completely, as Marsh and Rhodes (1992c) and Smith (1993a) do suggest reasons why policy networks might change. For example, economic change could undermine the role of some groups and increase the relevance and importance of others. Marsh (1992) argues that the growth in unemployment from the 1970s increased the importance of the Manpower Services Commission and the development of an employment network including the Department of Employment, the Confederation of British Industry and the Trades Union Congress. However, focusing on how policy networks change is different from explaining why policies change, although it is possible that both networks and policies might change due to the same factors (Marsh and Smith, 1999). Other factors affecting network change are said to include: ideological factors, especially the ideology of the governing party; knowledge and technological change; and institutional change, such as the growing significance of European Union institutions (Marsh and Rhodes, 1992c: pp.257-8).

Rhodes and Marsh (1992b) criticise those such as Savage and Robins (1989) for concentrating excessively on legislative change, and insufficiently on changes in policy outcomes and, in particular, the problems of implementation. Marsh and Rhodes suggest

that such problems were due to the continuing relevance of policy networks in their ability to use their resources to frustrate change. Their study Implementing Thatcherite Policies concludes that in most cases "continuity has been preserved, in part, because of the policy network [preventing] radical policies being brought forward" (Marsh and Rhodes, 1992d: p.186). For example, regarding the community charge they note that "the Government tried to bypass the policy network at the policy formation stage, but the implementation of the policy was constrained by the actions of that network" (*ibid*). This led to an "implementation gap", where the Thatcher Government

deliberately adopted a top-down model [of implementation] and either failed to recognise, or chose to ignore, the known conditions for effective implementation in its determination to impose its preferred policies. It is legitimate to hypothesise that Conservative policy failure is explained by this *self-inflicted* implementation gap (Rhodes and Marsh, 1992b: p.9).

Since 1979 there have been significant changes both in intent and in the style of policy-making, and a marked decline in the level of consultation between the Conservative Government and service providers and interest groups was identified. Indeed, this lack of consultation may help explain the implementation gap:

It is often suggested that, after 1979, there was little role for interest groups in the creation of policy; that consultation became a thing of the past. This generalisation is true of the policy areas examined here. Certainly, the representative organisations of local government were not consulted during the saga of the reform of local government finance. Nor were the trade unions consulted about the content of most of the Thatcher Government's industrial relations legislation; at 'best' they were called in to be told what the Government of the day intended (Marsh and Rhodes, 1992d: p.180).

A number of case studies have reinforced the view that policy-making since 1979 marks a departure from previous patterns. Moon, Richardson, and Smart, suggest that the privatisation of British Telecom reflected "the priorities and methods adopted by the departments and ministers directly involved than those characteristic of the traditional policy community" (1986: p.350). With regard to water privatisation, Richardson *et al* argue that the policy style switched between consultation and imposition, thus reflecting "a shifting pattern of policy-making in which one model is insufficient, over time, to describe



the process" (1992: p.172). On the community charge, Crick and Van Claveren (1991) explain that, while the search for an alternative to the rates had begun in earnest back in the early 1970s, a small and exclusive group of political advisers were responsible for what emerged as the "poll tax". The community charge is also cited by Dunleavy as an example of "policy disaster", brought about partly because of a "divorce between initiation and implementation" (1995: p.62). Dunleavy talks of "the shift by ministers away from using their senior civil servants for policy advice, and towards reliance instead on politically aligned think tanks and outside experts, plus younger civil servants or advisors anxious to make their mark and secure promotion" (*ibid*).

What all these studies suggest is that there are a number of policy actors involved in policy formulation who appear to be neglected by the Rhodes Model. MPs, special advisers, think tanks and others all have resources and all seek to influence policy outcomes: MPs have the authority as elected representatives to raise specific issues, either publicly in Parliament, or privately with ministers; special advisers also have substantial access to ministers; print journalists have a captive audience for their ideas, subject to the competitive pressures faced by their newspapers; think tanks have more time than those involved with day-to-day policy management to think strategically and long-term, with the IEA, CPS, and the ASI developing a considerable reputation for influencing the Thatcher and Major Governments.

There is no theoretical reason why such actors cannot be members of policy networks, although the nature of their work means it is unlikely that MPs or journalists will be involved in regular, incremental policy discussions. It is highly unlikely, for example, that think tanks could be classified within policy communities. They are, as James argues, "irregular, freebooting outfits" whose "interventions are limited and sporadic (1993: p.504). It is especially difficult to reconcile the new right think tanks, whose *raison d'être* is policy change with policy communities which seek to limit it. It might be possible that the present Labour Government is regarded with less hostility by policy communities and as such the centre-left think tanks, with their close links to the Blair leadership, might have access to policy communities on broader, strategic policy-making issues. It may be possible that alliances will be formed to push through policy changes where there is agreement between the centre-left think tanks and the policy communities. As chapter two shows, Demos and the IPPR have or have had personnel in key advisory roles although the

actual extent of their influence on policy communities or upon policy outcomes is an area which will require further research. However, as the case study chapters in Part Two demonstrate, the new right think tanks did not have the cordial relationship with service providers within which a constructive dialogue could take place.

The literature on the Rhodes Model has, overall, been relatively silent on the role and significance of the new right think tanks. There is no indexed mention of the IEA, CPS, or ASI in Rhodes's Beyond Westminster and Whitehall, Marsh and Rhodes's Policy Networks in British Government or Implementing Thatcherite Policies, or Marsh's Comparing Policy Networks.<sup>4</sup> This may simply be a reflection of the case study conclusions in Marsh and Rhodes (1992a) which identified policy continuity rather than change, and as such there should be no suggestion that the Rhodes Model precludes us from dealing with think tanks or policy change. Indeed, the role of the new right think tanks is recognised by Smith who acknowledges their role in Mrs Thatcher's review of the health service. Health policy, and the internal market, was a policy area under Mrs Thatcher where a distinct change of style occurred: "policy-making has moved away from being consensual to being conflictual, to the extent that the government has been prepared to exclude traditional members of the policy community and include new groups such as the new right think-tanks" (Smith, 1993: p.183). In particular, Smith shows that groups which would normally have been consulted - such as the British Medical Association (BMA) and the Royal Colleges - were excluded until the publication of the White Paper announcing the reform programme.<sup>5</sup>

One way of incorporating the role of the new right think tanks within the Rhodes Model could be through the notion of issue networks, which incorporate a much larger number of actors. According to Rhodes, "The distinctive feature of this kind of network are its large number of participants and their limited degree of interdependence", and where "there is no single focal point at the centre with which other actors need to bargain for resources" (1988: p.78). However, the concept of issue networks raises a number of problems. Marsh and Rhodes argue that issue networks occur only with issues that are relatively unimportant for macro-policy such as leisure policy. Smith disputes this, arguing that "Issue networks do exist in areas of the policy core agenda and where the interests of economic groups and professionals are threatened" (1993: p.223). Smith cites the example of industrial policy, where there was a range of actors who "had different economic interests. Consequently, it

was extremely difficult to build any consensus, and the policy area remained highly political" (*ibid*).

Elsewhere Read, in his study on the politics of smoking, identifies both a producer network *and* an issue network. The producer network includes the tobacco producers and government departments (the Department of Trade and Industry in particular) and discusses matters relating to tobacco taxation, advertising, and sponsorship. Opposing it are bodies such as the Department of Health, the BMA and the pressure group ASH (Action on Smoking and Health). These groups operate in an issue network which also includes other supporters of the tobacco industry such as the Tobacco Workers' Union and the pro-smoking group FOREST (Freedom Organisation for the Right to Enjoy Smoking Tobacco). The anti-smoking bodies began to pose a threat to the producer network when a statistical link was made between smoking and ill-health (Read, 1992: p.132). According to Read, the line-up of policy actors suggests that "Rhodes's attempt to locate policy communities and issue networks at opposite ends of a continuum may be misguided", arguing instead that the two might in fact be "coterminous" (*ibid*). Marsh and Rhodes concede that network types "are not mutually exclusive" (1992c: p.255).

Read's division of the smoking network into a core (producer group) and periphery (issue network) has important implications for the concept of issue networks and the Rhodes model generally. For do not all policy areas have a core and periphery? If so, are not issue networks a ubiquitous feature of policy-making? It is doubtful that issue networks are as atomistic as is claimed (Rhodes, 1988: p.78; Rhodes and Marsh, 1992a: p.14). This would be to ignore the links which exist between groups in the periphery and groups in the core. Read, for example, does not fully address the relationship between FOREST and the tobacco producers, despite noting that the former is financed by the latter. Thus it is unclear how FOREST, on the periphery, helps the tobacco producers, in the core, to achieve their policy objectives. Clearly groups outside the core affect the core. Read emphasises this point arguing that, following the link between smoking and certain diseases, such information "has been used by the BMA and ASH, both groups outside the [producer] network, in an attempt to restrict the promotional activities of the industry, suggesting that the political agenda can be altered from the outside" (1992: p.132). Marsh and Rhodes

themselves acknowledge that ideas at a systemic level affect policy outcomes at a sectoral level:

The Conservative Party and the ideology of the New Right have been a wellspring of policy initiatives during the 1980s, giving the policy agenda a distinctive twist and mounting a serious and continuous challenge to the established routines of the policy networks ... Many a policy initiative may have faltered in the process of implementation, but the impact of party on setting the policy agenda and the process of policy innovation is considerable (1992c: p.257-258).

Thus in order to get a more complete explanation of policy outcomes it is necessary to go beyond the routine, formal patterns of consultation, advice and bargaining in the Rhodes Model, and focus upon the resources and strategies of those who disseminate knowledge and ideas outside of the policy networks.

The Rhodes Model makes little or no allowance for different "levels" of policy-making. Policy communities, for example, are defined largely by routine, formalised relationships and incremental policy-making, such as the Annual Review for agricultural prices (Smith, 1992), or the delivery of medical services within the NHS (Wistow, 1992: p.59). More recently Rhodes (1996) has used the network approach in the exclusively narrow context of service delivery rather than policy-making at multiple levels. Policy actors identified in the Rhodes Model are largely service providers, economic interests, and governmental (both national and local) agencies. It is unsurprising that focusing on routine policy-making will unearth regular relationships. But this is only one aspect of policy-making, and such approaches are often unable to account for irregular, but radical, policy change. According to Baumgartner and Jones:

Rapid change in public policy outcomes often occurs, but most theories of pluralism emphasize only incrementalism. This overemphasis on incrementalism has caused many to view pluralism as inherently conservative. Yet from a historical view, it can easily be seen that many policies go through long periods of stability and short periods of dramatic reversals. These long periods of stability have led political scientists to focus on the equilibrium of current policy compromises rather than on the punctuations in the equilibrium by dramatic change (1991: p.1044).

Baumgartner and Jones suggest that radical policy change can occur when policy actors seek to switch policy debates to “arenas” more favourable for the consideration of their issues. An example of this was the environmental lobby in the UK which was able to influence roads policy and undermine the powerful alliance of the Department of Transport and the roads lobby by focusing more of their resources first, in the 1970s, towards public inquiries and, in the 1990s, on the sites themselves (Dudley and Richardson, 1996, 1998). The importance of alternative arenas and their significance for policy networks and policy outcomes is a much neglected factor within the Rhodes Model approach.

It is also necessary to identify what is meant by “policy change”. Hall suggests that policy-making and policy change operate at three levels:

First and second order change can be seen as cases of “normal policymaking”, namely of a process that adjusts policy without challenging the overall terms of a given policy paradigm, much like “normal science”. Third order change, by contrast, is likely to reflect a very different process, marked by the radical changes in the overarching terms of policy discourse associated with a “paradigm shift” (1993: p.279).

Hall's breakdown is useful in allowing for the potential impacts of different groups on policy change at different “levels”. Some groups may be involved in changing the overall direction of policy (third order change), while others may simply be involved in annual consultations or incremental revisions to policy (first order change). Marsh and Rhodes do appear to recognise this in their notion of the implementation gap. If this implementation gap is “self-inflicted” (i.e. the Government *chose* not to consult fully to discover the conditions for the successful implementation of its policies), this raises a number of questions:

- to whom did the Government go for advice and support?
- which groups promoted policy change?
- what resources and strategies were deployed by these groups? and
- what were the effect of these on policy outcomes?

As noted above, think tanks have resources and are able to deploy strategies to help them achieve their objectives, although it is less clear that the new right network(s) are bound

together by resource dependencies as policy networks are in the Rhodes Model. Chapter two suggests that it was primarily shared beliefs that bound these organisations and individuals together. The Rhodes Model does not incorporate the notion of belief systems into its analysis, although Rhodes does argue that the delivery of a specific service might be shaped by *appreciative systems*. An appreciative system is described as an “operating code” or “the accumulated wisdom or map of the world of a central or local department which enables it to steer a course through its environment” (Rhodes, 1988: p.93).

An appreciative system is not the same as a belief system. Sabatier, in the context of the ACF, notes that belief systems “involve priorities, perceptions or important causal relationships, perceptions of world states, perceptions of the efficacy of policy instruments and so on” (1993: p.17). Thus Rhodes notes that within the education service, policy-making was guided by an appreciative system described as the “logic of arithmetic” in that “policy was determined by the numbers of pupils in the education sector” (Rhodes, 1988: p.93). This is different from those who sought to shape policy on the grounds of deeply-held beliefs regarding the legitimate role of the state, the purpose of schooling or the philosophy of education. The belief system determines the general parameters of policy whereas the appreciative system focuses more on process, referring to the guiding approach which helps agents determine how routine policy issues are decided (such as what the relationship between different levels of government should be). The difference between appreciative systems and belief systems might be simply a matter of degree (for example, the former involved with first order changes and the latter with third order changes) but this should not mean that either end of the spectrum should be neglected.

The difficulties which the Rhodes Model has had with policy change have yet to be satisfactorily addressed. Recently Dudley and Richardson noted (with the Rhodes Model in mind) that “one reason that network analysis is showing some intellectual fatigue is that it seems weak in explaining how policy change comes about” (1998: p.728). Marsh and Smith have recognised some of the weaknesses with the Rhodes Model and have responded with a dialectical approach to policy networks. This was partly in response to Dowding (1995) who argued that the Rhodes Model was merely a metaphor for understanding policy-making rather than a model which explained policy outcomes. According to Dowding, approaches such as the Rhodes Model

fail because the driving force of the explanation, the independent variables, are not network characteristics but rather characteristics of components within the networks. These components explain both the nature of the network and the nature of the process (1995: p.157).

Arguing from a rational choice perspective, Dowding believes that the policy network approach could have greater explanatory value if there more focus on the bargaining strategies between network members. It is argued that previous case study work had failed to establish a direct causal link between bargaining amongst network members and policy outcomes. To establish this link Dowding suggests that network analysis needs to adopt a bargaining model and game theory.

Thus while Marsh and Rhodes originally developed a structural approach to policy network analysis, Dowding suggests that the Rhodes Model needs to pay greater attention to agents. The dialectic approach seeks to bridge the structure/agency debate. Marsh and Smith (1999) argue that any discussion between policy networks, policy outcomes and policy change must acknowledge three dialectical relationships between: structure and agency; network and context; and network and outcome. Dowding is criticised for privileging agents (members of the network) over structure (the network itself) and failing to recognise that structures help determine the actions of agents.

The actions of agents change structures which, in turn, form the context within which agents act. Structures may constrain or facilitate agents but they are not given; rather they are capable of interpretation and re-negotiation and, thus, subject to change (*ibid*).

The relationship between structure and agency is dialectical in that it is “an interactive relationship between two variables in which each affects the other”. There is a similar relationship between the networks and the broader context. Marsh and Smith argue that

it is evident that exogenous changes can affect the resources, interests and relationships of the actors within the network. Changes in these factors can produce tensions and conflicts which lead to either a breakdown in the network or the development of new policies. However, these changes don't have an effect independent of the structure of, and interactions with, the network. All such exogenous change is mediated through the understanding of agents and interpreted in the context of the structures, rules/norms and interpersonal relationships within

the network. So, any simple distinction between endogenous and exogenous factors is misleading (*ibid*).

Finally, a dialectical relationship also exists between the networks and policy outcomes, where networks not only affect outcomes but “these outcomes also affect the shape of the policy network directly, as well as having an effect on the structural position of certain interests in civil society and the strategic learning of actors in the network”.

Marsh and Smith’s dialectical approach offers a far more dynamic account of how networks operate, not only in relation to network members and network structures but also between policy networks and policy outcomes, and policy networks and the context within which they operate. Thus networks and outcomes are not static but in a continuous state of flux, although there is nothing to suggest that networks no longer seek to minimise the extent of policy change. But this new approach remains firmly wedded to the Rhodes model typology so it provides no further indication as to how groups which promote change, and are outside the policy networks, are to be treated. For example, Marsh and Smith refer to the formation of Mrs Thatcher's "own personal network ... to reform the National Health Service and override the institutionally defined health policy network" (*ibid*). But Marsh and Smith give little guidance about how such "personal networks" should be regarded *vis-à-vis* the Rhodes Model. It raises such questions as:

- should all actors, including think tanks, participating in a specific policy area be part of a single policy network?
- should these rival networks be seen as competing policy networks?
- should they be seen as competing "coalitions" within the same network?

Marsh and Smith acknowledge that policy networks can conflict and constrain each other, noting that "the context within which networks operate is composed, in part, of other networks and this aspect of the context has a clear impact on the operation of the network, upon change in the network and upon policy outcomes" (*ibid*). But Marsh and Smith are less clear on how conflict between groups manifests itself, or how they aggregate themselves in the same policy area. In talking of "personal networks", Marsh and Smith appear to acknowledge implicitly that organisations such as the IEA, CPS, and ASI have a role in policy-making. Yet they also endorse the Rhodes Model, in which none of the categories satisfactorily incorporates the role of the new right think tanks in policy-making.



Smith argues that when policy change occurred, as with the health service reforms of the late 1980s, this was due largely to the political resources available to ministers. With regard to health policy, he notes that: "Mrs Thatcher was prepared to use her political authority - even her 'despotic power' - and capital to challenge an established policy community by making policy outside it" (Smith, 1993: p.184). It appears that defenders of the Rhodes Model such as Smith regard (in the case of health) the policy community as the only set of group relationships worth conceptualising. The role of Mrs Thatcher's "personal network" is acknowledged but its treatment is superficial. Neither Smith (1993) nor Marsh and Smith (1999) address:

- the actual composition and stability of this network;
- the factors which bound it together;
- the resources and strategies available and how they were used;
- the extent to which these resources and strategies helped the network achieve its policy objectives; and
- the factors which aided and constrained it in this process.

This omission is somewhat surprising because, despite arguing that resource dependencies can occur between Cabinet ministers (Smith, 1994) and between government departments (Smith, Marsh, and Richards, 1993), Marsh and Smith do not address *the extent to which* the power-dependence framework might or might not be applicable to these "personal networks". Similarly, Marsh and Smith make no reference to the implications of "personal networks" for the structure/agency debate which they are addressing. Does the dialectic approach have the same underlying dynamic for personal networks as, say, for policy communities? Do personal networks, which by definition place a greater emphasis on inter-personal relations, privilege agents over structures in the relationship between the personal network and network members? Is the comparison between policy communities and personal networks of any value?

To summarise, the Rhodes Model has contributed a great deal to our understanding of the impact of groups on policy-making and policy outcomes. However, it can only provide a partial understanding of policy-making, and can only account for the impact of some groups on some policy outcomes. The Rhodes Model has proved useful in categorising

and describing the role of groups involved in routine, regular policy-making and in explaining policy outcomes where there has been policy continuity. It is less useful in analysing the role and dynamics of groups (such as the new right think tanks) which are involved sporadically and who promote radical policy change. We learn very little about the role of the IEA, CPS, or ASI in policy change other than that they might have been influential in promoting the general principles of the new right, and that policy communities and other networks are likely to have provided a major obstacle to the changes which they promoted.

While the development by Marsh and Smith of the dialectical model provides the approach with stronger theoretical foundations, it does little to broaden the Rhodes Model to incorporate organisations such as the new right think tanks or new right networks. It is disappointing that there has been little further case study work conducted into policy areas where policy change has occurred despite the opposition of the relevant service providers. As such the relationship between policy networks, new right networks and policy outcomes remains largely unexplored. This limits the utility of the Rhodes Model as a general approach and for the narrow focus of this research. It might be possible to take the underlying characteristics of the Rhodes Model and apply them to policy areas which have experienced radical policy changes. But the primary aim of the thesis is not to “develop” the Rhodes Model. Moreover, there are alternative approaches, compatible with the Rhodes Model, which focus on policy change and are capable of incorporating the work of the new right think tanks. One such approach is the Advocacy Coalition Framework.

## **THE ADVOCACY COALITION FRAMEWORK**

This section provides a critical analysis of the ACF. The ACF appears to offer a more suitable approach for assessing the new right think tanks than the Rhodes Model. First, it is a model of policy change, well-suited to the third order change usually promoted by think tanks. Second, the notion of advocacy coalitions bound together by the beliefs of its members is far more in keeping with the idea of a new right network outlined in the previous chapter. Third, it incorporates more explicitly contextual factors which are likely to affect the impact that any group or coalition is likely to have on policy outcomes. This

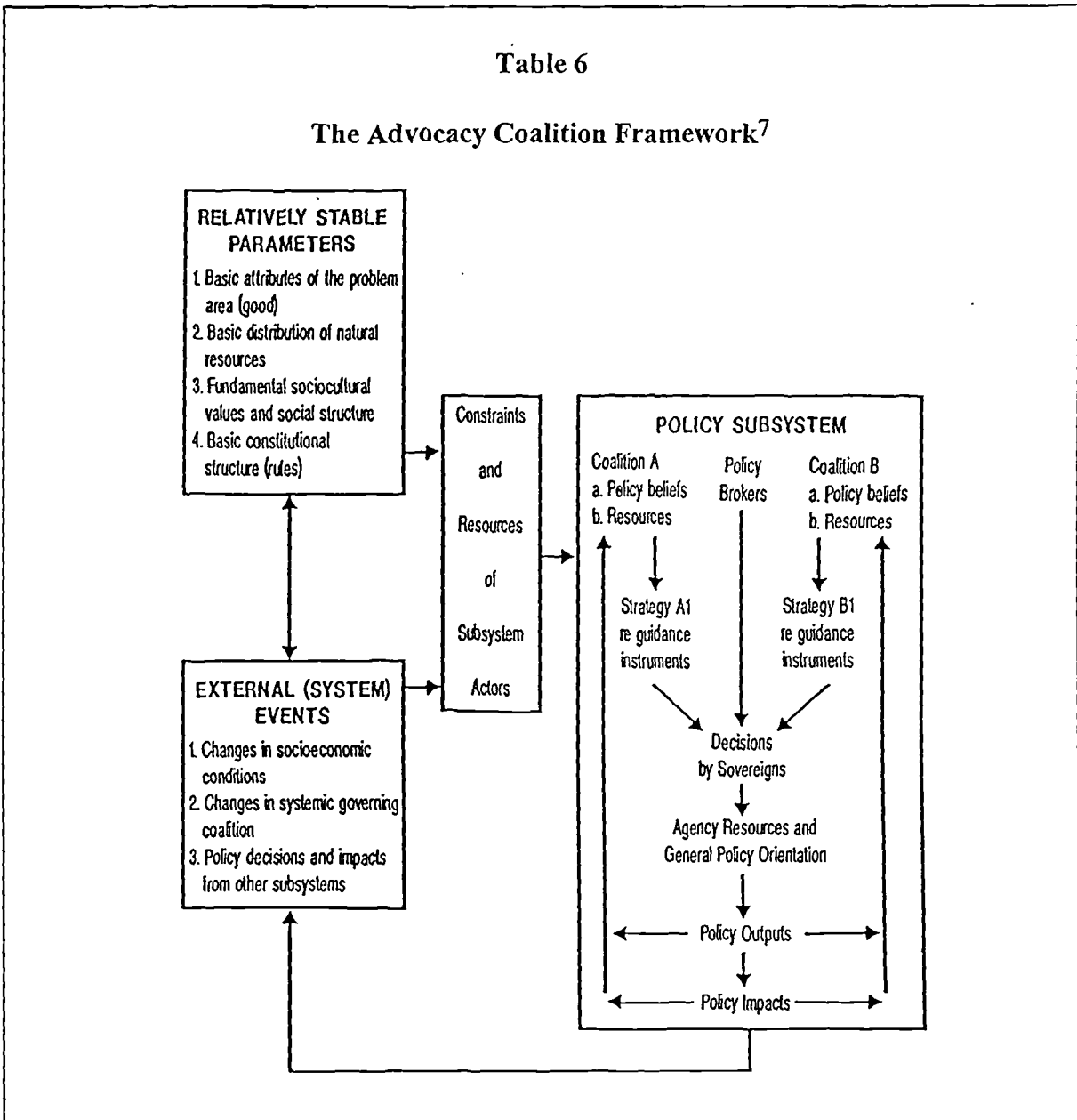
section outlines the key tenets of the ACF and some of its weaknesses and limitations. It does not address all or arguably the most important criticisms of the ACF, but includes those with the most important theoretical and methodological implications for this research.<sup>6</sup>

### **Key Tenets of the ACF**

The ACF is built upon four premises. The first is that understanding policy change requires a time perspective of a decade or more. The second premise is that "the most useful aggregate unit of analysis for understanding policy change in modern industrial societies is not any specific government institution but rather a policy subsystem, that is, those actors from a variety of public and private organisations who are actively concerned with a policy problem or issue such as air pollution control, mental health, or surface transportation" (Sabatier, 1993: p.16). Subsystems emerge when a "group of actors become dissatisfied enough with the neglect of a particular problem by existing subsystems to form their own" (*ibid*). Sabatier makes a distinction between a policy subsystem in the ACF and subsystems which have been characterised, for example, as "iron triangles" (Heclo, 1978). This concept is criticised as being too exclusive, focusing only upon interest groups, congressional committees, and government agencies. Sabatier argues that policy subsystems should also include "journalists, analysts, researchers, and others who play important roles in the generation, dissemination, and evaluation of ideas, as well as actors at other levels of government who play important roles in policy formulation" (1993: p.24). The third premise is that policy subsystems operate at all levels of government, and should therefore incorporate an inter-governmental dimension. Finally, Sabatier emphasises the importance of belief systems.

The ACF assumes that within each policy subsystem "actors can be aggregated into a number of advocacy coalitions composed of people from various governmental and private organisations who share a set of normative and causal beliefs and who often act in concert" (Sabatier, 1993: p.18), and who "show a nontrivial degree of co-ordinated activity over time" (*ibid*). Each coalition has resources, which "include such things as money, expertise, number of supporters, and legal authority" (*ibid*), and strategies (which are undefined). The number of advocacy coalitions within a policy subsystem will vary, and not every actor

will belong to an advocacy coalition. Within policy subsystems, policy brokers will exist "whose dominant concerns are with keeping the level of political conflict within acceptable limits and reaching some reasonable 'solution' to the problem" (*ibid*).



Source: Sabatier, 1993a: p.18

The ACF includes two sets of external factors which are said to affect the nature of policy change. The first are "relatively stable parameters", which "limit the range of feasible alternatives or otherwise affect the resources and beliefs of subsystem actors" (*ibid*). The stability of such factors means that coalition members will be unlikely, or unwilling, to make them the focus of their strategies in pursuit of policy goals. These include the "basic

attributes of a problem area (or "good"), the "basic distribution of natural resources", the "fundamental cultural values and social structure", and the "basic legal structure". More important are the "dynamic (system) events", which refer to "the principal dynamic elements affecting policy change" and which, unlike relatively stable parameters, "present a continuous challenge to subsystem actors, who must learn how to anticipate them and respond to them in a manner consistent with their basic beliefs and interests" (*ibid*). The ACF posits that policy change will occur when dynamic (system) events alter the pattern of resources between competing coalitions, allowing one coalition to influence outcomes in its favours.

The ACF originally included three such factors. First, changes in "socioeconomic conditions and technology" can affect policy subsystems, "either by undermining the causal assumptions of present policies or by significantly altering the political support of various advocacy coalitions" (*ibid*). For example, the recession in the US which followed the Arab oil embargo of 1973-4 caused auto workers to moderate their support for rigorous, and costly, pollution controls to maintain industrial competitiveness. Second, there are changes in systemic governing coalitions or "critical elections". Sabatier emphasises that this would "normally require that the same coalition control the chief executive's office and both houses of the legislature" (*ibid*). While this may be unusual in the US with the separation of powers between executive and legislature, it will be much less so in a country such as the UK where the former is drawn from the latter. Thus in 1980, there was not a change in the US system-wide governing coalition because, although the Republicans controlled the Presidency and the Senate, the Democrats held the House of Representatives (*ibid*). Finally "policy decisions and impacts from other subsystems" drive policy change. No policy subsystem operates in a vacuum, and examples of such impacts are "legion". For example, "Britain's entry into the Common Market (largely on foreign policy and economic grounds) has had repercussions on UK pollution control because of the need to comply with European Economic Community mandates" (*ibid*). Following the application of a number of case studies (Sabatier and Jenkins-Smith, 1993a), "public opinion" was added under this category. Sabatier and Jenkins-Smith argue that "the general public has neither the expertise, nor the time, nor the inclination to be active participants in a policy subsystem; that role is reserved for policy elites" (1993d: p.223). Nevertheless, they maintain that "Public opinion can, however, constitute a substantial constraint on the range

of feasible strategies available to subsystem participants if it persists for some time and demonstrates some recognition of value trade-offs" (*ibid*).

Central to the ACF is the notion of "belief systems". According to Sabatier, "shared beliefs provide the principal 'glue' of politics", and therefore "the framework explicitly rejects the view that actors are primarily motivated by their short-term self-interest and thus that 'coalitions of convenience' of highly varying composition will dominate policy making over time" (Sabatier, 1993: p.27). The structure of belief systems are divided into three: a deep (normative) core; a near (policy) core; and secondary aspects. The deep (normative) core refers to deeply held philosophical beliefs. The near (policy core) are the policy positions and strategies taken to achieve the goals in the deep (normative) core. The secondary aspects of belief systems concern those decisions which are necessary to implement the policy core. It is also assumed that the components are progressively susceptible to change. Thus while the deep (normative) core is highly resilient to change, coalition members are more willing to change the secondary aspects of their belief systems.

Jenkins-Smith and Sabatier note that "aspects of a coalition's belief system are susceptible to change on the basis of scientific and technical analysis" (*ibid*) and that the ACF considers this as part of the process of policy change. This is called "policy-oriented learning", which "involves relatively enduring alterations of thought or behavioural intentions that result from experience and which are concerned with the attainment or revision of the precepts of the belief system of individuals or collectivities (such as advocacy coalitions)" (*ibid*). It is "an ongoing process of search and adoption motivated by the desire to realize core policy beliefs" (*ibid*). Policy-oriented learning is driven largely by an increase in the awareness or understanding of technical analysis, and occurs both across and within advocacy coalitions.

Overall, the ACF offers not just a plausible account of the dynamics of policy change, but a model which can be verified. Sabatier and Jenkins-Smith condensed the key elements of the ACF into nine hypotheses which predict how actors or coalitions will act or respond to certain circumstances. The framework was then applied to six case studies. These included four qualitative case studies on: change in Canadian education (Mawhinney, 1993); airline deregulation in the US (Brown and Stewart, 1993); California water politics (Munro,

1993); and change in US federal communications policy (Barke, 1993). There were also two case studies employing quantitative research methods on: offshore energy leasing (Jenkins-Smith and St Clair, 1993); and environmental policy at Lake Tahoe, on the California-Nevada border in the US (Sabatier and Brasher, 1993). The significance and contribution of these case studies and others to the ACF will be shown later in this section.

**Table 7**

**The Hypotheses of the ACF**

1. On major controversies within a policy subsystem when core beliefs are in dispute, the line-up of allies and opponents tends to be rather stable over periods of a decade or more.
2. Actors within an advocacy coalition will show substantial consensus on issues pertaining to the policy core, although less so on secondary issues.
3. An actor (or coalition) will give up secondary aspects of a belief system before acknowledging weaknesses in the policy core.
4. The core (basic) attributes of a government programme is unlikely to be significantly revised as long as the subsystem advocacy coalition that instituted the program remains in power.
5. The core (basic attributes) of a governmental action program is unlikely to be changed in the absence of significant perturbations external to the subsystem, that is, changes in socioeconomic conditions, system-wide governing coalitions, or policy outputs from other subsystems.
6. Policy-oriented learning across belief systems is most likely when there is an immediate level of informed conflict between the two. In such a situation, it is likely that:
  1. Each coalition has the technical resources to engage in such a debate; and
  2. The conflict be between secondary aspects of a belief system and core elements of the other, or, alternatively, between important secondary aspects of the two belief systems.
7. Problems for which accepted qualitative data and theory exist are more conducive to policy learning than those in which data and theory are generally qualitative, quite subjective, or altogether lacking.
8. Problems involving natural systems are more conducive to policy-learning than those involving purely social or political systems because in the former many of the critical variables are not themselves active strategists and controlled experimentation is more feasible.
9. Policy-oriented learning across belief systems is most likely when there exists a forum that is:
  1. Prestigious enough to force professionals from different coalitions to participate; and
  2. Dominated by professional norms.

Source: Sabatier and Jenkins-Smith, 1993a

## **The ACF: Problems of Application**

Despite the potential advantages of applying the ACF to the case studies, there are a number of problems which limit the utility of this approach for this research. These problems include the difficulties of identifying coalitions and policy brokers, of defining policy subsystems, the dangers of applying a causal model such as the ACF for the deducing the role of one particular variable, and the ethnocentric nature of the ACF.

*Advocacy Coalitions:* Chapter two suggested that it was necessary to see how the new right network manifested itself in individual policy areas. The ACF's notion of advocacy coalitions provides an obvious opportunity to aggregate the new right think tanks and others for this purpose. But how are advocacy coalitions actually defined? Many of the case studies in Policy Change and Learning: An Advocacy Coalition Approach do not actually demonstrate that advocacy coalitions exist other than on the basis of shared beliefs. Schlager argues that the ACF pays disproportionate attention to the role of belief systems and the impact of policy-oriented-learning, neglecting the dynamics of the coalitions themselves.

Even if such coalitions manage to form, the structure that different coalitions are likely to take (i.e., a loose structure with minimal coordination versus a well-defined structure with high levels of coordination), their stability and longevity, are paid little attention. While belief systems are assumed to be stable, it is not known whether that translates itself into stable advocacy coalitions. Finally, the AC framework gives little sense of the strategies that coalitions are likely to pursue in pressing for preferred policies, and confounding undesirable policies (Schlager, 1995: p.246).

Schlager refers to the case study by Jenkins-Smith and St Clair (1993) on offshore oil leasing in the US which identified two opposing coalitions, one composed of environmental groups and the other of oil companies. Jenkins-Smith and St Clair found that coalition members did share similar beliefs, and suggests that events external to the subsystem such as the oil price hikes of 1973-4 and 1978-9, and the election of president Carter in 1976, did have an impact on policy change. However, according to Schlager:

What is missing ... is a sense of action, and a sense of the importance of the coalitions. The coalitions that Jenkins-Smith and St Clair describe are coalitions



because their members express similar policy beliefs, not because their members have engaged in collective action to realise policy goals. In fact, policy change, i.e., a change in a stated position by a federal agency, is not even accounted for by actions of coalitions, but rather by oil shocks and presidential administrations. For coalitions to take their rightful place in the policy process requires an explanation of action (1996: p.248).

Sabatier and Jenkins-Smith accept that the ACF carries only an assumption "that actors who hold similar policy core beliefs will act in concert - that is, that the first condition of coalition formation is a sufficient condition for the second" (1997: p.25). Similarly, the case studies do not address the nature of coalition interaction, frequency, or co-ordination. Brown and Stewart, for example, note that in the debate on airline deregulation, "testimony by various agencies was coordinated to insure that it would be presented by deregulation advocates", yet they do not provide any evidence to show this. The case studies by Jenkins-Smith and St Clair, and Sabatier and Brasher, consider in depth the belief system structure of advocacy coalitions, without first demonstrating that the coalitions actually exist. This point has since been acknowledged by Sabatier and Jenkins-Smith.

Many of the case studies have not ... systematically gathered data on the beliefs and behaviour of actors within the subsystem, and thus the skeptical reader is unsure if alleged members of a coalition really do share a set of policy core beliefs and engage in some degree of coordinated behaviour - the necessary and sufficient conditions for being members of an advocacy coalition (1997: p.15).

Sabatier and Jenkins-Smith also recognise that the problems of collective action have been somewhat overlooked:

In addition, by focusing on shared policy beliefs within a coalition, the ACF has neglected the interest that all individuals and organisations have in maintaining and increasing their viability/welfare. Environmental groups may agree on a general policy agenda, but each must maintain (and even enhance) its budget and membership. Because, to some extent, such groups compete against each other for members and grant funds, they must also compete for credit concerning policy successes. How interest groups within potential coalitions overcome these difficulties is, to the best of our knowledge, a neglected topic (1997: p.26).

Moreover, the "institutional heterogeneity" of coalition members could actually inhibit co-ordination, due to the diversity of skills, and limit the willingness to co-operate. Sabatier and Jenkins-Smith follow Schlager with the suggestion that short-term co-ordination be

distinguished from long-term co-ordination. Short-term co-ordination is said to be most likely to occur with repeated interaction and low information costs. Long-term co-ordination (which, they note, is central to the concept of advocacy coalitions) also includes repeated interaction and low information costs, but must go further:

such as the development of a peak association to sponsor research and formalize coordination. Whatever the form it takes, long-term coordination requires that members feel that they are being fairly treated, i.e. the coordination costs they bear are proportional to the benefits they receive and/or their ability to pay. In addition, repeated interaction allows members to develop norms of reciprocity and trust, and enhances members ability to sanction each other (e.g. by the withholding of services) (Sabatier and Jenkins-Smith, 1997: p.27).

Schlager and Sabatier and Jenkins-Smith heavily emphasise formal coalition-building. But this emphasis overlooks the significance or extent to which informal, ad hoc interaction and co-ordination may occur between policy actors. As the case studies in Part Two demonstrate, the coalitions in which the new right think tanks participated had little or no formal interaction, and certainly no "peak associations" to co-ordinate coalition activities. Informal interaction might occur and still have an impact on policy change. As such Sabatier and Jenkins-Smith appear to have gone from one extreme to another - from not demonstrating that advocacy coalitions actually exist, to setting the fairly rigid criteria that they must be formalised and that policy actors actively calculate the costs and benefits of participation. Once it has been established that such formalised coalitions exist, then it is possible to address collective action problems. However, with informal, ad hoc coalitions without rules or co-ordination it is unlikely that actors will have to make such calculations, as they are not committed to the costs of political activity in which they do not wish to participate.

*Policy Brokers:* According to the ACF, in any subsystem there will be those who seek to reduce conflict between competing coalitions and attempt to foster compromise. Yet it is unclear as to who exactly performs this function. The ambiguity may be deliberate, to allow any one of a number of actors (from the legislature, executive, bureaucracy, or judiciary) to act as mediator in any single subsystem. The case studies do identify a number of different actors performing this function. Mawhinney's (1993) study of French-language education rights in Canada identified the courts as a policy broker, which had to judge the

size of the French-speaking minority at which Canadian Charter of Rights and Freedoms allowed a French-language education. Munro's (1993) analysis of California water politics identified California state governor Jerry Brown as the broker between a Development Coalition and a Protectionist Coalition. Dudley and Richardson note that, in their study of trunk road policy in the UK Bill Rodgers, the Minister for Transport, brokered a compromise between the road lobby and environmentalists with an Advisory Committee (1996: p.75)

The ACF appears to assume that policy brokers will emerge whenever coalitions conflict - in that the conditions under which coalitions will or will not emerge are not addressed.<sup>8</sup> For countries such as the UK and France it is suggested that the role of policy broker is a "traditional function" of high civil servants (Sabatier, 1993: p.27). In some cases it might be difficult to distinguish between an advocate and a policy broker, a point acknowledged by Sabatier:

The distinction between "advocate" and "broker" ... rests on a continuum. Many brokers will have some policy bent, while advocates may show some concern with system maintenance. The framework merely insists that policy brokering is an empirical matter that may, or may not correlate with institutional affiliation: While high civil servants may be brokers, they are also often policy advocates - particularly when their agency has a clearly defined mission.

*Policy Subsystems:* A third criticism of the ACF is its focus on policy subsystems, and the way in which they are defined. Sabatier concedes that the ACF initially defined policy subsystems "only very loosely, as the groups of actors interacting with some regularity in a functional policy area such as air pollution control" (1997: p.22). But any subsystem can be sub-divided into further subsystems. Mawhinney's subsystem in the Canadian education system concerns the very narrow issue of French-language minority education in one province, Ontario, and "the right of the Francophone population to establish and govern their own school boards" (1993: p.60). The exact delineation of subsystem from system is unclear. At what level does the subsystem operate - French language minority education in Ontario? Ontarian education? French-language education in Canada? Or Canadian education?

This is more than a semantic issue as the definition of a policy subsystem is central to the ACF. If a policy subsystem is not adequately defined, then this has consequences for "external (system) events". For example, if secondary education is to be treated as a policy subsystem, then are all other subsystems within the education policy area to be treated as part of "policy decisions and impacts from other subsystems"? It is questionable whether the consequences of primary education are "external" to secondary education, especially when there are key policy actors (such as ministers, civil servants, journalists, and think tanks ) who could be concerned with both. Sabatier and Jenkins-Smith maintain that it is a "critical issue" for the ACF, as "the framework (a) uses subsystem-wide scope as being the major criterion for distinguishing policy core from secondary aspects [and] (b) many of the ACF hypotheses hinge on the distinction between the two levels of beliefs (and policies)" (1997: p.22). Secondary aspects are specific to the subsystem, while the policy core beliefs can be applied to other policy areas. This distinction is relevant to hypotheses two, three, and six (see Table 7) which predict changes to, or conflict between, policy beliefs. Thus, if a subsystem is undefined, then it is not possible to identify accurately secondary aspects of belief systems and thus test, for example, hypothesis 3.

In an attempt to clarify the criteria for the existence of a policy subsystem, Sabatier and Jenkins-Smith suggest that:

- Participants regard themselves as a semi-autonomous community.
- They share a domain of expertise.
- They seek to influence public policy within the domain over a fairly long period of time, i.e. 7-10 years. This stems from the ACF's assumption that such an interval is necessary for doing meaningful policy analysis that can deal with learning and real world impacts.
- There exist specialised subunits within agencies at all relevant levels of government to deal with the topic ...
- There exist interest groups, or specialised subunits within interest groups, which regard this as a major policy topic (1997: p.23).

However, these criteria raise other questions. It is possible, for example, that some policy actors have only a transitory interest in a policy issue, and may not see themselves as part of a "semi-autonomous community". Similarly, there may be individuals or organisations which have a multi-disciplinary character of which it would be difficult to identify a single "domain of expertise", and might enter specific policy debates only periodically.

Moreover, whilst providing a more thorough description of a "subsystem", Sabatier and Jenkins-Smith's revisions do little to expand on the possible relationship between different "subsystems" in the same policy area.

A related point is that the ACF does not explicitly incorporate internal subsystem factors that drive policy change. According to Sabatier "the relative strength of different advocacy coalitions within a subsystem will seldom be sufficiently altered by events *internal* to the subsystem (i.e., by efforts to increase resources or to "outlearn" opponents) to overthrow a dominant coalition" (1993a: p.34). However, in the same way that "external (subsystem) factors" provide a stimulus to policy change and a "continuous challenge to subsystem actors" who have to anticipate and react to them, an argument can be still be made for the inclusion of similar internal factors which are specific to the subsystem. Factors internal to an education subsystem might include the trend in educational standards, or change in key personnel with authority (whether legal, professional, or moral) over educational matters. A decline in educational standards is an internal factor which may stimulate a search for new policy options regarding the structure and finance of education. Of course, such a decline could have been influenced by external system-wide events (such a recession, or "critical election"), but such events have an impact on all policy subsystems and cannot therefore explain why policy change occurs in one subsystem and not another. Moreover, if the policy subsystem is not adequately defined, then it is difficult to identify what is "external" and what is "internal" to that subsystem.

*ACF as a Causal Model:* Although the ACF is a model of policy change capable of incorporating the work of the new right think tanks, this does not mean that applying it to the three case studies will help identify their impact. The ACF and this research are examining two separate issues. Sabatier and Jenkins-Smith set out to examine why policy changes, whereas this research considers the impact of one particular variable in this process. Although this research will attempt to provide an explanation as to why policy changed in the three case studies, it will not present a general theory of policy change like the ACF. Although the findings of the case studies in Part Two could be used for model-building in the future, it is not the intention here to provide an exhaustive analysis between all the variables.

To apply the ACF in its pure form would require each of its hypotheses to be applied one by one. The results might tell us whether or not the ACF is a flawed model of policy change, but may tell us little directly about the impact of the new right think tanks. It might be possible to deduce their impact if the hypotheses of the ACF were found to be correct, although it is unclear how the impact of certain groups within advocacy coalitions can be differentiated from others. More importantly, if the ACF was found to be deeply flawed or inapplicable to the UK, then very little could be deduced other than that the ACF can tell us little about the impact of the new right think tanks on policy change. This would not be a satisfactory conclusion and would add little to our understanding of think tanks. That is not to say that the ACF should be discarded and, as the final section of this chapter shows, a number of the ACF's insights are utilised in developing the template.

*The Ethnocentric Nature of the ACF:* A further difficulty of applying the ACF to policy change in the UK is that the ACF is a model which has been developed in the context of the US political system. This could seriously restrict its utility when applied to political systems which have markedly different constitutional, institutional and procedural arrangements from the US. Gorham argues that "it is worth remembering that the ACF purports to explain the policy-making process in 'most industrial countries' ... and that if this claim is to have any significance the model needs to be replicated in a wide variety of contexts, which by implication, assumes the model can be" (1997: p.27). Applying the ACF to the local government review in England under the Major Government, Gorham found the ACF had less utility "when analysing policy areas which do not resemble the pluralistic characteristics which underpin the ACF" (*ibid*).

The differences between the British and American political systems are significant enough to suggest that the ACF needs to be rigorously applied to a number of case studies before any claims about its applicability to the UK can be made. The previous chapter noted, for example, that the difference in political systems has been a major factor in explaining the difference in the number of think tanks in the US and UK. It is worthwhile noting, however, that the ACF has an element of flexibility which reduces its ethnocentric nature. For example, the notion of policy brokers is not specified to any particular institution or position within government and Sabatier acknowledges that it is a function which is likely to be carried out by a different set of actors in the UK or France than in the US.

## Epistemic Communities

The final part of this section addresses the epistemic community approach which has not only highlighted the role of think tanks in policy change but has also been used in the UK as a subset of the ACF. According to Haas "An epistemic community is a network of professionals with recognised expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue-area" (1992: p.3). It is "uncertainty" which provides opportunities for policy change. Uncertainty generates a need for specific information which the epistemic community seeks to provide and eventually "institutionalize its influence and insinuate its views into broader international politics" (*ibid*). Recognising that international systemic conditions create pressures for individual states, Haas offers an approach which "examines the role that networks of knowledge-based experts - epistemic communities - play in articulating the cause-and-effect relationships of complex problems, helping states identify their interests, framing the issues for collective debate, proposing specific policies, and identifying salient points for negotiation" (*ibid*). The international composition of some epistemic communities can lead to transnational policy-making as decision-makers in one state influence others, "increasing the likelihood of convergent state behaviour and international policy coordination, informed by the causal beliefs and policy preferences of the epistemic community".

The approach has also been utilised by Stone to explain the role of think tanks in the policy process.

Think-tanks have much in common with epistemic communities. Both are concerned with knowledge. Both desire to influence or inform public opinion and penetrate government with their ideas and/or personnel. Both set themselves apart from interest groups and professional associations. There is a *potential* point of intersection. Think-tanks clearly form a part of the organisational dimension of knowledge networks and may represent a means to trace the emergence and activities of epistemic communities (1996: p.94).

Stone believes that think tanks perhaps play a more significant role than simply as a member of an epistemic community. Very often, think tanks such as the IEA in the UK, or

Cato in the US, concern themselves with a very broad mission, such as "rolling back the frontiers of the state". Yet epistemic communities are more likely to pursue a more defined and specific objective, such as privatisation. However, "think-tanks provide an environment for an epistemic community in one policy area to learn about the successes and tactic of other communities, with the same causal knowledge, that focus on different areas of public policy or that operate in other countries" (*ibid*). Think tanks can be seen as "strategic organisations for combining these discourses into clusters" (*ibid*). An example can be seen with privatisation, where it is suggested the new right played a co-ordinating role in disseminating ideas and generating support (*ibid*).

As a general approach, the use of epistemic communities may appear limited. For example it has largely been applied in international rather than national contexts, and in policy areas which require substantial technical and scientific knowledge/expertise. Alternatively epistemic communities could be seen not as separate entities, but as a distinct collection of groups which can reside within advocacy coalitions. For example, in their analysis of trunk road policy in the UK Dudley and Richardson (1996) suggest that, in the 1950s and 1960s, highway engineers formed an epistemic community providing expert advice to uncertain policy-makers who had to address the problems for the road network arising from increasing car ownership. Noting that the principal difference between the two is that advocacy coalitions are based on *values* while epistemic communities are based on *knowledge*, Dudley and Richardson showed how the knowledge-based epistemic community of road engineers became a value-based advocacy coalition. This strategy was matched by environmental groups who, in the 1970s and 1980s, sought to become both an advocacy coalition and an epistemic community by strengthening the scientific basis of environmentalism. By integrating epistemic communities into more substantive approaches to policy-making many of its limitations become redundant. This will be addressed in more detail in the following section.



## **THE TEMPLATE: A FRAMEWORK FOR ASSESSMENT**

This final section has two parts. The first compares some of the strengths and weaknesses of the Rhodes Model and the ACF. The second part draws together the lessons of this chapter and outlines the framework for assessment to be used in the case study chapters.

### **The Rhodes Model and the ACF**

The previous section suggested that the ACF, with its focus on policy change, the importance placed on belief systems, and the use of advocacy coalitions, appears to have greater potential for assessing the impact of the new right think tanks than the Rhodes Model. Given the clear differences between the Rhodes Model and the ACF, notably their emphasis on policy continuity and policy change respectively, it is perhaps tempting to regard them as mutually exclusive. However, closer analysis suggests that there are key similarities which could lead to the ultimate integration of the two approaches. It has already been suggested that epistemic communities can reside in advocacy coalitions. It is also possible that advocacy coalitions can reside within policy networks, although the Rhodes Model typology is not equipped to incorporate advocacy coalitions at present. The ACF's emphasis on a plurality of groups runs counter to much of the Rhodes Model, especially its notions of tight-knit policy communities and professional networks.<sup>9</sup> Also, Marsh and Smith's dialectic approach brings the Rhodes Model more into line with the dynamics of the ACF which recognises that policy change is the result of structures (external system factors) interacting with the resources and strategies of agents (advocacy coalitions).

Prior to Marsh and Smith's work on the dialectic approach, it could be argued that a basic advocacy coalition approach might be more appropriate for understanding outcomes in the UK than the Rhodes Model, such as Smith's (1993) study into salmonella in eggs and Read's (1992) analysis of the politics of smoking. The challenges by consumer and environmental groups to the dominance of the food policy community, and by the health network to the tobacco producer network, could both be re-conceptualised as conflict between advocacy coalitions.

The revised “dialectic” Rhodes Model has important similarities with the ACF. Indeed, the dialectic approach seems to be much indebted to the ACF, despite the fact that Marsh and Smith make no reference to it in their paper. They present their dialectic approach as a development of the Rhodes Model, without acknowledging that the dynamics they mention have been an integral part of the ACF for some years. Change not only occurs when “external” events affect the distribution of resources between coalitions, but coalitions also “learn” from these events by altering and revising strategies to ensure that they are well placed to affect policy outcomes in the future. According to Gorham “the ACF acknowledges the intertwined relationship between structure and agency, that is that structures can both facilitate and/or constrain agency and that agency can/or constrain structure” (1997: p.17). This is the same point that underpins the dialectic approach to the Rhodes Model - that to take a solely agency-centred or structure-centred approach to political behaviour is likely to overlook the complex inter-relationship between the two.

Given such similarities it is possible to draw the two approaches together into a more substantial explanation of policy outcomes. This is not the broad theoretical integration between the micro, meso, and macro levels outlined by Daugbjerg and Marsh (1998) in order to give the network approach greater explanatory utility. Instead, it involves the conceptual integration of networks, coalitions, and epistemic communities into a single overarching framework to account for a broader range of outcomes. For example, synthesising the Rhodes Model and ACF approaches could contribute to our understanding of the implementation gap. As suggested above, the Conservative Government increasingly by-passed policy communities during policy formulation, possibly enabling other groups/networks/coalitions to have a significant input at the earlier stages of policy-making. This point is recognised, although not developed, by Marsh:

It is also worth paying attention to the relationship between policy networks and implementation networks. In a given policy area they may not be synonymous. So, those actors involved in the policy network which discussed and shaped policy may not be the same actors as those involved in the implementation of those policies. In such circumstances, it is possible that those involved in the implementation network, but not in the policy network, will obstruct implementation; this may be a common cause of the implementation gap (1998b: p.192).

Like the Rhodes Model, the ACF emphasises deployment of resources and strategies by policy actors, although Sabatier and Jenkins-Smith extend this to a broader range of participants. Together all these actors, whether acting within advocacy coalitions or individually, can be said to constitute a broad policy network, defined by the ability of such actors to exert resources and affect outcomes. While ministers, MPs, journalists, special advisers and think tanks may have the resources to have a greater impact during the early stages of policy formulation and legislation, the resources of other groups/coalitions might be more effectively deployed to affect outcomes during implementation. This does not necessarily mean that advocacy coalitions will not attempt to influence policy throughout the process, simply that the distribution of resources may prevent them from doing so in equal measure. Some advocacy coalitions will have a greater impact in policy formulation and others during implementation. Advocacy coalitions could therefore be seen to be a sub-set of a policy network, with epistemic communities as a sub-set of advocacy coalitions. In terms of group aggregation, what we have is a “Russian doll” where policy networks, advocacy coalitions and epistemic communities are not distinct entities to be studied individually but are part of a broader policy context within which other approaches may have an important contribution to make to our overall understanding of policy continuity and policy change. This will be touched upon in the final chapter.

### **Defining the Template**

The Rhodes Model and the ACF are two key approaches within the policy-making literature and any assessment of the role of the new right think tanks must engage with this literature to some degree. This chapter has suggested reasons why a straightforward application of one or both of these approaches to the case studies would not answer the primary research questions. Yet it has also suggested that both approaches have their strengths. The Rhodes Model is able to explain policy continuity, and where policy change does occur it is clear that policy communities and other networks will be a major constraining factor upon organisations such as think tanks and so must be factored into the analysis. The ACF focuses on policy change, and has the added advantage of being able to incorporate other approaches, such as epistemic communities, which can be synthesised with the Rhodes Model. The template borrows from both the Rhodes Model and the ACF where appropriate.

Each of the case studies follows the same five-section format, although the sub-sections differ to reflect the particular characteristics of the individual policy areas. The first section reviews the major approaches to policy-making in each particular policy area. Given that the case studies attempt to assess the impact of the new right think tanks not just on policy change but also on policy-making, it is essential that the nature of policy-making prior to policy change is addressed. In doing so it will also consider the relevance of the Rhodes Model to the fields of passenger transport, secondary education, and penal policy. The aim is not simply to repeat the criticisms of the Rhodes Model made in the first half of this chapter. Despite the limitations outlined above, the Rhodes Model serves as a useful starting point for discussing policy-making in each sector, and can reflect these limitations (and possibly others) in the context of actual policy areas.

The second section outlines the intellectual contribution of the new right think tanks to policy change, and places these contributions within the historical contexts of the policy debates. The third section considers the line-up of organisations and individuals seeking to influence policy. In doing so it borrows the term advocacy coalitions. The ACF's use of coalitions is a more flexible means of aggregating groups than other approaches. In particular, epistemic communities focus largely on the importance of knowledge (both in the formation of communities and in the process of policy change) while the Rhodes Model is too exclusive. Some approaches, such as Hecló's (and Rhodes's) notion of issue networks make little attempt to aggregate groups at all. As argued in chapters two it is possible to identify a new right network. The concept of the advocacy coalition can show how this network manifests itself on particular issues or in individual policy areas. Groups which were seen to constitute policy communities or professional networks may well emerge as alternative advocacy coalitions on major policy issues

Unlike some case studies in the ACF literature, coalition membership is not assumed simply on the basis of shared beliefs. A focus on the interaction and co-ordination between particular groups and individuals is adopted to demonstrate coalition existence. The belief system, and the resources and strategies used by each coalition, are then considered. Certain organisations might attempt to influence policy independently from other groups or coalitions. When this occurs (such as in chapter 5), the belief system, resources and

strategies of these organisations are also addressed. This section also considers the role of ministers. It is not assumed that ministers will act as policy brokers, or that policy brokers will exist at all. Ministers and their officials, as decision-makers, provide the focus for individuals/groups/coalitions who wish to influence policy directly. Given that ministers and central departments may have their own objectives, it is far from certain that they will generally try to reduce conflict. Ministers might ally themselves with, or be members of, particular coalitions. Ministers are ultimately responsible for policy formulation and legislation and therefore their role, whether as arbiters or advocates, is crucial.

The fourth section considers the context of policy change, and more specifically, the ideological, political, and socioeconomic contexts within which change occurs. Addressing the context of policy change is not new. Marsh (1995) considers the importance of ideological, political, and economic variables upon changes to trade union policy and the Conservatives' privatisation programme. Similarly, Owen highlights a number of contextual actors in explaining gas and electricity privatisation (1995: p.722). The dialectic approach to policy networks accords context a central role in understanding the dynamics of policy-making. It is thus significant that, as illustrated in chapter one, studies which have attempted to evaluate the impact of think tanks on policy change, especially Denham (1996), have ignored or undervalued the importance of context in their analysis. The case studies will attempt to rectify this deficiency. Moreover, focusing on ideological, political, and socio-economic factors is a more flexible means of incorporating external factors than the ACF's "external (system) factors", allowing for a greater possible range of factors to be considered. It also overcomes the arbitrary delineation between system and subsystem events identified above. This focus on the context of policy change follows Marsh who argues that in order to "explain Thatcherite policies" it is necessary to go beyond "uni-dimensional explanations".

Too many authors over-emphasise one set of explanatory variables, usually the personality and style of Mrs Thatcher, New Right ideology, or the search for political and electoral advantage, less often economic crisis. In contrast, some of the authors who offer a more rounded theoretical analysis of 'Thatcherism' tend to rely for their empirical evidence upon broad, even heroic, generalizations rather than a thorough consideration of policy initiation and evolution (Marsh, 1995: p.596).

The final section of the case studies makes qualitative judgements on the role and impact of the new right think tanks on policy change. It considers their role as individual actors and as members of advocacy coalitions, comparing the contribution of the new right think tanks with other key variables. This section also considers the extent to which the policy change marked a departure from the previous pattern and style of policy-making, and the role of the new right think tanks post-policy change.

It should be emphasised again that the template is not an explanatory model. It does not provide a theory of policy change or offer hypotheses as to the role of particular variables in policy change. The case studies do set out to explain why policy changed in the policy areas discussed but a theory of policy change or of think tank impact cannot be built upon three examples alone. This is not to say that the template is without theoretical value: in utilising concepts such as advocacy coalitions, resource-dependency, context, and the dialectic relationship between structures and agents, it is possible to engage with the Rhodes Model and the ACF literature. However the fact that the template is selective in adopting aspects of both approaches and omitting others the case studies alone will be unable to categorically endorse or dismiss either approach. Any theoretical implications must therefore be qualified by the recognition that the template uses aspects of these approaches out of context. Nevertheless the case studies do identify a number of issues for the Rhodes Model and ACF to address. The application of the template to the case studies will further expand on how the Rhodes Model and the ACF could be integrated and may form the basis for developing a more comprehensive explanatory model of policy continuity and policy change.

## **CONCLUSION**

The previous chapter suggested that the IEA, CPS, and ASI should be seen as policy promoters of the new right. It also suggested that a new right network of organisations and individuals, including the think tanks, operated to promote these ideas and policies. This chapter has discussed some of the principal approaches which could be used to assess the impact of the new right think tanks. It has outlined the template based upon some of these approaches. The following three chapters will apply the template to the three case studies,

and begin the process of integrating the new right think tanks with the policy-making literature. Given the narrow focus of this research, the template cannot address all the limitations of the Rhodes Model and the ACF discussed in the above sections. A significant amount of future research is still needed before the integration of these approaches is complete. This will be considered in greater depth in the concluding chapter.

## NOTES

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<sup>1</sup> See also Marsh (1998b) and Hay (1998)

<sup>2</sup> See Marsh and Smith (1998) for a review of these approaches.

<sup>3</sup> Other strategies include: bureaucratic (command of legal resources); incorporation; penetration; avoidance; incentives; professionalization (where professional values and norms dominate policy-making); and factorisation (delegation of responsibility to appointed sub-units of government, such as quango's). For a complete outline of strategies, see Rhodes (1988: pp.92-3).

<sup>4</sup> Rhodes does maintain in his case study on local government finance that policies such as monetarism, privatisation, the community charge, and contracting-out "reflected the thinking of the new right and its think tanks" (1992: p.61) although he does not elaborate further. Similarly, Owen in her case study on policy network analysis and energy policy in the 1980s noted that policy change was precipitated by "a change in 'climate' beginning in the early 1970s with right-wing think tanks suggesting that state industries would be more efficiently run in the private sector and the earlier privatisations" (1995: p.721).

<sup>5</sup> See also Griggs (1991: p.422).

<sup>6</sup> See Gorham (1997: chapter 2) for a broader critical review of the methodological and theoretical problems of the ACF.

<sup>7</sup> This is the original ACF. The ACF is an ongoing research project, subject to revisions. (see Sabatier and Jenkins-Smith, 1993b, 1997 for minor amendments. This point also applies to the hypotheses of the ACF, listed in Table 7 below).

<sup>8</sup> Sabatier and Jenkins-Smith do, however, pose the following questions for future scholars: "Under what circumstances are successful policy brokers likely to emerge? What are the institutional affiliations of such brokers and what skills do they tend to possess?". As such, they acknowledge the concept requires further research.

<sup>9</sup> Gorham argues that "the concept of an issue network, with its inclusive and diverse range of interests, appears to closely resemble an advocacy coalition", although this overlooks the important difference that within issue networks groups are said to be highly atomised and unstable, whereas advocacy coalitions are said to be highly stable and bound tightly together through mutual beliefs.



# PART TWO

## Case Studies

# Four

## *Bus Deregulation*

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The Transport Act 1985 "represented the most radical single change to affect the bus industry in 55 years" and aimed "to provide 'better bus services' by introducing competition into bus operations" (Pickup *et al*, 1991: p.1). The Secretary of State for Transport, Nicholas Ridley, maintained during the introduction of the Bill's second reading that:

The purpose of the Bill is to halt the decline that has afflicted the bus industry for more than 20 years.

[...] The Bill is about competition. We want to see operators free to provide the services that customers want. We want to see competition providing an incentive to be efficient and to offer passengers a better quality of service. The customers may want greater efficiency, lower fares, smaller buses going to residential estates, greater comfort or a more polite and helpful driver. Competition is the key to these improvements. It is the key to increasing patronage (House of Commons Debates, 12.02.85, col.192).

The contribution of the new right think tanks in bringing about bus deregulation has been highlighted, especially the roles of the IEA and the ASI. Whitehead notes that:

In the period immediately prior to the production of the Buses White Paper in June 1984, the "think tanks" had been very active in producing pamphlets and monographs about transport - a subject that had attracted little attention in right wing circles previously (1995: p.79).

Amongst the publications cited include Transport for Passengers (Hibbs, 1963) and Transport without Politics (Hibbs, 1982) published by the IEA, as well as the Omega Report on Transport Policy (Adam Smith Institute, 1983) and Wheels within Cities (Roth and Shepherd, 1984) published by the ASI. In particular, Whitehead identifies a close resemblance between Wheels Within Cities and the Government's proposals.

The striking similarities between the work of the "think tanks" and the progress of this particular piece of legislation do not, though, end with the clearly close similarity between Roth and Shepherd's pamphlet and the Buses White Paper. The White Paper itself departed radically from more traditional presentations of government intentions in two ways. First, it announced legislative proposals in uncompromising tones which indicate a high degree of commitment to an ideologically based programme ... Second, it used a curious collection of right wing academics and "think tank" references to bolster the intellectual case presented in the first part of the White Paper (Whitehead, 1995: pp.79-80).

It is argued that, although the new right think tanks participated in the Pro-Deregulation Coalition, they played a rather marginal role in the process of policy change. Other academics (such as Stephen Glaister and Michael Beesley) had a much greater input into the debate as key advisers on a Department of Transport working party. On the whole, the role of the new right think tanks, which in this case was limited to the IEA and ASI, was to provide another platform for the promotion of deregulation. The most significant contribution by the new right think tanks was perhaps from the IEA which helped to stimulate a greater appreciation and understanding of the virtues of deregulation and the market with senior Conservatives in the late 1960s and early 1970s. This led to a programme of deregulation at a macro level, and it is unlikely that had those arguments not been won within the Conservative Party leadership before 1979, bus deregulation would have proceeded with the enthusiasm it was, if at all.

The 1985 Act has fundamentally reformed the process by which bus services are determined. The consequences of deregulation are that the role of local government has been reduced, while the role of the market in the provision of bus services has increased. However, it is not the first major change to affect the industry. The bus industry, and transport policy in general, has experienced a number of major changes during this century influenced largely by the dominant ideology of the day, and bus deregulation and privatisation was in keeping with this trend. What was distinctive about the 1985 Act was that it was imposed upon a hostile industry which was (and, in some cases, remains) opposed to deregulation. The opposition has been such that a decade after the 1985 Act the debate continues, with the IEA and the ASI amongst those now defending, rather than advocating, policy change.

## **POLICY-MAKING IN THE BUS INDUSTRY**

The aim of this section is to provide an outline of policy-making in the bus industry prior to deregulation. There are three parts. The first part examines the origins of the regulatory framework prior to deregulation, and its operation up to 1985, providing the historical background to the case study. The second part considers the role of local government in the provision of local bus services. While the role of the Department of Transport (DTp) was limited in this process, the responsibilities of local government grew significantly after 1968 and the reduction of local authority powers was one of the major aspects of the 1985 Act. Finally, the third part applies the Rhodes Model to the bus industry, and questions its utility and outlines the pattern of policy-making in the bus industry prior to deregulation.

### **The Rise of Regulation**

In order to understand policy-making and decision-making in the bus industry prior to 1985, it is necessary to go back to the inter-war years and the Road Traffic Act 1930. This established a national framework of road service licensing for bus and coach services. Prior to the 1930 Act, the bus industry was characterised by "uncontrolled competition" (Savage, 1985: p.3) fuelled by the use of demobilised, surplus army vehicles in the years following the First World War. During the 1920s, a number of problems attracted the Government's attention. Savage highlights two issues in particular.

The first was the concern about the unscheduled and irregular intervention by "pirate" operators at peak times - when returns were highest - on some routes, thus removing the "cream" from the regular operators. Chester [1937] considers that there was thus no encouragement to set up a network because operators could not generate profits on favourable operations to provide unremunerative services (this became known as cross-subsidy). The second was the concern about wasteful duplication caused by inter-modal competition between the motor bus and both the tram/trolley bus system, and the railways (*ibid*).

The result of these concerns was the appointment of a Royal Commission which ran from 1927-9. This formed the basis of the 1930 Act. According to Hibbs:

With almost unprecedented haste and unanimity Parliament adopted the Commission's recommendations (which included much besides the regulation of public service vehicles), and the Road Traffic Act, 1930, became law before the Final Report of the Commission (containing the arguments in its support) had been published (1963: p.22).

The Royal Commission had advised that there be a statutory monopoly on each route, establishing thirteen (later reduced to eleven and then nine) "Traffic Areas" headed by an independent Traffic Commissioner, with full control over quality regulations and route licensing. White explains that the 1930 Act

provided for quality control through driver and vehicle licensing (but not "operator licensing" as such), buses and coaches' used for revenue earning service being designated as "public service vehicles" ... Of greater importance was the strict quantity control, based on a system of road service licensing (i.e. route licensing), in which exact route, timetable, and, by accepted convention, the fare scale, were specified. Licenses were awarded by regional Traffic Commissioners, and in general, a new operator would find it difficult to obtain a license for a competing service. Existing operators found it difficult to change fare levels and structures, or make experimental service changes (1988: p.15).

### **The Role of Local Government**

This regulatory framework existed almost unchanged until the late 1960s. However, from the late 1960s, local government began to take an increasingly significant role in the provision of local bus services. The 1968 Transport Act, introduced by Barbara Castle, established Passenger Transport Authorities (PTAs) and Passenger Transport Executives (PTEs) in four metropolitan authorities. This "was the first time that public transport authorities were given a wide and positive planning role" (Pickup *et al*, 1991: p.233). PTEs are the executives of PTAs. PTAs exercise political control over local transport planning and consist of members nominated by local councils. PTEs consist of the professionals who implement decisions and policies decided by PTAs. The Local Government Act 1972 introduced PTAs to the two remaining metropolitan authorities in England. Between 1968 and 1985, local government played a central role in the provision of road passenger transport. Hey (1995) identifies seven key functions - regulator, constructor and owner, operator, financial supporter, policy co-ordinator, and representor.

*Regulator:* As noted above, the regulatory framework was laid down in the 1930 Road Traffic Act, which placed much of the responsibility for route, service and fare regulation in the hands of the Traffic Commissioners. Local authorities did, however, retain "a very minor involvement with the Traffic Commissioners covering the locality by providing nominees to a panel of additional commissioners for the region" (*ibid*).

*Constructor and Owner:* Local government began to play a role in the construction and ownership of road transport passenger services with the 1870 Tramways Act. This allowed local authorities to "secure ownership of privately owned tramways within the locality, at structural value, through adoptive powers of compulsory purchase", which gradually "provided a foundation for the general development of municipal public passenger transport" (*ibid*). This included the construction, as well as the ownership of trolleybus and omnibus networks. However, the Transport Act 1968 had the greatest impact on local government's ownership of road passenger transport facilities. Within each metropolitan county, the PTE took control and ownership of all municipal fleets in their areas. The National Bus Company (NBC) which controlled bus operations outside the metropolitan counties (although PTEs often used NBC subsidiaries) was formed in 1968 and was "owned" by local and central government.

*Operator:* Hey notes that while the Tramways Act 1870 conferred powers of construction and ownership upon local government, it explicitly prohibited authorities from operating road passenger transport services. This was to be undertaken through leasing from the private sector. A change in attitude at the centre at the end of the nineteenth century reversed this decision. The Light Railways Act 1896 gave local authorities the power both to control and to operate light railways. However:

These powers were used by a number of tramway promoters, including local authorities, although it is clear that this was not the specific intent of Parliament ... It perhaps serves best to illustrate the difficult task of framing legislation in terms of distinguishing between a tramway and light railway, and the ingenuity of local government in utilizing a range of statutory provisions to maximum advantage (*ibid*).

Until 1968, "operational policy was a matter purely for local authority discretion" (*ibid*). The 1968 Act transferred operations to PTEs in the metropolitan counties. Elsewhere,

following the reorganisation of the Local Government Act 1972, responsibility for public transport was divided between the two tiers of local government. The lower tier was responsible for operations, although policy was determined by the higher tier authority.

*Financial Supporter:* Prior to the Second World War, the operational discretion of local authorities was reflected by a range of financial regimes. These ranged from outright commercial concerns demanding a surplus return on capital expenditure, to a heavy emphasis on social considerations financed through subsidies.

The financial supporter role became of greater significance in the decades following World War Two as passenger numbers declined and operating costs increased. Local authorities were forced into a combination of responses which included reduced service levels, increased fares and/or higher levels of revenue support. The Transport Act 1968 which created Passenger Transport Authorities ... formalised the position. The PTA was allowed to precept the local authorities in the area to meet any operational deficit of the PTE ... although the Minister of Transport had reserve power to restrict the total amount raised by this method (*ibid*).

The years following the 1968 Act saw a shift in the balance of power between local and central government. The Local Government Act 1974 strengthened central government control over local government expenditure on road passenger transport in that "grants came to be determined more in relation to national constraints than the merits of local requirements" (*ibid*). The Transport Act 1983 further reduced the autonomy of local authorities by establishing a Protected Expenditure Level which set legal limits to the amounts spent by PTEs. The 1985 Act "fundamentally changed" local government's role as financial supporter, in that it not only further reduced financial support but reduced the functions of PTAs to "ensuring the provision of those services deemed necessary but which are not provided by operators on a commercial basis" (*ibid*).

*Policy Co-ordinator:* One of the central responsibilities conferred upon the PTAs in the 1968 Act was that of policy co-ordination. Outside the metropolitan county councils, this role was given to the higher tier authorities.

The policy coordinator role is interesting for as with the financial supporter role, it covers all modes of local public transport and not just those operated by local government - since some operators were provided by state or other local state bodies and executives. The various statutes also placed a duty on such organisations

to cooperate with the policy coordinating authority. In the event, the coordinating authorities were able to exercise this role in conjunction with others, notably that of financial supporter. Where an authority pursued an effective financial supporter role it was able to exercise considerable powers over those operators dependent upon such support, although this not without tensions particularly in England and Wales where, as previously noted, municipal operations were the responsibility of separate political entities (*ibid*).

The Transport Act 1978 enhanced local government's role as policy co-ordinator which made it statutory for Traffic Commissioners "to take account of the public transport policies of the appropriate local authority when considering road service licence applications" (*ibid*). It is suggested that this marked the high-water mark of local authority control over bus services, although "such influence was to prove transitory when in less than a decade the Transport Act 1985 deregulated bus services, removed municipal transport operations, redefined the financial supporters role, and diluted the policy co-ordinator role to that of developing policies for securing socially desirable services" (*ibid*).

*Representor:* Hey notes that local government has a long history of representing their localities in road passenger transport issues, dating back to the Tramways Act 1870 which "required private tramway promoters to obtain the consent of the appropriate local authority before submitting proposals to Parliament (*ibid*). Local authorities were also represented in the process of road service licensing, as the 1930 Act "required the Traffic Commissioners to take into consideration any representations made by any local authority affected by any licence application or modification" (*ibid*). However this role was "considerably diminished" with the advent of the 1985 Act and the abolition of road service licensing.

### **The Bus Industry and the Rhodes Model**

Between 1930 and 1968 there was little "bus policy" as such, other than the Traffic Commissioners awarding, or not awarding, licenses to operators. Policy-making became a more complex process in the late 1960s for three reasons. First, there was the creation of PTAs and PTEs in the conurbations with the Transport Act increasing local government intervention in transport policy. Secondly towards the end of the 1960s there was a growing need for local authorities to subsidise uncommercial services in what had been



until then a commercially successful industry. Amongst the grants awarded by the DTp (in close consultation with the Treasury) included the Transport Supplementary Grant (TSG) which was a special grant calculated by the DTp and awarded to local authorities above their rate revenue for their transport needs. While the regulatory framework applied equally to England, Wales, and Scotland, subsidy policy was a responsibility of the territorial departments. The TSG for example did not exist in Scotland and only in a modified form in Wales, and as such the Scottish and Welsh Offices conducted their own negotiations with the Treasury.<sup>1</sup> Thirdly the creation of the NBC also increased direct government involvement in the industry. In particular, central government was responsible for appointing the NBC's Chairman and Board, and for the financial supervision of the NBC.

Other organisations apart from the DTp, PTAs and PTEs, and the NBC, were involved. One of these was the Passenger Transport Executive Group (PTEG), comprising the Directors-General of the six PTEs which met (and continues to meet) four times a year to discuss issues of common interest and provide a forum for communication and the exchange of ideas and information. Local authorities were represented at a national level by the Association of Metropolitan Authorities (AMA), Association of County Councils (ACC), and the Association of District Councils (ADC), all of whom had Planning and Transportation Committees. The AMA in particular had a close relationship with the PTAs and the PTEs at a local level and PTEG at a national level, which is unsurprising as PTEs were all in the former metropolitan counties. Before the abolition of the metropolitan authorities all of the PTAs were members of the AMA, while the PTEs supplied much of the specialist advice to the AMA's Planning and Transportation Committee.

Another important organisation was the Bus and Coach Council (BCC), which was the trade organisation for the bus and coach industry and who would be a key player in the debate over deregulation.<sup>2</sup> The BCC represented bus and coach operators from both the public and private sector, who prior to deregulation ran 98 per cent of buses and 66 per cent of coaches in the United Kingdom. BCC members are grouped into four sectors according to the part of the industry in which they operate. These four sectors included: the nationalised sector (NBC, SBG, Ulsterbus); the Transport Executive sector (PTEs, and London Regional Transport); the local authority sector; and the independent sector.

Policy-making prior to 1985 was conducted at both a national and a local level. National policy-making focused largely upon subsidy and the structure and financing of the NBC, involving the DTp, the Treasury, the territorial departments, local authorities, national local authority organisations and the NBC itself.<sup>3</sup> At a local level, policy-making centred around the direct provision of services in that locality. The key actors were the local authority, the PTAs and PTEs in metropolitan authorities, the NBC or a subsidiary of the NBC running the services, the bus manufacturers, and the Traffic Commissioners who received applications to run services and awarded licenses. Other public transport bodies, such as British Rail, were also consulted.<sup>4</sup> Links between those involved with policy at a national level and those running services at a local level were provided through the AMA, ACC, ADC and PTEG, although problems affecting specific local authorities could be dealt with through direct contact with the DTp. For example, until 1985 the DTp was responsible for hearing and adjudicating on appeals against Traffic Commissioners decisions within the traffic areas. A further consideration is Europe, which has increasingly developed a transport dimension. It was stated that the objectives of the Treaty of Rome "shall ... be pursued within the framework of a common transport policy" (cited in Nugent, 1991: p.44). Although EU directives have had a direct impact on Britain's transport policies<sup>5</sup> and while the Commission has its own Transport Commissioner, the effect on the provision of local bus services has not been significant.

It is possible to identify resource dependencies between those responsible for the financing and delivery of local bus services prior to 1985. While central government held legislative and financial resources, local government controlled bus services, held the knowledge and expertise, and through the rates possessed an independent source of revenue. Other actors such as the NBC controlled significant organisational resources, including the capital assets (buses, bus stations etc.) and manpower in bargaining central government. However, it is difficult to identify a specific policy network from the Rhodes Model which reflects policy-making in bus services.

Moreover, it appears that the Conservative Government showed little interest in building such a network. Wistrich argues that, nationally, the DTp has largely shunned public transport interests and instead built close links with road building and road user interests (1987: p.101). Rhodes highlights the importance of road engineers as a technocratic

profession in road construction with "highway engineers, both at the centre and in the locality, became more deeply institutionalised in government ... As an example of a professionalised policy community, roads could be seen as an archetypal policy network in British government: immovable, immutable and inertial" (1988: p.219). No such network developed with the bus industry. Overall, the Thatcher and Major Governments were often criticised for taking little interest in public transport issues, leading to "paralysis in policy-making", brought about "by an ideological obsession with the motor car and a terror of unpopular measures to restrain traffic" (The Economist 27.04.96).

It is also difficult to identify a dominant profession or organisation within the bus industry. The problems of identifying a policy network are compounded by the fact that the bus industry is part of a broader public transport system, in an even broader transport network. According to Shaw:

The systems concept is based on the philosophy that "the whole is greater than the sum of its parts". The component parts of the systems are interrelated. Any change which is introduced in one part of the system will affect all others, through a chain reaction. Planning and co-ordination are therefore needed to ensure the elements of the whole work together to the benefit of the user (1995: p.63).

Some issues in the bus industry affect public transport as whole and this will be reflected in the pattern of consultation for those issues. This was the case during the Labour governments of the 1960s and 70s which "consistently sought to achieve efficiency, by eliminating 'wasteful' competition ... through the integration and co-ordination of the different branches of transport provision" (Wistrich, 1983: p.22). Barbara Castle was particularly active in this area, publishing three White Papers on transport planning and co-ordination in the two years prior to the 1968 Act. Different patterns of group interaction existed for local, national, and European policy. Also at a local level, the network was very much dependent upon an individual issue and the extent to which it affected other public transport bodies, such as British Rail, or the transport network as a whole. The pattern of resource dependencies also differed at the local government level, between the PTE and non-PTE areas, such as with their relationship with Traffic Commissioners.

The TCs were not terribly significant in the PTE areas. Technically we had to go to the TCs to ask permission to run services but because of our powers it was very

unlikely that the TCs would reject an application from a PTE operate or not operate a service. Outside the conurbations the TCs were still amongst the people of influence.<sup>6</sup>

It is therefore difficult to characterise the bus industry in terms of a single policy network. There are resource-dependencies between organisations responsible for delivering local bus services, between those responsible for the transport system as a whole, between local and central government, and between central government departments. All these relationships can affect policy outcomes. Rhodes admits that his typology cannot account for all policy areas, as the "variety of networks is potentially much greater" than those in the Rhodes Model (1988: p.81). Within a single policy area, numerous policy networks can operate simultaneously.

Additionally, the neglect of belief systems and ideology in the Rhodes Model, and the effect these can have on policy outcomes, must be addressed. Transport policy as a whole has always been influenced by the climate of ideas. As Wistrich notes, there has always been "a continuing preoccupation with the proper role and size of the public sector in the transport industry" (1983: p.21). While Labour has focused on the benefits of nationalisation and co-ordination, the Conservatives have long believed in the benefits of privatisation and deregulation - the Conservatives first denationalised long-distance road haulage in 1953 and removed British Empire Airways' monopoly of domestic scheduled flights in 1960. Transport is also a highly "political" policy area. According to Hennessy:

Transport is another of Whitehall's Cinderellas. Yet it is immensely newsworthy, highly political in its vulnerability to lurches in policy on changes of government, and, like the Home Office, prey to bolts from the blue, such as a Zeebrugge disaster or a King's Cross Underground tragedy, which project it to the top of the news bulletins and across all the front pages (1990: pp.499-500).

Thus the bus industry has also been influenced by developments in political thinking, with major policy shifts in 1930 and 1968, 1980 and 1985. Since 1979, the bus and coach industry has again undergone a period of conflict and change, with deregulation replacing the certainties of road service licensing with the discipline of the market.

## TOWARDS BUS DEREGULATION

This section charts the principal intellectual, ideological and political contributions to the debates leading to bus deregulation and the Transport Act 1985. It is divided into two parts. The first reviews the arguments and publications of the new right think tanks, namely the IEA and the ASI. The CPS produced nothing of significance on the subject. A transport study group was established in the early 1980s, but was reportedly side-tracked by the issue of converting railways into roads.<sup>7</sup> The second part highlights the political steps towards deregulation from 1979 to the years 1983-85 when the intellectual and political pressures were brought together by Secretary of State Nicholas Ridley, who attempted to turn academic argument into practical politics. Any direct links between the arguments of the think tanks and the 1985 Act will be considered in the following section.

### Think Tanks and Bus Deregulation

The debate over bus deregulation was, more so than other case studies addressed in this research, as intellectual as it was polemical. Arguments over whether the abolition of road service licensing would lead to improved bus services, or whether it would bring back the "chaos" of the pre-regulation 1920s, have largely been argued and contested in academic journals. However, the IEA and the ASI have produced a number of pamphlets on the subject. Unlike publications on education reform and prison privatisation, pamphlets on bus deregulation (and transport policy generally) have not been written by "in-house" think tank personnel. They were largely written by full-time academics who utilised the new right think tanks as another platform for the dissemination of their ideas. The think tanks' work on bus deregulation can be divided into two phases: the IEA phase, 1963-1982; and the ASI phase, 1983-85.

*The IEA:* The IEA produced three publications on transport advocating bus deregulation. The first was a Hobart Paper entitled Transport for Passengers by John Hibbs. His analysis begins with the observation that the problems of the bus industry were growing due to competition from both the railways and, more significantly, the private car. The Road Traffic Act is said to have had a detrimental impact on the development of the bus industry as its effect was to restrict competition and its ability to respond to the interests of

consumers, and "sets a ring-fence round the industry, and except in the limited field of private hire work severely restricts the natural flexibility of the industry" (1963: p.77).

The main consequence of the Road Traffic Act was that it "discouraged change and development and encouraged inertia into what had been a highly competitive and adaptable industry; it also put a premium upon inefficiency by linking most operators into a pricing system based upon the protection of those with the highest costs" (*ibid*). Arguments in favour of cross-subsidisation - where a bus operator runs profitable routes subsidised unprofitable routes deemed to be socially necessary - were also criticised on two grounds. First, Hibbs questioned whether the large companies were best suited to operate the "thinner" rural services, and suggested that these be left to smaller companies who would have smaller overheads. Second, Hibbs suggested that the arguments in favour of cross-subsidisation "imply the existence of a sort of contract between those who contribute the surplus and those whose travel is subsidised out of it" (*ibid*). Yet it was doubtful whether passengers on profitable routes had actually consented to paying higher prices to subsidise fellow passengers elsewhere.

It is doubtful whether cross-subsidisation is either equitable or efficient. There is no evidence that it must inevitably select the better-off to provide subsidies for the poorer sections of the community. Even today the most profitable bus routes pass through the more densely populated parts of our towns, while the surplus from them may be applied to the maintenance of services in the more fashionable areas. Above all, the practice is self-defeating so long as the better-off can contract out of it by using the private car, as more and more are doing (*ibid*).

Hibbs therefore argues that road service licensing should be abolished, with the result that consumers should benefit from lower fares and greater choice.

The intellectual arguments in favour of liberalisation were further advanced in a 1969 IEA pamphlet by Gilbert Ponsonby entitled Transport Policy: Co-ordination through Competition. Ponsonby argued that economists who advocate a "properly-co-ordinated" transport system understand this to mean that "all traffic would be carried by the forms of transport that require the least call upon scarce economic resources of the country" (1969: p.9). If necessary, this may mean traffic being carried by more than one mode of transport per journey. Policy should not be biased towards one particular mode, and "all forms of

transport should be given an equal chance of competing for custom" (*ibid*). Ponsonby believed that road service licensing be lifted and cross-subsidisation abolished. Reinforcing Hibbs' 1963 arguments, Ponsonby believed that "cross-subsidisation is to be deplored" (*ibid*), and added further reasons to justify abolition. Ponsonby asked "whether it is appropriate to give Traffic Commissioners, an omnibus or coach operator ... or any other administrative power to (what amounts to) tax some and subsidise others?" (*ibid*). If some unremunerative services<sup>8</sup> are run, then operators must make excess profits on other routes to cover their losses. This "is incompatible with the conception of a co-ordinated system of transport defined above because it encourages such gains, and thus prevents the fullest possible development of all services in all places where effective demand justifies it" (*ibid*). Moreover, Traffic Commissioners are required to take into account the provision of unremunerative services when awarding licenses.

This leads to the most compelling argument of all against such directives: that they oblige the Traffic Commissioners to dispense and preserve considerable degrees of monopoly for the operators involved, for it is neither equitable nor practical to call upon such operators to provide unremunerative social services out of their revenues without giving them some *quid pro quo* - in this, as in most other cases, some measure of protection or monopoly (*ibid*).

Ponsonby did not dispute that some loss-making bus services need to be provided for social reasons. However, it was disputed that these services should be decided and financed by the bus operators: "subsidies of this kind should be met out of public funds by central funds or (in this case, preferably) by local government authorities" (*ibid*). Relieved of this social burden, the "main argument in favour of protecting them from new or other established operators would then fall to the ground" (*ibid*).

The final of the three IEA publications was in 1982 by John Hibbs entitled Transport Without Politics...?. Hibbs, like Ponsonby, was concerned with various modes of transport although the arguments in favour of bus deregulation were reiterated. Hibbs also advocated the privatisation and break-up of the NBC and its territorial components as a desirable consequence of the abolition of cross-subsidisation.

An immediate step should be to wind down the "territorial" bus companies and transfer their operations to smaller units, each drawing upon one of a limited number of centres providing technical support and management services. After all,

the territorial companies were explicitly intended to be instruments of cross-subsidisation and, as such, are both undesirable and anachronistic (1982: p.78-79).

*The ASI*: As with all other areas of government policy, transport was subject to an Omega Report, published in 1983. The report was written by John Hibbs, Anthony Shepherd, Sandy McGregor, and Peter Fells "amongst others". The report covered roads, road passenger transport, freight transport, and the railways. For road passenger transport it was argued that deregulation is essential for a realistic and effective transport policy.

The arguments that such de-regulation and freedom will over-provide services and lead to chaos, criminal practices, etc., are a plea for the continuing insulation of existing operators from competition. In an open market, the inefficient will fail, but effective and competitive private services will provide the cheapest possible transport with no requirement for general subsidy. All complications imposed on the provision of private transport services for hire and reward tend to promote public monopolies and waste resources (Adam Smith Institute, 1983: p.12).

The Omega Report attacked what it called the "untenable assumptions" of transport policy: that there is a need for substantial cross-subsidisation; and that there exists substantial economies of scale in the industry. Together "these have given rise to a system of licensing that has created monopolies in an essentially competitive industry" (*ibid*). The case against cross-subsidisation has already been highlighted. The argument that large bus companies generate and require large economies of scale to operate were disputed on two grounds. First, "there is little evidence about the optimum size of fleet for ... bus operations, but it is perhaps nearer 50 than 500". Second, the report highlighted the costs of large operations: namely "remoteness from the customer, rigidity, and institutionalised labour relations" (*ibid*). The ASI therefore proposed deregulation, with the PTEs relieved of their obligation to provide for all their area's transport needs. The Omega Report also echoed Hibbs' IEA proposal to decentralise NBC operations, encouraging staff buy-outs of the new organisations.

The ASI's second report on bus deregulation was Wheels Within Cities, by Gabriel Roth and Anthony Shepherd (1984). The report aimed to provide some empirical evidence that public transport need not be nationalised, loss-making, and inefficient. Drawing on evidence from across the world, from cities as diverse as Calcutta, Buenos Aires, Nairobi and Belfast, the authors point to the success and sustainability of informal passenger



transport (IPT) systems. IPT systems are characterised by a number of characteristics. First, ownership is private. Second, transport operators tend to be small firms, allowing closer scrutiny by managers and reflecting the limited economies of scale that exist in the industry. Third, most firms use low-cost small vehicles. Fourth, many operators belong to "route associations" where "a number of private operators band together to run a route in common". Fifth, all IPT systems are profitable, and finally all companies are anxious to please their customers (*ibid*).

Roth and Shepherd made a number of recommendations for the UK in light of this international evidence:

- at the central level: deregulation and simplification of existing rules to encourage the entry of private operators into public transport;
- at the regional level: the reorganisation of the Area Traffic Commissioners' powers, procedure, and requirements; and
- at central *and* local level: the abolition of generalised subsidy support and its replacement by specific subsidies to all deserving users of services whether publicly or privately owned (*ibid*).

The final ASI publication on the subject was, again, by John Hibbs. The Debate on Bus Deregulation was a response to the Government's published proposals for deregulation of the bus industry in its White Paper of 1984 (see below). As such, Hibbs' paper cannot have had any influence in the formulation of the proposals. Nevertheless, the Government's reform programme was welcomed by Hibbs who believed "the industry faces a far more prosperous future in consequence of the proposed legislation than it could have expected under the protectionist and monopolist regime that has governed it since 1930" (1985: p.1).

Taken together, the work of the IEA and the ASI provided a theoretical critique of regulation and road service licensing and proposed a coherent programme of reform. The proposals of the think tanks bear close similarities to the 1985 Act. Indeed Whitehead maintains that Wheels Within Cities "represents the blueprint for the 1985 Act" (1995: p.79).

## The Road to Deregulation 1979-85

The election of the Conservative Government in 1979 heralded the possibility of a reduction in state intervention in transport industries as in other spheres of government activities. Long-distance haulage had already been deregulated in the Transport Act 1968. Although a policy paper by Shadow Transport Minister Norman Fowler in 1977 (Fowler, 1977) fell far short of total deregulation, the Conservatives' 1979 manifesto announced their intention to "relax the Traffic Commissioner licensing regulations to enable new bus and other services to develop - particularly in rural areas - and we will encourage new private operators" (Conservative Party, 1979: p.15). Fowler was appointed as Mrs Thatcher's first Transport Secretary and the first steps towards deregulation were taken in the Transport Act 1980, which deregulated long-distance coach journeys and deregulated price controls and weakened the powers of the Traffic Commissioners for local bus services. The key provisions of the 1980 Act are highlighted below.

The main political impetus for national deregulation of local bus services came from Nicholas Ridley, who was appointed Secretary of State for Transport in October 1983. The first indication that bus deregulation was high on his agenda came at a speech he gave to the Bus and Coach Council in February 1984. Ridley informed his audience that he had "asked my officials to carry out a thorough study of the whole question of the organisation and regulation of the bus industry". Ridley praised the response of the coach industry to the opportunities offered by the 1980 Act.

Deregulation brought its own market into existence and then increased it. By offering attractive and competitive services which the customers want, you have shown that a complete break can be made with the dreary pattern of regulation and subsidy. I wonder whether the lesson of this has been widely understood (Ridley, 1984).

Ridley effectively launched the debate on bus deregulation, emphasising the Government's belief "that regulation should be kept to a minimum and the Government, whether local or central, should only intervene when it has to". Moreover, Ridley made his own position on the subject clear to all.

I have an instinctive distrust of regulation. I need convincing that the full panoply of road service licensing is what your industry needs. Where there is competition to provide goods and services, consumers can vote with their feet ... But where subsidy and regulation have come to dominate, in the provision of local bus services, those forces are missing (*ibid*).

**Table 8**

**Key Provisions of the Transport Act 1980**

- All remaining services were also exempted (subject to a few residual powers, never use from price control (previously ... fare tables had been enforced as a condition of the road service licence
- The "burden of proof" was shifted from the applicant to the objector, the traffic commissioners being required to grant a road service licence unless they were satisfied that to do so would be "against the interests of the public"
- County Councils were enabled to ask the Secretary of State to set up "trial areas" ... within which no road service licence was required at all.
- All long-distance services were exempted from the need for a road service licence (the definition of an express service, which had turned upon the minimum fare, was to be changed to be one on which no passenger travelled less than thirty miles, measured in a straight line.

Source: Hibbs (1989: p.264)

The "thorough study" of the industry which the DTp had just embarked upon was carried out by a group of officials, economists, and advisers called the Road Passenger Transport Steering Group (RPTSG). This body consisted of representatives from the DTp, the Treasury, the Scottish and Welsh Offices, and the No 10 Policy Unit.<sup>9</sup> The RPTSG also appointed three external consultants: Dr Stephen Glaister from the LSE, Professor Michael Beesley from the London Business School, and Malcolm Buchanan from Colin Buchanan and Partners, a transport consultancy firm.

The result of the RPTSG was a White Paper entitled Buses which was published in July 1984. The White Paper criticised the 1930 regulatory framework, the results of which "has been to maintain a pattern of services developed for a different age and to neglect the best parts of the market" (Department of Transport *et al*, 1984: p.1). There resulted "too little incentive to develop markets, to woo the customer", with operators developing a philosophy which was "defensive and inward-looking" (*ibid*). Drawing on the perceived

success of the 1980 Transport Act and the deregulation of long-distance coach services, the White Paper proposed similar changes to the bus industry. The major changes included the abolition of road service licensing throughout Great Britain except for London<sup>10</sup>, and the break-up and eventual privatisation of the NBC.

The White Paper argued that the licensing system of the 1930s was no longer relevant to modern transport needs.

The circumstances were very different from today. There were no national safety provisions to protect the public, no minimum standards for vehicles and their maintenance, no need to pass a driving test or demonstrate fitness to operate bus services. Traffic regulation was in its infancy (*ibid*).

Although the market grew steadily until the 1950s, the growth in car ownership saw a contraction of the bus market, with reduced profits and rising fares. The White Paper noted that the effect of this was simply to drive passengers away at an even faster rate. Regulation was gradually seen as part of the problem, and while the White Paper acknowledged that attempts were made by the Labour Government in 1977/8 to relax licensing in an attempt to attract passengers, this was inadequate to halt the spiral of decline. However, the Transport Act 1980 was presented as a success, and as a justification for proceeding for deregulating buses. Drawing on research from the Transport and Road Research Laboratory, the White Paper highlighted that between 1980 and 1983 "fares on these services dropped on average by 40 per cent in real terms and 700 new services were introduced" (*ibid*). The abolition of road service licensing in the three trial areas was also heralded as a success, with "no massive decline in services to the rural communities in these areas". In Hereford and Worcester subsidies were down by as much as thirty-eight per cent, while in Hereford itself "the number of bus services has increased and fares have gone down" (*ibid*). The Government argued that abolishing road service licensing would "bring big benefits" to consumers in terms of lower fares, more services, new operators (bringing new jobs), increased patronage, and an industry more responsive to passenger needs.

The structure and ownership of the bus industry was also a major consideration in Buses, in particular the size and financial strength of public sector operators. As such: "The

government has therefore decided that there should be changes to the structure of public sector operation at the earliest opportunity to ensure fairer competition between public sector operators and with the public sector" (*ibid*). Bus undertakings provided by district councils would be incorporated into a company owned by the district council. After a transitional period, the council would be prohibited from subsidising the company, and it would be up to the district councils themselves as to whether to privatise those companies. Similarly PTE bus operations would be broken up into smaller units and turned into separate companies. The White Paper proposed that the NBC be broken up and then privatised, given that its financial strength might deter competitors.

One of the distinctive features of Buses is the annexes which were added to justify and give intellectual credibility to many of the Government's claims. There were three annexes in total. Annex 1, entitled "The Bus Industry - Facts and Figures", presented the state of the bus industry as it stood in 1984. It highlighted: the declining percentage of bus travel in relation to private transport between 1953-83; the structure of the industry (the relative contribution of the transport executives, municipal, nationalised, and private sectors); and the finance of the industry (including its turnover, fare patterns, and subsidy). Annex 2, "Regulation, Subsidy, and Cross-Subsidy - A Critique", was a theoretical study "of some of the advantages and disadvantages of the present regulatory system that has governed the bus industry for the last fifty years and also, as far as the evidence permits, of the consequences that would follow from the radical changes that the government is proposing" (*ibid*). Annex 3 considered "The Effects of the Transport Act 1980 on Local Bus Services". This provided the detailed evidence from the three trial areas which was referred to in the body of the White Paper to support the Government's arguments that they were successful. The annexes were significant in that they provided a more theoretical or "academic" flavour to Buses than that normally found in white papers. Amongst the works cited, "uniquely in White Papers", included IEA publications by Ponsonby (1969) and Hibbs (1982).

The publication of the White Paper was followed by a period of consultation. According to Savage:

There were over 8000 responses to the Department of Transport, arising from the publication of the White Paper. In addition the House of Commons Select

Committee took evidence from many sources before publishing its report on bus deregulation in March 1985. The majority of opinion was critical of the government's proposals (1985: p.13).

The Government was criticised for initiating the second reading of the Transport Bill before the Transport Select Committee (TSC) had published its impending report on the financing of the bus industry. A Conservative member of the TSC, Peter Fry MP, was particularly critical of Ridley for not allowing the House of Commons the opportunity to read the select committee's report prior to its scrutiny of the Bill (see House of Commons Debates, 12.02.85, col.209). The Government eventually delayed the second reading until the publication of the report which eventually criticised the assumptions behind the Bill.

The White Paper describes the local bus sector as an ailing sector of declining patronage, service levels, increasing fares and increasing subsidy. All of these are attributed, at least in part, to the "dead hand of regulation". We agree with the identification of the symptoms, but not with the diagnosis of cause. We feel that the White Paper considerably understates the extent to which the problems of the industry are the result of fundamentally underlying economic and social trends, and overstates the damage caused by the regulatory regime.

... We believe that we have seen enough evidence to fear wasteful and unsafe competition on the road; increased problems in maintaining safety standards; destabilisation of desired services by creaming off traffic by new entrants by new entrants, especially with smaller vehicles which will increase urban congestion; a serious loss of benefits of co-ordination and integration of public transport services; and service losses which will make local transport *planning less effective*. We consider these potential disbenefits to be substantial (Transport Select Committee, 1995a: pp.lxxxv-lxxxvi).

A further line of attack was on the lack of effective consultation between the publication of the White Paper and the Bill.

This dissatisfaction with the amount of consultation and its time-scale was echoed by several witnesses. The Passenger Transport Executive Group, for example, considered that the lack of consultation on the underlying principles of the White paper was both "regrettable and imprudent" (Transport Select Committee, 1985a: p.ixxxiii).

A memorandum from Chartered Institute of Transport told the TSC that whilst "your Committee may be interested in the views of professional transport people the Government cannot wait for the views of your Committee" (Transport Select Committee, 1985b: p.48).

Few concessions of substance made by the Government during the Bill's passage through Parliament. While the Bill was amended in parts, the central provisions of the Transport Bill passed into law largely unscathed. The Transport Bill received the Royal Assent on 30 October 1985, "so bringing into force the most controversial and far reaching piece of transport legislation for over half a century" (Platform, Nov/Dec 1985).

### Table 9

#### The Transport Act 1985

"The 1985 Transport Act made specific alterations to the structure of the bus industry by changing the following:

**Changes in Ownership of the PTE operations:** The Act forced a change in ownership of the PTE bus operations ... from public ownership into a company with shares held by the Passenger Transport Authority, and PTA members becoming Directors. The Act allowed provisions to be made at a later date for the possible forced sale of the company into private ownership, and the possible forced break-up of the companies into smaller units.

**The 'break-up' of the National Bus Company (England and Wales):** The National Bus Company was sold off in units of its 'subsidiaries', the local operations typically covering one or two shire counties, and with two or three operating into PTE cities from outside. From the 1980 Act these companies were allowed to carry passengers into PTE areas, but were (in most cases) not allowed to operate wholly in areas controlled by the PTE. Arrangements for the sales had to be agreed with the Secretary of State, and be finalised by mid-1988.

**The Scottish Bus Group:** was to remain in public ownership for the time being, but to be operated as separate subsidiaries, with the possibility of later splitting up, and sale to the private sector.

**The abolition of road service licensing** (the central aspect of the Act) allowed new private operators to enter the market.

**Changes to 'competition rules'** forbid 'unfair competition which could have implications for firms merging to have a monopoly service in any area.

Source: Stokes (1990: p.3)

## ADVOCACY COALITIONS AND BUS DEREGULATION

This section addresses the two coalitions which contested the deregulation debate - a Pro-Deregulation Coalition and an Anti-Deregulation. It considers each in turn, and concludes with an examination of the importance of ministers, and, in particular, Nicholas Ridley.

## **The Pro-Deregulation Coalition**

Support for deregulation came mainly from a small number of academic economists, many of whom have been connected with the new right think tanks in some way, but who, in this case, largely pursued deregulation independently of these organisations.

*Composition, Interaction, and Co-ordination:* Academics who supported deregulation and who spoke or wrote on the subject included Gilbert Ponsonby, John Hibbs, Gabriel Roth, Anthony Shepherd, Michael Beesley, Stephen Glaister, and Alan Walters. Initial interest in deregulation came from Ponsonby, who was at the LSE alongside other eminent free market thinkers such as Plant, Robbins, and Popper. Ponsonby's early analysis on the consequences of regulation was an inspiration to other economists. Michael Beesley started his transport research at the LSE in 1960 at Ponsonby's suggestion.<sup>11</sup> Ponsonby not only introduced Hibbs to the IEA, but was Hibbs' supervisor for his MSc (Econ) thesis on the economic consequences of the Road Traffic Act 1930. When Ponsonby retired as Reader in Transport, he was replaced by Michael Beesley. When Beesley retired, he was replaced by Stephen Glaister. Other's from the new right think tanks who publicly supported deregulation included Lord Harris of High Cross, who defended the Transport Bill in the Lords (House of Lords Debates, 11.06.85, cols.1163-1165) and Digby Anderson from the SAU, who highlighted the advantages of deregulation in an article in The Times (25.07.84). However, these were passing contributions to the debate and neither Harris nor Anderson are regarded as playing any noticeable role in the Pro-Deregulation Coalition.

As economists interested in a common field, academia provided a useful structure for interaction and for the exchange of ideas through conferences and joint publications. According to Hibbs, "there was interaction and we met from time to time, occasionally shared conference platforms and so on, but it was a very informal kind of process".<sup>12</sup> Beesley suggests that the pro-deregulation economists were best described as a network rather than a coalition, as in a network the components never act in concert and the work of the deregulation advocates was largely uncoordinated.<sup>13</sup> This view is reinforced by others in the field – one official was certainly aware of "a *group* [not network] of academics, including Glaister, Beesley, Hibbs, Roth and Alan Walters, against regulation and arguing



that the bulk of it was unnecessary and counter-productive".<sup>14</sup> A former AMA official recalls:

I do not recall a network of academics but I was aware that the Government's approach had academic support. John Hibbs was particularly active with articles, letters in the press and lectures. He was invited to support the Government proposals in one or two AMA seminars as were successive Government ministers and Conservative MPs known to favour de-regulation.<sup>15</sup>

Overall, the IEA and ASI played only a limited role in the Pro-Deregulation Coalition. They simply provided another platform for the pro-deregulation academics to promote their policies. The intellectual case for abolishing road service licensing was initially made by Ponsonby in the Economic Journal in 1958 and the Journal of the Institute of Transport in 1963, and Hibbs would later build upon Ponsonby's analysis in his Hobarts. During the passage of the Bill, the arguments over the benefits of deregulation were conducted through academic journals, such as the debate between Glaister (1985a, 1985b) and Nash (1985) in the Journal of Transport Economics and Policy. Nevertheless, some suggest that the new right think tanks contributed to a sustained attack upon road service licensing, with more than a hint of collusion. Noting the cross-referencing between pamphlets and articles of this group of academics and the Buses White Paper, Whitehead notes that:

Whilst one should be wary of "ad hominem" arguments, and should give the arguments of academics respect based on the soundness of argument rather than political allegiance, the strong impression remains of a hermetically sealed academic loop feeding into the thought-processes behind the White Paper (1985: p.80).

Prior to deregulation, approximately ten per cent of licenses for bus services were held by private operators (Department of Transport *et al*, 1984: p.15). These private sector companies, though, were not major advocates for deregulation, perhaps because increased competition threatened the profitability of services run by these firms. Pro-Deregulation academics such as Hibbs found little support from private operators.<sup>16</sup> Similar sentiments were expressed by Malcolm Buchanan who recalls that "the major private sector operators were not in the least bit interested in deregulation, and in fact they had quite a comfortable niche within the regulatory framework within which they could make their money".<sup>17</sup> Similarly, officials in the DTp recalled no pressure for deregulation from the private sector

operators. However, this is not to say that all those in the industry were anti-deregulation. Both Hibbs and Buchanan recalled support from middle management from within the nationalised sector, who relished the opportunities offered by deregulation.

What intrigued me about the whole thing was that officially the nationalised sector opposed it. But when you spoke to individuals within the nationalised industry a lot of them said "Its the best thing that could happen - deregulate, break up the nationalised sector and let me run the buses in my area according to local needs, without waiting six weeks for a decision to be made further up the hierarchy". However, they were unable to go public with such comments.<sup>18</sup>

*Belief System:* Whitehead (1995) identifies two major ideological influences which underpinned the case for deregulation. First, the notion of "spontaneous order", associated with the Austrian school of economics and, most notably, Hayek. The concept of spontaneous order means "that the world as a whole, and therefore 'the market' will impose a logical order upon itself by the unknowing inputs of thousands of individuals undertaking what they see is the most rational course of action". Deregulation would therefore bring about a network based upon the actual decisions of consumers, rather than Traffic Commissioners or bureaucrats. New operators would enter the market to run services demanded by passengers which had previously been neglected or ignored. Given the low overheads and limited economies of scale in the industry, it was seen as quite conceivable that gaps in the market would be filled by a large number of small operators. As a result, "perhaps through the mechanism of route associations, a network would come into being, but on a very different basis from the assumptions or practice prior to deregulation" (*ibid*).

The second ideological influence identified is public choice theory, which views all individuals as rational utility maximisers. The work of Niskanen (1971; 1973) suggested that bureaucrats work not for the ill-defined "public interest", but to maximise their own budgets. Government agents are "passive sponsors" who have neither the incentive nor the opportunity to obtain the information regarding the maximum budget required to produce a specific service. As a result:

being non-market led bureaus, bus service agencies, and particularly those under the control of local authorities will be "budget maximising" bureaucracies that will have inevitably have grown too large for their function because of the relationship with their sponsor. A combination of a service that would be in no position to

compete, potential small and lean entrants who can capture dense urban routes, and a pool of passengers willing to act as rational calculators would provide the motive force (both negatively and positively) which would make the legislative proposals work (Whitehead, 1995: p.84).

*Resources and Strategies:* As academics, those in the Pro-Deregulation Coalition had no resources which they could use to bargain with the centre, being totally dependent on the Government's willingness to deregulate. However, once the Government had decided (or had been persuaded) to deregulate, then the Coalition could offer valuable intellectual support for the proposals. For this, the key resource granted to pro-deregulation economists was access to decision-making structures, and in particular the RPTSG, on which both Glaister and Beesley were invited to serve. The strategy could be nothing more than persuasion.

Access was granted to Glaister and Beesley because Ridley and the DTp had decided that the Government's proposals needed and should have a theoretical basis.<sup>19</sup> At the time, bringing in outsiders to departmental committees was unusual, at least in the DTp.<sup>20</sup> According to one DTp official:

In the writing of the White Paper there was a great anxiety to try and set this policy in an intellectually, defensible context. Not to have simple assertions of what the policy was, but to say "We have looked at this. This is not simply a political whim. It has been preceded by a lot of work of what the problems with the industry are, and we have outside experts working on this".<sup>21</sup>

Another DTp official argues that Glaister and Beesley helped turn the RPTSG into a "perpetual seminar, bringing intellectual clarity and drive to the exercise, important in examining proposals and changing attitudes in the department",<sup>22</sup> a view endorsed by other officials.

Beesley in particular was tremendously dynamic and influential in the way he articulated his knowledge of the transport industry. For example, he was very well informed on the issue of airline deregulation, although his knowledge extended to all sectors. He engaged people and was very persuasive. They [Beesley, Glaister, and Buchanan] all were.<sup>23</sup>

Malcolm Buchanan also emphasises the role of Beesley who was "brilliant at argument, methodically going through all the barriers to entry that existed in the industry to try and maximise competition".<sup>24</sup> Over a six-month period, the RPTSG studies proposals and submissions from all sides of the argument, including those of the new right think tanks. Officials maintain that there was only one option that was not considered and that was to maintain the status quo,<sup>25</sup> which effectively meant "a continued increase in subsidy and public spending which the review had set out to address".<sup>26</sup> The review addressed a number of alternatives, including: whether it was necessary to split-up the NBC for deregulation to work; whether deregulation should apply to both urban and rural areas; or whether PTEs be included or excluded. According to officials, the work of pro-deregulation academics such as Beesley and Glaister (and to an extent Buchanan) helped establish the strengths and weaknesses of these options and clarified the advantages of full deregulation.<sup>27</sup> Hibbs was also drawn in to advise the Secretary of State, although on an unofficial basis. For example, Ridley specifically requested a memorandum from Hibbs, on behalf of the ASI, on the consequences of deregulation especially on rural and late-night services (The Times 04.04.84). Hibbs also provided intellectual support to junior minister David Mitchell MP, sharing platforms when the minister toured the country to defend the Government's proposals.<sup>28</sup> According to one official from the RPTSG, "Hibbs was not directly involved in the formulation of policy within the DTp but was a constant source of external support and was asked by the DTp to defend the proposals in public - which he did".<sup>29</sup>

### **The Anti-Deregulation Coalition**

Opposition to the 1985 Transport Act was broad-based, and an Anti-Deregulation Coalition can be identified drawn from local authorities, the bus industry, trade unions, and pressure groups. While many of these groups acted independently, much of the lobbying at Westminster was co-ordinated by a local-authority based forum called the Consortium, and a Grand Consortium which incorporated sympathetic peers for when the Bill reached the Lords.

*Composition, Interaction, and Co-ordination:* The groups which campaigned against deregulation included: the BCC; PTEG; the AMA, ACC, ADC, and the Shires County

Consortium; the Passenger Transport Campaign Group (PTCG); and individual MPs and peers.

The BCC soon established a Working Party in 1984 in response to the Government's consultation exercise on deregulation. Reflecting its overall composition, the BCC Working Party included four representatives from the nationalised sector, the transport executive sector, the local authority sector, and the independent sector. It was chaired by a former BCC Chairman, Ron Whittle. Local authority organisations were also at the forefront of the debate. The ACC "responded to the White Paper by accepting the principle of deregulation and seeking detailed objectives to improve its practical workability" (Stazicker, 1985). The AMA and ADC also came out against deregulation. According to Stazicker, "there had probably been no Bill in recent years which had attracted such a breadth and depth of lobbying effort from local government" (*ibid*).

PTEG also established a Working Party in November 1984. PTCG consisted of: the GLC and the six metropolitan counties; the Transport and General Workers Union; the Associated Society of Locomotive Engineers and Firemen (ASLEF); the National Association of Local Government Officers (NALGO); the National Union of Railwaymen (NUR); the Trades Union Congress (TUC); Friends of the Earth; CAPITAL; and Transport 2000. Leading peers who opposed the Bill included official Labour spokesmen Lords Carmichael and Underhill, Lord McIntosh (also a Labour frontbencher), Lord Tordoff (Liberals) and Earl de la Warr.<sup>30</sup>

Each organisation met individually to formulate its opposition to the Transport Bill. In what Ron Whittle called a "hard drag",<sup>31</sup> the BCC Working Party met twice a week for the duration of the Bill, examining it line by line. In another example, the PTEG Working Party met twenty-two times, (in addition to meetings between individual members), including a number of meetings with the Directors General and Chairman of PTEG.<sup>32</sup> The local authority organisations had their own internal transport committees to monitor the passage of the Bill.

There was no dominant partner within these organisations, although co-operation and co-ordination soon evolved. This was mainly through PTEG, AMA, ACC, ADC and the Shires County Consortium, all of whom had representatives permanently based in London.

We all knew one another and quickly realised that there were benefits in co-operation and co-ordination. As a result, what started as an informal meeting quickly grew into a rather more formal "Consortium" comprising the above. BCC and the Campaign Group were also invited. BCC tended to keep at "arms length". In addition, NBC were represented separately from the BCC as well as supporting BCC.<sup>33</sup>

The aim of the Consortium was to work closely with the Labour frontbench, ensuring the Opposition tabled appropriate amendments and were properly briefed. The Consortium met each Monday when the Bill was being debated to allocate responsibilities for the week between members. When the Bill reached the Lords, a similar exercise was undertaken, targeting a number of sympathetic peers mentioned above. This group of peers was informally called the Grand Consortium, who had regular meetings with the Consortium to co-ordinate responses to the Bill.<sup>34</sup> Using slightly different phraseology, Phil Swann, then the AMA's Principal Policy Officer (Planning and Transportation), wrote:

Behind the yards of Hansard reports on the Bill lies a concerted lobbying and briefing effort which, if "workman-like" in the Commons has been fine-tuned for the upper House.

Within the Lords itself opposition to the Bill has been co-ordinated by a small all-party group of peers, known irreverently to their advisers as the "noble consortium"

...

Officers seconded, begged and borrowed from the metropolitan counties have spearheaded the Association's work on the Bill. They have worked in conjunction with colleagues such as the National Bus Company, Passenger Transport Executive Group and the Public Transport Information Unit (Municipal Review October 1985).

It should be noted that two organisations in particular, the NBC and the BCC were criticised by parts of the trade press for not being vociferous enough in their opposition to the Bill.<sup>35</sup> NBC's low profile during the Bill was "causing many to suspect that their silence is the price was a less onerous carve-up and privatisation plans" (Motor Transport 01.11.84). This suspicion was based on an observation that while NBC responded publicly to the 1984 White Paper, its response on restructuring went unpublished. The BCC's problems stemmed from its mixed membership of local authority, nationalised, and private

sector components. It therefore had difficulty in finding agreement and speaking with a unified voice on major issues. According to one DTp official, the BCC's inability to speak effectively with one voice "inhibited them as a serious discussant for major policy matters, although they were obviously important for minor, procedural matters".<sup>36</sup> At times the BCC was therefore reluctant to commit itself to anything too controversial. For example, it refused to participate in the Day of Action organised by the Public Transport Campaign Group and CAPITAL (see below) because of its "political overtones" (Platform December, 1984).

*Belief System:* The Consortium and the Grand Consortium were established as reactions to proposals for deregulation. It is difficult to identify an alternative agenda, other than the maintenance of road service licensing and maintaining subsidy levels. The aims and objectives of the Anti-Deregulation Coalition were geared exclusively towards this end, and can be found in the material of individual members. In its newsletter, it was stated that "BCC believes that abolition of route service licensing would mean that many people who depend on buses - as the White Paper recognises, 39% of households have no car - might be left with a worse service or no service" (Platform July/August 1984). As an alternative the BCC "supports subsidy by way of competitive tenders for contracts for tenders to run services, in appropriate circumstances, as the proposed alternative to deregulation" (*ibid*).

The AMA prophesied that as a result of deregulation:

- competition would be restricted to remunerative routes as popular times;
- route mileage would fall (as distinct from bus mileage);
- integrated transport systems would cease;
- late evening, holiday, hospital, and other services would be reduced or abandoned;
- concessionary fare schemes would be at risk and fares would rise.<sup>37</sup>

The PTCG outlined what it predicted would be the consequences of deregulation. Drawing upon the deregulation experiment of the 1980 Act it maintained that:

What will happen is crystal-clear, because it has happened before. Increase fares and motorists will revert to their cars and non-motorists will stay at home. Use of public transport will fall off. "Unprofitable" routes will be cut. Passenger traffic will slump still further. A familiar spiral of decay (The Times 26.11.84).<sup>38</sup>

As such, the Anti-Deregulation Coalition sharply disagreed with the analysis of the Government and its supporters. Opponents of deregulation maintained that far from increasing passenger levels, increasing the number of services, and lowering fares, the opposite would be the case.

*Resources and Strategies:* Opponents of deregulation possessed a number of resources at their disposal to deploy during the Transport Bill. As noted above, the bus policy network(s) controlled a variety of resources which could be utilised to affect policy outcomes. Not only did the producer groups (bus companies, bus producers etc.) control the capital assets of the bus industry, but the local government dimension was also important. As Rhodes has argued in some depth (1986, 1988), the discretion of the centre is limited by the resources of local government, which played a significant role in the provision of bus services up until the 1985 Act.

The Anti-Deregulation Coalition employed a number of strategies in its opposition to the Transport Bill. One of these was formally responding to the Government's consultation exercise following the publication of the White Paper in 1984. When the Transport Bill was later published, it appeared that the Government had not taken the criticisms of the producers, local authorities and pressure groups on board, and so the campaign was accelerated when the Bill was introduced to Parliament.

Some campaigns were locally based. Hull City Transport, for example, "was one of the several municipals to mount its own local campaign, with a bus touring the city to make the public, traders and industry aware of the forthcoming legislation and its possible effects on the city" (Motor Transport 06.12.84). Attempts were also made at a national level to draw attention to the perceived negative effects of deregulation. The PTCG was particularly active in this area. On November 27 1984, PTCG with the pressure group CAPITAL organised a Day of Action with over 3000 people marching on Parliament Square. This coincided with regional demonstrations in the PTEs (Platform December 1984). A similar demonstration was organised on April 2 1985, attracting over 6000 people. Another attempt by PTCG to attract opposition to deregulation took the form of a full page advert in the national press (see, for example, The Times 26.11.84).



The Consortium and Grand Consortium focused their efforts on parliamentary rather than public opinion. The most important resource and strategy here was access to the Labour frontbench, and the attempt to affect policy outcomes through amendments to legislation. According to one PTEG official:

We recognised from the outset that we were unlikely to prevent the Bill from going through because the vast majority of MPs are controlled by the party whips. Therefore, what we were seeking to do was amend it.<sup>39</sup>

According to Labour's frontbench spokesman, Gwyneth Dunwoody MP, the Transport Bill was the first time that the Opposition had constant support and advice from a professional rather than political source on a major item of transport legislation. The constant monitoring of developments in Parliament by the Consortium, and the expert advice on the technical aspects of the Bill which it provided, were a valuable source of support for the Labour frontbench.<sup>40</sup> According to an AMA official:

We were invited by the Labour frontbench to suggest those sorts of amendments and did so, and prepared briefings for the Labour frontbench or any other labour MP interested to speak on those amendments. Inevitably the main focus of our work was the Labour frontbench because they were politically opposed and would listen. But we would also present our arguments to Tory MPs and Liberal MPs.<sup>41</sup>

Although unable to prevent the Bill going through, the Consortium was able to secure important amendments to the Bill. The BCC claimed that these included: the definition of local bus services being amended from 5 to 15 miles between stops; the rights of district councils to subsidise services enforced; and the Government being forced to recognise that deregulation should begin on a common date.

Given the Government's large parliamentary majority, preventing the Bill from being passed was never a realistic objective.<sup>42</sup> However, the AMA maintained that due to the extensive lobbying work of the various working groups, "the Government has been forced to listen and Members of Parliament in the future who take the trouble to dust down the 1985 volumes of Hansard should have no difficulty in telling members of the present Government still in the House 'we told you so'" (Municipal Review Oct 1985).

## The Role of Ministers

The role of ministers in the process of bus deregulation was crucial. Nicholas Ridley in particular is widely regarded as being the key impetus behind the 1985 Act. Norman Fowler had begun the process with long-distance deregulation in the 1980 Act, and his successor, David Howell, did open discussions with his advisers about full deregulation, although his initiative failed to develop any momentum.<sup>43</sup> There is a general consensus that Ridley's role was central. Michael Beesley believes that Ridley's contribution was "absolutely critical, not only because he was a strong market man, but also because he didn't like messing around with half-solutions".<sup>44</sup> According to John Hibbs:

Ridley is perhaps best described as a typical Whig grandee. If he thought that something was "good for the people" then it should be done. And there is no doubt whatsoever that, after reading his briefs, Ridley was convinced that deregulation was the best way forward, and therefore went ahead and did it. I can't stress that too strongly.<sup>45</sup>

Officials serving on the RPTSG reflect similar sentiments. One called Ridley the "driver" behind the whole exercise<sup>46</sup>, while another maintained that:

The reason the policy was adopted was very much Mr Ridley. I've absolutely no doubt about this. He passionately believed in competition, and wanted to get as much competition into the industry as possible.<sup>47</sup>

According to another official:

Ridley showed a genuine interest in the subject which was unusual, and was intellectually equipped to deal with the arguments. Despite his public persona, he was well respected by his senior ministers. A wonderful minister to work for.<sup>48</sup>

Buchanan makes a link between the attempt to make the White Paper theoretically watertight, and Ridley.

I think there was very much a desire to ensure that this policy stood up intellectually. Ridley for one was a voracious reader, and it is rumoured that he read every paper from the RPTSG. His officials could not bluff him, which perhaps

helps explain the drive for academic respectability. And with Ridley you could not get away with any half-baked ideas. His officials respected him enormously and all the ones that I have spoken to have said that Ridley was the best minister they served. Officials respond to strong ministers and I think they responded to Ridley.<sup>49</sup>

Ridley's opponents also recognised the importance of the Secretary of State, although those working on the detail of the Bill in Parliament emphasise that it was David Mitchell who did most of the work in the House of Commons, as well as touring the country and taking the argument to the local authorities.<sup>50</sup> Although the Policy Unit had a representative on the RPTSG, there was little direct input or pressure from the Prime Minister. Mrs Thatcher's occasional economic adviser and transport expert, Alan Walters, had "little to contribute" at that time to the growing debate.<sup>51</sup> Another official maintained that "it certainly was not the case of politicians urging deregulation upon a reluctant minister - very much the reverse".<sup>52</sup> The Cabinet as a whole was generally supportive, if passive. Ridley recalled:

When I took my proposals to Cabinet, Margaret Thatcher was enthusiastic, and only one voice was raised against them - that was a colleague who feared the proposals would starve rural areas of bus services. The plan was quickly adopted (Ridley, 1992: p.61).

Officials stress that, whatever Ridley's private views, the RPTSG were given the freedom to discuss a range of options - it was not set up to endorse total deregulation. But neither does this mean that Ridley should be seen as a "policy broker". He not only made it clear that maintaining the status quo was not an option, but he appointed pro-deregulation academics to the RPTSG rather than practitioners from the industry. Moreover, he did little to reduce conflict after the publication of the White Paper, overriding many of the objections of the industry. Thus, any account of why the bus industry was deregulated must acknowledge the role of Ridley, and his commitment to the 1985 Act.

## **THE CONTEXT OF BUS DEREGULATION**

The aim of this section is to provide the context of reform, by highlighting the ideological, political, and socioeconomic forces which created a climate conducive to reform. These include: the intellectual ascendancy of deregulation; the Conservative Party's "attack" on

local government; and the problem of subsidy. It suggests that the think tanks, and the IEA in particular, were influential only in promoting the virtues of deregulation and competition in the decades prior to the 1985 Act, while the political and socioeconomic context was shaped by factors beyond the think tanks' control.

### **Ideological - The New Paradigm of Deregulation**

Bus deregulation, according to Pickup *et al*, "was part of a consistent policy by the Conservative Government of privatisation and deregulation of publicly controlled activities from 1979 onwards" (1991: p.29). According to Shaw, "Central government policy underwent a fundamental and comprehensive revision after 1979, when a pro-market Conservative government abruptly ended a period of over thirty years during which the state had played a dominant role in transport and other sectors" (Shaw, 1995: p.162) It should certainly be seen as part of broader, "supply side" reform programme applied to the economy from 1979. According to Ridley, Mrs Thatcher's strategy set out to free the supply side and so "liberate the wealth-creating sector of the economy" (1992: p.54).

The belief that bus deregulation would benefit both consumers and communities was derived from the same theoretical base which argued that privatisation, competition, and deregulation would bring benefits to the economy as a whole. Some were derogatory about Ridley's intentions, especially Labour MPs. Gwyneth Dunwoody maintained that "The [Transport] Bill is about two pet obsessions of the Secretary of State. One is privatisation and the other is deregulation" (House of Commons Debates, 12.02.85, col.200). John Concannon MP argued that "The Bill has nothing to do with services, and a great deal to do with party dogma and the dogma of the Secretary of State" (*ibid*). Sidney Bidwell MP, a member of the TSC suggested that "The proposals in this Bill are mad" (*ibid*). However, by the late 1970s/early 80s there had emerged a powerful intellectual and political movement arguing for the superiority of markets over planning (Cockett, 1994). The leading intellectual in this movement was Hayek, who had provided the foundations for the attack on state planning in his classic The Road to Serfdom. At the heart of his analysis was an attack on what he later called the "fatal conceit" (Hayek, 1989) - the idea that man is able to shape the world around him according to his wishes, or that planners could accurately interpret the preferences of individuals. As the state can never meaningfully collate such

information, its attempt at planning can never produce the quality or quantity of goods demanded. The inevitable result will be excesses or shortages, and almost certainly dissatisfied consumers.

Only in a market free of price controls and regulation can producers understand and respond to the needs of consumers. Prices play a pivotal role in this process, because they act as the transmitters of information unavailable to the planner. When prices fluctuate they are sending signals to economic actors. When prices rise, it indicates a product is in demand or getting scarcer, discouraging consumption and encouraging production. When prices fall, the reverse is true. Moreover, for Hayek, competition is a "discovery procedure", where "required changes in habits and customs will be brought about only if the few willing and able to experiment with new methods can make it necessary for the many to follow them , and at the same time to show them the way" (1978: p.189). Only with competition and a functioning price mechanism can a "spontaneous order" develop.

These ideas underpinned much of the Conservative Government's early supply-side reforms whether to do with financial deregulation, such as the lifting of exchange controls in October 1979, or the privatisation programme. As Nigel Lawson recalls:

We had, by the time of the 1980 budget, not only abolished exchange controls ...; we had also abolished all forms of pay controls and dividend controls, all of which had been in operation, under governments of both parties, for most of the previous decade; while preparations for the first privatisations were already well under way. It all added up to a coherent and far-reaching programme of deregulation, whose magnitude and importance was not, in those early days, clearly recognised (1992: pp.52-53).

Bus deregulation entailed the application of the same principles in a different policy area, at a time when political support for markets and deregulation was high. Much of the credit for the growing appreciation and understanding of such issues as the importance of the price mechanism must go to the IEA. As both Cockett (1994) and Muller (1996) have illustrated, the IEA was vital in educating key Conservative figures in liberal economics helping to create a new ideological environment in which the first response to an economic problem was to consider privatisation or deregulation.

## **Political - The Conservatives' "Attack" on Local Government**

This section questions the extent to which bus deregulation was a political manoeuvre to further undermine the role of local government. The Conservative Government, since 1979, has often been portrayed as persistent centralists, with a contempt for local government and local democracy (see, for example, Jenkins, 1995). Bus deregulation could be seen as a continuation of this trend, in that the 1985 Transport Act significantly reduced the role of local authorities in the provision of bus services.

Local government reform was certainly a high priority for the Conservative Government prior to the 1985 Transport Act. Horton notes that while governments previously "utilised persuasion, negotiation, financial incentives and disseminated information on good practice to bring about change, the Thatcher government has used law on an unprecedented scale" (1990: p.174). Numerous Acts of Parliament were passed between 1979-85 to reduce the autonomy of local authorities. These included general local government legislation such as the 1980 Local Government, Planning and Land Act which, amongst other things, replaced the rate support grant with a central government-determined block grant. The 1982 Local Government Act Finance Act gave the Secretary of State for the Environment powers to set expenditure targets and punish profligate councils, and the 1984 Rates Act introduced rate-capping into England and Wales.<sup>53</sup> The deregulation of the bus industry and the suspension of PTA's co-ordinating role for public transport coincided with the abolition of the metropolitan authorities themselves. The 1985 Local Government Act abolished the Greater London Council (GLC) and the six Metropolitan County Councils, transferring their responsibilities to district or borough councils.

The abolition of the metropolitan counties caused widespread resentment amongst the left. The abolition of the GLC in particular led to a highly publicised public relations battle between "Blue Ken" (Baker, Minister for Local Government), and "Red Ken" (Livingstone, Leader of the GLC), and provides a useful example of the state of central-local relations by the mid-1980s. The official reason behind abolition was outlined in a 1983 White Paper, Streamlining the Cities which maintained that "the GLC and Metropolitan County Councils ... had difficulty establishing a role for themselves and too few real functions. Their search for a strategic role fostered uncertainty and conflict with

the boroughs/districts" (Rhodes, 1988: pp.308-9). Others identify an unofficial motivation for the GLC's abolition.

The political motive for its abolition was blatant. It was a left-wing thorn in the side of the government. The GLC stuck its tongue out at Westminster from County Hall ... Political banners festooned its facade, accusing ministers of the collapse of London's economy ... Norman Tebbit was unequivocal. The GLC had to go because it was 'left-wing, high-spending and at odds with the government's view of the world' (Jenkins, 1995: p.165).

Such concerns were not limited to the GLC and metropolitan counties. Nicholas Ridley saw local government reform generally as part of the wider attack upon "dependency", which was understood to mean "a society where people become dependent on the State for their education, or health care, or pensions, or housing, or in some cases their income" (1992: p.79). Such dependency made voters "owe political allegiance to their benevolent political masters who provided the services 'free'" (*ibid*). This was significant because by the mid-1980s an increasing number of local councils were controlled by the Labour Party, which was perceived to manipulate the political process to maintain power.

As a result the Conservatives have, since 1979, attempted to marginalise local government in three ways. The first has been to force local authorities to privatise the provision of local services. This culminated in the Local Government Act 1988 which required local authorities to put out to tender a number of services including refuse collection, street cleaning, and office cleaning. Other examples include the Housing Act 1980 which enabled tenants to buy their own council houses. The second has been to devolve responsibility from local authorities in services such as education and health, while increasing the roles of school governing bodies and hospital managers. A third way has been to centralise responsibility and for Whitehall to assume greater executive control from local authorities over public services. An example of this is how elected local councillors have been slowly been excluded from public administration in favour of central appointments.

School governors, prison visitors, museum councils, hospital trusts, funding council boards comprised a substantial quangocracy, estimated at 30-50,000 people in England and Wales, depending on definition ... What was extraordinary was the lengths to which ministers went to ensure that the membership of these bodies was loyal to them, and distant from any link with local democracy (Jenkins, 1995: pp.264-265).

There is little evidence to suggest that the new right think tanks played any part in a political strategy to marginalise local government, although the ASI did provide an early impetus to contracting-out in local government (Cockett, 1994: p.304; Kavanagh, 1990: p.88; Asher, 1987). The Transport Act 1985 could certainly be seen to have constituted part of the Conservative's plans to turn local government from public providers to enabling authorities. In a pamphlet for the CPS in 1988, Ridley himself outlined his vision of local authorities ensuring essential services are available, although through competing private providers. This was seen to fill two key objectives of government policy - to restrict any further growth of local authorities' expenditure and enhance the quality of their services (Ridley, 1988).

The TSC expressed concern about the motivations behind the Transport Bill, suggesting that the Government's turbulent relationship with the metropolitan authorities might have clouded its judgement.

It has been suggested by many witnesses that the central objective of the Bill is really to curb the activities of the high subsidy metropolitan authorities and that it is unfair and inappropriate to pursue such a radical and global reorganisation on that basis. Unhappily we believe that there is some substance in the allegation. We have therefore felt it appropriate to question the whole range of the contents of the Bill is appropriate for the declared objectives to be achieved (Transport Select Committee, 1985a: p.lxxxv).

Suggestions that deregulation was a politically motivated policy are denied by members of the RPTSG,<sup>54</sup> and any claims to the contrary are difficult to substantiate. According to one official: "I don't think that the marginalisation of local government figured very highly at all - in some cases, as with county councils, it actually gave county councils a greater role in tendering for unenumerative services".<sup>55</sup> Malcolm Buchanan echoed these views maintaining that "had an attack on local government been the underlining philosophy then the first item on the agenda would have been London when in fact it was the last".<sup>56</sup> Nevertheless, the fact the deregulation had political as well as economic benefits (see below) in that it further marginalised local government no doubt added to its appeal, however small.



## Socioeconomic - The Problem of Subsidy

As highlighted above, the growth in subsidy was one of the main factors accounting for the growth of central government involvement in the road passenger transport industry. According to Glaister the aim of bus deregulation "was primarily a result of the determination to reduce government expenditure - both central and local authority" (1991: p.285). Ridley denied that deregulation was simply a cost-cutting exercise: "The Bill is not about reducing subsidy. It is about putting life back into the industry and making sure that the country gets the best value it can for the customer" (House of Commons Debates 12.02.85, col.193). However, in his speech to the BCC, Ridley highlighted the importance of the subsidy question in undertaking his review of the bus industry.

Fifteen years ago subsidy was a dirty word in the bus industry. Now we have reached a position where total public support for the bus industry and support for its needy passengers has gone over the £1 billion mark. That compares with the industry's total turnover of about £2.5 billion a year. So the level of subsidy, who pays it, who directs it, and who benefits from it are among the questions I must address (Ridley, 1984).

The rise in subsidies was largely due to the declining competitiveness of the bus and coach industry in the post-war years. Pickup *et al* (1991) divide the development of the bus industry in the twentieth century into three stages. The first stage - between 1900 and 1950 - was one of growth, when the use of trams and trolley buses was overtaken by the use of buses and coaches, largely in the inter-war years. The second stage - between 1950 and 1970 - is characterised as one of decline, largely due to the growth of the private car.

The 1950s and 1960s saw a decline in the bus and coach industry in the UK. During this period, total journeys fell by 48% from 16,703 to 9,154 million and the tram and trolley bus disappeared from the streets ... During the period as a whole, bus vehicle miles fell by 13% and fares increased by 50% in real terms; from 1967 the gap between revenue and costs was met by subsidy (*ibid*).

The third stage - the 1970s and early 1980s - was largely dominated by the level of subsidy which became increasingly necessary to sustain a public transport network. This led to a policy in the metropolitan areas of high investment and low fares.

In the metropolitan areas by 1980, most PTAs were following general policies of minimum increases in fares, maintaining services, and integrating timetables, ticketing and routes at a time when increasing car ownership was reducing the "base level" of demand for public transport. By about 1983 all the PTAs had "low fares" policies and were trying to keep fares static, or increasing them as little as they could, given the constraints of subsidy level (*ibid*).

The results of these policies was a subsidy level rising from £71 million in 1972 to £897 million in 1982 (Department of Transport *et al*, 1984: p.38).<sup>57</sup> Given that the Conservative Government was committed to reducing public expenditure for macroeconomic reasons, the bus industry was a prime target for reductions in revenue support. Glaister (1991: pp.288-9) notes that the three problems that needed to be addressed were: that local bus subsidies were running far ahead of central government provision; that there was no mechanism within the pre-deregulation system to control expenditure; and that the bus industry was not considered to have a sufficiently commercial outlook.

Appendix A of Annex 2 in Buses suggests that significant cost savings could be made given the cost variations between the different sectors of the industry. Thus in 1982 the cost per vehicle mile of the NBC was 74 per cent of the municipal operators and 66 per cent of the PTEs. Moreover, the Appendix refers to research suggesting that the private sector is even more cost effective, being 30-40 per cent below that of the NBC. It also acknowledges that the evidence from the three trial areas "is consistent with those results" (Department of Transport *et al*, 1984: p.61).

Interestingly, the growing subsidy level was not a prominent part of the think tanks' analysis. The IEA's arguments focused largely on the theoretical benefits of deregulation for passengers, rather than the immediate crisis in the industry, although the ASI's Omega Report on Transport Policy did identify the high subsidy level as a problem which required attention (Adam Smith Institute, 1983: pp.13-14). By comparison, it was the major concern for the RPTSG, much of whose discussion concerned the subsidy level in the bus industry.<sup>58</sup> This suggests that the review of the bus industry was pursued primarily as a reaction to a rapidly deteriorating financial situation than pressure applied by think tanks and academics. Nevertheless, the question of what the response should be, and how that response could be defended was an issue in which pro-deregulation academics could have an influence.

## **THE NEW RIGHT THINK TANKS AND BUS DEREGULATION: AN ASSESSMENT**

This section argues that the IEA and ASI played a marginal role in bringing about deregulation, although the IEA was important in helping set the ideological context within which the bus industry was deregulated. It also argues that deregulation has brought about a fundamental change in the way bus services are provided, from a network of the NBC, PTEs, and traffic commissioners and others, to a market in which services are largely determined by private providers.

### **The Impact of the New Right Think Tanks**

The only new right think tanks to involve themselves with bus deregulation were the IEA and the ASI. These organisations did not play a prominent role in the run-up to deregulation, although they could be said to have been part of the Pro-Deregulation Coalition. The individuals who contributed to IEA and ASI reports on the subject, such as Ponsonby, Hibbs, and Roth used think tanks as another platform (in addition to academic journals, conferences, and articles and letters in the trade press) to express their ideas. The think tank reports helped ensure that the issue of deregulation remained active, although it is doubtful whether these were critical interventions in the debate. More important was the work inside the DTp by allies of the above, namely Michael Beesley and Stephen Glaister, who had access to the important decision-making meetings as advisers on the RPTSG which drew up the blueprint for the 1985 Act. One of the opponents of deregulation, albeit outside the DTp but heavily involved in the debate, believes the pro-deregulation academics did play an important role in the process of change.

I think they were influential - they had people like Glaister who were able to translate the principles into practice. If it hadn't been for the ASI and others it would no doubt have been much more difficult. John Hibbs had been a voice in the wilderness for a long, long time preaching the benefits of deregulation before it was fashionable. It was a combination of the institutes being there at a time when the Government was receptive to this kind of thinking - their time had come. But Hibbs, Glaister and Beesley between them knew how the industry worked. Glaister and Beesley were highly respected transport economists, and this allowed them to

act as a bridge for pro-deregulation ideas. In a sense the think tanks gave these people a platform.<sup>59</sup>

The circumstances leading up to the 1985 Transport Act were conducive to policy change: the rising subsidy level was thought to have reached crisis levels; there was a credible belief system which could explain the decline of the industry and offer a workable alternative ideologically acceptable to the Government; and a figure in Nicholas Ridley who was prepared to push the reforms through Westminster and Whitehall. The Pro-Deregulation Coalition was an important influence in helping challenge the conventional wisdom of previous government policy and the bus industry, and the importance of their contribution was recognised when individuals were brought in to advise the Secretary of State. Also significant was the broader work of the IEA which laid the theoretical foundations for deregulation, not just in the bus industry, but in all spheres of government policy. Had the arguments for deregulation not been won at the macro-economic level within the Conservative leadership, it is certainly questionable whether it would have been applied to the bus industry alone.

Opponents were unable to prevent deregulation largely because it was driven by a strong minister with a large Parliamentary majority behind him. *Moreover, few leading members in the Consortium, Grand Consortium, or Labour frontbench seriously believed that preventing the passage of the Bill was a realistic option, although they hoped to amend what they saw as its most serious defects.* Much of the opposition was local, although thinly spread. Gwyneth Dunwoody believes that one of the significant aspects of the Bill was that it excluded London from deregulation and so, ironically, was of little interest to the national press, therefore depriving the opponents of the Bill of high-profile coverage.<sup>60</sup>

### **Think Tanks, Bus Deregulation, and Policy-Making**

The Transport Act 1985 has had a profound impact on the process by which bus services are provided. Before 1985, the industry was governed by a regulatory structure dating back to 1930. During the 1960s, most of the responsibility for co-ordinating local transport networks was devolved to PTAs. The 1985 Act reversed much of this. Regulation was replaced by a system of registration under which operators were allowed to run services where they wished, as long as they obtained an operator's licence. Traffic commissioners

could prevent a service only on the grounds of public safety and/or road congestion. PTAs no longer had the responsibility for co-ordinating local transport services, and although local bus services could still be subsidised on "social grounds", the law required that such services be put out to tender. Private operators fulfilling the above criteria could operate services when and where they wished, although this was obviously limited by consumer demand.

The significance of this new structure was that bus services have been determined less by policy networks or advocacy coalitions, and more by market relations between operators and consumers. Central government still has an important role in providing the remaining subsidies, which in 1995 were calculated at approximately £1 billion per year (Poole, 1995: p.16).<sup>61</sup> While the resource-dependencies for funding subsidies in the industry may therefore still be significant in central government, the relationship between local authorities, PTAs, and Traffic Commissioners is far less important in explaining the pattern of bus services and policy outcomes in the industry. By definition, deregulation and privatisation has weakened the role of government. As such it has been difficult for local government and the nationalised sector to generate an implementation gap.

While it might be tempting for opponents to complain that bus deregulation was an example of "ideology gone mad", it must be remembered that transport has always been influenced by political ideas of the day. In the 1930s it was regulation; in the 1940s, nationalisation; in the 1960s, co-ordination and planning; and in the 1980s, deregulation and privatisation. Under the Blair Government the new buzzword might be "partnership". In a speech prior to the 1997 election, Tony Blair maintained that "a new Labour Government's approach to transport will be a belief in partnership between public and private sectors" (Blair, 1997). Bus deregulation was cited as part of a transport policy (along with the privatisation of rail and, possibly, London Underground) which was "a recipe not for coordination but for chaos".

The 1985 Act thus established a new national framework. As a result, policy-making has changed in that there is less "policy" for government organisations and political actors (including think tanks) to address. Commercial considerations now have a much greater influence on the pattern of bus services, as the shape of the industry is increasingly shaped

by supply and demand, and thus competitive strategies (pricing, efficiency savings) have replaced political strategies (bargaining with political, legal, informational etc. resources) in determining policy outcomes.<sup>62</sup> Buses, however, remain a sensitive area with occasional issues, such as seatbelts in coaches and minibuses in the mid-1990s, becoming high-profile political matters. Deregulation also continues to attract political attention, as advocates and opponents argue over the outcome of the 1985 Act. This is where the Pro-Deregulation Coalition, with the new right think tanks, continues to maintain its presence in the debate as a defender of the outcome of the 1985 Act. Hibbs in particular has been a vociferous defender of deregulation in the trade press, publishing a pamphlet for the IEA in 1993 which responded to some of the criticisms of the 1985 Act, while acknowledging that there is need for further reform (1993: pp.61-68). When the UK Round Table for Sustainable Development published a report in January 1997 which criticised the Government's transport policy for producing a fragmented system which ignored passengers needs, the ASI issued a press release to highlight "the very real benefits that have followed from deregulation and privatisation", and who's comments were picked up in the national press (see, for example, The Times 30.01.97). The ASI published a further report by Hibbs in October 1997 defending the record of deregulation (Hibbs, 1997)

## CONCLUSION

The direct role of the new right think tanks in the debate leading up to deregulation was limited. The think tanks were part of a loosely-knit Pro-Deregulation Coalition, although most of the arguments were made by academics acting in an individual capacity. The IEA and ASI in particular, provided a further platform for the expression and dissemination of the arguments, a function that they continue to perform in the post-deregulation debate. The origins of deregulation are more complex than to be reduced to the influence of a single factor. It is necessary to consider the problem of subsidy by the mid-1980s, and any explanation of why deregulation occurred must address the importance of Nicholas Ridley. Of greatest importance, perhaps, was the ideological context and the growing acceptance of the need to deregulate and privatise to generate competition and efficiency in the British economy generally and its public services in particular. This is perhaps where the new right think tanks, especially the IEA and its allies, have had the most influence on bus

deregulation, albeit indirectly, in helping to create a political climate in which deregulation could be introduced.

## NOTES

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- <sup>1</sup> Interviews with DTp officials.
- <sup>2</sup> The Bus and Coach Council has since been re-named the Confederation of Passenger Transport.
- <sup>3</sup> Interviews with DTp officials.
- <sup>4</sup> Letter from AMA official.
- <sup>5</sup> Such as the 1970 directive which introduced tachographs for long-distance lorries.
- <sup>6</sup> Interview with PTE official.
- <sup>7</sup> Interview with John Hibbs. According to Hibbs, the CPS study group (on which he served) "made no useful contribution" to the transport debate. Hibbs met Mrs Thatcher at a CPS reception "and formed the opinion that she had no interest whatsoever in transport". In Mrs Thatcher's memoirs, transport only gets two cursory mentions - one in each volume.
- <sup>8</sup> "A service, or part of a service, is unremunerative when the resulting revenues from it are known (or definitely expected) to be insufficient to cover the additional costs which would have been incurred if it were not provided" (Ponsonby, 1969: p.15).
- <sup>9</sup> Private information.
- <sup>10</sup> The reason given by the Government in the White Paper for not deregulating in London was "to take a grip on subsidy" in the capital. The London Regional Transport Act 1984 replaced the London Transport Executive with London Regional Transport, changing the management of both buses and underground. Moreover, "LRT is required by the [1984] Act to invite tenders from private firms to carry on certain of their activities and to accept satisfactory tenders where this would save costs" (Department of Transport *et al*, 1984: p.14). Deregulation was to be deferred while these, and other changes, took effect.
- <sup>11</sup> Interview with Michael Beesley.
- <sup>12</sup> Interview with John Hibbs.
- <sup>13</sup> Interview with Michael Beesley.
- <sup>14</sup> Interview with DTp official.
- <sup>15</sup> Letter from AMA official.
- <sup>16</sup> Interview with John Hibbs.
- <sup>17</sup> Interview with Malcolm Buchanan.
- <sup>18</sup> Interview with Malcolm Buchanan.
- <sup>19</sup> Beesley was also the DTp's Chief Economic Adviser between 1964-8.
- <sup>20</sup> Interview with DTp official.
- <sup>21</sup> Interview with DTp official.
- <sup>22</sup> Interview with DTp official.
- <sup>23</sup> Interview with DTp official.
- <sup>24</sup> Interview with Malcolm Buchanan.
- <sup>25</sup> Interviews with DTp officials
- <sup>26</sup> Interview with Malcolm Buchanan.
- <sup>27</sup> Interview with DTp officials.
- <sup>28</sup> Interview with Sir David Mitchell.
- <sup>29</sup> Interview with DTp official.
- <sup>30</sup> Interviews with AMA and PTEG officials. For public evidence of their opposition, see [House of Lords Debates](#), 11.06.85: col.1137-1141 (Lord Carmichael); col.1141-1147 (Lord Tordoff); col.1183-1185 (Earl De La Warr); col.1207-1214 (Lord McIntosh).
- <sup>31</sup> Interview with Ron Whittle.
- <sup>32</sup> Private information.
- <sup>33</sup> Interview with PTEG official.
- <sup>34</sup> Interviews with PTEG and AMA officials.
- <sup>35</sup> See, for example, [Motor Transport](#) 01.11.96.
- <sup>36</sup> Interview with DTp official.
- <sup>37</sup> Letter from AMA official.
- <sup>38</sup> This appeared as a full-page advert entitled "Why is Nicholas Ridley treating our public transport system like so many toys".



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- 39 Interview with PTEG official.
- 40 Interview with Gwyneth Dunwoody.
- 41 Interview with AMA official.
- 42 Interview with PTEG official and Gwyneth Dunwoody.
- 43 Interview with Michael Beesley.
- 44 Interview with Michael Beesley.
- 45 Interview with John Hibbs.
- 46 Interview with DTp official.
- 47 Interview with DTp official.
- 48 Interview with DTP official.
- 49 Interview with Malcolm Buchanan.
- 50 Interview with PTEG official and DTp official.
- 51 Interview with DTp official.
- 52 Interview with DTp official.
- 53 Rate-capping had been introduced in Scotland in 1982.
- 54 Interviews with members of RPTSG.
- 55 Interview with DTp official.
- 56 Interview with Malcolm Buchanan.
- 57 These figures do not include Northern Ireland.
- 58 Interviews with members of RPTSG.
- 59 Interview with PTEG official.
- 60 Interview with Gwyneth Dunwoody.
- 61 The same report notes that between 1985/6 and 1993/4 subsidy has fallen, with payments for secured services outside London fell by 55%.
- 62 See Transport Select Committee (1995a: pp.xvi-xxv) for a review of these competitive strategies.

# *Five*

## *Education Reform*

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The Education Reform Act (ERA) of 1988 brought about the most significant reorganisation of secondary education in England and Wales since the Butler Act of 1944, and clearly affected the balance of power within the school system. Opting-out weakens the control of local authorities over individual schools, while the national curriculum and national testing restricts teacher autonomy in the classroom. The Department for Education and Employment (DfEE) now supervises the national curriculum, while local management of schools (LMS) and opting-out increase the autonomy of individual schools in the day to day running of their affairs. The ERA also extended parental choice, a process that had begun in earlier Education Acts during the 1980s.

Journalists and educationalists have claimed that the new right think tanks played an important role in the process of education reform. Baker notes that:

The Centre for Policy Studies was just one of several radical, right-wing bodies to produce innovative, mould-breaking ideas in education policy. There was also the Institute of Economic Affairs (where the energetic adviser to Sir Keith Joseph, Stuart Sexton, produced a series of pamphlets promoting market-led solutions for the education system), and the Adam Smith Institute. Well ahead of their incorporation into government policy, the Adam Smith Institute was promoting ideas such as greater parental choice on school governing bodies, making schools more responsive to parental choice, schools opting-out of local authority control and the introduction of specialist schools (1994: pp.60-1).<sup>1</sup>

Similarly, Heller and Edwards argue that:

The careful nurturing and gestation from idea to legislation, was carefully abandoned in Margaret Thatcher's cultural revolution. The growth of informal policy groups (CPS, IEA, ASI) became a substitute for this developmental approach. The government could adopt already pre-digested codes and simply

deliver them to the law officers and civil servants to produce the required legislation (1992: p.140).

However, the 1988 Act was a huge item of legislation with many diverse and, arguably, contradictory policy initiatives, raising a number of questions. Did the new right think tanks make a significant contribution to all, or just some, of these initiatives? If some, then which ones? From where did the pressure for the other policies come?

This case study suggests that the Conservative Government's reform of education served two aims: to improve educational standards and the relevance of the curriculum to the needs of the modern economy; and to undermine the education profession, whose values were seen to be increasingly at odds with those of the Thatcher Government. The 1988 Act should be seen as the legislative culmination of three trends present in Government education reform up until that time: first, a centralising trend which imposes a national curriculum and assessment structure on all schools from the centre; second, a decentralising trend with LMS, greater parental choice (open enrolment), per capita funding of pupils, and grant-maintained schools (GMS); finally, a weaker, vocational trend, characterised by the creation of city technology colleges (CTCs) and the earlier Technical and Vocational Education Initiative (TVEI). The centralising trend was largely a result of pressure from the DES. The vocational trend emerged partly from the employment policy network, especially with the TVEI. The new right think tanks campaigned for decentralising measures. A coalition developed between the new right think tanks and pressure groups on the "outside" and a handful of well-placed advisers on the "inside", assisted by a combination of sympathetic and ambitious ministers.

It is concluded that declining educational standards have contributed to the politicisation of education over the past two decades. Politicisation refers to the process by which politicians become more directly involved with (in this case) education issues and become less willing to leave decision-making (for electoral reasons or otherwise) to the education profession. The new right think tanks formed part of a New Right Coalition which was influential not only in setting a new agenda based upon decentralisation to schools and choice to parents, but also in initially drawing attention to these declining standards initially. Concerns over standards and the UK's declining economic competitiveness has created a more open policy arena, no longer dominated by a policy community (although

not an issue network), in which the new right think tanks and others have been able to participate.

## **POLICY-MAKING IN EDUCATION**

The aims of this section are twofold. The first is to outline the conventional models of policy-making in education, focusing on pluralist, bureaucratic, and policy network models. In particular, it questions the relevance of the latter, which has argued that education constituted a policy community comprising the DES, local education authorities (LEAs), and the teachers' unions. Second, the ERA is placed in an historical context highlighting the extent to which it marked a departure from previous thinking. It also provides a brief commentary on the development and implementation of the 1988 Act.

### **Conventional models of policy-making in education**

One of the most influential accounts of post-war policy-making in education was produced by Maurice Kogan in the mid-70's. He argued that policy-making since the Second World War had been largely incremental and pluralistic. He did not dispute that the consensus which was perceived to exist in the education world was a result of the relationship between the DES, LEAs, and the teacher unions, or that the DES was the single most powerful actor (Kogan, 1975: p. 238). However, Kogan suggested that policy-making was about much more than what happens within Whitehall, as "many policies and practices have developed in the schools and the local education authorities" (Kogan, 1978: p.122). An example of this was the comprehensive school, which was created by the local education authorities, and defined as a central government policy only some years later. Interest groups outside of central government were also said to participate in the policy process and Kogan listed over thirty groups involved in the policy-making process.

One of the major critiques of the pluralistic interpretation of policy-making in education was by Salter and Tapper (1981). They argued that pluralist accounts omit the role of exogenous factors which may contribute to educational change, for example general changes in societal values or economic climate. Similarly, Marxists, who argued that the

educational establishment is controlled and run in the interests of capital, must account for the institutions within which educational change is determined, once the interests of capital change. The state apparatus does have autonomy from the interests of pure capital, and helps interpret necessary changes in education when the interests of capital change. "The main thesis is simple ... the dominant bureaucratic apparatus in the shape of the Department of Education and Science increasingly controls the process of educational change" (Salter and Tapper, 1981: p.iv). The DES was the central, co-ordinating, and all-powerful institution, and the engine for educational change. Furthermore, the state apparatus (in this case the DES), "is far from passive in its policy preferences, and which, in fact, sets the parameters within which the policy debate is conducted" (*ibid*). Salter and Tapper's account of policy-making in education portrayed a highly centralised process with the potential for systemic change, compared to the pluralists who saw power diffused and change as incremental (Kogan, 1975: p.238). Others such as Lodge and Blackstone (1982: p.18) claimed the DES was "a vitally important source of influence on policy-making - indeed, in some instances the single most important source of influence", while the OECD in 1975 said it was "the most important single force in determining the direction and tempo of educational development" (cited in Rhodes, 1986: p.326).

Other models saw policy-making as neither centralised nor diffused. Policy-making was frequently portrayed as a partnership between key actors responsible for the delivery of education; the DES, the LEAs, and the teachers unions led by the National Union of Teachers (NUT). Bogdanor (1979) described the common perception of policy-making in education in the 1970s as one of "elite accommodation" with decisions taken by the Secretary to the Association of Education Committees, the General Secretary of the National Union of Teachers and the Permanent Secretary at the Department of Education. Such views saw the DES as a consultative partner with the teachers and the LEAs, who expressed their views through national organisations such as the NUT or Association of Metropolitan Authorities (Rhodes, 1986: p.343). Manzer (1970: p.1-2) has called the relationship between the three main actors (DES, LEAs, and teachers organisations) an education "sub-government". Chitty draws upon Briault's (1976) "triangle of tension",

the three points of the triangle being central government, local government and the individual schools. Where there was conflict, it usually concerned competing priorities for resources. Yet, providing the sides held, the tension could be seen as

constructive and valuable in preventing the dangers which could arise if too much power became concentrated at one point of the triangle (Chitty, 1989: p.2).

For Rhodes, education bore all the characteristics of a policy community:

For the bulk of the postwar period, the government of education was characterised by consensus, a high degree of integration of its restricted membership and intensive participation by the technocratic professions rooted in the (vertical) dependence of the DES. There was a stable policy-making community based on the troika of DES, LEAs and teacher's unions. Policy-making was incremental (1988: p.270).

Rhodes believed that government policy in the early 1980's did not significantly affect the troika, which was able to fend off any challenge to its hegemony in the education arena. In an earlier work Rhodes maintained that: "Cuts in educational spending and challenges to the educational consensus have not affected any major transformation in the policy-making nexus of DES, associations (LEAs) and unions" (Rhodes, 1986: p.345) However he did later concede that: "With the intensification of economic decline and then recession, the pressures upon and the stresses and strains within, the education policy community became greater" (Rhodes, 1988: p.270).

The importance of ministers in the process of policy change is often downplayed. Kogan, in conversation with former ministers, concluded that the "ability of even the most able Minister to create, promote and carry out policies is limited" (1975: p.41). Salter and Tapper maintained that "the most influential role one can ascribe to a minister ... is that of arbitrator of competing policies within the DES rather than the initiator of completely new ones" (1985: p.148). Bogdanor observed considering the long-term nature of most educational policies, the short period of time which an educational minister normally serves "is hardly long enough to make a continuing impact on policy in the face of the continuity of civil service attitudes" (1979: p.158).

To explain policy outcomes in education in terms of a policy community of the DES, LEAs and teacher unions, appears dated in the 1980s and 1990s. Despite the above perceptions, the 1980s witnessed radical policy change imposed on the education community by ministers. From 1944 to the 1970s, it is perceived that education was

characterised by "consensus", which was replaced by "ideology" when the Conservatives came to power in 1979 (Lawton, 1994). One of the few attempts to incorporate such political pressures within the education system is Lawton's central "tension system" (Lawton, 1984; Chitty, 1989). The three groups said to exist within this system are the bureaucrats (DES), the professionals (Her Majesties Inspectorate) and politicians and their advisers, each with its own ideology. Chitty focuses on the politicians as the main agents of change, but stresses the role of the Downing Street Policy Unit as the architect of such change. He highlights two attempts to alter the direction of education policy. First Callaghan's Ruskin Speech in 1976 was very much handled and co-ordinated by Donoghue's Policy Unit as a response to declining standards, and teacher union militancy, especially in the NUT. The Ruskin Speech consequently, according to Chitty, created a new consensus regarding education in Britain "built around more central control of the curriculum, greater teacher accountability and the more direct subordination of secondary education to the perceived needs of the economy" (Chitty, 1989: p.13). The second attempt to change the direction of education came in 1987/88 when the Policy Unit under Brian Griffiths destroyed the new ten-year old consensus in what appeared to Chitty "to be the complete privatisation of the education system" (*ibid*).

#### **Education Policy 1944-94**

Most post-war policy-making in education concerned the implementation of the 1944 Butler Act, which guaranteed a secondary education for all. This Act was fully in tune with spirit and values of the "postwar consensus" and the early years of the welfare state. As Lawton notes, the Butler Act "should not be seen as an example of the expression of Tory policy but as the product of a war-time bi-partisan optimism and consensus about a better post-war world" (1992: p.32). It is unclear whether the 1944 Act actually prescribes a "tripartite" system of grammar, technical, and modern schools, or a common school providing secondary education for all children. Chitty notes that the ambiguity in the wording of the act meant that later reforms "could be carried out by reinterpreting the formula without the need for further legislation" (1989: p.22).

The issue which gradually dominated post-war secondary education policy emerged from this ambiguity with the evolution of the comprehensive school and the decline of the

grammar schools. The Ministry of Education in the Attlee Government, under Ellen Wilkinson and George Tomlinson, did little to break up the tripartite system which was nevertheless emerging, and which was actually fostered under its "prevailing philosophy" which included "a deep mistrust of multilateral and comprehensive schools" (*ibid*). The few comprehensive schools that were established by 1950 were the result of the actions of independently minded LEA's. The shift towards comprehensive schools gathered momentum during the Conservative Government of 1951-64 when "the number of comprehensive schools rose from five to 195" (Knight, 1990: p.14). Circular 10/65, issued by Tony Crosland during the first Wilson Government, simply requested that all LEA's submit proposals for the reorganisation of secondary education along comprehensive lines, although it had no statutory power. Despite the withdrawal of this circular in 1970 (through the issuing of Circular 10/70) the number of comprehensive schools more than doubled between 1970 and 1974 taking their share of secondary education to over 50% (Chitty, 1989: pp.54-5).

Concerns about standards and discipline in schools were highlighted by the publication of the DES Yellow Book in July 1976, and by Callaghan's Ruskin Speech which called for higher standards and a more relevant curriculum in preparing Britain's youth for the changing needs of the economy. The year 1976 is often seen as the year of change in education (Lawrence, 1992: p.78). Quality was beginning to take precedence over quantity in education. Callaghan's speech also arguably signals the beginning of a shift from local authority provision to central control. For example, where Circulars 10/65 and 10/74 (reinstating 10/65) merely requested LEA's to submit plans for reorganisation of secondary schools on a comprehensive basis, the 1976 Education Act compelled them to do so.

It has been suggested that, following the 1979 general election the appointment of Mrs Thatcher's first Secretary of State for Education, the moderate Mark Carlisle, signalled an unwillingness to reform fundamentally the education system (Knight, 1990: p.138). Scott argues that Mrs Thatcher's early priorities were in the sphere of economics and industrial relations, with education "for a long time a peripheral item on her government's agenda" (1994: p.333). The appointment of arch-Thatcherite Keith Joseph in 1981 suggested to others that fundamental reform was imminent, and a clear sign that education was moving up the political agenda" (*ibid*). The reality is perhaps that both ministers contributed to



laying the foundations for the Conservative Government's principal piece of education legislation, the ERA, which was introduced and steered through Parliament by Keith Joseph's successor, Kenneth Baker.

Conservative educational reforms of the 1980s had three strands - a decentralising, a centralising, and a vocational. The decentralising strand devolved decision-making from the DES and LEAs to governing bodies, school heads, and parents. The centralising trend transferred responsibilities from schools and LEAs to the DES. The vocational trend attempted to tailor the curriculum directly to the needs of the modern economy. All three trends were evident in education legislation before 1988. The ERA is significant in that it marked the legislative peak of both the centralising and decentralising strands of Conservative education policy. The key centralising measure was the introduction for all schools in England and Wales of a national curriculum, consuming ninety per cent of the school timetable, and compulsory for all children up to the ages of 16. As a result "no other profession was subject to such central control over the content of its work" (Jenkins, 1995: p.118). This step marked a major departure from curriculum policy following the 1944 Act where the curriculum was a "Secret Garden" where official or political interference was rare.<sup>2</sup> The ERA also instituted a national system of tests, with attainment targets for 7, 11, 14, and 16 year olds. Two organisations, the National Curriculum Council (NCC) and the Schools Curriculum and Assessment Authority (SEAC) were established to oversee the introduction of these policies.

There was also a heavy emphasis on decentralisation within the ERA: LMS devolved budgets to all schools; parents could vote for their school to "opt-out" of local authority control and become grant-maintained; per capita funding of schools was introduced; and parents were given greater freedom of choice through a policy of open enrolment. The vocational trend is the weakest of the three in the ERA, represented only by the introduction of CTCs. The key vocational reforms had been introduced with the TVEI in the mid-1980s. CTCs were significant in that they build upon the TVEI. Chitty suggests that the idea of CTCs evolved throughout the 1980s, the TVEI being "the CTC concept in embryonic form". One official confirmed that CTCs "put the flesh on the bones of the TVEI".<sup>3</sup>

Education policy after 1988 followed a similar pattern to that which led up to the ERA, containing both centralising and decentralising strands. For example, the 1993 Education Act had two major provisions. The first of these introduced measures to encourage more schools to opt-out of local authority control, while the second led to greater centralisation with the merger of the NCC and SEAC into one organisation, the Schools Curriculum and Assessment Authority (SCAA) (Scott, 1994). The implementation of the ERA was highly problematic, and plagued by resistance from the teaching profession. Opposition focused on the increased workload imposed upon teachers resulting from the introduction of the national curriculum and testing. The tests were seriously disrupted during 1993 by a teacher boycott. As a response, the Secretary of State appointed Sir Ron Dearing as Chairman of SCAA with the task of slimming down the national curriculum. His recommendations were published in late 1993.

The Dearing recipe was to reduce the core compulsory elements within the National Curriculum, freeing 20 per cent of teaching time to be used at the discretion of the school, and also to make National Curriculum Orders less prescriptive. Tests would be simplified and the time needed to administer them reduced. The thicket of attainment targets would also be pruned (Scott, 1994: p.345).

The Dearing Report was welcomed by both Government and teacher unions, although the teachers were perceived as the victors. The changes to the National Curriculum were, for the teachers, "their spoils of victory in the tests boycott" (Baker, 1994: pp.180-1).

## **TOWARDS EDUCATION REFORM**

This section charts the evolution of new right thinking on education over a twenty year period, providing a background to the work of the new right think tanks in the 1980s. As the pattern of provision of secondary education emerged during the 1950s and 1960s, a number of politicians and conservative educationalists became disenchanted with the way in which the 1944 Act had been interpreted. They were opposed to what they saw as the assault on traditional values, what Knight (1990) identifies as "excellence in education", or quality rather than equality. Within this theme, they fought to preserve the politically-besieged grammar schools. Lawton notes that "although the Labour Party was by no means united on the theme of 'secondary education for all', most Conservatives were sure

that it did not mean multilateral or comprehensive schools" (1992: p.33). The new dominant values were an anathema to many on the right, and the 1960s saw the beginning of the "counter-revolution" (Knight, 1990). Ransom and Thomas (1989) locate three distinct phases to "the challenge to the post-war ruling order". The first of these was the Black Papers (1969-1975), the second the "parents charter" and the development of the voucher (1975-1983), and finally the "New Right Pamphleteers" (1984-1988). A further development, the role of the new right think tanks in the implementation of the 1988 Act, is also highlighted.

### **The Black Papers**

The first Black Paper, The Fight for Education was published in 1969 and was edited by Professor Brian Cox and Tony Dyson. There were five in all: Black Paper Two and Black Paper Three also edited by Cox and Dyson (1969, 1970), with Black Paper 1975 and Black Paper 1977 edited by Cox and Rhodes Boyson. In their opening letter to members of Parliament in The Fight for Education they expressed their view that "disastrous mistakes are being made in modern education, and that an urgent reappraisal is required of the assumptions on which 'progressive' ideas, now in the ascendant, are based" (Cox and Dyson, 1969: p.6).

The articles were a mixture of polemic, humour and anecdote, and were written by a collection of educationalists, academics, headteachers, and the occasional MP. Knight's work on Tory education policy-making between 1950 and 1986 highlights "the absorption of the Black Paper spirit into the party" (1990: p.68) during the 1970s, with the editors forming alliances with key personnel within the party organisation in Parliament, at Conservative Central Office (especially the Conservative Political Centre and the Conservative Research Department), and at the grass roots level through the Conservative National Advisory Committee on Education (CNACE). A pressure group, the National Council for Educational Standards (NCES) was established in 1972 by Cox, Dyson, and Boyson to campaign for Black Paper values (see below).

Knight talks of the Conservative Party's "debt to Black Paperite ideology" (1990; p.175). Cox himself believes that "Mr Baker's Education Reform Act of 1988 had brought into law

some central Black Paper doctrines" (1992: p.225). Their real contribution, though, was perhaps to challenge the prevailing consensus of the educational establishment. Maclure highlights the impact of The Fight for Education, the first Black Paper, when it was first published:

The first Black Paper appeared in 1969. For all its manifest limitations of what was right and wrong with the schools, it struck a nerve. It made an impact which showed that there were many people outside the charmed circle of the education system who were waiting to challenge the cosy view of educational progress which had become the received "wisdom" (1990: p.159).

The contribution of the Black Papers in laying the foundations for the Thatcher reforms was acknowledged by a former Deputy Secretary at the DES:

The Black Papers were not influential in that they led directly to policy because they didn't. Their effect was influential in that they influenced thought, and they began the very serious debate about notions of quality and standards. These issues became increasingly important, as into the 1970s we were faced with a contracting service, due to a declining birth rate and the oil-crisis of 1973-74. Suddenly the Black Papers began to set that other agenda, addressing the question of quality and what we meant by it, and that gathered pace.<sup>4</sup>

The perceived success of the Black Papers in setting "that other agenda" was acknowledged as early as 1971, when IEA Director and Black Paper contributor, Ralph Harris, Brian Cox, and Tony Dyson, considered publishing Black Papers on all aspects of government policy (Cox, 1992). Looking back on her time as Education Secretary in the Heath Government, Mrs Thatcher recalled the state of debate in the Conservative Party regarding education.

On the one hand, there were some Tories who had a commitment to comprehensive education which barely distinguished them from moderate socialists. On the other, the authors of the so-called Black Papers had, to their credit, started to spell out a radically different approach, based on discipline, choice and standards (including the retention of existing grammar schools with high standards) (1995: p.167).

However influential the Black Papers were, the exercise at least performed a vital networking function of bringing together a number of disillusioned conservative educationalists, some of whom were to play a role as "pamphleteers" in the think tanks

after 1984. The Black Papers gave them the opportunity to publicise their arguments and, through conferences and membership of the NCES, meet others of similar mind.<sup>5</sup>

### **The Battle for the Voucher**

The election of Mrs Thatcher as Conservative Party leader, and the foundation of the CPS, contributed to a climate conducive to radical policy ideas. In education, the most significant debate concerned the voucher system, under which all parents with children at school would receive a grant equal to the cost of educating a child for one year. This grant would be in the form of a voucher which could be used exclusively at a recognised school (i.e. it could not be "cashed in"). Parents could choose freely which school to send their child. It was different from the system of open enrolment and per capita funding established in the ERA because of the proposal that the voucher be available to all parents, not just those in the state sector, and so could contribute to the cost of educating a child in the private sector.

The voucher has been described by Halcrow as "the shibboleth of the Thatcherite radicals". The IEA first advocated its introduction in Britain in 1964 (Education for Democrats by Alan Peacock and Jack Wiseman), and continued this campaign into the 1990s (see Green, 1991). Articles expressing support for the voucher were written Ralph Harris, then Director of the IEA, in Black Paper Two (1969), Rhodes Boyson in Black Paper 1975, and Stuart Sexton in Black Paper 1977. In December 1974, Marjorie Seldon, wife of IEA Director Arthur Seldon, established the Friends of the Education Voucher Experiment in Representative Regions (FEVER), to help popularise the voucher proposal. Links between FEVER and NCES were bridged by Rhodes Boyson. Knight notes that "Everything FEVER published was vetted by Boyson" (1990: p.122). The CPS established an Education Study Group (CPSESG), substantially overlapping with other groups. Caroline Cox and John Marks contributed to Black Paper 1977 and joined NCES, while NCES member Fred Naylor was asked by Caroline Cox to join the CPSESG (Knight, 1990: p.115). Voucher advocates on the CPSESG included Arthur and Marjorie Seldon, and Oliver Letwin. Stuart Sexton, associated with the CPS, was Opposition Adviser on education and was also pro-voucher.<sup>6</sup>

The voucher was opposed by Mrs Thatcher's Opposition spokesman Norman St-John Stevas, and her first Secretary of State, Mark Carlisle, although local experiments with vouchers became official policy of the Conservative Opposition following a motion put before the House by Rhodes Boyson in 1976 (Seldon, 1986). Hopes were raised amongst the right when Keith Joseph arrived at the DES in 1981. Mrs Thatcher was known to be in favour, and Joseph in a letter to the Chairman of FEVER confessed to being "intellectually attracted to the ideas of vouchers as a means of extending parental choice and influence yet further and improving educational standards" (Seldon, 1986: p.xii). Also at the DES were Rhodes Boyson as Minister of State, with Stuart Sexton and Oliver Letwin as special advisers - all pro-voucher.<sup>7</sup> There then began a vigorous debate between departmental officials and the special advisers over the merits of the voucher, which the latter lost.

One official argued that during the 1980s, delegating budgets was the "spirit of the age" and there was nothing "educational" about it, although the voucher was especially "educational" and "a direct product of the right-wing think tanks -that's where the pressure came from".<sup>8</sup> The IEA, FEVER and parts of the CPSESG and NCES were the most vociferous advocates. In December 1981, Joseph asked FEVER and the NCES to respond to the difficulties which the DES officials saw in implementing a voucher system. While the NCES did not submit a formal response FEVER asked a number of academics to comment, and *these replies were sent to the DES* as part of the debate. These were later published as a pamphlet by the IEA in The Riddle of the Voucher, edited by Arthur Seldon in 1986. In government, the proposals were advocated by Sexton and Letwin, who had close contacts with all the above groups. They transmitted the ideas which evolved and developed in their study groups and conferences into ministerial meetings where they argued their case against the DES officials, who as Chitty suggest "were quite determined that there should be no voucher experiment, either on a local or national basis". Halcrow, Joseph's biographer, notes that:

Between 1981 until 1983 the DES was the setting for a sort of stately quadrille as Sexton and Letwin put the case for vouchers, and watched it being *knocked down* by what seemed to them an unending succession of officials (1987: p.123)

Sexton himself recalls:

We had regular meetings with the civil service for month after month. They would put up an argument and we would knock it down, then we would put up an argument and they would knock it down, and they argued how technically - it was always technically - impossible. Eventually Keith Joseph took his officials advice that it was technically impossible. I argued, as did Oliver Letwin, that it was not technically impossible if you had the political will to do it - but he hadn't.<sup>9</sup>

Whatever the merits or flaws of the DES arguments in their opposition to the voucher, Joseph accepted the views of his officials that it was not a feasible policy option, and in October 1983 at the Conservative Party Conference, Joseph declared the voucher officially dead.

### **The New Right Pamphleteers**

With the voucher explicitly rejected, the search for and promotion of alternative policies began. This section identifies six key pamphlets, all from the new right think tanks between 1981 and 1987, all of which contained in some form contain proposals which later to be found in the 1988 Act.<sup>10</sup>

1. The SAU, The Pied Pipers of Education, 1981 - contributors included Anthony Flew, John Marks, Caroline Cox, John Honey, Dennis O'Keeffe and Digby Anderson.
2. The CPSESG, The Right to Learn, 1982 - contributors included Caroline Cox, John Marks, Marjorie Seldon, Fred Naylor, and Digby Anderson.
3. The ASI, Omega file on Education, 1984 - written by Eamonn Butler, Madsen Pirie, Peter Young, with inputs from Caroline Cox, Anthony Flew, Digby Anderson, David Marsland, Lawrence Norcross, and James Pawsey MP.
4. The No Turning Back Group of Conservative MPs (NTBG), Save Our Schools, 1986 (expanded from the document No Turning Back of 1985) - officially written by thirteen members of the group although actually written by Madsen Pirie of the ASI (Gove, 1995).
5. The Hillgate Group, Whose Schools: A Radical Manifesto, 1986 - written by Caroline Cox, Jessica Douglas-Home, John Marks, Lawrence Norcross, and Roger Scruton.

Members of the CPS who sought to bypass an increasingly bureaucratic publishing process of the CPS, and so published independently under the Hillgate Group name.

6. The IEA Education Unit, Our Schools: A Radical Policy, 1987 - written by Stuart Sexton. The IEA Education Unit was established when Sexton left the DES with Joseph in 1986, at the suggestion of Ralph Harris and Brian Griffiths, then head of the Policy Unit. Our Schools was a modified version of a private briefing paper given to Mrs Thatcher by Sexton before he left the DES.

The proposals in all six documents seek to provide a market-oriented blueprint for the provision of secondary education, which avoids the above weaknesses and aspects of the voucher which the DES officials found objectionable or unworkable. As a result they all advocate a structure resembling in some form, what became the internal market. Each document emphasised the devolution of funds and management away from LEAs and to the individual schools in all documents. Each advocated increasing parental choice even further, removing whatever obstacles inhibit this choice within the state sector, and all advocate a per capita funding mechanism.

#### **Postscript - The Implementation of the 1988 Act**

In a speech in 1993 Eric Bolton, former Chief Inspector of Schools argued that the influence of the right wing think tanks on education policy was greater under John Major than it had been under Margaret Thatcher (Bolton, 1993). This was a reference to the appointment of "traditionalists" and "right-wingers" to the NCC and SEAC. This allowed members of the new right think tanks move out of policy formulation and policy promotion, and into policy implementation. Judith Judd and Ngaigo Crequer, highlight seven such appointments (The Independent, 12.12.92):

- Lord Griffiths of Fforestfach - Chairman of SEAC. Former Head of the No.10 Policy Unit, and Chairman of the CPS. Adviser to the Educational Research Trust.
- David Pascall - Chairman of the NCC. Former member of the No.10 Policy Unit.
- Dr John Marks - Member of SEAC and NCC and Chair of SEAC Maths Committee. Secretary of CPSESG, member of Hillgate Group, and Director of the Educational Research Trust.



- Lord Skidelsky - member of SEAC and chairman of history committee. Sits in the Lords as a Conservative, and is Chairman of the SMF.
- John Marenbon - member of SEAC and chairman of English committee. Contributor to the CPS and married to Sheila Lawlor, deputy director of the CPS.
- Anthony O'Hear - member of the Council of the Accreditation of Teacher Training. Contributor to, amongst others, the SAU.

Many of these were second-generation appointments. Griffiths had replaced Philip Halsey, a former deputy secretary, as chairman of SEAC, and Pascall replaced Duncan Graham, a former chief education officer, as Chairman of the NCC. Halsey and Graham had run these organisations since 1988. Similarly, the chairmen of the subject working parties were often inheriting the work of others. These appointments were made during the tenure of Ken Clarke as Secretary of State for Education. They "appeared to grant Thatcherites a degree of influence over education policy which they never enjoyed while Mrs Thatcher was Prime Minister" (Scott, 1994: p.339). However, this may be inferring too much. The working groups were largely comprised of professional teachers. As such political appointments from the new right think tanks are therefore viewed by some as merely "token appointments".<sup>11</sup>

## **ADVOCACY COALITIONS AND EDUCATION REFORM**

Education reform provides a case study in which, although advocacy coalitions can be identified, the impetus and pressure for policy change also originated from specific organisations. This case study suggests that there were two coalitions: a New Right Coalition, promoting decentralisation, and an Anti-Reform Coalition, which opposed the ERA.<sup>12</sup> However the two other strands of Conservative education reform - centralisation and vocationalism - were promoted by two organisations whose resources and strategies had a major effect on policy outcomes. The national curriculum was pushed by the DES, while the TVEI was largely developed by the MSC. This section examines both coalitions, the DES, the MSC, and the role of ministers.

## The New Right Coalition

Most of the new right think tanks were active in the process of education reform and a New Right Coalition can be identified, although loosely structured and uncoordinated.

*Composition, Interaction and Co-ordination:* A number of new right think tanks and pressure groups campaigned for decentralisation. During the 1970s these included the NCES, FEVER, the IEA, and the CPS. They were joined in the 1980s by the ASI, NTBG, SAU and the Hillgate Group. Few activists belonged to just one group - Cox, Marks, Boyson, and Sexton belonged to many. This perhaps accounts for the similarity of so many of the proposals emanating from the think tanks during the 1980s. Many of the key activists had also been members of the NCES in the 1970s and had drawn upon its research. The Independent noted that "like the pre-War Communist Party, the educational right is adept at founding organisations with impressive titles and interlocking memberships" (23.07.87). Ball also talks of the "related and overlapping New Right agencies and groups, ranging from the Centre for Policy Studies, the National Council for Educational Standards and the Social Affairs Unit to the Institute of Economic Affairs and the Adam Smith Institute" (1990: p.34). Table 10 highlights the overlap in the authorship of pamphlets, and membership of organisations or study groups, highlights the individuals which linked the various groups together, such as Caroline Cox, Marks, and Norcross.

This does not necessarily mean that there was co-ordination between the groups - members of the New Right Coalition insist that it was much more ad hoc.

People look at these pamphlets and say it was all planned. It was actually much more reactive. There was certainly cross-fertilisation, but all these groups had a different emphasis: the ASI's Omega Project covered all aspects of government policy; the SAU were addressing the whole area of social policy; FEVER was concerned with promoting the voucher. But it wasn't consciously planned.<sup>13</sup>

Stuart Sexton maintains:

There was no purposeful collaboration. Nobody went round the think tanks and said "Now we've published under X we have to publish under Y. I'm glad to say that it was much more spontaneous than that. It was a very interesting exercise, but

ultimately nothing more than the natural development of ideas between about a dozen people.<sup>14</sup>

**Table 10**  
**Overlap in the New Right Coalition**

	ASI	BP/ NCES	CPS ESG	FEV.	IEA	SAU	HILL	NTBG
Anderson, D.	*		*			*		
Boyson, R.		*		*				
Cox, B		*						
Cox, C.	*	*	*			*	*	
Douglas-Home, J,							*	
Flew, A.	*		*	*	*	*		
Letwin, O.			*					
Marks, J.		*	*			*		
Naylor, F.		*	*			*		
Norcross, L.	*		*				*	
Pirie, M.	*							*
Seldon, M.			*	*				
Sexton, S.		*	*	*	*			

Note: This list does not define the membership of the New Right Coalition, but simply illustrates the overlap between some of the key members.

\* denotes either membership of group (NCES/FEVER), study group (ASI Omega Report, or CPSESG), or contribution to the six pamphlets highlighted in the previous section.

*Belief System:* The beliefs which united these groups can be identified as: an hostility to "progressive" education; a belief in quality over equality in education; the advocacy of greater devolution of responsibility, finance, and management to schools; and parental choice. Given the lack of co-ordination, there is no collective statement of aims. However, Black Paper 1975 did print the "Black Paper Basics" to highlight the key values being promoted.

1. Children are not naturally good. They need firm, tactful discipline from parents and teachers.
2. If the non-competitive ethos of progressive education is allowed to dominate our schools, we shall produce a generation unable to maintain our standards of living when opposed by fierce rivalry from overseas competitors.
3. It is the quality of teachers that matters, rather than their numbers or their equipment. We have sacrificed quality for numbers, and the result has been a lowering of standards. We need high-quality, higher-paid teachers in the class-room, not as counsellors or administrators.
4. Schools are for schooling, not for social engineering.
5. The best way to help children in deprived areas is to teach them to be literate and numerate, and to develop all their potential abilities.
6. Every normal child should be able to read by seven. This can be achieved by the hard work of teachers who use a structured approach.
7. Without selection the clever working-class child in a deprived area stands little chance of a real academic education.
8. External examinations are essential for schools, colleges, polytechnics and universities. Without such checks, standards decline. Working-class children suffer when applying for jobs if they cannot bring forward proof of their worth achieved in authoritative examinations.
9. Freedom of speech must be preserved in universities. Institutions which cannot maintain proper standards of open debate should be closed.
10. You can have equality or equality of opportunity; you cannot have both. Equality will mean holding back (or the new deprivation) of the brighter children.

While there was a consensus regarding the need for higher standards in schools, there was some disagreement over how this should be done. Some believed in vouchers. Those who did were divided over the timetable. Marjorie Seldon of FEVER believed a voucher could be introduced immediately, while others such as Stuart Sexton believed that a period of self-management was necessary beforehand.<sup>15</sup> However, between 1983-88 there was a considerable degree of consensus concerning proposals for decentralisation, which were implemented in the 1988 Act.

*Resources and Strategies:* The principle resource available to the New Right Coalition was *access* to decision-makers, utilising the active support of key advisers within government. These included: Stuart Sexton as special adviser to Norman St John Stevas in opposition, and Mark Carlisle and Keith Joseph in government; Oliver Letwin, former special adviser to Keith Joseph (1982-3) and adviser on education in No.10 Policy Unit (1983-86); and Brian Griffiths, Head of the Policy Unit (1985-90).

Stuart Sexton is perhaps the central individual within the New Right Coalition. He was involved as an adviser on education policy to the Conservative Party between 1975 and 1986. His presence in that post ensured an element of continuity in Conservative education policy. During Mrs Thatcher's first term when the Cabinet and the Policy Unit were preoccupied with economic and financial reforms, "Sexton was able to establish himself as the *eminence grise* of Tory education policy" (Knight, 1990: p.141). With Carlisle mastering his new brief, Sexton was largely responsible for the Conservatives' opposition to the 1976 Education Act, and the assisted places scheme (enshrined in the 1980 Education Act).

While special adviser to first Carlisle and then Keith Joseph, Sexton was an important link between the think tanks on the outside and ministers on the inside. He was very close to individuals such as Caroline Cox and John Marks. As special adviser, Sexton would not only maintain contact with the New Right Coalition, but would also broker meetings between its members and the Secretary of State. Sexton was also a speech-writer to Carlisle, Joseph, and junior ministers such as Rhodes Boyson, Lady Young, and Bob Dunn, and would use political speeches to tempt ministers to endorse specific policies.<sup>16</sup>

Another key point of access was Oliver Letwin. He served alongside Sexton in the DES as a part-time special adviser where the two found themselves very much in agreement over their objectives. Both were members of the CPSESG. When Mrs Thatcher took Letwin into the Policy Unit, the relationship between Letwin and Sexton became increasingly important. They were in regular contact with each other, and as Sexton recalls

there were plenty of occasions when I would offer ideas to Oliver and vice versa, and so ideas would go jointly to Keith Joseph and Margaret Thatcher separately but from a common source. It worked very well.<sup>17</sup>

Thus on numerous occasions the Prime Minister and her *Secretary of State for Education* were receiving the same advice from different sources. Letwin was also in contact with the New Right Coalition, and in particular was "a frequent visitor to the CPS" (Knight, 1990: p.181). Junior ministers were also a valuable point of access. Rhodes Boyson was involved with the Black Papers and the NCES from the beginning of the 1970s. Bob Dunn

established his own study group within the DES including Sexton, Cox, and Marks to consider education reform.<sup>18</sup> Angela Rumbold was also a minister in the DES during the mid-1980s, and as a member of the NTBG was well aware of their proposals in Save Our Schools and argued the case within the department.<sup>19</sup>

Brian Griffiths was Head of the No.10 Policy Unit during the run-up to the 1988 Act. He had been associated in the past with the IEA and CPS (Cockett, 1994), and became closely involved with education reform. Seldon remarks that during these years "the Number 10 Policy Unit, under Brian Griffiths ... had in effect usurped many of policy-making functions of the DES" (1994: pp.337-8). Kenneth Baker (1993) emphasises Griffiths' role as a broker between himself and the Prime Minister rather than a major policy-maker. Chitty likewise talks of the Griffiths Policy Unit (in the context of education reform) "as a conduit between a number of right-wing pressure groups, particularly the Centre for Policy Studies, and the Prime Minister herself" (1989: p.13). Chitty highlights a Sunday Times report which claims that Thatcher intended to make Griffiths a life peer in the Dissolution Honours List in 1987, and then send him to the DES, a scheme effectively vetoed by Kenneth Baker (*ibid*). Griffiths' greatest influence appears to have been in drawing the ideas together for the 1987 election manifesto and therefore developing the framework for the 1988 Act (Chitty, 1989).

### **Centralisation and the DES**

As illustrated above, the work of Salter and Tapper has attributed a major role to the DES in the process of initiating and managing educational change. However, the national curriculum was the only major DES-inspired change to have emerged directly from the DES since 1979. On the whole, the DES's outlook and objectives were seen to be somewhat at odds with those of the Conservative Government. Nigel Lawson described the DES as an "unfortunate department to have," one "whose ethos was wholly opposed to that of the Government: collectivist and steeped in the once trendy nostrums of progressive education that has so much to answer for" (1992: p.600). Baker's view of the DES, a department he served in as Secretary of State for three years, was similarly critical, arguing it was "devoutly anti-excellence, anti-selection, and anti-market" (1993: p.168). Mrs

Thatcher maintained that "the ethos of the DES was self-righteously socialist" (1995: p.166).

According to some, the DES opposed attempts to reduce local authority involvement and introduce "markets" into education. The key officials in the run-up to the 1988 Act were the Permanent Secretary Sir David Hancock, and the three Deputy Secretaries, Walter Ulrich, Philip Halsey, and the Chief Inspector of Schools, Eric Bolton. Ulrich was described as the "most powerful" deputy secretary and "no particular fan of Government policies" (Baker: 1993: p.167), and is widely regarded to have exerted more influence schools policy than his Permanent Secretary.<sup>20</sup> Sexton, maintains that during the attempts of the new right to transfer responsibility from local authorities to schools and parents, "certain top officials were absolutely opposed to everything we were doing".<sup>21</sup>

While the DES was a force for inertia regarding the funding and structure of education, it was a force for change regarding the curriculum. Joseph rejected the arguments of his officials for a national curriculum.<sup>22</sup> Following detailed and lengthy internal discussions between Joseph and his officials, a White Paper on the curriculum, Better Schools, was published in 1985 which in the words of one official "took the curriculum debate as far as it could go without legislation". Baker, when he arrived at the DES in 1986, "had to decide whether to get out of the ring completely or go for legislation - he went for legislation".<sup>23</sup> Baker announced the Government's intention to establish a national curriculum in a television interview in December 1986 and would form part of the Conservatives' extensive proposals for education reform outlined in their 1987 manifesto, The Next Moves Forward (Conservative Party, 1987).

*Belief System:* The background to the national curriculum shows that the belief system of the DES was a little more complex than Conservative ministers have suggested, and that its curriculum model was markedly different from other models. Chitty (1989) argues that the national curriculum has taken two major forms - a "professional common-curriculum" model put forward by Her Majesty's Inspectorate and a "bureaucratic core-curriculum" model advocated by officials in the DES. The former "reflects a genuine concern with the quality of the teaching process and with the needs of individual children" whereas the latter

"is concerned with the 'efficiency' of the whole system and with the need to obtain precise statistical information to demonstrate that efficiency" (Chitty, 1989: p.106).

Whereas the professional approach focuses on the quality of input and skills, knowledge and awareness of the teachers, the bureaucratic approach concentrates on output and testing. Whereas the professional approach is based on individual differences and the learning process, the bureaucratic approach is associated with norms or benchmarks, norm-related criteria and judgements based on the expectations of how a statistically-normal child should perform. Whereas the professional curriculum is concerned with areas of learning and experience, the bureaucratic curriculum is based on traditional subjects (*ibid*).

Many on the new right opposed a national curriculum. It is not advocated by the IEA, ASI or the NTBG, and Sexton echoed Joseph's opposition within the DES,<sup>24</sup> although there was qualified support for a "core curriculum" from the CPS (1988), the Hillgate Group (1986: p.7), and Downing Street (Thatcher, 1993: p.593). The core curriculum was less prescriptive than the model favoured by the DES, incorporating only English, maths and science.

*Resources and Strategies:* The national curriculum eventually took the form favoured by the DES. Duncan Graham, a future head of the National Curriculum Council, maintains that the national curriculum was a product of the civil service and not the professionals of HMI.

I became acutely aware that in its implementation and substance this was a civil service driven curriculum and not the property of HMI. This was the first evidence of a huge *de facto* power shift in the way education was controlled in England and Wales. The HMI were adjuncts and the inspectors on the working group were extremely helpful but they were not the driving force: that was the civil servants. The national curriculum was their baby, the first major education reform in Britain that had not been created by educational professionals (Graham and Tytler, 1993: p.30).

Similarly Chitty maintains that there was "no indication of HMI being actively involved in the final preparation of the 1987 Consultation document" (1989: p.125). The reason why HMI's approach had been rejected was, according to Baker, because "the inspectors were seen as part of the 'education establishment' and, as such, part of the problem" (1994: p.84). Their progressive philosophy on the curriculum had certainly made HMI a target for the



new right pamphleteers. However as Conservative ministers also viewed the DES with deep suspicion it is somewhat unclear why the Government should reject the one and embrace the other.

Functional departments such as the DES enjoy a range of resources which can be mobilised to affect policy outcomes. Prior to the ERA the DES had authority in its mandatory and discretionary right to execute its policies. Rhodes maintains that, regarding the power of the centre, the role of the DES was more explicitly defined than other government departments. The duty of the minister, as laid down in Section 1 of the Education Act 1944 was "to promote the education of the people of England and Wales and the progressive development of institutions devoted to that purpose, and to secure the effective execution by local authorities, under the control and direction, of national policy for providing a varied and comprehensive educational service in every area" (cited in Rhodes, 1988: p.111). The powers of the minister are bolstered by Section 68:

If the Minister is satisfied ... that any local education authority ... have acted or are proposing to act unreasonably with respect to the exercise of any power conferred or the performance of any duty he may give such directions as to the exercise or the power or performance of the duty as appear to him to be expedient (*ibid.*).

The financial resources of the DES were limited as local authorities themselves raised a proportion of their educational expenditure from local taxation. The DES did, however, possess political legitimacy with access to public decision-making structures, with ministers deriving legitimacy from election with the subsequent right to build public support for their policies. Informational resources were gathered through DES inspectors who visited schools and reported on standards of teaching and quality of teaching and equipment. However, given that the control of schools, buildings and teachers was in the hands of local authorities and the schools themselves, the DES's hold over organisational resources was weak.

Utilising its authority, political legitimacy and informational resources, the DES was able to impose a national curriculum and a framework for national tests. The strategy for this changed from one of consultation to imposition when Baker replaced Joseph as Secretary of State. Chitty notes that although ministerial speeches began to address the curriculum

issue in the early 1980s, Joseph's tenure "was not marked by any attempt from the centre to specify precisely the composition of the school curriculum, either in terms of areas of study or of syllabuses (1989: p.152). When Baker arrived at the DES he noted that Joseph "had argued for a national curriculum to be introduced by agreement and consent" (1993: p.189).

It took me, however, no time at all to discover that there was no chance of getting voluntary agreement. The educational establishment in university Departments of Education were deeply suspicious, some teachers were determined to fight to the death for their own subject specialisms, while others objected to the whole principle of an imposed national curriculum (*ibid*).

As the section below illustrates, the resources and strategies of the opponents to the national curriculum would seriously limit the success of its implementation.

Resource dependencies are also evident in the relationship between the Mrs Thatcher and Kenneth Baker. The issue of the national curriculum was a "central issue" (Baker, 1993: p.193) in discussions between the DES and Downing Street. According to Smith (1995), the power-dependence framework is equally applicable to understanding cabinet government as inter-organisational relations. Both prime minister and minister have resources. For example, the prime minister has authority and patronage but ministers have their own political power bases, as well as the authority and resources for managing large government departments. This could suggest why the national curriculum proceeded despite the opposition of the Prime Minister. He recalls in his memoirs that in October 1987, he felt compelled to challenge a minute which had recorded that art and music should not be compulsory subjects, and that attainment targets for all subjects other than the core should be dropped. Baker had not recalled these decisions being agreed. Baker maintains that he threatened resignation unless all ten subjects in the 1987 consultation White Paper were included in a national curriculum to be put before Parliament. The Prime Minister backed down and "the broad based curriculum was saved - for the time being" (Baker, 1993: pp.196-7). Exactly why Mrs Thatcher was unable to impose her views on the curriculum debate during 1986-88 is unclear. However, it is clearly possible that despite Mrs Thatcher's third election victory it would have been a severe blow to the Prime Minister's hopes of reforming education to lose her high-profile and energetic Education

Secretary, especially following the turbulence of the Joseph years. This was a situation Baker was perhaps able to exploit.

### **Vocationalism, the MSC and the DEmp**

Vocationalism is the weakest of the three trends identified in the ERA. Only the introduction of CTCs can be said to have been truly vocational. Mrs Thatcher only saw two major trends in the debate on reforming education - centralising and decentralising - and regarded CTCs free of local authority control as a form of decentralisation (1993: pp.590-92). Yet vocationalism was an increasingly important approach in the Conservative Government's educational and training policy, and the formulation of the TVEI (which laid the foundations of the CTCs) is illustrative of how important education reforms of the 1980s were made.

*Belief System:* Vocationalism is the belief that the education system should be tailored to suit the needs of industry. Initially the MSC had set itself "the long-term aim of developing a comprehensive manpower policy with a dual function: to enable the country's manpower to be developed and to contribute fully to economic well-being; and to ensure that there is available to each worker the opportunities and services he or she needs in order to lead a satisfying working life" (cited in Hennessy, 1990: p.454). Vocationalism was largely a response to what Chitty calls "The Employers Critique" of the education system, and in particular "the failure of the schools to prepare their pupils for entry into the world of work" (1989: p.60). In the early 1980s David Young, soon after becoming Chairman of the MSC, recognised that

in the future, service sector jobs could be the subject of import penetration if we were not careful. With the latest forms of communications, back offices could be in any part of the world. If we did not have the necessary skills there were jobs that could be exported in the future (1990: p.92).

This perception led to the initial discussions with senior ministers for the TVEI. The same thinking lay behind the development of CTCs. According to Kenneth Baker

the curriculum had to be made more relevant to Britain's national needs and the future employment opportunities for young people. We had to educate the young of

today for the jobs of tomorrow. The curriculum would therefore need to be technologically oriented and involve employers and industrialists. Changing the culture of education in this way meant giving employers and industrialists the opportunity to enter "the secret garden" of education (Baker, 1993: p.177).

*Resources and Strategies:* Of the two key organisations responsible for the development of vocational education in the 1980s, the key resources of the DES have already been discussed. However, given the importance of the TVEI in laying the foundations for CTCs it is also necessary to consider the resources and strategies of the MSC.

The authority of the MSC was established by the Employment and Training Act 1973 with responsibility for the development and management of public employment and training services. The extent of this authority is reflected in the MSC's Corporate Plan of 1975 which stated that:

The Commission ... has set itself the long-term aim of developing a comprehensive manpower policy with a dual function: to enable the country's manpower to be developed and to contribute fully to economic well-being; and to ensure that there is available to each worker the opportunities he or she needs in order to lead a satisfying working life (cited in Hennessy, 1990: p.454).

Moreover, the MSC had the authority to establish the new institutions for the TVEI through existing legislation. David Young maintains that:

By a happy accident of drafting - and it was no more than an accident - the 1973 legislation that set up the MSC allowed us to run our schools. I was told that it was never planned but the unintended by-product of sloppy drafting (Young, 1990: p.93).

Rhodes argues that "the political resources of non-departmental public bodies are limited; they are non-elected bodies with no distinct constituency" (1988: p.171). The MSC could not impose policies without the consent and co-operation of the government, and the TVEI only proceeded following negotiation and endorsement from Keith Joseph at the DES, Norman Tebbit at the Department of Employment (DEmp), and Mrs Thatcher (Young, 1990: chapter 7). Baker had greater legitimacy to promote CTCs, as an elected minister and MP, to the education community and the country at large (Baker, 1993: pp.176-188). Although dictated by the centre, the MSC had considerable financial resources. This

allowed the TVEI to develop through the MSC's own budget without additional funding which the Chief Secretary to the Treasury, Leon Brittan, refused to provide (Young, 1990: p.93). The MSC's expenditure rose from £727m in 1979-80 to £1.9b in 1983-4 and £3.3b in 1987-8 (Rhodes, 1988: p.265; Hennessy, 1990: p.456). With a staff of over 26000 and a regional structure, the MSC appeared to have considerable organisational resources. However, it has been argued that these resources gave the MSC limited autonomy.

The regional role ... was autonomous in one sense only, that they knew more about the market at regional level than anyone else, and the Centre gave them autonomy to glean that information, and to make responses on the basis of that information. However, the autonomy was severely constrained, and closely monitored by the Centre (Davies, Mason, and Davies cited in Rhodes, 1988: p.176).

The strategy employed is widely perceived to have been one of imposition, the TVEI developed by the MSC and a small number of senior ministers and officials in the DES and DEmp. Mike Baker describes the TVEI as "an attempt to sideline the education department" (1993: p.81).

TVEI was certainly a body blow to the education establishment. Neither the teachers' unions, the local education authorities, nor the Department of Education had been involved in its gestation (*ibid*).

Young describes the episode as a "Dawn Raid on Education" (1990: chapter 7). Moon and Richardson (1984) argue that the TVEI was a departure from past practice as the relevant professional groups were not consulted prior to its announcement. Young questions whether anything other than imposition could have generated the necessary changes.

Supposing we had decided to launch a debate about technical education, or the lack of it. We might have had a Royal Commission and it might have taken five years or even ten, to get off the ground. Now we have a pilot project due to start by September of next year (The Times, 22.11.82 cited in Moon and Richardson, 1984).

While Rhodes acknowledges that the TVEI was announced without prior consultation, it does not mean that groups in the employment network had no impact on outcomes. Like the national curriculum, the TVEI was still dependent on local authorities and teachers for

successful implementation. The importance of these actors is highlighted in the next section.

Kenneth Baker adopted a similar strategy for CTCs. The policy was first officially floated at the 1986 Conservative Party Conference "without any consultation with the teachers or the local councils" (Baker, M., 1994: p.42). Discussion and consultation was instigated only after that announcement. Like David Young, Baker saw this strategy as essential as "the education monolith is resistant to any quick change", suggesting that initiatives such as CTCs can "become bogged down in a welter of consultation, with the result that analysis leads to paralysis" (Baker, 1993: p.186).

### **The Anti-Reform Coalition**

The ERA was opposed by what Simon (1988) calls a "broad alliance" of all political parties (including parts of the Conservative Party where some sections or individuals expressed deep reservations, and in some cases outright opposition), the Trades Union Congress, the Church of England, most local authorities, and the teaching unions. Baker and the Government were routinely condemned for ignoring the advice given to them during the period of consultation. The TES (20.11.87) noted that Labour's opposition to the Bill in the House of Commons would be largely based on the issue "that the government is ignoring the advice of practically every informed educational organisation in the country". Fred Jarvis, former General Secretary of the NUT, in an article in the same issue claimed that "rarely have a government's legislative proposals been so strongly and widely condemned by those expected to put them into effect".

The TES later recorded a "Chorus of Disapproval" (27.11.87) as the Bill was put before Parliament. Alongside the NUT's opposition, the President of the NAS/UWT called the Bill "a patronising and deluded assault on the common sense of parents"; the President of the Secondary Heads Association claimed its proposals would "damage the education system"; the National Confederation of Parent-Teacher Associations said that the views of parents had been ignored. Many local authorities were also opposed; the Labour-controlled Association of Metropolitan Authorities argued "that the Bill would do nothing to improve the quality of children's education, did not enhance parental choice, and concentrated an

unprecedented number of powers - 190 - in the Education Secretary's hands" (TES 4.12.87). The General-Secretary of the NUT highlighted what he saw as the blatant disregard for the advice of the policy network by claiming that "at no time in his whole approach to the Bill has Mr Baker sought to meet with the LEAs and the teaching profession to discuss across the table what he feels about the state of education and its shortcomings" (TES 20.11.87).

Much of this opposition was localised, with many organisations running their own high-profile campaigns. For example, the NUT supported campaigns to reverse the Government's proposals by many of its local branches. However, there was one forum which did attempt to aggregate the opposition to the Government's reforms, the Standing Conference on Education (SCE). The SCE arose from the 1987 Conference of the Council of Local Education Authorities (CLEA), following Kenneth Baker's announcement of a consultation period before proceeding with his Education Bill. The first meeting of the SCE was a conference on 26 October in Birmingham.

*Composition, Interaction and Co-ordination:* Present at the Birmingham conference were large contingents from CLEA, the ACC, and the AMA, plus the six teacher unions. Also in attendance were representatives from over fifty other organisations, which are listed below. It was something of a success to assemble a group such as this, especially with local authorities entering into an alliance with teacher unions with whom they had been in continuous dispute over pay and conditions throughout the mid-1980s. One AMA official maintained: "I found it strange at the time to be working with the teacher unions with whom we had a tremendous amount of trouble and who had been quite intransigent throughout these years".<sup>25</sup> The SCE met only twice as a full-blown body, first, at the Birmingham conference and then at a second conference in December 1987. However, the staff for the SCE were provided by CLEA, AMA, and ACC and, as a result, key personnel had opportunities to discuss SCE business informally. The SCE was co-ordinated by John Fowler, then with CLEA, and who was hired to be the Officer to the Standing Conference.

*Belief System:* It is difficult to identify a belief system as such, not only because of the number and range of organisations with different interests, but also because SCE was established largely as a reaction to government activity. SCE's aims and objectives were:

## AIM

The aim of the Standing Conference on Education is to provide a forum for all interested parties to give full consideration to Government proposals affecting the maintained education system of England and Wales.

## OBJECTIVES

- (i) the formulation of responses to changes in the education system proposed by central government and, where appropriate, the promotion of alternative proposals.
- (ii) the promotion of a system of education through the provision of a comprehensive range of publicly funded services which reflects local interests as represented by LEAs and their partners (Standing Conference on Education, 1987: p.i).

A former AMA official involved in SCE admits that it was largely a "reactionary" forum.

There wasn't time to do anything else. We had been accustomed to evolutionary development in education, and this kind of "never mind the quality, feel the weight" radicalism was quite new. There was also the urgency of the timetable. The Government began trailing its proposals in 1986 and into 1987, when there was the General Election. The consultation period began in the summer of 1987 and the Bill was introduced in November 1987. So it all galloped along, and we had no time to be anything but reactive. There was certainly no alternative blueprint.<sup>26</sup>

As such, the responses of the consultation exercise published by SCE (1987), and the proceedings of the Birmingham conference focus almost exclusively on the Government's agenda. Overall, these responses were hostile to the detail of the Government's proposals.

*Resources and Strategies:* It may have initially appeared that the greatest resource available to the SCE was the legitimacy deriving from so many organisations involved in education forming such a coalition to oppose the Government's reforms. However, according to one official, such a gathering was counter-productive "because it was made to look like the establishment making reactionary noises".<sup>27</sup> The Government could therefore ignore it, while the SCE's low media profile meant it did not attract much public attention. Whilst its local government members enjoyed legal authority, the SCE did not, nor did it have financial resources other than those of organisations such as the AMA which funded it. The members of the SCE did hold many of the organisational resources (people, skills, land, buildings etc.) in the education system, and could affect the collection of information from schools and local authorities. But these resources were not central during the stages of



policy formulation. The most important resource the SCE held during this stage of the policy process was *access* to the Labour frontbench. One of the major roles of the SCE was to provide the Labour Party with advice on amendments during the passage of the Bill, and to provide briefings for MPs from other parties.<sup>28</sup>

**Table 11**

**Groups Attending the SCE Conference**

*Local Education Authorities*

CLEA  
ACC  
AMA  
Welsh Joint Education Committee  
Ass. of London Authorities  
Convention of Scottish Local Authorities  
London Borough Associations

*Other Organisations*

Ass. of Agricultural Education Staffs  
Advisory Centre on Education  
Ass. of Career Teachers  
Ass. of Educational Psychologists  
Ass. for all Speech Impaired Children  
AMMA  
Ass. of Principal of Colleges  
Ass. of University Teachers  
Ass. of Recurrent Teachers  
British Ass. for the Advancement of Science  
British Ass. for Early Childhood Education  
British Educational Equipment Association  
British Youth Council  
Campaign for the Advancement of State Education  
Catholic Education Council  
Council for education Advance  
Church of England, Board of Education  
Community and Youth Workers Union  
Education Alliance - West Midlands  
E J Arnold Ltd  
Educational Publishers Council  
Free Church Federal Council  
Greater London Staff ass.  
IBM UK Ltd  
Islamic Academy

Methodist Church  
Nestle Co. Ltd  
Nat. Ass. of Governors and Managers  
Nat. Ass. of Head Teachers  
Nat. Ass. of Inspectors and Educational Advisers  
Nat. and Local Govt Officers Ass.  
Nat. Ass. for Pastoral Care in Education  
NASUWT  
Nat. Ass. for the Teaching of English  
Nat. Ass. of Teachers in Further and Higher Education  
Nat. Antiracist Movement in Education  
Nat. Bureau of Handicapped Students  
Nat. Council for Teachers' Centre Leaders  
National Confederation of Parent-Teacher Associations  
Nat. Council for Voluntary Organisations  
Nat. Council for Special Education  
Nat. Federation of Women's Institutes  
Nat. Institute for Adult and Continuing Education  
Nat. Society for Education in Arts and Design  
Nat. Union of Public Employees  
Nat. Union of Students  
NUT  
Nat. Union of Townswomen's Guilds  
Royal National Institute for the Deaf  
Secondary Heads Association  
Society of Education Officers  
TUC  
Undeb Cenedlaethol Athrawon Cymru  
Voluntary Council for Handicapped Children  
Workers Educational Association

*Staff - ACC, AMA, CLEA*

Source: SCE, 1987: pp.4-6

The importance of informational and organisational resources increased after the passage of the ERA, when the teachers were able to bring about major changes to the national curriculum and testing structure as a result of a boycott, and a strategy of confrontation. But, this was achieved independently of the SCE, which was wound up when the ERA became law. By withdrawing their labour from the national tests, and thus obstructing the Government's attempts to draw comparisons between schools, the teaching unions helped bring about a policy shift following the creation and implementation of the Dearing Report. This constituted a major implementation gap, with the Government initially ignoring the opposition of the teachers' unions, only to retreat at a later date when it became clear that some co-operation with teachers was necessary if the national curriculum was to be rescued. The ability of local authorities and teaching unions to affect other aspects of the ERA were more limited. CTCs were to be centrally funded, while the decision on whether a school should go grant-maintained was to be left to a ballot of parents. Although possible to highlight the costs of grant-maintained status, it is difficult for local authorities to oppose a decision for a school to opt-out, taken by people who the local authority claim to represent.

Similarly with the TVEI, it has been argued that the Government had to secure the co-operation of teachers and local authorities to ensure implementation of the policy, leading Rhodes to argue that: "The characteristics of the education policy community, particularly the high degree of vertical independence, are as important a component of any explanation of the outcome on vocational policy as the empire-building proclivities of the MSC" (1988: p.266). As a result, teachers and local authorities have been able to influence the development of the TVEI curriculum. Bowe *et al* note that "many have pointed out that the MSC's need to secure the co-operation of the 'education lobby' actually produced curriculum development in schools that was far closer to the educationalist (mostly-school based) rather than the occupationalist (mostly MSC-based) model of the curriculum" (1992: p.8). Drawing on a report from Leeds University's School of Education, the TES reported that:

Employers are playing little part in TVEI curriculum development ...

"Whatever industrial values were being transmitted by the TVEI curriculum, these were mainly the values as interpreted by teachers and other educationalists rather than those actually experienced by employers".

The team says that most schools claimed to have tried to interest employers in the planning, but responses had ranged from claiming they could not afford the time to a lack of interest in education (04.03.88).

### **The Role of Ministers**

Conventional models of policy-making suggested that educational change is almost certain to come from the civil service or the education profession. Yet the evidence presented here, suggests that Conservative education policy in the 1980s often developed either without, or against the wishes of, officials and professionals. Indeed, the broad principles of the Conservative Party's education policy were largely developed in opposition. Knight notes that:

It was during the period 1976-78 that the [Conservative Educationalists] were able to develop so much of what has become Conservative educational policy in government: the stress on high standards; the extension of parental rights; the sponsoring of the Assisted Places Scheme and the retention of such selective schools as survived (1990: p.110).

Mark Carlisle, Mrs Thatcher's first Secretary of State between 1979-81, largely carried out and implemented policies developed in opposition by Norman St John Stevas and Sexton (who was appointed as Carlisle's special adviser). Under Keith Joseph (1981-86) the right had high expectations for a radical education agenda, but on a number of issues including the voucher, opposition to the GCSE, and the publication of school league tables he failed to deliver. It was left to the "wet" Kenneth Baker to push through the most comprehensive and radical reform package for schools (and higher education) since 1944.

Amongst the collection of ministers, civil servants, advisers, and think tank and pressure group members, the one key point of consensus about the ERA is that it was Kenneth Baker that "made it happen". Joseph's stay at the DES, five years, was remarkable by contemporary standards, yet he did not pilot an Act comparable in size or scope to the ERA. Why did Baker succeed in bringing about these major reforms where Joseph could be said to have "failed"? First, Joseph had been drained by the teachers strike which had effectively immobilised the second half of his tenure. Second, while Joseph may have not lived up to the expectations of the right in delivering the voucher, Joseph was not totally

inactive. The 1984 and 1986 Education Acts reducing LEA control over grants, increasing information to parents, and strengthening the power of school governors were key stages in the development of decentralist policies. Finally, Joseph may have been more intellectually wedded to some of the ideas contained in the 1988 Act, but it was Baker's energy and ambition which saw it through Parliament. He had a particular flair for public relations. Mrs Thatcher appointed him after his victory over the "looney-left" local authorities as Environment Secretary, and the need for a "first-class communicator" at education (Thatcher; 1993: p.563). Nigel Lawson has described Baker as a politician whose "instinctive answer is to throw glossy PR and large quantities of money at it, and his favoured brand of politics is the instant response of the cry of the moment" (1992: pp.606-7). Some in the civil service welcomed Baker's appointment:

We were pleased to have Baker. It was once joked that education was the last post filled by a Prime Minister *when constructing his or her cabinet. Education needed a higher profile and Kenneth Baker certainly gave us one.*<sup>29</sup>

Evidence also suggests however that Downing Street and Mrs Thatcher's personal desire to reform education was instrumental in shaping the ERA. A Cabinet Sub-Committee on Education Reform was established by Mrs Thatcher. According to Nigel Lawson:

The Cabinet Sub-Committee on Education Reform proceeded in a way unlike any other on which I served. The process would start by Margaret putting forward various ideas - in addition to the Anson paper she had the No.10 Policy Group [Unit] heavily involved in the subject, and its then head, Brian Griffiths, was engaged in little else at the time - and there would be a general discussion ... At the end of it Margaret would sum up and give Kenneth his marching orders. He would then return to the next meeting with a worked out proposal which bore little resemblance to what everyone else recalled as having been agreed at the previous meeting, and owed rather more to his DES officials.

... After receiving a metaphorical handbagging for his pains, he would then come back with something which corresponded more closely to her ideas (1992: pp.609-10).

It appears that many of the ideas which were implemented in the 1988 Act were well developed before Baker took over at the DES. Although he claims that many of the decentralising initiatives such as opting out were Baker's own (Baker, 1993), the evidence suggests the New Right Coalition had been developing them for over a decade. But it also

required the conviction of Mrs Thatcher and the ambition and energy of Kenneth Baker to ensure that those policies could eventually find their way onto the statute book.

## **THE CONTEXT OF EDUCATION REFORM**

This section considers the broader political and socioeconomic context in the run-up to the ERA, focusing on those factors which acted as a catalyst for advocacy coalitions and other organisations to bring forward proposals for change. Part of the context of education reform was undoubtedly that as the 1987 general election approached, the Thatcher Government, "obsessed with the dangers of running out of steam" and "in need of something radical for the election manifesto" (Baker, 1994: p.40), began to turn its attention towards social policy. Mrs Thatcher was particularly enthusiastic about the reform of education, health, and housing (Thatcher, 1993: p.589), after eight years of economic and industrial reform. However, this section focuses on two more substantive factors which help explain why ministers were keen to reform education: firstly, ideological/political factors and the Conservative's desire to curb the ideological threat and political power of two of the government's most ardent opponents in education – the local authorities and teachers; and secondly the main socioeconomic factors, namely public expenditure pressures and declining standards of achievement in the classroom. There is, admittedly, an element of overlap between the two although the emphasis is distinctive in each.

This case study, unlike bus deregulation and prison privatisation, does not have a separate heading for "ideological factors". This is because the education belief system of the Thatcherites and the new right, first articulated by the Black Papers, was initially independent of other areas of government policy, focusing on the distinctive shortcomings of the education system. Although the notions of delegated budgets, choice and competition were applied to many public services, education reform was very much a pioneer of social policy reform. Indeed, Kenneth Baker refers to the ERA as "the only major social reform undertaken in the Thatcher years" (1993: p.41). For these reasons, education reform is not said to have been significantly influenced by an "ideological context". This is not to say that ideological factors played no role in the process of

education reform, but they were closely linked with political factors and as such will be treated together.

### **Political/Ideological - Education as Statecraft**

The reform of education, like many reforms of the 1980s, could be said to have been an act of political statecraft rather than the pursuit of a particular ideology. Statecraft concerns the way in which political parties seek "to gain office, govern satisfactorily and retain office within the British structure of politics" (Bulpitt, 1986: p.21). Part of this requires "political argument hegemony", where a party achieves "an easy predominance in the elite debate regarding political problems, policies and the general stance of government" (*ibid*). In education, the Thatcher Government was resisted in its attempts to achieve such hegemony by the teacher unions and local authorities. Although local government has been increasingly marginalised since 1979 (Jenkins, 1995; see also chapter 4), the debate over education went much further than a territorial argument between central and local government over who should supervise schools. During the 1970s and 1980s the Conservatives were increasingly concerned about the increasing use of education, through the curriculum, by teachers and/or local authorities for the pursuit of ideological goals at variance with those of the Government. In her speech to the 1987 Party Conference, for example, Mrs Thatcher complained that:

Children who need to be able to count and multiply are learning anti-racist mathematics - whatever that may be. Children who need to be able to express themselves in clear English are being taught political slogans. Children who need to be taught to respect traditional moral values are being taught they have an inalienable right to be gay.

This is what Baker calls the "sub-text of the motivation for educational change", where "numeracy, literacy and moral standards were Mrs Thatcher's aims and she did not trust the teachers to deliver them" (1994: p.46). Mrs Thatcher herself claims that the propagandists in the education system were "left-wing local authorities, teachers and pressure groups, not us" (1993: pp.590-591). The Conservative's attack upon "progressive" education was aided by what Chitty calls "The Media Campaign" against comprehensive education and "trendy educational practices" which were perceived to exist within such schools (1989: pp.63-66).

Apart from growing concern over the level of educational standards (see below), these perceptions were also reinforced by such high profile events as the ultra-progressive William Tyndale School scandal in 1975. The school was found to have handed control of its curriculum to its pupils, allowing them to play table tennis or watch television during lesson time (Baker, 1994: p.25). The condemnation of this policy in the 1976 Auld Report was for the media "conclusive proof that enormous harm could be done by 'progressive' teachers in a state school when parents were kept out of school decisions and managers and inspectors were clearly guilty of failing to fulfil their statutory duties" (*ibid*). This provided valuable ammunition for Mrs Thatcher at a time when, soon after becoming leader of the Conservative Party, she was attempting to forge a distinctive policy programme (see Knight, 1990: chapter 5).

The perception of an educational establishment at odds with a democratically elected government and pursuing its own political agenda was something which the new right think tanks in the 1980s were able to exploit and reinforce. All sought to portray the education establishment as a self-serving, politically motivated producer group which not only ignored the wishes of the Government but also those of the public. The ASI maintained: "The problems which beset state education share a common origin with those that incapacitate the other nationalised service industries: the phenomena of producer capture" (1984a: p.269). Likewise, the NTBG argued that "The education system in Britain bears all the hallmarks of producer capture" (1986: p.9). The Hillgate Group argue that:

Like every monopolised industry, the educational system has begun to ignore the demands of the consumers - parents and children - and to respond instead to the requirements of the producers - LEAs and teachers (1986: p.3).

This theme was also picked up by senior ministers such as Kenneth Baker who maintains that:

The DES represented perfectly the theory of "producer capture" where by the interests of the producer prevail over the interests of the consumer. Not only was the Department in league with the teacher unions, University Departments of Education, teacher-training theories, and local authorities, it also acted as their protector against any threats which Ministers might pose (Baker, 1993: p.168).

The new right think tanks also collated evidence regarding the mis-use of the curriculum by left-wing teachers and local authorities, including the example from ILEA which encouraged teachers to, among other things, compare the Nazi holocaust to Conservative trade union legislation (Hillgate Group, 1986 p.31; No Turning Back Group, 1986: pp.10-11).<sup>30</sup>

The ERA is often criticised as an ideological muddle, with contradicting centralising and decentralising tendencies (see for example, Flew, 1994). However, ideological consistency may not have been uppermost in the government's mind when formulating the key provisions of the ERA. LMS/GMS have resulted in fewer powers and responsibilities for the local authorities while the national curriculum has reduced teacher autonomy in the classroom. As an act of political statecraft the ERA, in marginalising two principle opponents of education reform, could therefore be said to have been both coherent and consistent.

### **Socioeconomic - Declining Educational Standards**

Another key catalyst for reform was concern over educational standards in Britain's schools. This emerged as a major political issue during the 1974-9 Labour Government. Upon becoming Prime Minister, James Callaghan requested a report from the DES on the performance of the education system. The "Yellow Book", submitted to Downing Street in June 1976, was never formally published although was leaked widely to the press. Referring to the growing criticisms of the performance of the education system by the press, the Yellow Book "proceeded to analyse the various strands of this criticism relating to both primary and secondary schools and the extent to which the media campaign represented the legitimate concerns and misgivings of teachers and parents" (Chitty, 1989: p.74). Primary schools were "blamed for a lack of discipline and application and for a failure to achieve satisfactory results in formal subjects, particularly in reading and arithmetic" (*ibid*). The Yellow Book's comments on secondary education maintained that "schools have become too easy-going and demand too little work and inadequate standards of performance in formal subjects from their pupils" (Department of Education and Science, 1976: para. 14 cited in Chitty, 1989: p.76). Chitty highlights two other broad themes of the Yellow Book: the first concerned "the alleged failure of some schools to



prepare adequately their pupils to enter the world of work" (*ibid*); and the second focused on the variations and inconsistencies in the curriculum between schools, regions, and ability bands.

Callaghan gave official recognition to concerns over educational standards with his Ruskin Speech of 18 October 1976 and the launch of the "Great Debate" on education. Callaghan himself maintains that the aim of the speech was to "begin a debate about existing educational trends and ... ask some controversial questions (1987: p.140). Bernard Donoughue wanted the speech to focus "on the need for more rigorous educational standards, for greater monitoring and accountability of teachers, for greater concentration on the basic skills of literacy and numeracy, and for giving greater priority to technical, vocational and practical education" (1987: p.111). Callaghan's speech "clearly echoed the sentiments of many parents" (*ibid*), although it was not well received by the education profession.<sup>31</sup>

Anxieties over educational standards continued into the 1980s and were a principal source of concern to Conservative ministers. Mrs Thatcher notes that the "starting point for the education reforms outlined in our [1987] general election manifesto was a deep dissatisfaction (which I fully shared) with Britain's standard of education (1993: p.590). Nigel Lawson admits that, in the mid-1980s, poor standards were the biggest problem facing the education system (1992: 606-7). Similarly Kenneth Baker recalls that:

I was particularly concerned about the standard of teaching of English ... Employers were complaining constantly about the level of literacy and numeracy in seven year olds. We had also just registered the fact that there were about 6 million adults in the country who, after eleven years of compulsory state education, still had difficulty in reading and writing (1992: p.190).

The new right were instrumental in their campaign to propel standards to the top of the educational agenda, although economic issues also played their part. The 1973-4 oil price hike and the fiscal pressures resulting from recession meant that increasing public spending on education was no longer an adequate response. Moreover, a declining birth-rates and school rolls reduced the significance for doing so. As Callaghan maintained in his Ruskin speech, the challenge was to achieve higher standards with existing resources:

There has been a massive injection of resources into education, mainly to meet increased numbers and partly to raise standards. But in present circumstances, there can be little expectation of further increased resources being made available, at any rate for the time being ... There is a challenge to us all in these days and the challenge in education is to secure as high efficiency as possible by the skilful use of the £6 billion of existing resources (cited in Chitty, 1989: p.59).

For some, this was Callaghan's Labour plagiarising the emerging new right, and in particular the Black Paperites. The beginning of Black Paper 1977 maintained that:

In October 1976, Mr Callaghan ... attempted to steal our clothes, which have always been freely available. He repeated our assertions that money is being wasted, standards are too low, and children are not being given the basic tools of literacy and numeracy (Cox and Boyson, 1977: p.5).

Education commentators such as Chitty (1989) and Baker (1994) see Callaghan's Ruskin Speech as a response to a growing public unease about the performance of schools, with the Black Papers instrumental in highlighting poor educational standards. This was achieved both through the Black Paper contributions and the research conducted by the NCES in the 1970s and 1980s. Research findings by the NCES in the early 1980s gave an empirical base to Black Paper principles, suggesting that high standards were the result of good educational practice rather than social class, catchment area, or money spent. Cox and Marks (1980), for example, highlighted the variations in performance between sixth-forms in one education authority, ILEA, while a further report (Marks, Cox, and Pomian-Srzednicki, 1986) highlighted variations in examination performance between ILEA secondary schools. Larger projects included two reports on standards in schools throughout England, suggesting that schools differ between types of schools (comparing comprehensive, secondary modern, and grammar), between schools of the same type, and even within schools (Marks, Cox, and Pomian-Srzednicki, 1983; Marks and Pomian-Srzednicki, 1985). They conclude that increasing expenditure on education did not necessarily lead to improved examination results.

## **NEW RIGHT THINK TANKS AND EDUCATION REFORM: AN ASSESSMENT**

This section addresses two questions. First, what was the role of the new right think tanks in the process of bringing about education reform, and how influential were they? Second, to what extent have these think tanks contributed to a new style of policy-making in education?

### **The Role and Impact of the New Right Think Tanks**

The new right think tanks were part of a loosely-knit coalition, characterised by overlapping membership of groups and authorship of pamphlets. The origins of this coalition can be traced back to the first Black Paper in 1969. Although the IEA was active at this time on the question of education reform, the ASI and the CPS did not become fully active in this field until the 1980s. However, some individuals involved with these organisations (such as Caroline Cox and John Marks) had been involved with the Black Papers and the NCES in the 1970s. Compared to the other case studies in this research, education reform was a high priority for the IEA, CPS, and ASI, and which were joined in their efforts by educationalists, MPs, ministers, special advisers, and other research bodies and think tanks. The New Right Coalition sought to influence policy by a number of means, including the publication and promotion of pamphlets and articles, conducting research, as special advisers to ministers and Prime Minister, as well as maintaining a regular media profile.

The first point that must be considered when assessing the influence of the new right think tanks in reforming education is that they were advocating only one key strand of reform implemented by the Conservatives - decentralisation. They may have had sympathy with those arguments in favour of vocationalism or even a core curriculum, but these policies were advocated largely independently of the New Right Coalition. There is a general perception that the new right think tanks were influential in setting at least part of the education agenda. Officials testify that they both read the pamphlets which were sent to the DES, and would brief ministers on their content. Officials themselves claim not to have been personally influenced by their arguments, but they felt the need to read them, and use them for future reference. According to one official, the civil servants "were very aware

that ministers were influenced by the thinking of such groups" and therefore for "defensive reasons" would familiarise themselves with their pamphlets.<sup>32</sup> Another official suggested that:

You would have to be conscious of these reports. Remember our first audience was government, so the agenda of government was always important. So in the sense that the agenda of government was set by that sort of thinking, then we needed to be kept well informed about those ideas to give a professional response to them.<sup>33</sup>

Another senior official highlighted the long-term role of such groups during the 1970s and 1980s in examining how such concepts such competition and parental choice can be brought in to a public service like education.

These were tremendously radical things which caused people to go back to basic principles and ask very hard questions of a system that we'd all become very cosy about, and which was assumed would continue indefinitely. The kind of massive enquiry we had to go through with the voucher was in some ways very sobering because it suddenly put on record that you could have a system that was different from what we had.<sup>34</sup>

Analysing the significance of a particular document(s) is very difficult. However two ministers and one member of the Prime Minister's Policy Unit highlight the importance of the No Turning Back Group's document Save Our Schools. It was said that Mrs Thatcher was particularly impressed by their arguments (especially regarding GMS, open enrolment, and per capita funding) and reinforced her belief that decentralisation was essential for education reform.<sup>35</sup> Former minister of state Angela Rumbold describes what she believes to have been the impact of the think tanks, and the division of responsibilities between think tanks and ministers:

Many of the ideas which were contained in the Education Reform Act came as a result of work that was done by the Institute of Economic Affairs and also by the No Turning Back Group of Members of Parliament - of which I was an active contributor in the early 1980s. In particular the ideas that culminated in the ideas of Grant-Maintained Schools began with the views and thoughts which were explored in those early years, both by papers that came from the Institute of Economic Affairs and also from discussions and a final paper on education reform that was produced by the No Turning Back Group in 1986. Think tanks generally do play quite a considerable part in the background thinking and formulation of policy, although it is often individual Ministers, or groups of Ministers, who have quite a lot of input into the final policy formulation.<sup>36</sup>

Kenneth Baker's memoirs give little indication of the intellectual/ideological influences behind his vision of secondary education. Ministers, advisers, and civil servants agree that many of those ideas (especially those decentralising power and responsibility) were around in the DES for some time before Baker arrived. Moreover, we have some anecdotal evidence that Baker was listening to the New Right Coalition. The Guardian (13.01.89) observed that:

At one point ... Baker ... remarked that the only people he was listening to was the think tankers on the Right. Why was this? ... it was because the pamphleteers were tapping directly into a crucial and hitherto unaddressed anxiety amongst parents: what their children was not getting was a good enough education, and that to fob this anxiety off with the alibi that the problem would vanish if only more money was thrown at it was actually dishonest.

The Independent (23.07.87) reported that "Kenneth Baker, Secretary of State for Education, was overheard telling his political adviser that "these are the people who are setting the educational agenda", referring to members of the CPSESG, whose ideas "have shaped Mr Baker's Great Education Reform Bill".

Ultimately, few were campaigning as vigorously for decentralisation as the New Right Coalition. Knight (1990) focuses on the Conservative Party's internal machinery, especially CNACE, to explain the development of policy. Members of the New Right Coalition dispute such claims, and maintain that Conservative teachers and local authorities campaigned against their proposals, being dominated by producer groups.<sup>37</sup> Bob Dunn describe CNACE as "hopeless, utterly hopeless, dominated by the left of the Conservative Party and hostile to our ideas".<sup>38</sup> Some members of the New Right Coalition are more cautious about attributing too much influence to the think tank reports of the 1980s. Stuart Sexton maintains that many of the ideas enshrined in the ERA were circulating long before these pamphlets were published. Sexton, though, adds that the new right pamphlets added "valuable support" to such ideas, although their role and significance is said to be "useful, but exaggerated" (cited in Denham, 1996: p.110).

The ideas promoted by the New Right Coalition, such as opting-out, open enrolment, and per capita funding are not revolutionary in themselves, and it would be surprising if the

DES had not considered their benefits. But it is a major step between accepting an intellectual argument and deciding on policy change. Arguments need to be won within governing parties and government departments, as well as in the media and the broader "climate of ideas". The new right think tanks assisted in this process. Their role was not so much as originators but as proselytisers, and the importance of this role should not be dismissed lightly.

The contribution of the IEA, CPS, and ASI and the New Right Coalition was not limited to advocating a decentralised structure for education. They also played an important role in shaping the context of education reform. First, much of the Coalition's early work, especially that of the Black Papers and the NCES, helped raise awareness of poor standards. Secondly, the new right think tanks in the 1980s helped reinforce the Government's perception of an educational establishment with radically different values from those of both government and parents. According to one former official, the new right think tanks' focus on producer capture was one of their most successful strategies:

What they did more than anything else on the negative side was encourage the exclusion of whole groups of people from the policy debate before it actually began. They demonised certain groups of people, to the extent that when it came to their objections, they could be countered by "Well, they would say that, wouldn't they". That was them at their worst and their cleverest.<sup>39</sup>

The New Right Coalition, over a twenty year period, influenced the education policy debate in two ways. First, during the 1970s and early 1980s by emphasising the shortcomings of the state education system and declining standards and, secondly during the early to mid 1980s when an alternative blueprint for secondary education was proposed. While it is impossible to quantify impact of either, it is difficult to see how the new right policies of the 1980s could have been achieved without the substantial groundwork of the Black Papers and the NCES. Indeed, given how much more crowded this space became by the 1980s, it could be argued that the MSC and the DES were also beneficiaries of the early work of the New Right Coalition, in prising open a relatively closed policy community for other actors to enter the debate.

## The New Right Think Tanks, Education Reform, and Policy-Making

The reforms of the 1980s and 1990s suggest that education can no longer be classified as a policy community. Education has become increasingly politicised and polarised. Policy outcomes today are not simply dependent on the DfEE, LEAs, and teacher unions. Ministers, MPs, special advisers, pressure groups, journalists, the Church, industry, all contribute to and affect policy outcomes. The new right think tanks have also played a prominent role in the education debate in recent years. According to Ball:

The education policies of Thatcherism have involved a total reworking of the ideological terrain of education politics and the orientation of policy making is now towards the consumers of education - parents and industrialists: the producer groups are almost totally excluded ... Policies are now more clearly political in character, and the influence networks of the New Right have had a significant impact on Conservative Party thinking about education ... and have proved themselves particularly pragmatic and adaptable in mobilising media and some popular support on behalf of the party (1990: p.5).

The growth and diversity of groups now involved in policy-making has led some to suggest that education is now an issue network, "relatively accessible, offering the government more chance to manoeuvre, but with outcomes more variable and uncertain" (Barnes, 1995: p.32). However, although the education arena could be said to have become more pluralistic, it is important to recognise that in some cases, policy actors aggregated themselves on the basis of shared beliefs and policy objectives.

The formulation of the ERA suggests that it is now necessary to shift the focus away from the providers of education to the resources of others. As Barnes notes:

Given continued electoral support, the government can evidently determine most of the ground rules, but that does not render it immune from pressures, both direct and indirect, particular from members of the governing party, the mood of the electorate, and demands from industry for the right kind of manpower (*ibid*).

Barnes actually refers to a "skewed pluralism" whereby the resources of certain groups allow them greater scope for influencing policy outcomes. Thus the demands from industry carry greater weight given the wider political significance of economic growth and levels

of unemployment. Other groups which have benefited from skewed pluralism have included teachers who "benefited when the curriculum from 1945 until well into the 1970s was characterized as being for professional judgement alone" (*ibid*).

The new right think tanks have benefited from the greater politicisation of education, although they clearly did not bring this about single-handedly. The key factor which propelled education to the top of the political debate over the past twenty years has been Britain's perceived economic decline and falling educational standards. The new right think tanks have had to compete with other organisations for setting a new educational agenda. Ultimately, the Government did not see arguments for centralisation, decentralisation, and vocationalism as incompatible, and all three have been present in government education reforms since 1979. The MSC, DES, and New Right Coalition drew upon theoretical arguments and utilised their resources to persuade the Government to adopt their position. Perhaps the biggest change of all to policy-making since 1979 has been the almost total exclusion of the education profession in policy formulation. These developments have increased the role of ministers and their officials, as *policy brokers, to mediate between the various organisations and coalitions seeking reform*. Kenneth Baker's importance has already been mentioned, although his status as a policy broker might be questioned given his refusal to engage in meaningful dialogue with the *education profession*. Moreover, junior ministers such as Rhodes Boyson, Bob Dunn, and Angela Rumbold have actively participated within the New Right Coalition.

This new pattern of policy-making in education does not wholly exclude the educational establishment. While largely ignored in the process of formulation and consultation, the teachers especially were able to affect policy outcomes with a strategy of confrontation and boycott of national testing. The resources of the teachers were clearly more effective at this stage of the policy process than that of policy formulation. Indeed, the only way to resolve the situation was "to instigate a genuine consultation process through the appointment of Sir Ron Dearing, in which teacher organisations were invited to play a key part". This led to "signs that unions will once again be drawn into policy-making consultation" although the "extent to which this is genuine consultation will certainly have to be evaluated in future".<sup>40</sup>



## CONCLUSION

Given the continuity and overlap of personnel, it is difficult to dissociate the contribution of the new right think tanks and the earlier work of the Black Papers and NCES. However, the new right think tanks, as part of a New Right Coalition, can be said to have been a significant pressure for reform in education, especially regarding decentralisation. Building upon the work of the Black Papers and the NCES, the IEA, CPS, and ASI (and other members of the Coalition) advocated a new structure for secondary education based on devolved budgets for schools, per capita funding, and parental choice, and enjoyed considerable access to decision-makers to influence policy formulation. But the New Right Coalition lacked the resources to dictate the pace of key reforms. For example, grant-maintained status could only be conferred upon a school after a parental ballot.

While they fought the educational establishment, the New Right Coalition had to share policy space with other organisations pursuing change, such as the DES and MSC. The latter two organisations were key pressures for two other major reforms, the national curriculum and the TVEI (and later CTCs) respectively. While all sought to address the problem of falling standards, the New Right Coalition was particularly influential in highlighting this problem and starting the debate on the quality of British schools.

Policy-making has changed since 1979 becoming more politicised and open, a situation which organisations such as the new right think tanks were able to exploit. There are signs that policy-making in the 1990s may be in a state of transformation yet again. The Dearing exercise signalled a truce between the government and the teaching profession, and soon afterwards Elizabeth Cottrell, special adviser to then Conservative Education Secretary Gillian Shephard, identified the "lunatic right" as a big problem in education (The Times 30.08.94). Education may not be the same priority for the think tanks in the 1990s than it was in the 1980s, although all still publish pamphlets on education reform, the CPSESG still meets, and the IEA established another Education Unit in 1996. The issues, though, have changed in recent years. Nursery education vouchers have become a significant issue after Gillian Shephard became Secretary of State for Education (see TES 07.04.95).

According to Tony Travers, the nursery vouchers debate of the 1990s reflects a similar alignment of forces and arguments to those of secondary education in the 1980s.

The legacy of the Thatcher years still casts a long-shadow over education. Right-wing think-tanks still clatter about the battlements. Local authorities remain a "problem". Everything in the public sector must be done on the cheap. The Department of Education wants more powers though without direct responsibility (TES 05.05.95).

On the one hand, the early abolition of nursery vouchers and the assisted placed scheme suggests that the new right think tanks might not find the educational ground so fertile under the new Blair Government. But the emphasis on zero-tolerance for underperforming schools, increasing the role of parents, and improving the skills of teachers (Labour Party, 1997) might perhaps lay the foundations for a more constructive dialogue between Labour and the new right think tanks on these issues in the months and years ahead.

## NOTES

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- <sup>1</sup> In order to avoid any potential confusion, the reader should be aware that this chapter will make numerous references to works by Mike Baker (1994), an education journalist and author of *Who Rules Our Schools?*, which examines the changes in education in the 1980s and 1990s, and Kenneth Baker (1993), the former Secretary of State.
- <sup>2</sup> The years following the 1944 Act have been described as "the Golden Age of teacher control (or non-control) of the curriculum" (Lawton, quoted in Chitty, 1989: p.23).
- <sup>3</sup> Interview with DES official.
- <sup>4</sup> Interview with DES official.
- <sup>5</sup> Interviews with Brian Cox, Caroline Cox, and John Marks
- <sup>6</sup> Interviews with Stuart Sexton, Marjorie Seldon and Oliver Letwin.
- <sup>7</sup> As footnote 6. Also interviews with Rhodes Boyson and Oliver Letwin.
- <sup>8</sup> Interview with DES official.
- <sup>9</sup> Interview with Stuart Sexton. Oliver Letwin also maintains that the voucher proposal failed mainly due to a lack of ministerial will (Interview).
- <sup>10</sup> A more detailed outline of each report has been provided by Denham, 1996.
- <sup>11</sup> Interview with Caroline Cox.
- <sup>12</sup> It should be noted that this term does not necessarily imply that this Coalition was in favour of the status quo, simply that it opposed the reforms proposed by the Conservative Government.
- <sup>13</sup> Interview with John Marks.
- <sup>14</sup> Interview with Stuart Sexton.
- <sup>15</sup> Interviews with Stuart Sexton and Marjorie Seldon.
- <sup>16</sup> Interview with Stuart Sexton.
- <sup>17</sup> Interview with Stuart Sexton.
- <sup>18</sup> Interview with Bob Dunn.
- <sup>19</sup> Interview with Angela Rumbold.
- <sup>20</sup> Interview with DES official.
- <sup>21</sup> Interview with Stuart Sexton.
- <sup>22</sup> Joseph remained opposed to a national curriculum after he left the DES and both spoke and voted against it when the *Education Reform Bill* was passing through the House of Lords.
- <sup>23</sup> Interview with DES official.
- <sup>24</sup> Interview with Stuart Sexton.
- <sup>25</sup> Interview with AMA official.
- <sup>26</sup> Interview with AMA official.
- <sup>27</sup> Interview with AMA official.
- <sup>28</sup> Interview with SCE official.
- <sup>29</sup> Interview with DES official.
- <sup>30</sup> See also *The Wayward Curriculum*, published by the SAU in 1986.
- <sup>31</sup> Donoughue recalls that: "The education profession reacted, predictably, with less generosity than the public. The NUT was furious. The Department of Education was shocked" (1987: p.112).
- <sup>32</sup> Interview with DES official.
- <sup>33</sup> Interview with DES official.
- <sup>34</sup> Interview with DES official.
- <sup>35</sup> Interviews with Bob Dunn, Angela Rumbold, and David Willets.
- <sup>36</sup> Letter from Dame Angela Rumbold.
- <sup>37</sup> Interviews with Stuart Sexton, Baroness Cox, and John Marks.
- <sup>38</sup> Interview with Bob Dunn. For evidence of Conservative opposition of Baker's opt-out plans, see the *TES* 18.09.87; 11.09.87; and 09.10.87.
- <sup>39</sup> Interview with DES official.
- <sup>40</sup> Letter from NUT official.

## *Six*

### *Prison Privatisation*

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The maintenance of law and order, along with national defence, has been, and continues to be, widely regarded as an inalienable if not defining responsibility of the modern state. Ryan and Ward maintain that the state's monopoly of the criminal justice system "is taken to be one of the settled features of Western industrial democracies" (1989a: p.54). It is for this reason that prison privatisation has been referred to as "the ultimate privatisation" (Van de Graaf, 1993: p.40). Prison privatisation was introduced in the Criminal Justice Act 1991 and marks an important step towards the privatisation of the criminal justice system as a whole (Matthews, 1989). Prison privatisation is not the only major policy change to have been made within the penal system since 1979. It is, however, the only one to have attracted any significant involvement from the new right think tanks. One of the new right think tanks, the ASI, has been widely credited with initiating the debate. Ryan and Ward (1989b) suggest that it "was the Adam Smith Institute ... that first put the question of prison privatisation on the political agenda ... and it was in the Omega Report on Justice Policy that the idea of private prisons made its British debut" (pp. 44-5).<sup>1</sup>

This case study argues that the ASI initially played a significant role within an informal, loosely-knit Pro-Privatisation Coalition which was able to place prison privatisation firmly on the political agenda, promoting it with ministers and in the media. This role declined as the issue was increasingly taken up by the private sector consortia which later bid for the prison management contracts. Exploiting its access to ministers, the Coalition (comprising mainly the ASI, special advisers, Conservative members of the Home Affairs Select Committee, and firms from the private sector) promoted this policy in an ideological, political, and socioeconomic context conducive to privatisation. This context included: a crisis of overcrowding; a turbulent and deteriorating relationship between the government and the Prison Officers' Association; and the general popularity of privatisation with the

Conservative Government. It will be argued that the ASI and the Pro-Privatisation Coalition had little significant impact upon the structure of policy-making. Policy-making in the penal system has for many years been fragmented, reactive, and increasingly ideologically polarised, with a plurality of groups competing for influence. However, the ASI and the Pro-Privatisation Coalition have had an influence on agenda-setting in the prison system in that privatisation has introduced the concepts of markets and competition into the criminal justice system. Privatisation is now a dominant issue in this policy area for the first time for over a hundred years.

The term "prison privatisation", although widely used, is not universally accepted. The Home Affairs Select Committee preferred to talk of "contract provision", as privatisation implies accountability only to shareholders while what was anticipated in the prison system was private contractors managing prisons on behalf of, and answerable to, the state. However, according to Bannock *et al*, privatisation is "the sale of government-owned equity in nationalised industries or other commercial enterprises to private investors, *with or without the loss of government control* in these organisations" (1992: p.342-2 - emphasis added). While it is acknowledged that "contract provision" may be a more accurate way of describing privatisation in the prison system, the term "privatisation" is retained.

## **POLICY-MAKING IN THE PENAL SYSTEM**

The aim of this section is to provide a brief account of policy-making in the penal system. It does not address the detailed procedures of policy-making, but the relationship between government and groups, the constraints on ministers, access to decision-making structures, and other major pressures for change. This account is not intended to be exhaustive, but aims to draw together some of the main themes from the policy-making literature on the penal system. It has been argued that the operational services such as the Prison Service (Thomas, 1977) and the Probation Service (King and Jarvis, 1977) have gradually consolidated their position as key consultative partners during the post-war years. But policy-making in the penal system is far from routinized. It is an untidy process in which "it is hard to disentangle the input of ministers and that of officials, or the operational

services, political or parliamentary influences, or interest groups" (Windlesham, 1993: p.13).

Three characteristics are identified which demonstrate that an understanding of penal policy-making necessitates looking beyond the Government's dependence upon the operational services towards other pressures, which include the need to retain the support of the Conservative Party in Parliament and at the grassroots, and the importance of public opinion. These three characteristics are: fragmentation within the criminal justice system; the importance of events; and ideological polarisation. The Rhodes Model will then be applied to penal policy where it will be argued that policy-making is best described as pluralistic (although not an issue network), with numerous groups having opportunities to participate in policy debates and influence policy outcomes.

### **Fragmentation and the Criminal Justice System**

The prison system in England and Wales is an integral part of the broader criminal justice system, defined by Cavadino and Dignam as "a term covering all those institutions which respond officially to the commission of offences" (1992: p.1). This should be distinguished from the penal system, which is described as "the system that exists to punish and otherwise deal with people who have (usually) been convicted of a criminal offence" (*ibid*).<sup>2</sup> The criminal justice system is composed of a number of different agencies, each with its own specific functions. These agencies include: the police; the prosecution services; the courts; the prison service; and the probation services.

Thus the Prison Service, although a distinctive organisation responsible for over 130 prisons in England and Wales, must operate within a broader policy framework. The inputs into the prison system are very much determined by what occurs elsewhere in the criminal justice system. According to Davies *et al*:

The agencies in the criminal justice system are interdependent. One agency's output is another agency's input. Those who leave the courts with a prison sentence become the intake into the prisons at the back-end of the system. The role of each agency depends on its particular function in the overall scheme of things (1994: p.14).

Despite the interdependent nature of these agencies, one of the key features of the criminal justice system in the UK is its unsystematic nature "with different agencies working in relative isolation from each other, exercising wide and unaccountable discretionary powers, and subject to no overall co-ordination or strategic control" (Cavadino and Dignam, 1992: p.7). This was a major conclusion of the Woolf Report following the prison riots at Strangeways and other prisons in April 1990. It identified a "failure of co-operation" across the different agencies of the criminal justice system and highlighted a need for greater communication and co-ordination for it to operate effectively. Sir Brian Cubbon, Permanent Secretary at the Home Office between 1979-88, in his testimony to the Woolf inquiry spoke of a "geographical fault" in the penal system. This referred to "the unpredictable and volatile size of the prison population", which could only be addressed if the judiciary took "greater account of the capacity of the prison system" (Woolf and Tumim, 1991: p.261). Part of the problem is that ministerial responsibility for the criminal justice system in England and Wales is divided between three Whitehall departments: the Home Office is responsible for the police, the prison system, and the probation service; the Attorney-General's Department for the Crown Prosecution Service; and the Lord Chancellor's Department for the financing and management of the courts and advice on most judicial appointments in England, Wales and Northern Ireland.

The Woolf Report therefore recommended the establishment of a Criminal Justice Consultative Council (CJCC), the aim being "to provide a forum in which issues affecting the collective operation of the system of criminal justice could be discussed by senior representatives of the operational services" (Windlesham, 1993: p.464). The CJCC's inaugural meeting took place on 15 January 1992, under the chairmanship of Sir Clive Whitmore, then Permanent Secretary to the Home Office. The membership of eighteen included the Permanent Secretaries of the Department of Health and the Lord Chancellor's Department, the Metropolitan Police Commissioner, the Director-General of the Prison Service, and the Acting Director of the Crown Prosecution Service (Windlesham, 1993: p.463). It is too early to evaluate the impact of the CJCC on policy-making within the criminal justice system, but there are already doubts concerning the effectiveness of such a body, with fears that it might simply be by-passed during periods of "moral panic", leading to demands that the CJCC be placed on a statutory footing (for example, see Howard League, 1993: p.25).

The foundation of the CJCC should not obscure other attempts to improve co-ordination across the criminal justice system. One such innovation was the creation of the Crime Policy Planning Unit (CPPU) in 1974 based in the Home Office, established to institutionalise co-ordination between the various criminal justice agencies. During the 1980s, a process of "trilateralism" developed between the Home Office, the Lord Chancellor's Department, and the Attorney General's Department. In 1987, ministers from the three departments decided to put such co-operation on a more systematic basis with regular meetings between ministers (underpinned by meetings between officials) from the three departments. The basis of such meetings was that "co-operation between the various agencies which comprise the criminal justice system is crucial to the successful operation of the system as a whole" (Parliamentary answer by the Lord Chancellor, Lord Mackay, cited from Windlesham, 1993: p.41). It is, however, important to distinguish between the degrees of fragmentation at a policy and operational level. Despite the division of responsibilities between the various government departments, the Home Office retains "the prime position" as the Home Secretary took "the lead role" in the formulation of criminal justice policy<sup>3</sup> (the role of the Home Secretary is also addressed in the final part of this section). According to another official, this "strategic" level of policy-making is "reasonably well-coordinated".

What was difficult was its practical application with middle managers at local level and with frontline staff, in particular when it came to using resources for other people's benefit, or trusting each other and sharing information. For example, it took a very long time for the probation service to trust the police.<sup>4</sup>

This fragmentation has serious implications for policy-making. It hinders the ability of the individual criminal justice agencies to carry out their responsibilities effectively. For example, a lack of communication between the judiciary and the Prison Service can lead to judges passing more custodial sentences than the prison system has the capacity to deal with, resulting in overcrowding. The failure of the criminal justice agencies to co-ordinate their activities and avoid such hazards leads to a vacuum in the construction of a criminal justice strategy. There is a perception across the political spectrum that the prison system is in severe crisis (Cavadino and Dignam, 1992: chapter 1). If the criminal justice agencies are unable to respond constructively to it, then the initiative will move elsewhere. Law and



order is a high profile political issue, and there are many organisations and individuals who may attempt to influence a new strategy or agenda for the criminal justice system.

### **The Importance of Events**

Penal policy is highly reactive. Unanticipated events, such as the murder of a child or a prison escape/riot can rapidly affect the development of policy. Roy Jenkins, a Home Secretary under Wilson (1966-67 and 1974-76) speaks of "tropical storms that blow up with some speed and violence out of a blue sky, dominate the political landscape for a short time, and then disappear as suddenly as they arrived" (cited in Hennessy, 1990: p.457). Willie Whitelaw, Mrs Thatcher's first Home Secretary (1979-83), employs a similar metaphor, talking of Home Secretaries being "exposed to sudden and wholly unexpected storms" (Whitelaw, 1989: pp.160-161). Kenneth Baker (Home Secretary 1990-2) maintains that the Home Secretary is "much more the victim of day-to-day events than any other Minister" (Baker, 1993: p.425).

This is perhaps because, as Drewry notes, penal policy "is particularly bound up with popular sentiment" and "intertwined with subjective, emotive and, ultimately, moral considerations" (1977: p.40). According to Downes and Morgan, "the eruption of particular scandals and concerns, via a rapidly changing media framework, have consistently proved catalysts for changing policies" (1994: p.185). Specific events can lead rapidly to a loss of confidence in the criminal justice system, which very often requires an immediate government response to restore that confidence. Such a response may require legislation. According to penal reformer Frances Crook, such reactive legislation is inadequate as it has usually been prepared as a swift, populist response "formulated by moral panic and discussed in media sound bites rather than through informed public debates". The Dangerous Dogs Act of 1991 is cited as an example of "the Government's policy of legislation without consultation" (The Independent 16.12.93).

Occasionally, events can have a significant impact on the direction of penal policy. In 1965 a number of prison escapes including that of George Blake led Roy Jenkins to establish an independent investigation headed by Lord Mountbatten, who recommended tightening up prison security at a time when an emphasis on rehabilitation was in the ascendance. The

Government's acceptance of most of Mountbatten's recommendations ultimately, "led to disastrous toughening-up of the prison system and certainly many informed sources ... were to claim that it was playing havoc with the rehabilitative ideal" (Ryan, 1983: p.42). The riot at Strangeways and other prisons in April 1990, led to the Woolf Report and its recommendations for improving conditions for prisoners. The Times (17.04.92) claimed that the riots "forced the unfashionable area of penal reform on to the political agenda in a way that years of lobbying by pressure groups had failed to do so".

### **Ideological Polarisation**

The problems raised by high-profile and emotive events are compounded by the ideological polarisation which characterises debates on the penal and criminal justice systems. This is a relatively recent development. According to Downes and Morgan, "bipartisanship has been the rule rather than the exception in the twentieth century on such matters as the response to crime, the nature of policing, sentencing policy and so on ... Crime and criminal justice were minor, taken-for-granted aspects of [the post-war] consensus". The 1970 general election is seen as the "real watershed" in the politics of law and order, with the Conservatives criticising the Wilson Government for the serious increase in crime. While the Conservative further increased their attention on law and order in the 1974 election, it was the Conservative's 1979 election manifesto which "brought 'law and order' to the fore as an election issue and dispelled any lingering trace of bipartisan consensus".

The debates on criminal justice policy in the UK can be said to have two polarised ideal types, often crudely referred to as "informed" and "populist", or as Cavadino and Dignam refer to them, "positivism and the rehabilitative ideal", and the "ideology of law and order". "Positivism and the rehabilitative ideal" maintains that:

crime, along with all other natural and social phenomena, is *caused* by factors and processes which can be discovered by scientific investigation. These causes are not necessarily genetic, but may include environmental factors such as upbringing in the family, social conditioning and so on. Positivists believe in the doctrine of determinism; human beings, including criminals, do not act from their own free will but are compelled to do so by forces beyond their control (Cavadino and Dignam, 1992: p.48).

The emphasis is therefore upon treatment rather than punishment. Such thinking reached its zenith in the 1950s and 1960s when "there was a widespread belief that criminology and other behavioural sciences would progressively discover the causes of crime and the way to cure all offenders of their criminality" (*ibid*). In the 1970s and 1980s, however, such progressive thinking came under a sustained assault from the ideology of law and order. This is described by Cavadino and Dignam as "a complex, if naive set of attitudes, including the beliefs that human beings have free will, that they must be strictly disciplined by rules, and that they should be harshly punished if they break the rules or fail to respect authority" (*ibid*). The rehabilitative ideal is criticised by the law and order school for failing to acknowledge the importance of the individual when dealing with crime. According to one Conservative sociologist:

The penal system has become increasingly dominated since 1945 by the utopian themes of socialists and bleeding-heart liberals. They seem to regard punishment as morally primitive. They feel more concern for criminals than their victims. They prefer to find implausible excuses for delinquent behaviour in unemployment, poverty, and childhood deprivation rather than to acknowledge the real causes of escalating crime: public and official ambivalence about right and wrong, and ineffective moral and social control of individual behaviour (Marsland, 1996: p.17).

Both ideologies have powerful advocates. The rehabilitative ideal has been promoted by the influential penal reform movement throughout the post-war years, including the Howard League, the National Association for the Care and Resettlement of Offenders (NACRO), and the Prison Reform Trust (PRT). There is considerable common ground between the three organisations. All seek to reduce the numbers of offenders detained in prison, while working towards more humane conditions for those who remain. Yet each organisation is distinctive.

The Howard League, established in 1921, is the oldest and arguably the most prestigious penal reform group. It has run vigorous and often successful campaigns on such high profile issues as abolishing capital punishment, prison suicides, reducing the numbers of women and children in prison, and developing alternatives to imprisonment (such as probation). The PRT, which was established in 1981, see its role as "enquiring into the workings of the [penal] system; informing prisoners, staff and the wider public; and by influencing Parliament, Government and officials towards reform".<sup>5</sup> While sharing many

of the Howard League's objectives, the PRT places a greater emphasis on monitoring and researching the penal system. It produces a number of guides and information packs for students, researchers, and prisoners. The PRT also conducts post-implementation research, monitoring the introduction of policy changes in prisons such as those brought about through the Woolf Report, or the privatisation programme. NACRO, established in 1966, assists in the rehabilitation and resettlement of offenders in the community. It has a national network of offices and co-operates with local organisations and communities in pursuit of constructive approaches in dealing with offenders. Although an independent, voluntary organisation, NACRO, unlike the Howard League and the PRT, is government funded.

Opposing those groups propounding the rehabilitative ideal is a combination of the grassroots Conservatives, the tabloid press, and the police. The strongest demand for a populist approach to penal policy manifests itself at Conservative Party conferences, where there are regular calls for the reintroduction of the death penalty, longer and tougher sentences, and stricter prison regimes. Willie Whitelaw recalled that he "both dreaded and disliked the prospect of the law and order debate", where demands for the restoration of capital and corporal punishment overshadowed many of the urgent issues facing the prison service, including sentencing policy and overcrowding.

Populism is also a characteristic of the tabloid press, which "tries hard to make a Home Secretary's life a misery. Strident in tone, punitive in outlook, and personalising issues in ways that can cause great distress to individuals, the tabloids are the stock of the modern age" (Windlesham, 1993: p.21). Ministers are occasionally influenced by such pressure. Michael Howard has been accused of pandering to the ill-informed right-wing tabloids (especially The Sun) in constructing his criminal justice strategy. His decision to impose a minimum sentence of fifteen years on the schoolboy murderers of two-year old Jamie Bugler in Liverpool was, by his own admission, partly a response to over 20,000 cut-out coupons from readers of The Sun demanding a long sentence (The Guardian 18.04.96).

The police have also long championed a tougher approach to law and order. They have supported the increased building programme and use of prisons, first, to release the number of sentenced offenders held in police cells due to overcrowding in prisons (thus diverting

valuable manpower) and, secondly, to take persistent criminals off the streets. They have been particularly supportive of Michael Howard's criminal justice strategy as exemplified in the Criminal Justice and Public Order Act 1994. Responding to the announcement of Howard's agenda at the 1993 Conservative Party conference, the Independent (07.10.93) noted that "the police - which have been pressing for an end to the right to silence and tougher restrictions on refunding on bail - were delighted". Dick Coyles, Chairman of the Police Federation, hailed the proposals as "First class!".

When talking of ideological polarisation, there are the dangers of generalisation and oversimplification. There are likely to be many positions between these extremes taken by various policy actors. It is also the case that not all Home Office officials were/are sympathetic to the penal reform lobby<sup>6</sup>, or that all police forces share the enthusiasm for the "zero-tolerance" approach to crime.<sup>7</sup> Nevertheless, both extremes have their advocates, and the significance this has for policy outcomes and the Rhodes Model is addressed below.

### **Penal Policy and the Rhodes Model**

As suggested above, prior to the 1970s there was a largely bipartisan approach to criminal justice policy. This was the era of positivism, characterised by the belief that "given a comprehensive programme of research, and a coordinated planning structure, a penal policy could be forged and implemented which would correct many of those ills, individual and social, which promoted crime" (Morgan, 1979: p.2). The emphasis on the importance of research in penal policy led the Home Office to establish a Home Office Planning Unit, the Cambridge Institute of Criminology, and the Advisory Committee on the Penal System.

The Howard League was also an important organisation during these years. Most members of the League's Council and Executive Committee, were "public figures with well-established contacts with those in Whitehall and those at Westminster who run the machinery of government" which "at times turned into a virtual partnership, so much so that at times it is difficult to determine for certain where the League's influence ends and the government's begins (Ryan, 1977: p.106). Ryan maintains that this partnership was central for understanding the development of rehabilitation as the dominant ideological

framework in the 1960s, when "both the League and the Home Office made the same transition; indeed through their close personal contacts and their overlapping membership of advisory committees, they sustained and reinforced each other in the process" (*ibid*). The Howard League was the "acceptable" pressure group. Wright termed it "an 'approved group' because it threatens nothing; its council and membership are to a man within the sacred fold of the establishment; its posture is vaguely samaritan, but infinitely cautious; it believes in 'human rights' but is not prepared to challenge the Home Office on the penal system wholeheartedly" (cited in Ryan, 1977: p.155). The links between the Home Office and prison reformers were maintained into the 1980s and placed on a more systematic basis when a discussion group was developed under the chairmanship of a Home Office Deputy Secretary, David Faulkner. The group met every two to three months, with the aim of providing "a sounding board, enabling the civil servants to keep abreast of reformist opinion, and for the penal reform groups and academic researchers to obtain an insight into current thinking at the Home Office" (Windlesham, 1993: p.8).

Downs and Morgan show how these groups have changed their approach over time. Before 1970, "pressure group activity metaphorically sought to influence policy by a well-informed word in the ministerial ear" (Downes and Morgan, 1994: p.209). Following the gradual politicisation of law and order politics after 1970, reformers found themselves having to "beat on the ministerial door in a far more public confrontational way", which ministers such as Douglas Hurd are said to have found counterproductive (*ibid*).

However, this metaphor should not be allowed to obscure the growth, especially in the 1980s, of myriad links between the Home Office and the pressure groups. In conferences, media debates, seminars, and the regular call for expert advice on penal matters in particular, opportunities abounded for pressure groups to inform penal policy-making processes (*ibid*).

By contrast, penal policy since 1979 has been far from consistent. Under both Thatcher and Major it "gyrated between liberal and tough stances" (Jenkins, 1995: p.191). Nash and Savage argue that "the Conservative record on law and order since 1979 has been an often inconsistent blend of ideologically driven strategy, 'progressivist' policy influenced by the Home Office, and 'event-led' reforms, in some cases dictated by the pursuit of immediate political advantage" (1994: p.138). The former Lord Chief Justice, Lord Taylor in a lecture

at King's College, March 6 1996 entitled "Continuity and Change in the Criminal Law", maintained:

We have had more criminal justice acts in the past six years than in the preceding sixty ... Sentencing policy has in four years swung from one extreme to another and frequent swings in penal policy eat away at public confidence in the public law (The Times 07.03.96).

Such swings in policy reflect the many and diverse pressures which have been exerted upon successive Conservative Home Secretaries. While penal reformers have enjoyed "privileged access"<sup>8</sup> to the Home Office and the professional services were consulted on operational matters, they failed to "manage" the law and order agenda. The performance of Conservative Home Secretaries at their party conferences suggests that grassroots Conservatives have also been able to exert pressure, which required appropriate responses. During Mrs Thatcher's first term, the Criminal Justice Act 1982 introduced the "short, sharp, shock", announced to the "vociferous handcuff-waving delegates at the 1981 Tory Party Conference" (Ryan, 1983: p.67). Under Douglas Hurd, the Home Office developed a punishment in the community programme culminating in the Criminal Justice Act 1991 which confirmed the Government's view of prison as "an expensive way of making people worse". Yet in 1993, following the debacle surrounding the pound's withdrawal from the Exchange Rate Mechanism, the pit closure programme and the declining electoral fortunes of the Conservative Party, the new Home Secretary, Michael Howard, announced at the 1993 Conservative Party Conference that "Prison Works!". Reversing the thrust of the 1991 Act, Howard introduced a seventeen-point package which included: the end of a suspect's right to silence; harsher penalties for young offenders; a tightening of bail laws; and the building of six new prisons. It was, according to The Times (07.09.93), "the sort of fare that Tory conferences love". Support in these quarters allowed Howard to change not only the content but the style of policy-making: "conviction politics and determined ministers have recently made policy by decree, and have chosen not to consult and have chosen to ignore evidence, indeed have sometimes made a virtue of that".<sup>9</sup>

Policy network analysis has not been applied to policy-making in the prison system, and given the above observations, it would be difficult to accommodate penal policy within the Rhodes Model. Professional and interest groups are consulted on operational issues, but the

organisational and informational resources applied by such groups are not the dominant factors in determining policy outcomes. Even when the positivist approach reached its zenith in the 1960s, the basic direction of government policy was swiftly reversed by the Blake escape and the subsequent Mountbatton recommendations (see above). Penal policy is also highly reactive, and ideologically polarised. Penal reformers have their champions in Home Office officials, while Conservative ministers respond to their party's grassroots. This identifies a further weaknesses of the Rhodes Model in that it under-emphasises powerful political influences that can be brought to bear on ministers. The Rhodes Model can also underestimate the role of Parliament. For example, the Government's punishment in the community programme may be attributed to the "rationalists" (Nash and Savage, 1994) and progressives at the Home Office, but Windlesham notes that, as the policy was being developed, more than 150 Conservative MPs were invited to working lunches at the Home Office to sound out backbench opinion. As a result, when the policy was announced "there was widespread support on the Conservative benches, primarily because so many people felt that they had been part of the sequence which had led to its formulation" (Windlesham, 1993: p.224).

Penal policy is not made by a highly integrated policy community, nor is it sufficiently dominated by professional norms to justify classifying it as a professional network. Too many other policy actors affect policy outcomes. According to Downes and Morgan the key players in the politics of law and order constitute a "matrix", the key players being: "the major political parties, in particular successive Home Secretaries and their ministerial and opposition teams; senior civil servants who, despite their non-political role, bear crucial advisory responsibilities; pressure and interest groups in the criminal justice field; and the mass media" (1994: p.183). The former Chief Executive of the Prisons Agency, Derek Lewis, reflecting on the difficulties of managing the service highlighted "the widely differing and often hidden agendas of government ministers, party politicians, civil servants, prison governors, public sector unions, private sector contractors, prisoners, and pressure groups" (Lewis, 1997: p.ix).

Given the number of political actors who involve themselves with penal policy, it could be suggested that penal policy constitutes an issue network. However, penal policy formulation is centralised in the Home Office, which exploits the ideas that constitute "the



world of penal thought". The Home Secretary is given considerable autonomy to develop the Government's criminal justice strategy, thus providing an important focal point. According to one former Home Office official, the contribution of the Home Secretary "lies not in the Minister bringing his own fresh policy ideas, but in operating creatively and with political drive upon ideas, proposals, reports etc., that are, so to speak, already to hand, often within the department but sometimes in the surrounding world of penal thought" (Moriarty, 1977). Windlesham highlights the virtues required in a successful Home Secretary:

Officials, the party political organisation, assorted advisory committees, outside commentators, and special interest groups may all be clamouring for action, but they seldom do so with one voice. A successful Home Secretary needs enough versatility and openness of mind to listen to what is said before making a choice between tinkering with the status quo and the more radical alternatives open to him. [...] With the power to select between policy alternatives; with direct authority over his department and some, although not all, of the component parts of the system of criminal justice, but exercising strong influence over other parts; the Home Secretary still possesses unmatched opportunities for individual decision-making (Windlesham, 1993: pp.17-18).

Thus, while there may be polarised ideas, it does not necessarily follow that policy should follow any ideal type. Ministers and officials may adopt an eclectic approach drawing various strands of penal thought. Overall, the characteristics of penal policy highlighted above suggests it is difficult to categorise it within the Rhodes Model. While too open to be classified as a policy community or a professionalised network, it is too focused on the Home Office to be an issue network. Ideas and events also have a greater impact on policy outcomes than emphasised in the Rhodes Model.

## **THE DEVELOPMENT OF PRISON PRIVATISATION**

As noted above, it is widely acknowledged that the origins of the contemporary debate regarding prison privatisation in the UK can be traced to the Omega Report on Justice Policy by the ASI in November 1984. The Omega Report was published as part of the ASI's wide-ranging investigation into all aspects of government policy. The report drew upon the then increasing use of the private sector to build, own and operate detention

centres and prisons in the US to argue for an expansion of the role of the private sector in the penal system in the UK. Contracting out management was seen as a means of tackling the crises of overcrowding and cell sharing which are "the by-product of a system influenced by political considerations and subject to political forces that allow capital investment to suffer and which reduce flexibility to change" (Adam Smith Institute, 1994b: p.259).

Over the next few years the idea of prison privatisation attracted support from unexpected quarters. In 1985, the Tawney Society, a think tank associated with the now defunct Social Democratic Party, published Crime and Punishment - A Radical Rethink by criminologists Sean McConville and Eryl Hall Williams which endorsed the principle of greater involvement of the private sector in the prison system. In particular, McConville and Hall Williams saw the potential for increased private sector involvement in work for prisoners under contract for outside employers and the contracting out of: kitchens and catering; half-way houses; detention services, although possibly excluding high-security prisoners; leasing premises; medical services; and court and escort services (McConville and Hall Williams, 1985: pp.30-44).<sup>10</sup>

At this time, the idea of prison privatisation had not yet made a noticeable impact on Government thinking. When Sir Brian Cubbon, then Permanent Secretary at the Home Office was cross-examined by the House of Commons Public Accounts Committee on 17 February 1986, he denied that it was under consideration.

*Dale Campbell Savours MP (Labour):* Could you give me an assurance that no work is being done at the moment within your department on the privatisation of prisons within the United Kingdom?

*Sir Brian Cubbon:* I can give you that assurance.

*Dale Campbell Savours:* There is no work being done and there are no proposals that you know of for a privatisation programme?

*Sir Brian Cubbon:* That is so (cited in Rutherford, 1990: pp.46-47)<sup>11</sup>

On 19 November 1986 the Prisons Minister, Lord Caithness, indicated that the Government had an open mind on the question of privatisation. Questioned on the subject by the Chairman of the Home Affairs Committee, Sir Edward Gardner, Caithness replied that "our knowledge is limited, and we are looking to the Select Committee with their

wider experience which I hope to build on myself by going to America" (Home Affairs Select Committee, 1987a: p.23). When Gardner informed Caithness that they might publish a report based on the Select Committee's own visit to a number of privately-run penal establishments in the US, Caithness maintained that the Government "would certainly welcome such a report" (*ibid*).

Interest in the privatisation of prisons grew. In March 1987 the ASI produced a more detailed pamphlet by Peter Young entitled The Prison Cell. Young had spent the mid-1980s establishing an ASI office in the US, and the report drew upon the experience of privately managed US prisons which he collated while in Washington. The Prison Cell developed many of the ideas in the Omega Report. Young employed the ASI's standard public choice critique in his criticism of the state prison system. He maintained that "British prisons share the same characteristics as other public sector institutions that are immune from competition: inadequate supply, low quality, and high cost" (Young, 1987: p.2). The prison service was much more a case of "producer capture" than other state services, "being run to benefit the producers of the service, the employees, rather than the inmates and the taxpaying public" (*ibid*). The experience of the US in dealing with similar problems was seen as a laudable development worth imitating. Drawing upon evidence from the US, Young suggested that introducing private prisons would: lead to better conditions for prisoners; not adversely affect public sector employees who are usually offered jobs in the private prisons; cut operating costs by 5-25%; be constructed significantly quicker than state prisons; be innovative in design, construction, and management of prisons; and give prisoners a more relevant preparation for outside life. Young, therefore, recommended that the private sector be allowed to submit for the construction and management of new and existing prisons.<sup>12</sup>

The Home Affairs Select Committee increased the pressure for privatisation with a report in May 1987, published a short report entitled Contract Provision of Prisons, based on its aforementioned trip to the US. This was prompted by a desire to seek alternative solutions to the crisis in Britain's prisons which were characterised by "age, severe overcrowding, insanitary conditions and painfully slow progress in modernisation" (Home Affairs Select Committee, 1987b: p.1). The involvement of the private sector in the building and management of prisons was seen as yielding three major advantages. Firstly, it would

relieve the taxpayer of the responsibility for the initial capital outlay. Secondly, the private sector was quicker in constructing prisons. Finally, it would produce "greatly enhanced architectural efficiency and excellence" (*ibid*). The Committee therefore recommended that "side by side with the present prison establishment, commercial companies should, as an experiment, be allowed to demonstrate the types of custodial services they could provide and at what cost". It suggested allowing private companies to bid for the construction and management of a new remand centre, as the remand system suffered from the most severe overcrowding. The Committee emphasised that the state would not be relinquishing control of such institutions, since the responsibilities of the contractor would be clearly spelt out in a contract.

Other advocates of privatisation included Lord Windlesham and two liberal academics, Max Taylor and Ken Pease. Windlesham argued for the privatisation of remand institutions in an article entitled "Inappropriate Prisoners" in The Times on 7 July 1987. He spoke with the authority of a former Home Office Minister of State and of being the then Chairman of the Parole Board.<sup>13</sup> Windlesham's argument focused on the growing number of remand prisoners (then 10,000 out of a prison population of 48,000), distinguishing them from those prisoners already convicted, arguing that: "While there are strong arguments against the state handing over to private enterprise responsibility for the custody of convicted and sentenced prisoners, these objections do not apply with equal force to those individuals, now numbering one in five of the prison population, who have been charged with a criminal offence and are awaiting trial".

Taylor and Pease saw privatisation as bringing a number of advantages for both the UK and the US where prison provision "is almost universally dire" (1989: p.183).<sup>14</sup> They argued that privatisation has many practical advantages. Amongst the major advantages cited, Taylor and Pease argue that privatisation could incorporate a commercial incentive to rehabilitate, which would also lead to innovation in penal sanctions. "One of the characteristics of good private systems is that, not without social cost, they allow change in response to measures of effectiveness" (*ibid*). Not only would the "powerful position of the Prison Officers' Association ... be undermined" (*ibid*), but would also create a new structure in which the Home Office could find it easier to enforce minimum standards in prisons.

The dual role of the Home Office in prison management would be eliminated. While the Home Office serves as both an adversary of the prisoner and adjudicator of the conflict in which the prisoner is involved, the private prison separates the two functions. Adherence to a set of standards of operation would constitute a term of the contract, whose monitoring would be an explicit cost within the contract. Inspection of prisons is now undertaken by an arm of the Home Office. The Home Secretary is invited to act against his or her own employees in cases of severe criticism. With an inspected private prison, the same difficulties would not apply (*ibid*).

Privatisation could help improve the conditions and treatment of offenders, and contribute positively to the process of rehabilitation. The Independent noted that support for privatisation from the progressive wing of the penal lobby "gave a crucial new authority to the campaign" (05.03.87).

There was increasing evidence that the Government was moving towards greater private sector involvement in the prison system, at least in construction. Just prior to publication of the Home Affairs Select Committee Report the Home Secretary, Douglas Hurd, responded to a question in the House of Commons regarding the considerable length of time necessary to build a prison, by replying "I am interested in any ideas which, by using private enterprise, cut short the time for building a prison" (House of Commons Debates, 02.04.87, col.1205). On the 7 May 1988 Douglas Hurd announced that he was to send the then Prisons Minister, Lord Caithness, to the US "to follow up the research that was undertaken by the [Home Affairs] Select Committee" (House of Commons Debates, 07.05.87, col.848). It has been suggested that following the general election of 1987, Hurd effectively rejected privatisation. This claim is based upon a statement Hurd made to the House of Commons on the 16 July, declaring "I do not think there is a case, and I do not believe that the House would accept a case, for auctioning or privatising the prisons or handing over the business of keeping prisoners safe to anyone other than government servants" (House of Commons Debates, 16.07.87, col.1303). The Prison Officers Association, saw this as a "categorical rejection" of privatisation (POA, 1993: p.2). However, a passage later in Hurd's statement suggested that the issue was far from closed.

I was impressed by the [Home Affairs] Select Committee report. The accounts cited about the United States vary, and I do not say that we should be slavish followers of what happens there. However, it is our clear job in this dangerous situation

[regarding overcrowding] to look around the world to see whether in this area, as in others, bringing private sector techniques to bear earlier and more vigorously can improve a very serious public sector situation (House of Commons Debates, 16.07.87, col.1303).

In July 1988 the Home Office responded to the growing interest in private prisons by publishing a Green Paper, Private Sector Involvement in the Remand System. The cautious nature of the Government's approach is reflected in the decision to limit privatisation to remand prisoners. The Green Paper acknowledged the contribution to the Third and Fourth Reports of the Home Affairs Select Committee (Session 1986/7) which gave "a constructive and informative stimulus to discussion about prisons in general and contract provision of prisons in particular" (Home Office, 1988: p.3). It emphasised the importance of the majority Fourth Report, The Contract Provision of Prisons, which "is especially relevant to this Green Paper, and which has given momentum to the debate about whether to involve private contractors in the management of prisons" (*ibid*). The Green Paper listed a number of options which included "contracts ranging from both provision and operation of remand centres as a whole package" and "contracts for the operation alone of *new* remand centres separate from the arrangements for building them" (*ibid*). The Green Paper did not contemplate the contracting out of existing establishments.

Most responses to the Green Paper were hostile (see for example, Prison Governors Association, 1988; POA, 1989; Prison Reform Trust, 1988; Howard League 1988). Nevertheless, the Home Office appointed the management consultants Deloitte, Hoskins and Salls (DHS) to consider the practicality of private sector involvement in the remand system. The DHS report concluded that private sector involvement in the remand system would not only be practical but also cost-effective, helping to improve conditions for prisoners, and release prison and police manpower to other duties (DHS, 1989: p.12). The Criminal Justice Act 1991 authorised the Home Office to contract out new remand prisons. Group 4 Remand Services Ltd was awarded the first contract to operate the new Wolds remand centre, which opened in 1992. The Act was later amended to permit the contracting-out of all new prisons. Blackenhurst Prison, awarded to UK Detention Services was the first, although the Prison Service was awarded the contract to run the re-opened Manchester (formerly Strangeways) Prison the following year.<sup>15</sup> In September 1993, the Home Secretary Michael Howard announced a "rolling programme" of privatisation under

which the private sector would be invited to fund, design, build, and run five new prisons, with the management of existing prisons contracted out. Eventually, the programme would see twelve prisons (ten percent) privatised, which would "put England and Wales at the top of the privatisation world league" (Independent 03.08.93).

**Table 12**

**Prison Privatisation - Key developments 1984-94**

1984	The Adam Smith Institute publish their <u>Omega Report on Justice Policy</u>
1985	McConville and Hall Williams publish <u>Crime and Punishment</u> for the Tawney Society.
1986	The Permanent Secretary to the Home Office, Sir Brian Cubbon, denies there is any programme, or any proposals to privatise prisons.
1987	Proposals for privatisation published by: ASI (Young, 1987; Logan); the Home Affairs Select Committee (1987); Taylor and Pease (1987); and Lord Windlesham.
1988	Home Office publishes <u>Private Sector Involvement in the Remand System</u> .
1989	Management consultants Deloitte, Hoskins, and Salls endorse private sector involvement in the remand system.
1991	Criminal Justice Act 1991 gives Home Secretary legal authority to put prison management out to contract.
1992	The Wolds Remand Centre on Humberside opens to become the UK's first privately run penal establishment this century. The contract was won by Group 4.
1993	Blackenhurst Prison opens, run by UK Detention Services. The Prison Service wins the bid to run Manchester (formerly Strangeways) Prison. Michael Howard announces a rolling programme of privatisation.
1994	Doncaster Prison opens run by Premier Prisons. Buckley hall opens run by Group 4.

**ADVOCACY COALITIONS AND PRISON PRIVATISATION**

The aim of this section is to assess the extent to which two advocacy coalitions contributed to the debate on prison privatisation: a Pro-Privatisation Coalition and an Anti-

Privatisation Coalition. This section considers each coalition individually, and the role of ministers.

### **The Pro-Privatisation Coalition**

The previous section highlighted a number of a number of organisations and individuals advocating prison privatisation including: the ASI; the HASC; management consultants Deloitte, Hoskins and Sells; academics such as McConville and Williams (1985) and Taylor and Pease (1989); and individuals such as Lord Windlesham. However, together they did not constitute a coalition. In some cases pressure for privatisation was applied independently of the coalition.

*Composition, Interaction and Co-ordination:* Members of a Pro-Privatisation Coalition could be said to include: the ASI; the HASC; firms from the construction and security industries, such as McAlpine, Group 4, Securicor, and, from the US, the Corrections Corporation of America (CCA); David Lidington, special adviser to the Home Secretary Douglas Hurd (1987-9); and Carolyn Sinclair, a member of the No.10 Policy Unit. The Guardian (11.01.89) talked of a "prison privatisation network". There was certainly a degree of overlap as in the case of John Wheeler MP, for example, who was Deputy Chairman of the HASC (and Chairman between 1987-92). He is also reported to have been a supporter of the ASI, and Peter Young conducted a number of meetings with Wheeler on the subject.<sup>16</sup> Wheeler later contributed to an ASI report on crime prevention (Wheeler *et al*, 1988). Young maintains that the relationship between the ASI and Wheeler on the subject was "fairly close" and Windlesham noted that:

The Adam Smith Institute, in particular was enterprising in spreading the gospel of free enterprise. Working closely with John Wheeler and other Conservative MPs, it made representations to the Home Office and held seminars on the subject (1993: p.292).

Wheeler was also Chairman of the British Security Industry Association (BSIA) which includes firms such as Securicor and Group 4 which would later bid for the management of privatised prisons. Other important links between politicians and the private sector included Sir Edward Gardner, Chairman of the HASC when it published Contract



Provision of Prisons, and later Chairman of Contract Prisons (a consortia of the Rosehaugh Property Group, Racal-Chubb, and Prior) after he left Parliament in 1987. There was also interaction between the ASI and the consortia. The ASI had meetings with Rosehaugh who developed enthusiasm for privatisation, as well as with Nicholas Hopkins of UK Detention Services (UKDS), and Sir Philip Beck of Mowlem's, a leading construction firm who, along with McAlpine and CCA, formed UKDS.<sup>17</sup> According to Nicholas Hopkins of UKDS, "You couldn't help bumping into the ASI" during the debate. Hopkins regarded the ASI as "a very good contact who were able to gain access to senior politicians quicker than we could"<sup>18</sup>.

However, not all companies involved with privatisation can be said to have been part of the coalition. According to its Chairman, Group 4 never had discussions with John Wheeler, the ASI, or special advisers either in the Home Office or Downing Street, although they did make presentations to ministers and civil servants. Nor did they discuss the issue with other firms:

We were and are in competition with other firms. There was no discussion on this subject between my firm and potential competitors in the industry.<sup>19</sup>

One private sector source maintains that his company did not lobby although suggests he that "there might have been some interaction by some of the major players in the early days, but certainly no conspiracy".<sup>20</sup> An idea of an industry association was touted, an offshoot of the BSIA to represent the interests of the private prisons sector, although this was dismissed due to the fear that it would look too much like a cartel,<sup>21</sup> and was only suggested after the 1991 Act and "was never mooted to lobby for primary legislation".<sup>22</sup>

Other key actors who could be said to have joined the Pro-Privatisation Coalition included David Lidington, who was won over by the arguments from consortia of construction and security firms. Lidington recalled receiving considerable lobbying from the private sector consortia, although not from the ASI.<sup>23</sup> Carolyn Sinclair from the No.10 Policy Unit is also reported to have been supportive, meeting with both the ASI and the private sector.<sup>24</sup> There is, however, no evidence that other advocates (including McConville and Hall Williams, Taylor and Pease, Lord Windlesham, or consultants from DHS) involved

themselves in this Coalition or pursued their interest in privatisation much after publication of their pamphlets and articles.

It is also important to recognise that a number of individuals transferred from the public sector to the private sector as the privatisation process has evolved. The Times (24.12.92) spoke of a "brain drain", while the Prison Reform Trust highlighted a "transfer market" between the two sectors (Nathan, 1993: pp.12-13). Amongst the controversial appointments were Charles Erickson, who in early 1993 left the Home Office's Contract Remand Unit to join Group 4. Others included Michael Gander, a former governor of Norwich Prison, who resigned from the Prison Service in 1992 to join Premier Prisons and Walter MacGowan, formerly governor of Strangeways who later joined Group 4. However, there is no available evidence regarding the extent to which they argued the case for privatisation in the late 1980s or their relationship with the private sector consortia.

The only example of any public, formal contact between these groups in the Pro-Privatisation Coalition was a function hosted by the Carlton Club Political Committee on 15 September 1988. The Guardian (11.01.89) refers to this dinner as the coming together of "the private prisons network". According to Windlesham, the dinner reflected the "overlap between Party political and commercial interests". In attendance were the ASI and the CPS, past and present members of the HASC (including Gardner and Wheeler), David Lidington and his predecessor as Hurd's special adviser Edward Bickham, Hartley Booth and Carolyn Sinclair from the No.10 Policy Unit, as well as a number of Tory MPs. Finally there was significant representation from the private sector consortia, which were "out in strength" (The Guardian 11.01.89). There was also a ministerial presence in the person of then Prisons Minister Douglas Hogg. Windlesham notes that: "After the seminar, a detailed policy paper was drafted and circulated to all who attended. Copies were sent to the relevant ministers and their special advisers, the Cabinet Office, and the Policy Unit at No.10 (Windlesham, 1993: p.289). It would, however, be some exaggeration to call this the private prisons network. Although companies and *politicians promoting privatisation* were present, others (including opponents from the penal reform groups) were also in attendance. There were also a number of firms, such as Hanson and ADT, who would not follow up their interest by bidding for contracts.<sup>25</sup>

The Pro-Privatisation Coalition does appear to show an element of interaction, if not necessarily co-ordination, although this was very ad hoc and informal. According to one senior official, there were political and commercial pressures for privatisation from politicians and the private sector, although this appeared "fragmented and uncoordinated".<sup>26</sup> There was no structured forum for the discussion of ideas and strategies. According to Peter Young:

It was all very ad hoc. There was certainly interaction, and we all exchanged ideas but on an informal basis. But there was no "privatisation committee". The left think that there's a great conspiracy, and for every issue there's a committee full of Tory MPs, "fat cats", and think tanks. It's nothing like that.<sup>27</sup>

Within this Coalition, the ASI played a marginal role, although it did fill the "unexpected vacuum in the political debate" (Windlesham, 1993: p.292) by putting the issue back on the agenda in 1987. Peter Young maintains that the increased involvement of the consortia resulted in a declining role for the ASI.

From the ASI's point of view if someone else was dealing with the topic then it meant that there was less need for us to produce work on it. There was no need to add to our own workload by involving ourselves unnecessarily on a subject on which there was considerable movement. The construction firms were very well resourced, and had good connections within the Conservative Party. They actually hired lobbyists.<sup>28</sup>

*Belief System:* Although there was no collective statement of aims, the arguments of the Pro-Privatisation Coalition can be summarised as follows, based upon a reading of their individual reports. Prisons are not a high priority for government. Compared with education and health, "there are no votes in prisons".<sup>29</sup> The result, as with many public sector organisations, is inadequate supply, low quality, and high cost establishments. The private sector generally increases supply (where there is demand), improves quality and reduces cost. Allowing the private sector to bid for prison management contracts would lead to reduced operating costs (benefiting taxpayers) and more humane conditions and innovative methods of treatment (benefiting inmates). Evidence from the US is said to support this view.

*Resources and Strategies:* Given the lack of co-ordination and limited interaction, the resources of the Pro-Privatisation Coalition were deployed by Coalition members individually rather than collectively. First, Coalition members enjoyed legitimacy, which according to Rhodes "refers to access to public decision-making structures and the right to build public support conferred either by the legitimacy deriving from election or by other accepted means" (1988: p.90). Of importance here is the endorsement of privatisation by the HASC. The relationship between select committees and the departments to which they relate is complex and varied. In the case of penal policy in the late 1980s prison privatisation acquired greater legitimacy through the involvement of John Wheeler, Chairman of the HASC from 1987-92. During this period Home Office ministers felt particularly dependent upon John Wheeler for support on criminal justice issues. According to Windlesham:

In the process of building support for their policies in the commons, ministers *were* sustained by an unusually influential back-bencher, John Wheeler. As a former Assistant Governor in the Prison Service, Wheeler was well-informed, moderate in outlook, and generally sympathetic to the Home Secretary's policies. His role was pivotal, since he occupied concurrently the chairs of the House of Commons Select Committee on Home Affairs and the reformist Parliamentary All-Party Penal Affairs group ... From 1987 onwards Wheeler was to prove the Home Secretary's staunchest ally. Hurd consulted him regularly, listened to what he had to say, and respected his judgement on the state of parliamentary opinion, in the House as a whole as well as on the Tory benches (1993: p.224).

Secondly, other Coalition members enjoyed formal *access* to key decision-making structures. David Lidington enjoyed access to most of the Home Secretary's meetings and papers, transmitting his support for privatisation to Hurd.<sup>30</sup> Similarly Carolyn Sinclair had access to Mrs Thatcher, although the Prime Minister's views on the subject are unknown. Other actors are able to gain access to decision-making structures, although less routine and structured than the above, through their reputation or ideological compatibility with the Government, or individual ministers. The ASI had, in the eyes of many, established itself as the ideological cutting edge of "Thatcherism". According to one Home Office official:

Whichever party is in power there will be some organisations which are thought to reflect the essence or key themes of Government thinking, and which are thought to have the ear of ministers or Prime Minister. The ASI had by the late 1980s emerged as one of the major ideological powerhouses on the right wing of the Conservative

Party. That doesn't mean that everyone in government agreed with it but it was listened to for that reason alone.<sup>31</sup>

As such its reports and ideas were digested by MPs and civil servants alike, and it was able to lobby ministers both formally and informally. On this issue, Peter Young has observed that: "One does meet ministers informally at different events and one can always badger them a little" (The Guardian 11.01.89). Senior figures from the private sector consortia also had very strong links with the Conservative Party, which could have assisted in the promotion of the policy. Adam Sampson from the Prison Reform Trust has argued that the adoption of privatisation was:

testimony to the ability of the private security industry to lobby - the connections between private security and the Conservative Party are very strong. Certainly their influence over ministers is far stronger than those groups like ourselves or the Prison Officers' Association who have been lobbying against privatisation. In particular I'm thinking of senior Conservative MPs who have positions of influence, who also have strong connections with private security ... Although, of course, one couldn't suggest that those men behaved anything less than honourably, nonetheless their connections with the private sector industry may have played some part in government's decision to adopt the sort of policies that private security industries would like (BBC, 1993).

However, it is unlikely that their control over organisational resources was a major factor during this debate. The private sector had constructed prisons for the state for many years, and was a highly competitive market. Contracts could easily be lost to competitors should threats to withdraw organisational resources be made.<sup>32</sup> Others have pointed to the financial resources of the private sector and the dependency of the Conservative Party on the contributions of major construction firms. The "Prisons are not for Profit" campaign showed that eighteen out of twenty four prisons that have become operational since 1979 were constructed by firms which contributed to Conservative Party funds (Prisons are not for Profit, 1994: p.4).

The strategy that best describes the work of the Pro-Privatisation Coalition is persuasion, defined as "to cause actors to accept that the facts are as stated by a variety of means including rational arguments, lobbying, advice and the promotion of ideas in good currency, that is, 'best professional practice'" (Rhodes, 1988: p.93). Coalition members were well placed, occupying for a short period of time important positions in the Home

Office and Downing Street, positions of authority within the HASC, with senior members of the private sector consortia enjoying close links with the Conservative Party hierarchy. One private sector source, Christopher Hutton-Penman from Racal Chubb, maintained that the private sector persuaded the Government to take an interest in private prisons by spending time "talking to ministers, talking to MPs and talking to the No.10 Policy Unit, and we kept pushing away at the door until it started opening" (BBC, 1993). According to Nicholas Hopkins:

It took us two or three years to finally convince the government that this was the right course of action ... Prisons were not working and there was a viable alternative ... UKDS was very much involved in bringing forward the arguments in favour of the case (cited in Beyens and Snacken, 1996: p.245).

The ASI, while also lobbying ministers, made its contribution in the public domain, using its media profile to attract press coverage and promote the issue at conferences, in the press, and on the television and radio. For example, The Omega Report on Justice Policy was covered by many daily newspapers including The Daily Mail, The Telegraph, The Guardian, and The Times (all 08.11.84), as well as a number of the larger regional dailies such as the Birmingham Post and the Yorkshire Post. The publication of The Prison Cell attracted much more press attention. On publication day (March 4 1987), the story was covered by The Times, The Financial Times, The Guardian, The Independent, Daily Mirror, The Daily Star, and even The Sunday Sport (8 March), as well as many other regional and local newspapers.

### **The Anti-Privatisation Coalition**

Few organisations and actors professionally involved with penal policy-making have either advocated or supported the privatisation of prisons. Indeed, most have actively *opposed* it. According to Derek Lewis:

The unions were predictably hostile, fearing a reduction in their own influence and pressure on staffing levels. Most staff in the Prison Service and civil servants in the Home Office were equally opposed. The private sector represented a challenge to the traditional Civil Service standards of public service, and ù more importantly - it threatened job security. many pressure groups approached it with an ideological hatred (1997: p.83).

This section will address how this opposition manifested itself.

*Composition, Interaction and Co-ordination:* The opposition to prison privatisation has been extensive, including professionals within the penal system, prison reform groups, and criminal justice academics. An Anti-Privatisation Coalition has manifested itself in two mini-coalitions, albeit with some overlap. First, and most directly, is the "Prisons are not for Profit" (PNP) campaign, launched by nine TUC-affiliated prison unions in October 1991 "to oppose privatisation and to demand a properly resourced prison service to facilitate minimum standards for inmates" (Prisons are not for Profit, 1991: p.2). The PNP campaign, led by the POA, and NAPO also includes: the Civil and Public Servants' Association; the General, Municipal, and Boilermakers; the Institution of Professionals, Managers, and Specialists; the National Association of Teachers in Further Education; the National Union of Civil and Public Servants; the Union of Construction, Allied Trades and Technicians; and the Transport and General Workers Union. Secondly, an umbrella organisation called the Penal Affairs Consortium (PAC) has also campaigned against privatisation. The PAC, formed in 1989

is an alliance of 24 organisations concerned with the penal system. It provides a mechanism whereby its member organisations can work together for penal reform by presenting our joint views to government, Parliament, the media and the public (Penal Affairs Consortium, 1995: p.2).

Overlap with the PNP campaign was provided through membership of the POA and NAPO. There was significant interaction and co-ordination within both forums. The PAC met six times a year to discuss its activities, although privatisation did not feature significantly. The PAC was more concerned with sentencing and standards within prisons. The PNP campaign began as a highly structured operation with regular meetings, at times twice monthly, to discuss strategies and to co-ordinate their responses to issues regarding privatisation.<sup>33</sup> Prior to the 1997 election, David Evans, General Secretary of the POA, and a leading spokesman for the PNP campaign:

When the PNP campaign was launched, it was highly structured. However, I fear that in the last few years, because we have been involved in so many fights with the Government on such a broad range of fronts - especially the removal of our rights

as a trade union in the 1994 Criminal Justice and Public Order Act - we have not been able to give it the sort of emphasis we did hitherto. But since then we have been working hard with NAPO to bring a new dimension back to that campaign.<sup>34</sup>

**Table 13**

**The Penal Affairs Consortium**

Action on Youth Crime	New Bridge
Association of Chief Probation Officers	Parole release Schemes
Association of Members of Boards of Visitors	Prisoner Abroad
Apex Trust	Prisoner Advice Service
Biosocial Therapy Association	Prisoners' Families and Friends
Bourne Trust	Prison Governors Association
Howard League for Penal Reform	Prison Officers' Association
Inquest	Prison Reform Trust
Institute of Professionals, Managers and Specialists	Royal Philanthropic Society
JUSTICE	Society of Voluntary Associations
Liberty	Women in Prison
NACRO	National Association of Probation Officers

Source: Penal Affairs Consortium

*Belief System:* Members of the PNP campaign and the PAC were unambiguous in their opposition to prison privatisation. However, the PNP campaign and the PAC each had a distinctive *raison d'être*. The PAC was much more of a pro-active organisation, and has published its own manifesto for reform of the penal system. Its proposals were based upon two central principles. First:

An effective response to crime requires a sentencing structure which limits the use of imprisonment to serious cases and gives prisons the opportunity to provide positive regimes which can prevent reoffending (Penal Affairs Consortium, 1995: p.3).

This would have required a greater use of community punishment and reduction in the use of pre-trial imprisonment. Second:

Prisoners must be treated at all times with humanity, dignity and respect. Regimes should be based on the need to prepare prisoners effectively for their eventual release (*ibid.*)



Within this framework, the PAC based its opposition to privatisation on three major arguments. First, there was a moral objection, that "deprivation of a person's liberty is a core state function which ought under no circumstances be devolved to private organisations" (Penal Affairs Consortium, 1992: p.2). Second, it took issue with the positive interpretations placed upon the US experience by the advocates of privatisation, arguing that the "evidence from America does not vindicate the private management of prisons" (*ibid*). The PAC noted that the proportion of US inmates serving in private prisons was "minuscule", and that there was alleged "evidence of malpractice" at some American private prisons. Finally, the PAC was sceptical of claims that privatisation would lead to a more efficient service, maintaining that "there is little evidence from America or Britain to suggest that private management will mean a more cost effective service" (*ibid*). This perception was reinforced by the "commercial confidentiality" which surrounds dealings between the Home Office and the private sector, such as the "shroud of secrecy" which characterised the successful bid of Group 4 to run The Wolds. The PAC concluded that it opposed privatisation

on grounds of principle and practicality. We believe that widespread and fundamental improvements are needed in the Prison Service. However, we reject the notion that such improvements are conditional upon privatisation which we believe will provide a further impediment to the development of the common sense of purpose which Lord Justice Woolf saw as a prerequisite to progress in the Prison Service (*ibid*).

The PNP campaign emerged as a specific reaction to privatisation. Its arguments reflected the sentiments of the PAC.

The aim of the Anti-Privatisation Campaign is to oppose the privatisation of prisons. We do not believe privatisation will lift the prison system out of its current crisis. However, Lord Justice Woolf has provided a radical and fundamental agenda for prison reform which, if properly implemented, would transform the prison service into an efficient and progressive public institution (Prisons are not for Profit, 1991: p.4).

*Resources and Strategies:* The key resources at the disposal of the Anti-Privatisation Coalition were organisational - leading trade unions in this campaign, both the POA and NAPO, represent the majority of professionals in their field. However, the PNP campaign

was (and continues to be) reluctant to use strike action as a strategy. First, as will be shown in the following section, privatisation was seen by some as a means of curbing the allegedly excessive use of industrial action by the POA. Strike action may well have given ammunition to such calls and has therefore was not used, although there have been other limited forms of industrial action, such as refusing to accept prisoners delivered by police (see the Independent 05.11.93; 15.11.93). Second, the prison unions were forced to cooperate with the privatisation process when prison officers at Strangeways ignored national policy and backed the in-house bid that eventually won the contract. This suggests that co-operation with the privatisation process may eventually be the best way for the prison unions to secure the future of their members.

Other resources were informational. Both the Howard League and the PRT collected data and monitored developments in the Prison Service. The PRT published regular "Privatisation Factfiles" in their journal Prison Report, and from June 1996 supplemented this by publishing Prison Privatisation International Bulletin which reports "news of international developments in prison privatisation; monitor the performance of the privatised sector; describe the growth of the 'penal industrial complex'; analyse new government initiatives".<sup>35</sup> The PRT has also published lengthy reports on the performance of The Wolds, Blackenhurst, Doncaster, and Buckley Hall. It was also able to disseminate this (largely negative) information through the media. Letters and articles have provided an important platform. Between August 1992 and September 1993, the Independent alone published four letters and an article by the PRT on this single issue (27.08.92; 23.12.92; 19.01.93; 28.08.93; 03.09.93). A final resource was access to the Labour frontbench. Not only did the Labour Party utilise the information produced by the PRT and others, Labour MPs have tabled parliamentary questions on behalf of the opponents of privatisation. The PNP campaign highlighted that parliamentary questions revealed that UKDS was fined ú48000 by the Prison Service "for an incident where parts of [Blackenhurst] prison were not fully in control" (Prisons are not for Profit, 1994: p.3).

During the course of the debate, the strategies employed by the opponents of privatisation changed. As the PAC was not established until 1989 and the PNP not until 1991, initial responses to privatisation were conducted by organisations in an individual capacity. The first strategy was consultation. In 1988, following the publication of the Government's

Green Paper, most opponents participated in the subsequent consultative exercise. The PGA (1988), the POA (1989), the Howard League (1988) and the PRT (1988) all publicly condemned Government proposals to contract out the management of remand centres. After the 1991 Criminal Justice Act, the strategy was persuasion. This included meetings with ministers and shadow ministers, and attempts to attract press coverage. The PNP campaign generally had a higher profile in this regard than the PAC. The PAC allowed individual members, such as the PRT and the other reform groups, to publicise the arguments and evidence against privatisation in the press and with ministers. The PNP campaign was far more active on this issue. In 1992, the PNP campaign updated its members on its strategies.

*The Prisons are not for Profit* campaign will continue to fight privatisation on your behalf. We will continue to lobby members of Parliament and hold fringe meetings at party conferences. We will assist local branch campaigns and initiatives. We will continue to meet with those in prison management responsible for administering the prison privatisation process and demand information and negotiation over all privatisation proposals. We will continue to advance our ethical arguments against prisons for profit and to demonstrate the costs and threats to public safety involved. The *Prisons are not for Profit* campaign has already organised a successful lobby and rally at Westminster. We have written to all MPs and prompted motions of support for our cause to be tabled in the House of Commons. We have raised awareness of the issue in the press and have produced information for each prison worker who belongs to one of the nine unions affiliated to our campaign (*Prisons are not for Profit*, 1992: p.4).

Ultimately, the Anti-Privatisation Coalition of the PAC and PNP campaign did not have the resources to prevent privatisation, and the hostility of groups such as the POA and prison reform groups was discounted at the outset. According to a former Home Office official there were four reasons why the opposition failed:

- 1) They never developed a coherent rationale for opposing the change. They might dispute that, but it was never clearly articulated and never forcefully expressed to ministers.
- 2) They always looked like people who had vested interests in the status quo.
- 3) They didn't get their act together very quickly. There was little or no opposition before the passage of the 1991 Criminal Justice Act.
- 4) Ultimately, if you have a combination of ministers committed to a particular policy, as you had following Hurd, and a right-wing constituency within MPs and the party which favoured the policy then it's a very powerful combination. If the votes are there in Parliament, which in this case there were, then the measure will proceed.<sup>36</sup>

It should be noted that, regarding the second point, the private sector construction and security companies also had a vested interest in the outcome of the debate over the future financing of the prison system, standing to benefit financially from the commercial opportunities of private prisons. However, the private sector companies had three advantages over the Anti-Privatisation Coalition. First, privatisation has been a popular and effective policy tool for the Conservatives (see next section). Secondly, the private sector companies had a much closer relationship with the Conservative Party. Finally, the private sector did not appear as reactive as the Anti-Privatisation Coalition. Whatever the pros or cons of privatisation, it at least offered a plausible means of addressing the problems of the prison system, as perceived by the Conservatives. The lack of an alternative agenda acceptable to Conservatives from the Anti-Privatisation Coalition limited its impact on the debate.

### **The Role of Ministers**

The development of prison privatisation was not dependent upon any individual minister. Policy evolved, from outright hostility under Whitelaw, to fervent support under Howard. In the early days of the prison privatisation debate, ministers showed little or no enthusiasm in the issue. The earliest public recording of ministerial interest was a meeting between Eamonn Butler and Peter Young from the Adam Smith Institute, with Prisons Minister, David Mellor in 1984. According to Young, Mellor "ridiculed the idea ù he laughed at us" (The Guardian 01.11.89). Douglas Hogg, Prisons Minister between 1986 and 1989, was similarly unenthusiastic and admitted to being "instinctively against the idea of private prisons, although I may have been wrong about that".<sup>37</sup> As the above section on the development of the debate demonstrated, ministerial interest in privatisation increased during 1987 and 1988. This was not only the period when the ASI and the HASC brought out their high-profile reports, but also when overcrowding was at its worst, and when relations between the POA and the Government were at their lowest (see following section). However, it could be argued that the then Home Secretary, Douglas Hurd, was not particularly enthusiastic about privatisation either. Although he was the first Home Secretary publicly to contemplate a greater role for the private sector in the prison system,

and he authorised the visit of Lord Caithness to the US, some suggest that this was more a reactive, than pro-active, measure. According to a former Home Office official:

I think it would be fair to say that he went along with privatisation in the sense that he felt he had to be seen to be responding to the general pressure, that this was an issue which a number of influential people within the party and those who set the pace were concerned about. And therefore simply to say "No" was not a shrewd tactic. The sensible thing to do was to allow a fairly leisureed period of debate and discussion. And if it was the thought to be a wise step then so be it.<sup>38</sup>

According to another official:

Hurd took the line of least resistance. He wasn't going to say "this is a non-starter" when it was Conservative Party policy to privatise anything that moved. After all, this debate was in the mid-late 1980s and Hurd was pretty sure that he was not going to be around when privatisation had to be implemented.<sup>39</sup>

It must be acknowledged that these are merely interpretations of Hurd's thinking towards privatisation, and should not be adopted uncritically. Indeed some have suggested that Hurd was more a force for change than others may have realised. According to Douglas Hogg, Hurd became a "major advocate for privatisation within the Home Office" as a pragmatic response to dealing with overcrowding and the POA.<sup>40</sup>

Opinion as to the role of No.10 and the Prime Minister during this period is divided. According to Hogg, Mrs Thatcher "was favourably disposed and actively pressed the Home Secretary [Hurd] to explore ways of increasing the role of the private sector in the prison system".<sup>41</sup> One senior official recalled that involvement from the No.10 Policy Unit,<sup>42</sup> was limited, while another suggested that "Mrs Thatcher was not involved at all as I recall - she let Hurd get on with it".<sup>43</sup> It is of course possible that Mrs Thatcher may have applied a degree of encouragement/pressure in ways that did not manifest themselves to Home Office officials. But while Hogg's testimony suggests that the Prime Minister's role should not totally be dismissed, the recollections of officials suggests that Mrs Thatcher personally did little to intervene in determining the form privatisation might take, or the speed at which it might proceed.

David Waddington (Home Secretary 1989-90) began the tendering process for the Wolds, but his tenure was overshadowed by the Strangeways riots. The Wolds contract was eventually decided by Kenneth Baker and Angela Rumbold (Minister of State), who gave the privatisation process momentum by inviting companies to bid for court escort services in the East Midlands and Humberside, and asking Home Office officials to identify two further prisons for privatisation. Under Kenneth Clarke (Home Secretary 1992-3) the Prison Service became a Next Steps Agency, with Derek Lewis as Director General. It was reported that Lewis was appointed by Clarke to advise on the viability of contracting-out prisons on a regional rather than individual basis (The Independent 27.12.92).

While Clarke opened the bidding to run Blackenhurst and Strangeways, it was Michael Howard's appointment in July 1993 which had the most significant impact on the pace of privatisation, over two years after the initial legislation. Howard's privatisation programme was largely a result of his "tough on crime" approach to law and order, as laid down in the Criminal Justice and Public Order Act 1994. As such, Howard's privatisation programme should not be seen not so much as a dogmatic pursuit of privatisation (although given Howard's proximity to the right-wing of the Conservative Party this would not be surprising), but as a means of sustaining his policy of sentencing more criminals, and for longer.<sup>44</sup>

Between 1984 and 1997 there were six Conservative Home Secretaries. During that time there was a steady shift by ministers, from ridiculing privatisation to embracing it. While Howard was been the only Home Secretary to have significantly accelerated the programme, this was after legislation. Prior to 1991, ministers approached the issue cautiously, although each took steps towards privatisation. The next section highlights some of the factors which may have pushed ministers down this road.

## **THE CONTEXT OF PRISON PRIVATISATION**

This section addresses the context within which prison privatisation became Government policy. It highlights three factors: ideological factors - the success of privatisation and its importance to the Conservative Government; political factors - the Government's desire to

curb the power and influence of the POA; and socioeconomic factors - the serious problem of overcrowding in the prison system.

### **Ideological - The Ascendance of Privatisation**

After the election of the Conservatives in 1979, privatisation gradually became the favoured policy instrument of the Thatcher Government. One of the central tenets of Thatcherism has been to secure a greater role for the private sector in the delivery of public utilities and welfare services. Organisations such as British Telecom and British Gas have been floated on the stock exchange. Central and local government services have been contracted-out to private companies. The rhetoric of competition and choice has infiltrated policy debates on subjects such as education. The 1970s and 1980s were a period of intellectual and political ascendance for the new right, creating a particular context without which "the very notion of private prisons would be dismissed as unthinkable if not an absurdity" (Rutherford, 1990: p.42). In his comparison of prison privatisation in Britain, the United States and Australia (specifically Queensland), McDonald notes that:

conservative governments held sway. In the former two countries, these two governments launched a concerted attack on the institutional structures and ideology of the welfare state. Certainly the most aggressive programme of cutting back the public sector has been in Britain, following Thatcher's election in 1979, which has continued under John Major's administration (1994: p.36).

Within this context, the emphasis shifted from having to demonstrate that privatisation was necessary or desirable, to having to show why it was not. According to a former Home Office official:

Privatisation was a key plank of the Conservative government's agenda. As such, there had to be very powerful reasons why the privatisation of prisons should not proceed. The onus was therefore on the opponents of privatisation. They had to come up with a very good argument why it should not happen. And they could not really think of one.<sup>45</sup>

Another official maintained that:

There was no point in putting yourself as an opponent against something which was obviously the general political will, unless you had serious arguments that you could deploy. And those arguments were difficult to find against the recognition that the public prison system was not a model of efficiency or humanity.<sup>46</sup>

Nor was there any opposition to the policy from Conservatives in Parliament or at the grassroots. David Lidington maintains that:

If there had been the sort of opposition within Tory ranks either in Parliament or in the country then I think Douglas Hurd might well have drawn back. But I don't recall anything of that sort, although we did have a huge majority. Ministers do take the temperature of the grassroots. In this case there was strong body of support in the Tory Party for going down this [privatisation] route.<sup>47</sup>

For others, prison privatisation is a case of symbolic ideology. Ryan and Ward maintain that prison privatisation "strikes at the very heart of the State's authority and sends out the message - the crucial message - that nothing is sacred" (1989a: p.54). Similarly King and Maguire talk of "the symbolic ideological value of prisons as a vehicle for demonstrating that even the most 'public' of the public sector's functions can be successfully privatised" (1994: p.4). But privatisation was not simply a "symbolic" reform. It also sought to rectify two serious problems within the prison system - the power of the POA, and overcrowding.

### **Political - Taming the Prison Officers Association**

One of the attractions of privatisation for ministers was that it would help undermine the POA. Since the early 1970s the relationship between the POA and the Home Office had "been characterised by acrimony and distrust" (Rutherford, 1990: p.60).

Between 1976 and 1980 an average of seventy-four disputes occurred annually. Through a variety of actions, which included refusing to allow vehicles in and out of prisons and denying prisoners access to bathing and exercise, the POA, at both the local and national levels, challenged the authority of the governors and the Home Office to manage the prison system. In the early 1980s a Prison Governor commented: "The control of prisons had by the mid-seventies to a very large extent passed into the hands of the Prison Officers' Association" (*ibid*).<sup>48</sup>

The POA notoriously manipulated overtime arrangements, enabling its members to supplement their basic wages and significantly increase their take-home pay.<sup>49</sup> According



to King and McDermott, shift pay and allowance systems "were of such labyrinthine complexity that many prison governors could frankly not understand them" (1991: p.134). Restrictive or "Spanish" practices existed "which resulted, for example, in staff being allocated to supervise areas where there were no prisoners to be supervised and the dropping of tasks from the 'essential task list' for the alleged want of staff to carry them out in safety" (*ibid*).

Matters came to a head in the early summer of 1986 when the POA instructed its members not to work overtime. The withdrawal of staff resulted in disturbances at forty prisons over a three-day period. So great was the ensuing physical damage that the POA called off its protest (Rutherford, 1990: p.61).

According to Douglas Hurd's special adviser, this incident "scarred" the Home Secretary.<sup>50</sup> Hurd responded by introducing a package of proposals entitled "Fresh Start" which would end overtime but increase salaries for a basic working work. Implementing Fresh Start did little to ease tensions between the Home Office and the POA, with the POA claiming that Fresh Start was leading to under-staffing. Throughout 1988 relations between the POA and the Home Office deteriorated. In early 1989, industrial action by the POA at Wandsworth Prison over the implementation of Fresh Start led to the police running the prison in place of prison officers. The Conservative Government and Conservative backbenchers were increasingly exasperated by the stance of the POA. Covering the Wandsworth dispute, the Financial Times (01.02.89) reported:

Not for the first time, backbench Conservative members of Parliament called for the POA to be dealt with once and for all. Mr John Wheeler, chairman of the all-party home affairs select committee, said the recognition of the union should cease and prison officers made to enter a no-strike deal similar to the police.

The article concluded that "Privatisation might ultimately provide the Government's escape from the POA". One official believes that privatisation "was extremely seductive to both ministers and civil servants as a means of dealing with the POA".<sup>51</sup> Douglas Hurd admits that one of the reasons for authorising the first steps towards private prisons was due to the "dissatisfaction and anxiety about the administration of the existing prisons and the unhealthy dominance of the Prison Officers' Association".<sup>52</sup>

## **Socioeconomic - The Problem of Overcrowding**

The British prison system has for many years been plagued by the problem of overcrowding. In July 1987, at a time when the arguments for privatisation, advocated by the ASI, the HASC and others, were gathering interest, the Home Secretary informed the House of Commons that the prison population stood at 51,029. As this figure was 9,300 above the certified normal accommodation (the uncrowded capacity of the prison system), it signified that the prison system was twenty percent overcrowded. This was a growth of 4,000 in twelve months, due to "the substantial increase in the number of offenders being dealt with by the Crown Court and an increase in the average length of custodial sentences passed by the Crown Court" (parliamentary answer by Douglas Hurd House of Commons Debates, 16.07.87, col.1296). According to McDonald:

Between 1980 and 1987, the growth of the prisoner population was twice that of the increase in capacity, so that by the end of 1987, a capacity shortfall of about 5,800 beds existed. The government responded by increasing expenditures for prison services substantially: a 72 per cent increase between 1980 and 1987, and a prison building programme projected a 53 per cent increase in capacity between 1980 and 1995. Despite this higher level of expenditure, about 40 per cent of all prisoners in 1986-7 were being held in overcrowded facilities, mostly in remand facilities. Remand prisoners were also backed up in police cells; during 1987, police cells held an average of 530 such prisoners (McDonald, 1994: p.37).

The prison building programme established by Whitelaw soon after the Conservatives came to office in 1979 aimed to provide 17,500 extra places by 1995. But by 1987 the level of overcrowding forced Hurd to open army camps and use executive release in order to ease immediate tensions within prisons. Privatisation offered the possibility of alleviating this problem. Asked in the House of Commons by Edward Gardner whether privatisation might be an option, Hurd replied that he was considering "whether by using the private sector and its techniques more intensively and perhaps, at an early stage, we can accelerate the provision of prison places and thus ease as rapidly as possible the overcrowding with which we are concerned" (House of Commons Debates, 07.05.87, col.846).

## THE NEW RIGHT THINK TANKS AND PRISON PRIVATISATION: AN ASSESSMENT

This section seeks to answer two questions: first, how influential was the ASI in bringing about prison privatisation, and to what extent did it contribute to a new style of policy-making?

### The Role of the ASI

The ASI participated in a loosely-knit, ad hoc Pro-Privatisation Coalition, which included Conservative members of the HASC, representatives from the private sector, and advisers from No.10 and the Home Office. Determining the exact composition of this Coalition is complicated by its informal nature and the complete absence of any collectively produced literature or promotional material. This Coalition, which existed in the late 1980s, was extremely well resourced in terms of access to government (in both Whitehall and Westminster) and the Conservative Party. It also appears that the aggregate pressure applied was influential in setting the Government down the road to privatisation. The 1988 Green Paper acknowledges the importance of the HASC report, which had given "momentum to the debate" (Home Office, 1988: p.3) over privatisation, although other participants in that debate are not mentioned.

Much of the private lobbying for privatisation came from the private sector. The ASI also lobbied the Government, but this role declined as the private sector took up the initiative. One civil servant who became involved with privatisation after 1987 has no recollection of the ASI report having any long-term impact. But perhaps the real contribution of the ASI lay in its public rather than its private work. Its publications in 1984 and 1987 are widely accepted as putting the issue of privatisation on the political agenda. Peter Young believes that the ASI's promotion of privatisation gained it a valuable level of respectability that it had hitherto lacked,<sup>53</sup> a possibility given that in the early 1980s "the very notion of privatising prisons would be regarded as an absurdity" (Shaw, 1992: p.30). Similarly, one prison governor (who later went on to work in the private prisons sector) argued that The Prison Cell "was a particularly important document, opening up in a public way the concept of privatisation as an acceptable idea. It was a seminal paper indeed".<sup>54</sup> The ASI

was a regular contributor to the debate on privatisation in the press, although it was not the only advocate receiving press attention - the HASC trip to private prisons in the US was also documented in the press, as was the publication of its report - but the ASI's contribution to legitimising prison privatisation as a realistic policy proposal through its public advocacy should not be underestimated.

It cannot be said that privatisation would have occurred because of the need to alleviate chronic overcrowding, or incessant industrial relations problems without the intervention of the ASI or the HASC, because it ignores the extent to which these organisations highlight, or reinforce the perception of crisis in their pamphlets. The overcrowding and underfunding of the prison system were both heavily emphasised by the ASI and HASC in their reports, while the ASI also focused upon the dominance of the POA. Similarly, as chapter 2 demonstrated, the ASI have done considerable work in the field of privatisation both nationally and internationally, and this should not be ignored when considering the ideological context. Ultimately, privatisation occurred due to a combination of pragmatism and ideology. According to David Lidington:

It was certainly a mixture of the two. The ideological climate was certainly right for this to be taken seriously and coincided with a time of severe practical difficulties in the Prison Service, and a feeling amongst senior ministers and civil servants that this could not continue. We had to look for alternative solutions.<sup>55</sup>

Similarly, Derek Lewis argues that: "Involving the private sector was seen by the Conservative government as a way of stimulating change in a monopolistic hide-bound service, as well as being consistent with mainstream government thinking which strongly favoured competition, privatization, market-testing and the contracting-out of public services" (1997: p.82).

### **The ASI, Prison Privatisation, and Policy-Making**

Prison privatisation, according to the Guardian (11.01.89), "provides a remarkable example of the way in which policy-making has changed" where the debate "is pushed along by lobbyists, think tanks, sympathetic journalists and business interests as much as politicians". However, it has been shown that penal policy has never been a closed or

exclusive policy community. It is a relatively pluralistic arena, dealing with highly emotive issues which transcend notions of "best professional practice". The debates over privatisation have also been marked by the ideological polarisation that characterises the rest of the penal system. Privatisation is significant only in that it has attracted new organisations such as the ASI and the private security and construction firms into debates over penal policy. The ASI in particular is keen to spread the gospel of privatisation to other areas of the criminal justice system such as the police (Evans *et al*, 1991; Pirie, 1992b) and arbitration (Thierer, 1992). More recently greater use of privatisation in the criminal justice system was advocated in a Hobart Paper by the IEA (Pyle, 1995).

McDonald refers to some of the more sophisticated arguments against privatisation which talk of a "penal-industrial complex" where "private [prison] operators, whose business opportunities derive from the shortfall of cell space relative to demand, may provide influential support for 'get tough' sentencing policies that heighten the demand for prisons and jails" (1994: p.43). However, he suggests in the US "there is no evidence that private firms have had any influence over the key decisions that have created booming prisoner populations", while in the UK the movement between MPs and private firms "does not necessarily mean that *sentencing* policy is being distorted by private interests" (*ibid*). Similarly, Lilly and Knepper identify a US "corrections commercial complex", akin to the military industrial complex, which "operates without public scrutiny and influences enormous influence over corrections policy" (1993: p.160). In their submission to a recent HASC enquiry on prisons in the UK, the Howard League warned that:

The fact that prison construction and management has been turned into a profit making exercise raises the prospect of future governments being deterred from reducing the use of custody by the prohibitive costs of breaking contracts, particularly with politically powerful private firms. There is a real threat that cost implications will attain supremacy over appropriate criminal justice considerations (Home Affairs Select Committee, 1997b: p.215)

There is, however, little evidence as yet to suggest that the private sector in the UK has been able, or in fact attempted, to influence sentencing policy with the aim of securing further prison contracts. Questioned on the growth of such a "prison lobby" by Labour MP Chris Mullin, the former Director-General of the Prisons Agency, Derek Lewis answered:

I doubt it. I certainly saw no evidence of it during my time in the Service, either in the contact I had with private companies nor in the meetings that I attended between ministers and the private companies. Nor, at the end of the day, do I believe ministers would be so vulnerable to such pressure as to accede to it largely because the prison population is an extremely expensive thing to maintain whether it is done by the public or private sectors. At the end of the day, pressures on public spending are likely to be an effective regulator of any lobbying that the private sector might undertake (*ibid*).

David Faulkner, testifying to the same committee thought that "we are a very long way from that situation at the moment" and "not a matter of great alarm at this moment" although "it is worth considering in taking a longer-term view of the proper role of the private sector in the prison system" (*ibid*). A Home Office report on The Wolds also issued a warning, forcefully emphasising that it is "vital that the involvement of the private sector in the [management, design and building] of prisons is kept firmly and demonstrably at arms length from penal policy decisions about the use of custody" (Home Office, 1997: p.58).

The issue of privatisation introduces a new dimension to penal policy, and this study shows the influence that private sector capital can have on policy change. However, the prison privatisation debate did conform to other characteristics of policy-making identified in the first section of this case study, namely that debate was relatively open to groups and ideologically polarised. Thus, while organisations such as the ASI and the firms from the private sector were able to involve themselves significantly in penal policy for the first time, this does not mean that the Pro-Privatisation Coalition brought about a permanent change in the pattern of policy-making in the penal system.

## CONCLUSION

The new right think tanks, and the ASI in particular, were not central to the process of policy change, although it is methodologically difficult to divorce the role of the ASI from others in the Pro-Privatisation Coalition. The ASI did bring the US experience of private prisons to the UK through its pamphlets, lobbied ministers, and it secured media coverage of the issue. Nevertheless, while this may have contributed to putting privatisation "on the agenda", the policy was promoted most intensely by the private sector. Ministers decided

upon privatisation as a response to serious problems in the prison system; namely poor industrial relations and perennial overcrowding. Ministers were persuaded that privatisation was both practical and cost-effective, and consistent with their broader commitment to privatisation in other policy areas. The ASI and the Pro-Privatisation Coalition served the valuable purpose of introducing the idea of privatised prisons into the public arena and persuading informed opinion of its plausibility, as well as benefiting from access to ministers and the higher echelons of the Conservative Party. The Anti-Privatisation Coalition could not prevent privatisation, and could not create an implementation gap because it was caught in something of a paradox. The key resources and strategies at its disposal (especially those of the POA) could not be used, because it was the use of strike action and confrontation which helped justify the policy initially. Further confrontation might have had the consequence of accelerating the privatisation programme.

In May 1997, the HASC published its first enquiry into the running of the Prison Service since 1991, with special reference to the consequences of privatisation. The Prison Service itself commissioned a Coopers and Lybrand report on the comparative performance of private and public prisons, the results of which formed the basis of the Prison Service's submission to the HASC which argued that: "While greater and wider experience of the private sector in the field of custodial management will enable a thorough overall comparison to be made with the quality of service in the directly-managed sector, within a very short space of time new operators have operated well run prisons at significantly lower cost" (Home Affairs Select Committee, 1997b: p.168). The HASC report itself argued that "while we support that contracting out is not universally welcomed, we consider that the fears hitherto expressed over the principle of contracting out - that it would mean an abdication of state responsibility for public safety and the abdication of freedom - have not proved justified, and that the idea of privately managed prisons is undoubtedly now more generally accepted, and should be allowed to develop further" (1997a: p.lx).

The Anti-Privatisation Coalition remains opposed to the principle of private prisons. In 1995 the PAC demanded that privatisation be abandoned (1995: p.6). In its submission to the HASC, the PAC (pre-empting the Coopers and Lybrand report) accepted that private

prisons may well cost less per place than comparable public sector prisons, because they have lower staffing levels and lower pay. The PAC express concern at "the implications of the lower staffing ratios for effective supervision and the prevention of intimidation and bullying of weaker prisoners, and at the longer term implications of lower pay and for the retention of good quality staff" (Penal Affairs Consortium, 1996: p.17). They conclude that:

We do not consider that the evidence so far available supports the argument that private sector prisons can provide a substantially cheaper option (unless they reduce staffing levels to undesirably low levels), nor that they are likely to provide significantly better regimes than equivalent well-managed public sector prisons (*ibid*).

The HASC report includes published evidence from the Howard, the PAC, the PGA, the POA and the PRT, all of whom reiterate their opposition to the private management of (although not private involvement in) prisons. However it is unlikely that this opposition will reverse the privatisation programme now in progress. The election of a Labour Government and the appointment of Jack Straw as Home Secretary may have given the opponents of privatisation an element of hope - at a POA conference in 1996, Jack Straw called the concept of private prisons "morally repugnant". However, it was announced on 13 July 1997 that the process would not be reversed and further contracts may well be awarded.

Interviewed yesterday on Radio 4's *World this Weekend*, Mr Straw said that he did not back away from those remarks ["morally repugnant"]. "In a better world the incarceration of prisoners should be handled by the state. But when I used those words I also made clear that we could not wave a magic wand over the existing private contracts". The rapidly rising numbers were increasing the pressure to "find places as best we can", necessitating the further use of private finance arrangements (Daily Telegraph 14.07.97).

Members of the Anti-Privatisation Coalition will be disappointed - privatisation within the prison service is unlikely to be reversed in the foreseeable future.



## NOTES

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- <sup>1</sup> See also: BBC (1993: pp.15-16); Howard League (1994: p.2); McDonald (1994: p.29); Penal Affairs Consortium (1992: p.2); Prison Officers' Association (1993: p.2); Rutherford (1990: pp.46,49); Shaw (1992: p.30); Van de Graaf (1993: p.50); The Guardian (11.01.89). These are just some of the references of those who highlight the specific contribution, or attribute a major role, to the ASI.
- <sup>2</sup> According to Cavadino and Dignam, the penal system begins at the point when an offender is sentenced by a court.
- <sup>3</sup> Interview with Home Office official.
- <sup>4</sup> Interview with David Faulkner, a former Deputy Secretary with responsibility for the Criminal Justice and Statistical Departments and the Research and Planning Unit.
- <sup>5</sup> Promotional literature.
- <sup>6</sup> Interview with Home Office official.
- <sup>7</sup> Interview with David Faulkner.
- <sup>8</sup> Interview with Home Office official.
- <sup>9</sup> Interview with David Faulkner.
- <sup>10</sup> See also Morgan and King (1980), and their article "Profiting from Prison" in New Society 23.10.87, in which they argue for the "normalisation" of prisons, which argues that the services within prisons should be provided by the same commercial and voluntary organisations which provides them in the community.
- <sup>11</sup> The primary reference is the Twenty-fifth Report from the Committee of Public Accounts, Prison Building Programme House of Commons 248, 1985-6, p.6.
- <sup>12</sup> In 1987 the ASI also published a short pamphlet by Charles Logan, entitled Privatizing Prisons - The Moral Case, which draws upon the classical liberal tradition, "on which the Western System of Government is founded" (1987: p.1) to justify the delegation from the state to private companies to punish citizens. "The power and authority of the state to imprison, like all its powers and authority, are derived from the consent of the governed and may therefore, with similar consent be delegated further. Since all legitimate powers of Government are originally (and continuously) delegated to it by citizens, those same citizens if they wish can specify that certain powers be delegated further by the state, in turn, to non-state agencies. Because the authority does not originate with the state, it does not attach inherently to it, and can be passed along" (*ibid*).
- <sup>13</sup> Windlesham was Minister of State at the Home Office between 1970-2, and Chairman of the Parole Board from 1982 until 1988.
- <sup>14</sup> The proposals from Taylor and Pease were initially published in 1987, although all references in this chapter refer to a reprint published in Matthews (1989).
- <sup>15</sup> Other private prisons to have opened include Doncaster, run by Premier Prisons which opened in April 1994, and Buckley Hall, run by Group 4 which opened in December 1994.
- <sup>16</sup> Interview with Peter Young.
- <sup>17</sup> Interviews with Peter Young and Nicholas Hopkins; The Guardian (11.01.89).
- <sup>18</sup> Interview with Nicholas Hopkin.
- <sup>19</sup> Interview with Jim Harrower, Chairman of Group 4.
- <sup>20</sup> Private information.
- <sup>21</sup> Private information.
- <sup>22</sup> Letter from Nicholas Hopkins.
- <sup>23</sup> Peter Young did, however, meet with senior officials from the Home Office (Interview with Home Office official).
- <sup>24</sup> Interviews with Peter Young and Nicholas Hopkins.
- <sup>25</sup> Private information.
- <sup>26</sup> Interview with Home Office official.
- <sup>27</sup> Interview with Peter Young.
- <sup>28</sup> Interview with Peter Young. The lobbyists were GJW (The Guardian 11.01.89).
- <sup>29</sup> Young, 1987: p.1. See also identical remarks made by Kenneth Clarke when Home Secretary (The Independent 26.08.92).
- <sup>30</sup> Interview with David Lidington MP.
- <sup>31</sup> Interview with Home Office official.

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- <sup>32</sup> The attitude of the Prison Service to external involvement in the prison building programme was addressed in the Woolf Report. Considering the relationship between the Prison Service and professional consultants they noted that: "The evidence before the Inquiry suggests that relationships between the Prison Service and external consultants are not what they should be. A body of consultants, who have in the past been involved in the prison building programme, told us that, if they criticized the Prison Service's approach to it's building programme, this would lead to their losing the prospect of any further instructions" (Woolf and Tumim, 1991: p.280).
- <sup>33</sup> Interview with David Evans, POA, and Harry Fletcher, NAPO.
- <sup>34</sup> Interview with David Evans.
- <sup>35</sup> Promotional literature.
- <sup>36</sup> Interview with Home Office official.
- <sup>37</sup> Interview with Douglas Hogg MP
- <sup>38</sup> Interview with Home Office official.
- <sup>39</sup> Interview with Prison Service official.
- <sup>40</sup> Interview with Douglas Hogg MP
- <sup>41</sup> Interview with Douglas Hogg MP
- <sup>42</sup> Interview with Home Office official.
- <sup>43</sup> Interview with Home office official.
- <sup>44</sup> The Home Office may well be reluctant to contract-out any more existing prisons after the experience of Strangeways. After opening the bidding for the Strangeways contract, the employment protection legislation (TUPE) was imposed on the UK from the European Union. This requires any incoming contractor to retain all existing staff, pay levels, and employment practices. A potential organisational headache of "sorting out [which staff were] going to stay and who was going to transfer, and for the private contractor, re-negotiating terms to fit their existing employment practices" (Lewis, 1997: p.91) was averted when the contract was won by an in-house bid with the local POA on board. Stephen Shaw of the PRT believes that the market testing of prisons "has not been a terrible happy exercise", and that it was unlikely to be repeated (HASC, 1997b: para.194).
- <sup>45</sup> Interview with Prison Service official.
- <sup>46</sup> Interview with David Faulkner.
- <sup>47</sup> Interview with David Lidington MP.
- <sup>48</sup> The source of this quote is referenced to Arthur de Frisching, in Rutherford, A. (1986: p.86).
- <sup>49</sup> Cavadino and Dignam (1992: p.15) note that: "Some prison officers became known as 'overtime bandits' for working as much overtime as possible, sometimes working as many as 60 or 65 hours a week".
- <sup>50</sup> Interview with David Lidington MP.
- <sup>51</sup> Interview with Home Office official.
- <sup>52</sup> Letter from Douglas Hurd MP
- <sup>53</sup> Interview with Peter Young.
- <sup>54</sup> Private information
- <sup>55</sup> Interview with David Lidington MP.

# *Seven*

## *The Impact of the New Right Think Tanks*

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This final chapter brings the findings of the case studies together, and offers some general conclusions regarding the role and impact of the IEA, CPS, and ASI. There are three sections. The first addresses the work and impact of the new right think tanks on policy change and policy-making. The second section considers some of the theoretical implications which emerged from the case studies, in particular for the Rhodes Model, and the ACF, and indicates how helpful the template was in answering the research questions outlined in chapter 1. The concluding section suggests directions for future research, and reflects upon some of the challenges and opportunities which face the new right think tanks with the recent election of a Labour government.

### **ASSESSING THE NEW RIGHT THINK TANKS**

This section has three parts. The first outlines the role of the new right think tanks in the process of policy change and assesses the impact of the IEA, CPS, and ASI in the three case studies addressed. The second part considers the extent to which the new right think tanks contributed to a new pattern of policy-making in the bus industry, education system, and penal system. The final part offers a brief summary of the arguments presented.

#### **The Role and Impact of the New Right Think Tanks in Policy Change**

In all three case studies, the new right think tanks promoted policy changes which were eventually implemented by the Conservative Government, although each shows a different pattern of think tank involvement. All the new right think tanks contributed to the debate on education reform, although only the IEA and ASI promoted bus deregulation, whilst the

ASI was alone in advocating prison privatisation. The variations in think tank involvement should not be surprising. As illustrated in chapter 2 each think tank was established with different aims, distinctive guiding philosophies, and their own *modus operandi*. These factors will have affected the different research priorities of the three think tanks. The IEA, for example, might not have published on the subject of prison privatisation because that issue contributed little to the study of microeconomics. That the ASI was found to have promoted all three of the policy changes addressed in this research could be explained by the fact that it has always engaged more directly in public policy debates than the IEA (which sees itself as one step removed from political activity) and the CPS (whose role was as much to promote the values and policies of Thatcherism *inside* the Conservative Party as outside it). Also, all of the policy issues promoted by the ASI were first floated in the Omega Project in the early 1980s which reviewed all aspects of government policy — an exercise not conducted by the other new right think tanks.

Each of the case studies suggests that the new right think tanks operated as part of advocacy coalitions. The New Right Coalition in education can be traced back to the 1960s and by the 1980s was largely composed of the new right think tanks, and individuals closely associated with them. With bus deregulation, the Pro-Deregulation Coalition can be traced back even further to the 1950s, although this might be more accurately described as an academic network in which the new right think tanks acted as another platform for advocates of deregulation. The Pro-Privatisation Coalition evolved over a shorter time frame as prison privatisation rapidly established itself as a means of dealing with the twin problems of prison overcrowding and the POA.

The new right think tanks had an identifiable impact on policy change, although this was greater in some case studies than others. It can be said that the direct impact of the new right think tanks was marginal in the cases of bus deregulation and prison privatisation, and more central in the case of education reform. For bus deregulation, the IEA and ASI gave academics such as John Hibbs a platform to promote the abolition of road service licensing. The think tanks were not the only platform available but it was (and remains) one which Hibbs, for example, values.<sup>1</sup> But it should be remembered that Hibbs, Glaister, and Beesley were first and foremost independent academics not aligned to specific think

tanks. Thus a more accurate assessment would be that it was the academic economists that did most intellectually to undermine road service licensing, and who occasionally used the new right think tanks in their efforts to achieve this. In education, all the new right think tanks were at the forefront of the debate. Initially their voucher proposal led to a detailed study within the DES. The eventual rejection of the voucher resulted in a series of publications on decentralising responsibility and finance to schools, and choice to parents. With the two principal patrons of the CPS (Thatcher and Joseph) in two of the key positions in government for education policy, and key advisers (Sexton, Letwin, and Griffiths) in Whitehall, the new right think tanks had numerous points of access to policy-makers. Junior ministers such as Bob Dunn periodically brought Cox and Marks into the DES while Angela Rumbold promoted the arguments of the NTBG within the Department. Thus the new right think tanks clearly had the opportunities to influence and shape policy formulation through the utilisation of coalition supporters and ministerial allies. Fewer such opportunities were available for the think tanks in the process of prison privatisation, when it was necessary for the private sector to show the Government that it was willing and able to manage prisons, a function that the ASI could not perform. However, the publication of the Omega Report and, more importantly, The Prison Cell appears to have played an important role in placing the issue on the policy agenda.<sup>2</sup>

The significance of the new right think tanks should not be stressed at the expense of other important factors, two of which stand out. First, in all three of the case studies, there were important contextual factors which contributed to policy change. Some factors were immediate and quantitative: falling passenger levels and rising subsidy in the bus industry; a falling birth-rate and falling standards in education; and increased overcrowding in the prison system. There were also political factors, which support the view that policy change under the Thatcher Government was more an exercise in statecraft (Bulpitt, 1986) than the implementation of an intellectually coherent agenda. Each policy change reduced the role of two of the Thatcher Government's *bêtes noires* — trade unions and local government. Local government, the NUT and other teacher unions, and the POA have been identified as the real targets of policy change. The ideological context was also conducive to policy

change — both deregulation and privatisation became established policy tools of the Thatcher and Major Governments, and were applied widely across a range of policy areas. The second point is that there were important advocates for change other than the new right think tanks, but closer to ministers, who have been identified as playing a major role in the process of policy change, such as Stephen Glaister and Michael Beesley, the Thatcherite NTBG, and John Wheeler MP. A recognition of the role of such actors reduces the danger of over-exaggerating the contribution of the IEA, CPS, and ASI.

Nevertheless two countervailing points suggest that the role of the IEA, CPS, and ASI should not be dismissed lightly. The first is that the *new right think tanks* actively participated within advocacy coalitions and thus contributed to the development of ideas promoted by the above actors. For example, the NTBG may have published Save Our Schools, but it was written within the ASI. Secondly, the cumulative impact of the new right think tanks' work in contributing to the ideological context must also be considered. In particular, the IEA did much to promote the virtues of deregulated markets, while the ASI was amongst the major advocates of privatisation in the UK. Think tanks such as the IEA and the CPS also provided intellectual support for key Conservative figures such as Thatcher, Howe, Joseph and Biffen who helped shape the Thatcher Government's post-Keynesian economic policy. Thus, although the new right think tanks were pushing at open doors by promoting policies which were compatible with Government thinking in policy areas which were, in the eyes of ministers at least, ripe for reform they had an indirect impact in opening those doors by helping create an ideological climate in which it was possible to privatise and deregulate.

One question which arises from the comparative case study method is whether the case studies help identify the conditions which determined whether the new right think tanks were able or unable to have an impact on policy change. A major problem with such an exercise is that, for reasons outlined in chapter 1, case studies where policy change did not occur have not been examined. To reiterate — this thesis set out to test claims regarding the perceived influence of the new right think tanks by examining three policy changes in

which they were attributed an influence, and to consider the theoretical implications of these findings. In order to establish the factors which determined whether or not the new right think tanks had an impact would require considerably more case study material, including examples of policy continuity. Only then would it be possible to see which factors (if any) were present in the case studies where the new right think tanks had an impact, and which were absent in those case studies where they had none. This could then provide the basis for hypothesis-building. Without this evidence, the potential for such an exercise is significantly reduced.

An alternative question to ask is why the new right think tanks were able to have a greater impact on education reform than on bus deregulation and prison privatisation. An important resource appears to have been access to policy-makers. *It could be argued that* the new right think tanks had a more significant impact on education reform than prison privatisation because the new right think tanks had greater access to advisers and ministers in the DES than they had in the Home Office. It was also the case that with bus deregulation the most influential pro-deregulation advocates (Beesley and Glaister) enjoyed privileged access to policy-makers, as did the private sector consortia and John Wheeler for prison privatisation. Other variables which might also have affected the impact of the new right think tanks include: the nature of the policy area prior to policy change; the composition of advocacy coalitions involving the new right think tanks; the role of the new right think tanks within these advocacy coalitions; and the role of ministers.

It is difficult to evaluate the relative significance of any of these variables due to the differences between the three case studies. For example, on the basis of the three case studies, it would be too simplistic to say that the new right think tanks were more likely to have an impact on policy change in areas characterised by policy communities (such as education) than ones which are more open and pluralistic (such as penal policy), for this would be to ignore other differences such as the roles of the think tanks within the two coalitions, and the significance of ministers. The methodological problems in isolating the significance of these particular variables inhibits the discovery of the conditions which determined think tank impact, if such a set of conditions existed. Indeed, it might instead be more prudent to acknowledge the complexities of policy-making, recognising that each policy area had its own unique set of relationships, personnel, and events, and that each

example of policy change was a combination of these unique factors — there may have been no general "conditions" which determined the impact of the new right think tanks. Nevertheless the role of the new right think tanks in both policy continuity and policy change is one which requires further research (see below).

### **The Impact of the New Right Think Tanks on Policy-Making**

Although the impact of the new right think tanks on policy-making differed between the three case studies, what they all suggest is that there was a lack of meaningful consultation between central government and service providers. Many of those groups which might have expected to be consulted on routine issues in policy-making had their objections overridden by the Conservative Government when deciding on broader policy issues, such as whether a service/industry should be deregulated or privatised. The alignment of groups in the Anti-Deregulation, Anti-Reform, and Anti-Privatisation Coalitions reflected this view — all were composed of service providers, local government organisations and others involved in the provision or monitoring of bus services, education, and prisons on a day to day basis. Formal responses to consultation exercises highlight the opposition of these organisations to the policy changes proposed, as did their pronouncements and demonstrations which followed the introduction of the respective bills to Parliament.

Although the case studies endorse the view taken by those who identify a shift in policy style by the Thatcher Government from consultation to imposition, there is little to suggest the new right think tanks had a direct influence on bringing about this shift. Imposition was a result of the Thatcher and Major Governments' attempting to address policy problems (or deal with political opponents) using policy tools such as privatisation and deregulation which were ideologically or politically unacceptable to service providers. It is more accurate to say that the new right think tanks were perhaps beneficiaries of the willingness of the Conservative ministers to contemplate radical change, not only contributing to a political climate conducive to radical thinking, but where alternative "networks" of influence were encouraged to assist in the process of policy formulation. For example,



Nicholas Ridley brought pro-deregulation academics into the DTp to serve on the RPTSG, and ministers and special advisers drew upon the ideas and advice of the new right think tanks in developing part of the Government's education strategy, bypassing the education profession itself.

In some cases, policy formulation was a departure from previous patterns of policy-making. Bus deregulation, for example, was a rare example of a nationwide policy being developed for the industry by the DTp and imposed upon local authorities and PTEs. During the 1980s, the education policy community of the DES, LEAs and teaching unions was undermined both internally and externally — the DES began promoting its own agenda of a national curriculum, while the LEAs and unions were almost totally bypassed in the formulation of the ERA. Moreover, in the cases of both education reform and bus deregulation the changes advocated by the new right think tanks and their coalition allies (and subsequently implemented by the Conservative Government) brought about significant longer-term changes to policy-making in these areas. In the case of the bus industry, deregulation has seen a shift in provision from networks to provision by markets. The growing focus on standards, beginning with the Black Papers in the late 1960s, saw education increasingly achieve a higher political status, no longer the preserve of Whitehall officials, LEAs and teaching unions. Instead there was an increasing emphasis on the importance of parents, and the needs of industry which has, to date, survived the change of government in 1997. Alternatively, penal policy had long been a politically sensitive area characterised by a plurality of groups and influences, and marked by a distinct lack of consensus between professional and popular opinion. Privatisation placed a new issue on the penal agenda which brought with it new actors, mainly the private sector companies. The privatisation debate reflected the typically pluralistic and polarised nature of other penal issues. But over time the emergence of a "penal industrial complex" could have significant consequences for the criminal justice system as a whole, leading to an increase in political pressure for higher and longer sentences and for the Prisons Agency to build more prisons. As yet there is no evidence to justify such fears.

The case studies also show differences in the extent to which the new right think tanks were able to have a long-term impact on policy-making, or on new patterns of policy formulation and administration. On the one hand, the new right think tanks have continued to place a high priority on education reform, and in some cases secured positions in the policy-making machinery through the appointment of their authors and allies to QUANGOs such as the National Curriculum Council and, more recently, the Schools Curriculum and Assessment Authority. But the new right think tanks appear to have achieved little or no long-term impact on policy-making following the introduction of bus deregulation and prison privatisation. The reason for this difference appears to lie in the nature of the policy change. Bus deregulation allowed few opportunities for any political actor to "capture" policy-making, as the provision for bus services was to be determined largely by the market. The pace of prison privatisation is determined by the demand for new prisons which in turn is largely determined by trends in sentencing policy. While the private sector will no doubt continue to bid for contracts, there is little structural role for the new right think tanks in the privatisation process other than by an indirect attempt to indirectly accelerate the process by demanding a tougher approach to law and order. Again, there is no evidence to suggest that this is happening.

By contrast, the provision of secondary education remains a near state monopoly, and the 1988 Act did not directly attempt or substantially increase the role of the private sector in the provision of secondary education. Despite the decentralisation of some power and responsibility to school governors and parents, the centre retained and in some cases increased control over financial and curriculum matters. This created a new generation of QUANGOs to which close supporters of the new right think tanks were appointed, thus institutionalising their input and allowing them to influence policy outcomes during implementation. This suggests that one of the major factors which determined the long-term impact of the new right think tanks (and other actors) on policy-making is the *nature* of the policy change, the nature of the service, and the role of the market. The greater the degree of government control and centralisation, the greater chance the new right think tanks had of influencing policy change after legislation.

## **The Impact of the New Right Think Tanks — A Summary**

The evidence suggests that a degree of caution is required when assessing the impact of the new right think tanks, as there are differences in the pattern of think tank involvement, the role they played within advocacy coalitions, and their impact on specific policy changes. Their role as platform providers for bus deregulation and agenda-setters for prison privatisation played a part in, but were not directly pivotal to, policy change. But the new right think tanks did have a less direct impact in both these cases. The role that the new right think tanks played in helping coalition allies develop their ideas and thinking should not be neglected. Also, the new right think tanks, and the IEA in particular, had a significant impact in creating an intellectual and ideological climate for policies of deregulation and privatisation to develop. With education reform, the new right think tanks inherited the role of champions for higher standards from the Black Papers and NCES, who played a fundamental role in helping to change the direction of thinking in education. The new right think tanks enjoyed a greater degree of access to policy-makers due to fellow coalition members holding advisory positions in both No.10 and the DES, which aided the assimilation of their ideas into government thinking. However, it should be noted that although the degree of access was greater for the new right think tanks in the case of education, it should not automatically be assumed that this in itself is a necessary or sufficient condition for attaining influence. Other differences between the case studies — and the significance they might have had on determining think tank impact — should not be overlooked.

The new right think tanks should perhaps be seen as beneficiaries of a Government which distrusted consensus and consultation, and was willing to contemplate policy change despite the opposition of service providers. Indeed, the primary purpose of these policy changes could have been the marginalisation of these interests. Both the formulation of bus deregulation and education reform were distinctive departures from previous patterns of policy-making, whereas with prison privatisation the ASI's contribution was to an already

pluralistic and fragmented policy arena. However, the long-term structural impact of the new right think tanks on policy-making in these areas has been limited. Only in education have the new right think tanks been able to achieve any noticeable impact after policy change, with some of their authors appointed to new advisory positions. It can therefore be said that, overall, the impact of the new right think tanks on individual policy change has been greater than their structural impact on policy-making.

The case studies reflect the thrust of Meltzer's argument (see pp.44-45) that there are four factors which are influential in the production and use of analysis/advice. The impact of the new right think tanks on *policy-making and policy change* was certainly influenced by the resources and strategies of the think tanks (both individually and collectively as part of advocacy coalitions), the level of support from ministers, the degree of access to decision-makers, and the nature of individual policy areas. These in turn may be dependent upon the ideological, political, and socio-economic context within which a policy problem is discussed and which will thus shape the options available to decision-makers. Establishing the extent to which the new right think tanks were more or less influential, given the methodological difficulties of quantifying "influence" and disaggregating the specific contributions of think tanks from those of their coalition partners. Nevertheless the case studies do suggest is that the new right think tanks were able to influence policy outcomes (although in varying degrees), and have perhaps been a neglected variable in the policy-making literature.

#### **THINK TANKS, POLICY NETWORKS, AND ADVOCACY COALITIONS**

All three case studies suggest that the new right think tanks had some impact on policy change. This section addresses some of the theoretical implications of these findings. The template was developed from aspects of both the Rhodes Model and the ACF. From the Rhodes Model it applied the notion of power-dependence. From the ACF it borrowed the use of advocacy coalitions and a focus on belief systems. From both the dialectic Rhodes

Model and the ACF it acknowledges that structures and agents interact and that it is important to consider not just groups but the context within which they operate.

As noted in chapter 3, there are a number of key differences between the Rhodes Model and the ACF: they aggregate groups in dissimilar ways, with advocacy coalitions incorporating a greater and more flexible range of actors than the typology of networks presented by the Rhodes Model; policy networks are held together by resource dependencies whereas advocacy coalitions are united by their belief systems; and the Rhodes Model emphasises policy continuity whereas the ACF is used to explain policy change. The aim of this section is to compare these aspects of the Rhodes Model and the ACF as the first stage of integrating the two approaches.

### **Policy Networks and Advocacy Coalitions**

Perhaps the clearest distinction between the ACF and the Rhodes Model is the way they conceptualise group relationships. The Rhodes Model attempts to reflect the diversity of relationships which are said to exist in different policy areas by *creating a typology of ideal type networks*. The ACF, by comparison, specifies only one type of group interaction — advocacy coalitions. Chapter 3 argued that the Rhodes Model had limited value for this research, as its typology gave little indication of the role of the new right think tanks in policy-making or their relationship with other policy actors.

The case studies suggest that a focus on the alternative networks of think tanks and others was justified, as in some cases these actors were able to have a significant impact on policy outcomes: without the influence of Beesley and Glaister, total deregulation may not have emerged as the major recommendation from the RPTSG; without Sexton, Letwin and the new right think tanks, the proposals for decentralising management to schools and extending parental choice might not have gathered the necessary momentum required to sustain a programme of education reform lasting over a decade from 1979; and without the ASI's early work on prison privatisation in the UK, the private management of prisons might have taken much longer to introduce. Given that the new right think tanks and their

allies had resources and appear to have affected the direction and/or timing of policy change, there is a need to incorporate their contribution to any explanation of policy outcomes which goes beyond the Rhodes Model and its emphasis on policy continuity. This is not to deny that policy networks exist, or that they are able to influence policy outcomes - indeed, the case studies identified such “networks” although presented them as opposing coalitions to those which included the new right think tanks. In many cases such networks might be the norm during the routine administration of policy, although the bus deregulation case study suggests a degree of caution in attempting to characterise a policy arena in terms of a single policy network. However, it is far from clear that these networks will have such an impact on outcomes during irregular upheavals in a policy area, as they may lack the necessary resources (such as access to policy-makers) to affect outcomes at the “third order” level of policy change.

As shown in chapter 3, Marsh and Rhodes acknowledge the limitations that policy networks have in accounting for policy change and do not dispute that policy change might occur despite the opposition of these networks. Others such as Smith highlighted the existence of these alternative networks, as demonstrated with the Prime Minister's Health Review of 1989. Despite these two observations — that policy networks resist change, but there are alternative networks that promote it — there has been little or no attempt to examine the relationship between these two types of network, and their relationship with other actors and variables, in the process of policy change.

Unlike the Rhodes Model, the ACF can incorporate the new right think tanks, which participated in (albeit loosely-knit) advocacy coalitions. The ACF suggests that groups organise themselves into coalitions on the basis of shared beliefs. It recognises that new ideas/ideologies do not spontaneously emerge: they have to be promoted by groups and individuals and decision-makers have to be persuaded of the merits of policy change. While Marsh and Rhodes argue that “there is little evidence that a plurality of groups is involved in policy-making” (1992c: p.263),<sup>3</sup> Sabatier and Jenkins-Smith emphasise the opposite. This difference can partly be accounted for because of their different conceptions

of "policy-making". Marsh and Rhodes focus on routine, incremental policy-making and address the extent to which groups become institutionalised within government, thus blurring the distinction between state and society. The ACF, by contrast, attempts to explain infrequent and irregular policy change and, in focusing on groups who articulate and promote ideas as well as those responsible for service delivery, incorporates a greater range of actors.

Overall, the concept of advocacy coalitions allows for a more thorough reflection of the alignment of groups in the three case studies than the typology of networks provided by the Rhodes Model, although it must be remembered that the policy changes involved were "third order" changes rather than examples of incremental policy-making. All the case studies identify at least two advocacy coalitions, one promoting and the other opposing policy change. In each case, change was opposed by the service providers, local government bodies, trade unions, industry-wide representative organisations, and pressure groups — the types of organisations which are said to attempt to routinize policy-making and prevent policy change within the Rhodes Model. Despite their hold on a range of resources, service providers and others were unable to prevent change by a Conservative Government with strong parliamentary majorities, a favourable ideological climate and, in some cases, determined ministers.

### **Resource Dependencies and Belief Systems**

Part of the reason why the Rhodes Model and the ACF aggregate groups in their respective ways is because they look at two different relationships. In the Rhodes Model, policy networks are linked by resource dependencies whereas in the ACF, advocacy coalitions are linked by the belief systems of policy actors. However, it has been shown that organisations such as the new right think tanks, special advisers and others also had resources which allowed them to influence policy outcomes, raising a question about why these organisations have been so neglected by Rhodes *et al.* In education, the new right think tanks were able to exploit their numerous points of access to influence the education

debate. Other coalition members had other resources which complimented the work of the new right think tanks. With bus deregulation, Glaister and Beesley were granted privileged access to DTp policy-makers. On the issue of prison privatisation the intervention of the HASC is regarded as marking a key point in the debate, not simply because of its authority as a committee of Parliament, but because privatisation was endorsed by one its most respected members, John Wheeler. It is also possible to argue that relationships between coalition members, and between coalition members and ministers, were also characterised by an element of dependency. Without the public promotion of change by the IEA, CPS, ASI and others, and the internal work on policy development by Glaister, Beesley, Sexton, Letwin, and others, ministers might not have had coherent, defensible proposals to bring forward. At the same time, the new right think tanks were totally dependent upon ministers to implement the necessary reform, and make change a reality.

However, this point requires two qualifications. The first is that not all actors in the process of policy change are necessarily dependent upon each other. For example, while there might have been an element of dependency between ministers and think tanks and between ministers and LEAs, LEAs are clearly not dependent on the new right think tanks. The second qualification is that the new right think tanks were clearly politically and ideologically closer to some actors than others. For example, in the case of education, the CPS, ASI, and others forged closer relationships with ministers, MPs, and special advisers than with the teaching unions and the LEAs. Moreover, what united the New Right Coalition were common beliefs and a shared purpose. As such it might be somewhat misleading to talk of the relationship between Stuart Sexton and the CPS/Hillgate Group, or between the ASI and NTBG, in terms of resource "bargaining". This is not to deny that the power-dependence framework has any role at all, simply that it cannot capture the dynamics of all group relationships in the process of policy-making and policy change. A focus on belief systems helps identify relationships which might be missed by an exclusive focus on resource-dependencies.



## **The Rhodes Model and the ACF — Understanding Policy Continuity and Change**

The Rhodes Model and the ACF are both useful contributions to our understanding of policy-making in the UK. The principal strength of the template is that it adopts the positive aspects of these approaches to produce a framework better suited for assessing the impact of the new right think tanks. In particular the framework attempts to incorporate the major variables which were likely to have influenced policy outcomes so that the input of the IEA, CPS, and ASI could be placed in context. Those studies which lack a contextual framework (such as Cockett, 1994, or Denham, 1996) run the risk of overstating the individual contributions of the new right think tanks. The aim of this research was to provide a more balanced assessment which did not prejudice one variable over another. The template aided analysis by ensuring that each variable was examined in turn.

However, this approach is not without its problems. Despite attempts to account for the context of policy change in the case studies, it is possible, indeed probable, that a number of variables which also affected policy outcomes were omitted. This is partly a consequence of the multiple case study method, which restricts the amount of space and time available for each of the policy areas. Thus it is not possible to incorporate all the influences on the process of education reform from the late 1960s in the space available. The case studies do not, for example, focus directly on the impact (if any) that electoral considerations might have had in influencing the process of policy change. While efforts have been made to focus on the salient factors, no case study could address the potentially infinite number of factors, such as what happens in schools, LEAs, Westminster, and Whitehall, which influence the decisions of teachers, officials, and politicians who, in varying degrees, could have influenced policy outcomes. Thus, although it is possible to point to the most significant factors contributing to the process of policy change, it must be recognised that the case studies could never provide the complete context within which it occurred.

The development of Marsh and Smith's (1999) dialectic approach, which emphasises how structures interact with agents suggests that the Rhodes Model has adopted aspects of the ACF, although this is not explicitly acknowledged. The case studies here suggest that the Rhodes Model can further learn from the ACF. In particular, the case studies suggest that the presence of a plurality of groups does not necessarily mean that a policy area can be described as an issue network. Although the concept of issue networks has been subject to change and reinterpretation, a central aspect of the idea is that there is no focal point at the centre for policy actors to bargain with. Yet the case studies suggest that, even when there are a diverse number of groups competing for policy space, there are government departments that provide such a focal point. For example, the DES provided a very obvious focal point for those attempting to influence education policy. Moreover, within the field of education policy, those seeking to contribute to the policy debate did not manifest themselves as atomised actors. The concept of advocacy coalitions suggests how groups might aggregate themselves in policy areas which were, or became, increasingly pluralistic.

Developments after policy change in the three case studies also suggest that the notion of the implementation gap should not be exaggerated — it is certainly not an inevitable consequence of policy change. Although the teaching profession was able to secure changes to the national curriculum and assessment by boycotting national tests, it is less clear that an implementation gap occurred for bus deregulation or prison privatisation. In the case of bus deregulation, bus operators and local authorities were unable to affect significantly the outcome of the 1985 Act which shifted the provision of bus services from PTEs, county councils and traffic commissioners to the market. It is difficult to measure the extent to which the opposition of the PNP campaign slowed the process of prison privatisation, if at all. Given that the difficulties between the Government and the POA was one of the key factors in bringing about privatisation, it is possible that further disruption through strike action may only have served to accelerate the privatisation process. As such (and bearing in mind that the POA do not operate in private prisons), strike action by the POA and allied unions has not been used and the privatisation process continues.

Nevertheless, it is perhaps surprising that Marsh, Rhodes, and Smith have not utilised the concept of coalitions to provide a fuller explanation of the origins of the implementation gap, where it occurs. Integrating the Rhodes Model and the ACF might be useful for explaining policy outcomes where implementation gaps have been identified in that it could show from whom the Government received advice and support, and why and how they might have been persuaded to pursue change despite the opposition of service providers. As suggested in chapter 3, the policy subsystem should be regarded as the policy network, defined by groups who have sufficient resources to have a noticeable impact on policy outcomes. Epistemic communities could be incorporated as a subset of advocacy coalitions suggesting that policy networks, advocacy coalitions, and epistemic communities should be regarded as component parts of a “Russian doll”, rather than as competing approaches. In cases of routine, incremental policy-making, the broad policy network may include only a limited number of actors, as in a typical policy community. Given that policy communities are partly characterised by shared values it might also be possible to re-conceptualise them as advocacy coalitions. Over time, and during periods of policy upheaval, a greater number of actors may enter the network in an attempt to affect policy outcomes, which may well lead to a greater number of coalitions within the network, as happened in the case of bus deregulation, education reform, and prison privatisation. This is not to say that the Rhodes Model should simply be subsumed into the ACF as there are aspects of the latter approach which have yet to be sufficiently validated. For example, the ethnocentric nature of the ACF means that it is far from clear whether its central hypotheses are applicable in the UK or any other western democracy other than the US (Gorham, 1997).

A policy network may fragment into a policy arena of competing coalitions because of a number of factors, but one possible reason is as change of government or a change in government priorities. Smith, for example, states that “the British trade union movement was just as well resourced on 2 May 1979 as it was on 3 May 1979 but with the election of the Conservative government a large part of its influence disappeared overnight” (1993: pp.3-4). This is almost certainly true, but the case studies in this research suggest that the

election of the Thatcher Government substantially increased the influence of others. The new right think tanks and their coalition partners across all three case studies were able to influence policy change and affect policy outcomes far more effectively and directly in the 1980s and 1990s than in the 1970s and before. This is because the election of a Conservative Government substantially redistributed the spread of resources between certain groups. While trade unions, local authorities and producer groups had access to policy-makers substantially reduced, the new right think tanks, private sector companies and others found their access substantially increased. Access is not the only resources to affect policy outcomes, but it was a significant one for the new right think tanks.

This "Russian doll" approach might show that the implementation gap, where and when it existed, was a reflection of different coalitions exerting resources and affecting outcomes at different stages of the policy process within an overarching policy network. Different coalitions are likely to have different resources, depending on their composition. The political resources of the new right think tanks and others, and their access to policy-makers during policy formulation might help shape the direction of policy change, but the resources of service providers/policy communities etc. (should they be unable to prevent change being introduced) might be able to affect its outcome in implementation. Nor is this framework incompatible with policy continuity. Although some areas might be characterised by policy continuity, this does not necessarily mean that they are free from conflict. Groups or coalitions may launch vigorous campaigns in their attempts to bring about "third order" change, but may fail. In such cases it might be that the new right think tanks or their advocacy coalition lacked the necessary resources to significantly affect outcomes, or alternatively the context of policy change might not have been sufficiently favourable for their ideas to have an impact. As noted above, if we are to know the conditions necessary for think tank impact it is necessary to look at areas where policy change has not occurred. Again, this is an area which requires further research.

## **Think Tanks, Policy Networks, and Advocacy Coalitions — A Summary**

Although it is acknowledged that policy networks in themselves do not provide an adequate account of policy change, supporters of the Rhodes Model offer a very limited conceptualisation of those groups/networks that promote change. The case studies suggest that the notion of advocacy coalitions has much to contribute to our understanding of the new right think tanks in policy-making and the role of groups generally in policy change. Within the case studies, the notion of advocacy coalitions is reflected in the alignment of groups who opposed and promoted change, while its focus on belief systems helped identify important relationships which would have been neglected with an exclusive focus on resource-dependencies. Moreover, by bringing together aspects of the Rhodes Model and the ACF, it might be possible to construct a framework which can account for the role of groups in both continuity and change.

## **CONCLUSION**

This thesis has covered a number of broad areas, including think tanks, policy network analysis, the Advocacy Coalition Framework, and policy-making and policy change in the fields of transport, education, and penal policy. Due to limited space, it has not always been possible to do justice to these specific topics — indeed, this final chapter has perhaps raised more questions than it answers. This concluding section reflects on where the research of think tanks might go from here. There are two parts. The first outlines two areas which would benefit from further research and which could build upon some of the arguments presented above. The second section considers possible developments in the months and years ahead. In particular, it considers the implications that Labour's victory might have for the study of think tanks and speculates on what the future might hold for the IEA, CPS, ASI and others.

## Areas for Future Research

Two main areas which require further research can be identified. First, as suggested above, more case study material is required. This thesis focused on a particular type of case study — one in which policy change occurred and the new right think tanks were attributed a key role. Although the case studies provide new empirical evidence, it is difficult to extrapolate firm theoretical insights into how and when the new right think tanks were most influential. Additional case study material might help answer this question, although it might alternatively fail to unearth any pattern at all, thus complicating rather than clarifying the issue. This would be an important finding in itself, in highlighting policy-making as an irregular, haphazard, and chaotic process rather than one which can be reduced to a single theory or series of generalisations.

There is also a need for a broader range of case study material. Other types of case study which might enhance our understanding of the new right think tanks and their ability to influence policy include: areas where policy change has occurred without the intervention of the new right think tanks; areas where there has been no change despite the intervention of the new right think tanks; and where there has been policy change but markedly different from that proposed by the new right think tanks. The framework outlined in the previous section may assist in accounting for these different scenarios, all of which will contribute not just to our understanding of the impact of the new right think tanks on policy-making, but groups as a whole.

A second area for future research is the ACF itself. As explained in chapter 3 this research has not directly addressed the hypotheses of the ACF. However, this should not overlook the fact that Sabatier and Jenkins-Smith's ACF is both a plausible and increasingly influential theory of policy change and might further contribute to our understanding of the new right think tanks. For example, if the ACF is correct in its suggestion that policy change "is unlikely in the absence of significant perturbations external to the subsystem" (hypothesis 5), then this would help us identify the limits of the influence of groups such as think tanks. Thus if hypothesis 5 is correct, then this would suggest that the impact of the

new right think tanks on policy change was/is dependent upon "external (system) events". Similarly, the importance of "policy learning" in policy change and the conditions under which it is most likely to occur, might also give us a further insight into the role and potential impact of think tanks in policy change, possibly as facilitators of policy learning. However, there are a number of doubts as to the applicability and accuracy of the ACF which must be addressed before it is possible to infer anything about the impact of the new right think tanks, or other groups, on policy change. Once the causal factors of policy continuity and policy change have been identified these could be added to the template to give it greater explanatory power and account for such theoretical questions as:

- under what circumstances is policy change more or less likely to occur?;
- what determines the number of advocacy coalitions within a broader network?; and
- are there circumstances under which agents will be the prime movers in policy change, or when ideological, political, and socio-economic factors will be the key variable?

The case studies cast doubt on the accuracy on some of the premises of the ACF. For example, none of the "advocacy coalitions" incorporating the new right think tanks actually satisfy the stringent formal criteria laid down by Sabatier and Jenkins-Smith. The Pro-Deregulation, New Right, and Pro-Privatisation Coalitions were all characterised by an element of interaction, but there is little evidence of formal co-ordination. Unlike the Anti-Deregulation, Anti-Reform, and Anti-Privatisation Coalitions, those coalitions promoting change did not formalise their relationships. Instead they manifested themselves as loosely-knit, ad hoc coalitions. It is also the case that certain policy promoters (such as firms from the private prisons consortia) claim not to have participated in any form of interaction with other advocates. Sabatier and Jenkins-Smith do not claim that all policy actors will be part of advocacy coalitions and so identifying independent advocates does not conflict with the ACF. However, this thesis suggests that, for the UK at least, some provision should be made within the ACF for less formal types of advocacy coalition.

More substantially, the case studies also reflect some of the criticisms made of the ACF in chapter 3, such as the neglect of "internal" factors in policy change. For example, it is argued that the Adam Smith Institute played an important role in getting the issue of prison privatisation on to the political agenda with reports in 1984 and 1987. However, the 1987 report had a much greater impact on the policy debate and helped generate a momentum

(along with MPs from the House of Commons Home Affairs Select Committee and members of the security and construction industry), toward privatisation in the Criminal Justice Act 1991. The ACF appears unable to account for the fact that momentum for privatisation developed after 1987 rather than 1984. There were no significant exogenous shocks to the prisons subsystem between these years. But there was a greater enthusiasm for privatisation due to a growing crisis *within* the prison system, with increasing overcrowding and strained industrial relations between the Government and the Prison Officers Association. The system-wide "critical election" of 1979 preceded the entire debate, with the Government first considering and emphatically rejecting privatisation following the first report on the subject by the ASI in 1984.

### **The Future of the New Right Think Tanks**

Following the resignation of Mrs Thatcher as Prime Minister, and "the retreat from full-blooded 'Thatcherism' skilfully conducted by John Major in the early 1990s" (Cockett, 1994: p.327), it has been argued that the role and importance of the new right think tank has been in decline. Shortly after the 1992 general election The Economist, reflecting on the work of the IEA, CPS, and ASI, noted that:

Today, the think tanks are all but silent. The CPS has retreated into itself and moved to a drabber address. In its glory days it produced a policy pamphlet a fortnight: none has appeared from its presses since the general election. The IEA publishes little. The ASI is suffering from a recession in the privatisation business (07.11.92).

Denham and Garnett believe that "all one can predict with much confidence is that if the media spreads rumours of the death of the New Right 'think tanks', their long-term prospects of survival cannot be good" (1996: P.56).<sup>4</sup> However, the death of the new right think tanks are, perhaps, exaggerated.

In some respects the study of think tanks has the potential to be more interesting under Blair than it was under Thatcher or Major. It would certainly be unwise to write off the new right think tanks *en bloc* at this stage. Some institutes may prosper while others might decline. For example, it is likely that the CPS will find it difficult to directly influence the Labour Government given its proximity to senior Conservatives – even its future



relationship with the Conservative leadership is in doubt (see chapter 2). Other think tanks are likely to fare better. The IEA, for example, is unique amongst the new right think tanks in being the only one to have previously experienced a Conservative defeat in a general election. Given the IEA's distance from direct political activity, the Labour Government is unlikely to have much impact (if any) upon the direction of the IEA's work, at least in the short-term. The ASI responded to Labour's victory by announcing a series of seminars entitled *Achieving Labour's Aims*, designed to help put the flesh on the bones of Labour's policy objectives. However, the ASI's long-term prospects of influencing the Blair Government may well depend upon its ability to shed its image as a "right-wing Conservative think tank". Both the ASI and the CPS have publicly expressed their willingness to work with the new Government. Tessa Keswick maintains that "I can work with Tony Blair and his colleagues ... And I hope they would come to us for advice" (The Financial Times 26.04.97). Similarly Madsen Pirie of the ASI explained:

We have already taken the decision within the ASI that we intend to serve government. Our aim is to influence public policy, and if that means the policy of a Labour government then so be it. This speaks of our self-confidence: that our agenda will remain of relevance to Labour as to the Conservatives (*ibid*).

Prior to the election it had been suggested that a defeat for the Conservatives would lead to a renaissance for the new right think tanks in furnishing the new Opposition with new policies: "Some ultra-right Tories are hoping precisely for this scenario, which they see as an opportunity to re-cast and update the Thatcherite project" (The Guardian 01.04.95). Given the size of Labour's majority, it might need more than a few ideas for the Conservatives to challenge seriously for office in five, or even ten, years time. This was a lesson learnt from Labour optimists after the IPPR was established in the late 1980s. According to Ruben:

The hope that the IPPR would increase Labour's electability by providing new ministers with fresh ideas was soon found to be unrealistic. The 1992 election defeat showed that fundamental reform of the Labour Party was required, rather than merely firming up its policy proposals (1996: p.77).

Just as the new right think tanks face-up to a Labour government, so the centre-left think tanks face challenges. For some, a Labour victory has brought its own problems. It was

predicted before the 1997 election that the IPPR in particular might become a victim of Labour's electoral success.

IPPR is likely to haemorrhage if Labour triumphs at the polls.

[...] a rival think-tank boss predicts meltdown at IPPR if Labour triumphs at the polls. "Half of them will be hoping for government jobs if Labour wins – God knows what will happen to the organisation then (The Guardian 01.04.95).

Soon after the election it was reported that the IPPR had to call an emergency meeting "after trustees and staff started disappearing to become ministers and policy advisers in Whitehall" (Sunday Times 18.05.97). However, Labour's victory raises larger questions over the future of the centre-left think tanks – just what will be their purpose under a Labour Government?

In opposition the left-wing think tanks never managed to emulate the success of their free-market rivals. The policies streaming out of Thatcherite think tanks in the 1970s and 1980s were vital to sustaining the Conservatives' long rule. Some of their ideas were cranky, some dangerous (the poll tax), but many others have become mainstream and uncontroversial, such as privatisation.

[...] What new Labour wants from its intellectuals, however, is not big ideas but big messages: words and deeds that will appeal to the electorate and the media. Where before Labour frontbenchers needed all the practical help they could get, whole teams of civil servants are now waiting to serve them (*ibid*).

It is unclear, however, what these big messages will be. The early months of the Blair Government have seen Labour moving steadily on to the ground previously occupied by the new right think tanks. Moves to make the Bank of England independent, education reform (especially speeding up the process of closing poorly performing schools), welfare to work, and the continuation of the prison privatisation programme have seen the Blair Government winning plaudits from some of the new right "gurus" of the 1980s.<sup>5</sup>

Given that the new right think tanks are unlikely to enjoy the direct access to policy-makers that they did under Conservative governments, it is tempting to assume that their impact on the Blair Government will be much reduced. This might be correct, although it does not necessarily mean that the new right think tanks will become an irrelevance. If Tony Blair is serious about ending the "tribal" politics of the 1980s, and if he is successful in moving his party even further to the centre-ground, then the new right think tanks might

find the Labour Government more responsive to their ideas. Moreover, if the oft-predicted crises in welfare spending materialise in the near future, then the Blair Government might be in need of ideas sooner rather than later. If the new right think tanks are able to respond to this by formulating an agenda consistent with their market principles and sensitive to the needs of New Labour, then they may be more influential than some expect.

Just prior to the 1979 general election, the Prime Minister, James Callaghan, spoke to the Head of his Policy Unit, Bernard Donoughue, of the impending sea-change that was about to occur in British politics and of its beneficiary being Margaret Thatcher (Donoughue, 1987: p.191). The subsequent seventeen years of Conservative government changed the ideological climate of British politics, reflected in Tony Blair's modernisation of the "New" Labour Party, and its rejection of its old Clause 4. The overwhelming victory of the Labour party in the 1997 general election perhaps marks a new sea-change, with the advent of the first post-socialist Labour Government. This will present both challenges and opportunities for think tanks of all shades of political opinion. How they respond to these will be the major issue for think tanks in the approaching years.

## NOTES

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<sup>1</sup> Interview with John Hibbs

<sup>2</sup> This does not necessarily contradict the criticisms made of treating think tanks as "agenda-setters" at the end of chapter 2. These criticisms suggested that to regard the new right think tanks as *merely* the "agenda-setters" of a temporally distinct stages approach would be a narrow interpretation of their work. However, it does not preclude the new right think tanks from occasionally performing this function.

<sup>3</sup> This point refers to the case studies addressed in Marsh and Rhodes (1992a).

<sup>4</sup> See also The Economist (25.05.92) and The Financial Times (22.09.93)

<sup>5</sup> See, for example, "Has Labour Got it Right" by Madsen Pirie of the ASI in The Times 31.07.97, and "Think Tank Running on Empty" in The Guardian on the same day.

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