

# Why the Common Ground is more important now than Left or Right

## The Article

Friday 11<sup>th</sup> October 2024



by [DAVID HOWELL](#) | [@LORDHOWELL](#)



The battered Conservatives are looking not only for a new leader, but for new areas on which to focus and new directions in which to move. Contrary to much comment, it is not a question of Left, Right or centre. It is a question of foreseeing, or failing to see, where the common ground ahead lies.

The late Sir Keith Joseph was fond of talking about the new common ground in politics. The Tories today need look no further than this new common ground in politics and, once they have cleared their minds on the shape it will take, how best to move there.

The two remaining candidates in the rather puzzling leadership selection process, Kemi Badenoch and Robert Jenrick, may have views that could be labelled Left or Right in the old political sense and in the language of the 20<sup>th</sup> century. But that is no longer relevant in the 21<sup>st</sup> century. The issue now is who can best guide us through to national safety and prosperity in an age of revolutionary and acute dangers, both externally and within our own society.

That, of course, is much easier said than done. It will require a truly profound understanding and interpretation of the way human relationships world-wide are evolving under the impact of today's, and tomorrow's amazing technology. This will need the minds of both philosophers and strategists to be brought to bear.

By "common ground", Keith Joseph meant something very different from centrism — a halfway house between Left and Right, between socialism and capitalism, or collectivism versus market individualism on which so much 20<sup>th</sup> century political debate had been based. For him, and those around him, that kind of centrism was a quagmire of shallow compromises which ended up pleasing no-one and changing nothing. There was nothing "moderate" about it.

For Joseph, the common ground lay ahead of current thinking and current party differences, not between them. It lay in acceptance that collectivist state ownership of the British had gone much too far and the pendulum needed to swing back to a more balanced pattern, with less remote bureaucracy and a lot more customer concern in a more competitive climate. The ugly name we gave it was privatisation. That is to say, it was a state of mind, a set of attitudes about how a changed world was beginning to work and would have wide support and recognition from all political viewpoints when it did.

Although we are talking about more than fifty years ago — when the full implications of the information revolution had not sunk in, and the microchip had not yet entered and reshaped every aspect of human affairs, as it has now — I believe that Joseph foresaw a good deal of what was coming.

Contrary to many misleading narratives of those times, this is just how things did work out, not everywhere but certainly in the heartlands of public policy thinking. Outrage and denunciation turned to reluctant acquiescence and finally acceptance that economic performance and public accountability could, in most circumstances, actually be increased when a nationalised industry moved back into the private sector.

Indeed, this more balanced consensus about the structure of the British economy was left almost entirely unchallenged by the successor Labour Government after 1997 – so much so that Tony Blair actually took it further in some areas. Towards the end of her life, Margaret Thatcher's repeated words about the incoming Labour leader were: "You know, he has stolen our policies."

The emerging shape of the new common ground then was in some ways easier to see than it is now. Not only was the world, and especially the UK, tired of the of the semi-socialised economic thinking which had prevailed after the Second World War, and been upheld, with massive unmodernised trades union support, long after it was necessary. But it had become depressingly clear that our continental neighbours definitely had some better ideas, regardless of whether they had been defeated or occupied during the War. Thinking was led in West Germany by the formidable Ludwig Erhard, with his social market economy as the lodestar. In France Jean Monnet's indicative planning ideas, bringing public and private enterprise together in new ways, were also a potential escape route from polarised and stale political thinking.

In conversation with Keith Joseph — and in my capacity as head of Margaret Thatcher's speech-writing team (a pretty uncomfortable role, it must be said) — it was decided to fill out this common ground picture as fully as possible. The Left, or its more sensible thinkers, we believed, would come round to it, as they eventually did. We decided to bring references to the "common ground" into Conservative discussion as frequently as possible. As we prepared for the 1979 General Election, I filled the leader's speech drafts with "common ground" references.

Many of these, as also many attempts at a joke or two in these speeches, got firmly crossed out, with fierce rejections in the margin, but quite a few got through. The dial was being deliberately and firmly shifted, despite Opposition and trades union protest. Public opinion, driven by events and the powerful undercurrents running beneath them, we believed, would follow. And, eventually, it did.

That was, or became, the new common ground and it lay not between but ahead, not settling for half a loaf between the old poles of Left and Right, but ahead in an entirely new landscape. I have likened it elsewhere to the "V" formation of flying swans or other birds, requiring a leader to give direction and purpose, but with the wing columns from old Left and Right spreading out behind.

Plainly, as with the water industry and fragmentation of the entire, highly complex rail network, the unfiltered doctrine of privatisation went too far. And plainly the regulatory framework did not, at first, go far enough. A tool of reform became a zealot's obsession. Karl Popper and his warnings about too much determinacy and supposed scientific inevitability in policy and governance were forgotten, if ever learnt in the first place. It is no surprise when, as now, almost four decades later, the wheel of sentiment turns, and the pressure for re-nationalisation, for simple backtracking, re-emerges as the only alternative. Thinking about new ways forward and new "common ground" has stopped.

But with this thought inertia, all the old problems of over-centralisation and state ownership will return. The conceptual thinking for a railway system that is neither in the public sector nor the private sector – a pattern several other major railway systems round the world have resolved and settled into, has simply not found any kind of intellectually fertile common ground here.

Yet if in Britain these areas are stuck in the "too difficult" tray, there is one very big and broad theme, and very obvious candidate for common ground status now staring the Tories in the face: namely, the adaptation of liberal capitalism – the only kind that works — to the populist age. Perilous divisions in all societies in the internet age and in face of populist mass-connectivity have vastly widened. For all the efforts at "levelling up", far stronger and divisive forces have worked the other way.

As the doyenne of international policy analysis, the BBC's Lyse Doucet remarked in a podcast comment recently, international issues and domestic issues are now all one.

Before all trust between the citizen and the state authorities evaporates, before all social cohesion crumbles, and the restraints which underpin democratic processes and the international rule of law break down, this is now one dominant, overwhelmingly important theme in all common ground thinking. It does not seem yet to have sunk in everywhere. And there was no sign of it at all in the recent British General Election campaign. Futile calls for "taking back control" reinforce the impression of blind ignorance in completely changed world conditions.

The divisions will only cease widening, unifying forces and feelings will only prove stronger, when measures bite which make liberal capitalism work the way it should. Capitalism must reinforce democracy, instead of destroying trust, which underpins the entire process of democratic governance.

Employee share ownership is only one aspect of this pattern. It was pioneered by figures like Louis Kelso in California in the 1950s and long recognised and embedded in the United States: in public policy, in legislation and in social attitudes. Despite setbacks, the overall consequence has been undeniable. It has made and kept the United States as still the most dynamic financial nation in the world by far.

Wider capital-owning society is the great unifying force in a divisive age, working hand in hand with stable democratic processes. In one form or another, 45% of all American households possess stocks and shares. This is very far from the age of "the robber barons" and perhaps it would be more accurate now to call the US a pluralist, rather than a capitalist economy.

Meanwhile the digital revolution has seriously distorted capitalism and concentrated wealth in a thoroughly destabilising manner. Modern capitalism (or economic pluralism) ought to support democratic governance, but clearly does so less and less. Far wider popular household ownership of all assets, property included, unravels this distortion and removes the bitterness and class division it causes. It is the fair and popular kind of levelling up to which all governments can aspire, in contrast to present "levelling up" policies, which may help local officialdom but not local people.

A society where earners become owners defangs one of the main and key sources of social division and bitterness. It thereby frees itself from obsessive economic theories that have destabilised capitalist societies from Marx onwards.

Such a society of share ownership spreads national financial literacy, fosters social loyalty and citizenship and teaches a healthy Karl Popper-type understanding of the dangers of obsessive doctrine and determinism in the governance of free societies.

Employee share ownership, in particular, taps new sources of capital for investment. It should encourage other major investment pools to return to putting funds into the British economy – notably from foreign direct investment (FDI), pension and insurance company funds, and other sources. The example of greatly increased Japanese FDI and direct investment in the 1970-1999 period should be studied and its successes copied.

The ripples from wider ownership spread out across the entire political, social and financial nexus. Properly reshaped, it unblocks the home-ownership dilemma, which badly afflicts the UK in particular. It opens the way again for the old Tory dream, from Churchill onwards, of a truly property owning democracy — of home-ownership for tens of millions of families, with all the security and dignity that brings.

In an age of shifting labour markets and frequent job changes, asset ownership for every family (a little bit at the back of them, as the late Iain Macleod put it) gives the security in difficult times which used to be regarded as the preserve of the middle class, but should now extend to all — except the truly vulnerable or unfortunate, who are in need of well-focused help.

A more united and stable society carries more respect and influence internationally, both in governance and development fields. It also chimes with the powerful momentum of Hernando de Soto's insistence on the central importance of home and property ownership, and the underpinning legal framework, in the development of stable democratic societies.

Wider ownership helps cement the modern nation-state "bargain": pay taxes and obey the law in exchange for protection, good services and fair shares. No wonder that even China is dabbling with measures to encourage shared worker ownership of state-owned industries, as now are many nations in the rest of the world.

Financial literacy and ownership minded societies work together as part of a less fragile global financial system. This makes them part of both the international common ground of the future and the domestic common ground of home politics.

The intellectual resources of the nation, and especially of the Conservative Party, should now be focused on these issues with dogged determination, because they lead to everything else in a positive way. Progress requires new mindsets and a new escape from the prism of past politics. It requires financial reforms and state reforms which fit into the dogma-boxes of neither Left or Right.

This is a populist age, threatened by but also liberated by new technology of all kinds. The pressures of the populist age are now being felt by every government and turbo-charged by the information revolution and the age of hyper-connectivity. Adapting ownership and fair shares to these pressures could be a major contribution from the UK to the entrenchment of open societies and democratic procedures.

There are, and must always be, many areas of both policy and administration where the Opposition's role and duty is to question, uncover and oppose. In the pattern of checks and balances they join the media, the law and the all-party committees of the Houses of Commons and the Lords both to improve but also to excavate, to innovate and to deter. Both Houses of Parliament themselves need a whole higher level of resources even to keep pace with the powers and tentacles of the modern executive, let alone to contain them.

But beyond that the wise architects of Opposition, and the wise contributors to national security, safety and stability, must identify and then move towards tomorrow's common ground. That is leadership, whether from Government or Opposition benches, or any other position of influence.

Although it may take time and patience, almost invariably the common ground eventually becomes the winning ground. It just depends on who gets there first.

---