

The Loveless Marriage: Making Sense of the Conservative-Liberal Democrat Coalition

Andrew Heywood (January 2013)

Most things we think we know about the Conservative-Liberal Democrat coalition are wrong. The coalition did not mark a break with the 'normal' pattern of UK politics. It was not the inevitable outcome of the May 2010 election. Instead of marking the birth in the UK of 'new politics', the coalition has come to perpetuate old politics, except by other means. Moreover, increasingly open and frequent disagreement within the coalition is more an indication that the coalition partners have learned to play the 'coalition game', than it is evidence of coalition's impending collapse.

A bolt from the blue? Coalitions in the UK

The fact that the May 2012 general election resulted in the formation of a coalition government, struck most people as a dramatic break with the 'normal' pattern of UK politics. The general assumption was that the UK does not 'do' coalition government, or, as Disraeli famously put it, 'England does not love coalitions'. After all, generations of politics have been taught that the cornerstone of the UK's 'Westminster model' system of government was a two-party system and single-party majority government, upheld by the first-past-the-post electoral system.

Such a view seemed to be borne out by the pattern of UK politics in the post-Second World War period. Seventeen out of the eighteen general elections held between 1945 and 2005 resulted in the formation of single-party majority governments, with power alternating between Labour and the Conservatives. The only exception came in February 1974, when the election of a 'hung' Parliament left no party with control of the House of Commons, and led to the formation of a Labour minority government. Although Labour gained a narrow majority in a second election held a few months later, in October 1974, within two years by-election defeats had once again deprived the government of its majority. Labour was then only able to survive in power by negotiating a pact with Liberal Party and because the Scottish Nationalist Party (SNP) and Plaid Cymru gave informal support to the government in the hope of achieving devolution. The so-called Lib-Lab Pact of 1977-79 nevertheless stopped well short of being a formal coalition. Although the Liberals agreed to support Labour in Parliament, in return for prior consultation over policy, no Liberals entered government, and the two parties did not negotiate a joint programme of government.

However, from a wider historical perspective, the period between 1945 and 1970 was exceptional. This period was unusual both because of the high degree of internal unity that

Labour and the Conservatives maintained and, more importantly, because the two major parties enjoyed virtually unchallenged dominance. During the 1950s in particular, the Liberal Party barely functioned as an electoral force, and nationalism in Scotland and Wales remained insignificant until the late 1960s. Once, from the 1970s onwards, the revival of the Liberals and the emergence of Scottish and Welsh nationalism caused combined Labour-Conservative support to fall, it was only a matter of time before another 'hung' Parliament would occur. What was fast becoming a multiparty system in the country only remained a two-party system in Parliament thanks to the Westminster electoral system, and even that could not be relied on to deliver single-party majority government for ever.

In many ways, the post-1970 period has marked a return to the pattern of UK politics that had characterised much of the nineteenth century and the first half of the twentieth century. During the Victorian era, three or four party contests tended to be the norm, as the Peelites broke with the Conservatives in the mid-nineteenth century and, especially after the Second Reform Act of 1867, as the Home Rulers split from the Liberal Unionists. This meant that electoral pacts and coalition governments were more common than overall majorities. During the twentieth century up to 1945, the rise of the Labour Party as a challenger to the Conservative and Liberal parties meant that single-party majority government existed for only about a third of that time.

A shot-gun wedding? Forming the Conservative-Liberal Democrat coalition

In forming the coalition in May 2010, the Conservative leader, David Cameron, and the Liberal Democrat leader, Nick Clegg, claimed that their actions were a necessary response to an urgent national crisis, linked to the UK's spiralling national debt. The fact is, however, that this was a coalition of choice, not a coalition of necessity. Both parties had the option of not forming a coalition government. The question is: why were these options rejected?

Conservative decision-making

In the case of the Conservatives, it is easy to explain why they opted to form a coalition as opposed to the alternative. Finding themselves, after 6 May 2010, as the largest party in a 'hung' Parliament, Cameron and the Conservatives could simply have waited for the (inevitable) resignation of the prime minister, Gordon Brown, and formed a single-party minority government, as Labour had done in February 1974. However, such an option was deeply unattractive, for two reasons:

- As the Conservatives were 21 seats short of a Commons majority, a Conservative minority government was likely to be weak and short-lived. This was especially the case as the Conservatives' manifesto commitment to radical cuts in public spending put them, on the

face of it, on a collision course with Labour, the Liberal Democrats, the SNP and Plaid Cymru. If the Conservatives sought to carry out these policies, there was a high probability that the opposition parties would unite to oppose them, bringing the government down. If they shelved these policies, they risked appearing to be rudderless or incoherent.

- As the controversial nature of Conservative economic policies was likely to bring at least short-term unpopularity, there was a good chance that the Conservatives would be defeated in any 'second' election, however it was brought about.

It is no exaggeration to suggest that the formation of the coalition salvaged David Cameron's political career. Without it, he would probably have failed twice, within a few months, to deliver a Conservative majority government, something that, until early 2010, had seemed almost a foregone conclusion. It was therefore little surprise that, in the days after 6 May, Cameron and leading Conservatives devoted such time, energy and purpose to wooing the Liberal Democrats, hoping to draw them into a full coalition.

Liberal Democrat decision-making

In May 2010, the Conservatives needed the Liberal Democrats more than the Liberal Democrats needed the Conservatives. This was because the Liberal Democrats had a more viable alternative option. Had Clegg and senior Liberal Democrats resisted the enticements of the Conservatives, they may have expected to strengthen their position in a 'second' election, based on winning votes from the Conservatives, whilst, at the same time, keeping alive the prospect of a coalition with Labour, widely seen as a more 'natural' partner in government for the Liberal Democrats than the Conservatives. The decision-making process within the Liberal Democrats during May 2010 was therefore more interesting and more complex. Among the factors that persuaded the Liberal Democrats to join forces with the Conservatives were the following:

- Although unstated, the Liberal Democrats' prime electoral strategy had long been to hold the balance of power between the Conservative and Labour parties, as this gave them their only realistic chance of being in government. Having achieved this only for only the second time since 1945, there would have been strong pressure within the Liberal Democrats to seize the opportunity. There was, of course, no guarantee that a 'second' election would result in a 'hung' Parliament, and no one knew when the prospect of power for the Liberal Democrats would come around again.
- The coalition had a significant ideological dimension. In contrast to the Liberal Democrats' traditional centre-left orientation, leading figures in the party have shown increasing sympathy for Conservative-style free-market ideas. This trend came into the open with the publication in 2004 of *The Orange Book: Reclaiming Liberalism*. The book championed market-based economic solutions, was funded and co-edited by David Laws, and included

contributions from, amongst others, Nick Clegg, Vince Cable, Chris Huhne and Ed Davey, people who were later to play prominent roles within the coalition. The prospect of a coalition with the Conservatives gave the 'Orange Bookers', as they became known, an opportunity to redefine the ideological identity of the Liberal Democrats that was perhaps too good to resist (even if this came at the cost of abandoning the economic strategy outlined in the 2010 Liberal Democrat manifesto, which was broadly similar to Labour's).

- Entering government (with whichever major party) had the attraction for many Liberal Democrats that it would help them to establish them as a 'serious' party with 'serious' policies. This would enable the Liberal Democrats to ditch their image as a 'party of protest', a party that indulges in short-term strategies based, critics allege, on little more than what happens to be popular (opposition to the Iraq War, resistance to university tuition fees and so on).
- The role of personal ambition cannot be discounted. Unlike their counterparts in the Conservative and Labour parties, leading Liberal Democrats could usually not look forward to a political career offering the prospect of ministerial office and advancement up what Disraeli called the 'greasy pole'. Instead, however hard-working and talented they may be, senior Liberal Democrats could only occupy the political fringe (Westminster and the media), never gaining access to Whitehall. When offered a perhaps once-in-a-lifetime chance of moving from the fringe to the centre of politics, it would have taken a very strong-minded politician to resist simply because this meant abandoning manifesto promises or (perhaps in the case of people such as Vince Cable), maybe, ideological beliefs.

However, such decisions were made because one possible outcome of the May 2010 election always remained unfeasible. This was a Labour-Liberal Democrat coalition. Although Gordon Brown waited five days after the 6 May election before resigning, with only the prospect of doing a deal with the Liberal Democrats to justify this delay, such a deal was never likely happen. It was ruled out, quite simply, by parliamentary arithmetic. The combination of Labour's 258 seats and the Liberal Democrats 57 seats still left the two parties 11 seats short of a Commons majority. This created the near unthinkable prospect of a fragile coalition government, facing challenging financial and economic circumstances, being dependent for its survival on the uncertain loyalties of nationalist parties. In other words, there was no viable 'third option': the 2010 general election could only have resulted either in the formation of a minority Conservative government or the formation of a Conservative-Liberal Democrat coalition.

The honeymoon period: coalition government phase one

Coalitions are not all the same. They vary due to factors such as the number and size of the parties involved, the compatibility of these parties in policy and ideological terms, and the

leverage each party is willing and able to exercise. Coalitions also change over time, especially when, as in the UK in 2010, the parties concerned lack recent experience of playing politics by coalition rules. In the case of the Conservative-Liberal Democrat coalition, its first phase was marked by a high level of unity and cohesion. Indeed, for a period, the coalition partners seemed to have blurred into one another, almost making it difficult to know where one party started and the other ended. For many commentators, this reflected the birth in the UK of 'new politics' or 'partnership politics', a style of politics that rejects the ritualised hostilities so often associated with the two-party system and, instead, relies on reasoned argument, compromise and consensus-building.

The newly-formed coalition adopted such a strategy in its early period for three main reasons. First, there was a recognition within both parties that, having taken the bold decision to form a coalition, their electoral standing was, from that point onwards, entangled with public perceptions of the coalition. A high level of internal cohesion would make the coalition appear strong and successful, helping to confirm the wisdom of having formed the coalition in the first place. On the other hand, the exposure of fault lines between the Conservatives and the Liberal Democrats would only damage the image of the coalition and, in the process, undermine both coalition partners. In addition to the practical advantages of presenting a united face, the Liberal Democrats in particular were drawn to a strategy of partnership for principled reasons, having long argued that the shift from a culture of confrontation to one of consensus would be one of the key benefits of electoral reform.

Second, unity was upheld by the speed with which a formal framework was established for the coalition. This framework sought to resolve, or at least reduce, areas of disagreement between the coalition partners, and to provide a mechanism for managing disagreement when it occurred. By 20 May, two important documents had been published. *The Coalition: Our Programme for Government* outlined the coalition's policy agenda for at least its first two years in power, covering 31 areas of government policy, and *The Coalition Agreement for Stability and Reform* laid out how the coalition government would work in practice, establishing rules about such things as the composition of government, the application of collective responsibility, and support for the government in Parliament. As well as binding the coalition partners, from the outset, to a set of agreements, these documents were also intended to maintain trust and transparency between them. In addition, disputes-resolution arrangements were put in place, which aimed to ensure that disagreement between coalition partners would be quickly resolved and at a senior level, rather than being played out in public. These arrangements operate on a number of levels. Weekly meetings between the prime minister and deputy prime minister are supplemented by meetings of the 'Quad' (composed of Cameron, Clegg and their two closest senior cabinet colleagues, the chancellor George Osborne and the treasury secretary Danny Alexander) and meetings between Oliver

Letwin, minister of state in the Cabinet Office, and Danny Alexander, both of whom command a high degree of trust from their respective masters.

Third, during this period the Conservatives were at pains to adopt a conciliatory stance towards the Liberal Democrats, motivated, in all likelihood, by a recognition of the extent to which their political fortunes were linked to success in entrenching the Liberal Democrats within the coalition. This was evident in the allocations of ministerial posts. Not only was Nick Clegg given a status and range of responsibilities (including chairing half the cabinet committees) that effectively redefined the post deputy prime minister, but the Liberal Democrats were also allocated more cabinet and ministerial posts than their parliamentary representation appeared to merit. Similarly, the *Programme for Government* contained a disproportionately large number of Liberal Democrat 'wins', especially, but not only, in the area of constitutional and political reform. This should, nevertheless, not obscure the fact that the Liberal Democrats made the most important concession during this process, in agreeing to support Conservative Party policy on deficit reduction and spending cuts.

Proof that the coalition's partnership strategy was being lived in practice, and not merely in words, came when it passed its first big test with seeming ease. This was the comprehensive spending review, which dominated coalition policy-making during the summer and autumn of 2010, and unveiled in the October. Although the spending review involved average four-year 19 per cent cuts in departmental budgets, £7 billion in additional welfare cuts and, by Treasury estimates, the loss of almost half a million public sector jobs, the Conservatives and the Liberal Democrats stood as one in defending these policies in Parliament and in public. This level of unity was not to continue, however.

The marriage hits the rocks: coalition government phase two

How the honeymoon ended

The Conservative-Liberal Democrat coalition gradually changed from being a coalition of partners to being a coalition of protagonists. From preserving an image of unity, the two parties started to place greater emphasis on emphasising their distinctive identities. As a result, tensions and divisions within the coalition became increasingly apparent. The key points in this process came with a series of policy developments. The most important of these were:

- The increase in university tuition fees
- The referendum on the Alternative Vote
- Cameron's 'veto' of a proposed EU treaty
- The abandonment of Lords reform

University tuition fees. The nearly three-fold increase in university tuition fees, introduced in December 2010, was a crucial turning point for the coalition. It marked the point at which the Liberal Democrats began to recognise the true cost of participating in the coalition. Many Liberal Democrats felt they could not support the measure, either because it broke a high-profile Liberal Democrat manifesto commitment, or because of anxieties about restricting access to higher education that persisted despite significant the legislation being significantly modified. In the event, 21 Liberal Democrats voted against the policy and 8 abstained, meaning that only a minority of Liberal Democrat MPs supported a policy that had been proposed by one of their own cabinet ministers, Vince Cable. Appearing divided and assaulted by claims of broken promises, electoral support for the Liberal Democrats' was badly weakened and the person standing of Clegg plummeted. Instead of, as some had hoped, establishing the Liberal Democrats as a 'grown up' party which was no longer willing to make promises it could not keep, the issue of tuition fees turned the coalition's junior partner - and, more specifically, its leader - into a lightning rod, seemingly attracting all the criticism that came the way of the coalition.

The AV referendum. It is difficult to over-state the importance to the Liberal Democrats of the provision in the *Programme for Government* to 'bring forward a referendum bill on the electoral reform, which includes provision for the introduction of the alternative vote electoral system'. Without this concession from the Conservatives, there would have been no Conservative-Liberal Democrat coalition. Although Clegg had previously dismissed AV as a 'miserable little compromise', this most modest alternative to first-past-the-post was likely to boost Liberal Democrat representation, making 'hung' Parliaments and coalition governments more likely in future. Perhaps, in due course, the introduction of AV would prepare for 'proper' proportional representation. However, what Clegg had not countenanced was that Cameron and the Conservatives would campaign so vigorously against AV, and that support for AV would be so adversely affected by his own, and his party's, unpopularity. The 68 per cent 'no' vote in the referendum in May 2011 had a devastating impact on Clegg and the Liberal Democrats. Not only did it deprive them of the chief prize that they hoped to achieve through the coalition, but, by seeming to demonstrate that the UK had little appetite for electoral reform, it threatened to push the party's most cherished policy off the political agenda for, maybe, a generation.

The EU treaty 'veto'. Cameron's decision, in December 2011, to block a proposed EU-wide treaty designed to tackle the eurozone crisis brought to the surface perhaps the deepest ideological division between the coalition partners. The substance of the decision alienated many Liberal Democrats, because it appeared to leave the UK on the margins of EU decision-making. On the issue in question, the UK was in a minority of just two within the 27-member Union. But the manner in which the decision was made caused equal damage. The fact that that there had been no meaningful consultation with Clegg or, for that matter, any other

leading Liberal Democrat in advance of the 'veto', deeply embarrassed the Liberal Democrat leader and left a legacy of distrust and resentment.

The abandonment of Lords reform. Once the attempt to introduce electoral reform had failed, the Liberal Democrats hopes for significant constitutional reform shifted to the second chamber. In line with both parties' 2010 manifestos, and in accordance with the *Programme for Government*, a committee chaired by Clegg eventually unveiled plans to change the make-up of the House of Lords in May 2011. These would have seen the creation of a 300-member chamber, with an 80 per cent elected element. However, the plans were abandoned in the August, when strong and stubborn resistance from Conservatives in both chambers persuaded Clegg that the proposals could not pass. Seeing Conservative actions as a clear breach of the coalition agreement, Clegg retaliated by instructing Liberal Democrat MPs to oppose changes to parliamentary constituencies boundaries that would have resulted in about 20 additional 'safe' Conservative seats.

Why the honeymoon ended

Why did the character of the coalition change, and change so dramatically? Was the shift from unity to disunity inevitable, or was it the product of blunders and miscalculations? These events can be explained by developments within each of the coalition parties. As far as the Liberal Democrats were concerned, they became aware that the source of their vulnerability stemmed from partnership politics itself. Any junior partner in a coalition government operates under a structural disadvantage. Lacking the ability to control the policy agenda, it risks being blamed for the coalition's failures whilst, at the same time, gaining little reward for the coalition's successes. In the case of this UK coalition, the perception had developed that the main role of Liberal Democrats was to keep a Conservative-dominated government in power. This image was strengthened by the fact that the partnership approach had prevented the Liberal Democrats from showing where, how and when they had influenced government policy, denying them the credit that may have come from blocking or modifying unpopular policies.

After the debacle over tuition fees, and in order to satisfy increasingly disgruntled internal factions and party supporters, Clegg became increasingly aware of the need to emphasise a distinctive Liberal Democrat identity. Quite simply, if junior partners are to overcome their structural disadvantage within a coalition, they must resist a strategy of 'two speaking as one'. Instead, they must be robust in the dealings with their senior partner, and, as importantly, they must be seen to be robust. Indeed, junior partners may even, at times, dominate coalition policy-making (a situation in which 'the tail wags the dog'), if they are willing to threaten to use the 'nuclear option' of withdrawing their support and bringing the coalition down. However, to work, such a threat has to be credible.

As far as the Conservatives were concerned, a quite different set of factors applied. When the coalition was formed some had speculated that one of its attractions, for Cameron and for many on the 'modernising' wing of the party, was that it would marginalise the Conservative right, so helping to establish the Conservative Party as a liberal-orientated, centre-right party. If this was the case, Cameron and the modernisers were sadly mistaken. As the coalition has developed, the Conservative Party has shifted to the right, with the result that the policy and ideological 'gap' with the Liberal Democrats has widened not contracted.

Why has this happened? One reason is that, despite the prominence under Cameron of the party's modernisation agenda, the Conservative parliamentary party has become, if anything, more Eurosceptical and right-wing. This was particularly true of the party's 2010 intake. This wing of the party has become increasingly assertive, both because of disgruntlement over what have been seen as 'concessions' to the Liberal Democrats, especially over constitutional reform, and because the eurozone crisis has provoked resurgent Euroscepticism, encouraging some in the party to call for a radical revision of the UK's relationship with the EU. At the same time, the need to allocate cabinet and ministerial posts to Liberal Democrats has reduced the capacity of Cameron and the Conservative whips to 'buy' backbench loyalty through promises of preferment. These circumstances have led to an unusual degree of disaffection on the Conservative backbenches, with, up to January 2012, the coalition's ten most rebellious MPs all being Conservatives. In October 2011, Cameron suffered the party's biggest ever rebellion over Europe, when over 80 Conservative MPs defied his orders by backing a referendum on the UK's membership of the EU.

Although rebellions by Conservative backbenchers rarely threaten the coalition with defeat, largely because Conservative and Liberal Democrat MPs tend to rebel over different issues, Cameron has been particularly anxious to conciliate right-wing or Eurosceptical Conservatives, even at the cost of tensions with Clegg and the Liberal Democrats. This was particularly evident when the EU treaty 'veto' in December 2011, but it was also apparent in September 2012 when his first major cabinet reshuffle saw to promotion for key Conservative right-wingers. In these and other actions, Cameron has shown that he is mindful of the lessons taught by John Major's premiership. Major's authority over the party was effectively destroyed during the 1990s when about 20 Conservative backbenchers repeatedly rebelled over Europe, contributing, in no small part, to the Conservatives' humiliating 1997 election defeat. Cameron seems determined not to repeat history, especially as he confronts a more Eurosceptical party than Major ever did.

Staying together for the sake of the children: coalition government phase three

If phase one of the coalition government was characterised by unity and cohesion, and phase two by emerging tensions and disagreements, phase three, discernable since the autumn of

2012, is marked by the fact that the coalition partners have found a way of living together in disharmony. The key to this new – and, possibly, last – phase of coalition government is that the illusions and expectations that had sustained the honeymoon period have finally and firmly been abandoned. The end of trust between the Conservatives and Liberal Democrats certainly suggests that divisions within the coalition will become more frequent and open as the two parties, but especially the Liberal Democrats, live ‘separate lives’, a tendency that can only become more pronounced as the election draws near. However, a ‘post-trust’ coalition also has its advantages. The recognition on both sides that the other party is likely to put partisan advantage ahead of the wider health of the coalition means that disagreement has come to be expected, not feared. Most importantly, the sense of betrayal and resentment that so often accompanied coalition disagreement during phase two has faded, meaning that the coalition itself has become more robust.

As partnership has been replaced by a series of on-going transactions between the two parties, ‘new politics’ has given way to ‘old politics by other means’. An example of this occurred when the Leveson Report on the future of press regulation was published in November 2012. Cameron’s statement to the Commons, which raised serious concerns about the idea of legally-based press regulation, was followed, in an unprecedented step, by a statement by Clegg, in which he supported Leveson’s proposal that press regulation should be rooted in statute. Similarly, it was clear that the autumn economic statement of December 2012 was the product of a series of explicit trade-offs. For instance, the Conservatives abandoned cuts to housing benefit for young people and a ‘two children’ policy for welfare claimants in return for the Liberal Democrats giving up the idea of a mansion tax.

The possibility of divorce?

If the coalition parties are increasingly living separate lives and publicly acknowledging discord between them, surely this loveless marriage will end in divorce? Although nothing is inevitable in politics, and predictions about how the Liberal Democrats may behave if their electoral standing fails to revive or dips further are particularly risky, there are good reasons to believe that the coalition will endure for a full parliamentary term. First, the formation of the coalition was accompanied by a commitment to introduce five-year fixed-term Parliaments, duly carried out through the Fixed-Term Parliaments Act 2011. This Act, nevertheless, still allows for a general election to be held before the end of the five-year period, either through a government defeat in the Commons on a vote of confidence, confirmed by a second such vote within fourteen days of the first, or through a vote for an early general election supported by two-thirds of MPs. Although these provisions mean that neither coalition partner, acting alone, can bring the government down, the Liberal Democrats could win a vote of no confidence if this was also supported by Labour, the SNP and Plaid Cymru. Nevertheless, the introduction of fixed-term Parliaments has not only created strong expectations about the likely date of the

next election (7 May 2015), thereby discouraging the kind of speculation and manoeuvring that often occurs with flexible-term Parliaments, but, fearing a backlash from another broken promise, it also helps to bind the coalition partners to this timetable.

Second, although the Liberal Democrats have paid, and may continue to pay, a heavy electoral price for their participation in the coalition, greater damage may be caused by their withdrawal. Having invested so much of their credibility in establishing and defending the coalition, they risk destroying what remains of their credibility if they later abandon it. Certainly, it is difficult to see how, at minimum, Clegg and the other Liberal Democrat cabinet ministers could survive politically in the event of such an about-face.

Third, the Conservatives are unlikely prematurely to end a coalition that has brought them so much benefit at such little cost. As well as saving the Conservatives from the perils of minority government, the coalition gave the government a comfortable majority of 76 seats (and an effective majority almost 100 seats). Having the Liberal Democrats on board has also protected Cameron and the Conservatives from the deeper unpopularity that may otherwise have come their way. Added to this is the fact that the coalition has been remarkably good for the Conservatives in policy terms. It has allowed them to press ahead with an extensive programme of spending cuts, perhaps permanently 'rolling-back' the UK state, without having to pay the 'price' of the introducing AV or carrying out Lords reform. Finally, the continued weak performance of the UK economy, and the prospect that cuts will continue until 2018, if not beyond, hardly make the prospect of an early general election attractive for the Conservative Party.