

Change and Continuity in the Liberal Democrat General Election Campaign of 2005

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THE Liberal Democrat campaign of 2005 was judged by the public to be the most effective of the three main campaigns.¹ It also delivered tangible gains: more seats and more votes for the second successive election. However, the campaign has been criticised, and there has been disappointment within the party that the gains were not greater. This article considers why the party's 2005 campaign was largely the same as in 2001, examining how far the party changed in the intervening years. It begins by highlighting policy changes and then argues that although policy changed significantly, the party's overall message remained basically the same. The nature of the party's election strategy and tactics are then examined, followed by an assessment of how the party might develop its approach in future.

Changes in policy, 2001-2005

Party policy changed significantly between 2001 and 2005. Some of the key developments came through the party's public services working group, chaired by Chris Huhne MEP (now MP) and consisting of spokespersons and policy experts. In August 2002, the group proposed decentralising decision-making on public services to a democratic local and/ or regional level. It also proposed a new formula for funding the education of children from disadvantaged backgrounds (drawing on the Dutch model), and an earmarked NHS tax based on the existing National Insurance system.² Due to a massive internal consultation exercise carried out by the group, party conference adopted the proposals almost unamended. However, the public services programme was tweaked in 2004/5. First, when the regional assembly proposal in the north-east was defeated in November 2004, the party reassessed its emphasis on the regional dimension in democratic control of public services. Instead, its election manifesto said that 'The powers of many unelected regional and national quangos and administrators will be given to local cities and counties'. Second, the earmarked NHS tax was downplayed. This had been developed when many voters doubted whether extra money was going into the NHS. When it became widely accepted that there was extra investment, the policy no longer had such resonance and was not included in the final manifesto.

The new public services policy signalled that the party now believed that delivery of public services was a more pressing issue than funding. In the 1992, 1997 and 2001 elections the Liberal Democrats had pledged to increase funding for education by putting 1 p on the basic rate of income tax. Yet from 1999 onwards Labour significantly increased education funding, so many argued that the party could not credibly argue for even more money. Several MPs made that argument, but the decisive figure was the Liberal Democrat Shadow Chancellor, Matthew Taylor MP. His February 2003 Alternative Budget did not include the 1 p policy and argued instead that, 'In 2003, the main issue is no longer securing additional investment. It is now about spending more wisely, taxing more fairly.'³ That document also set out the fiscal basis of the party's 2005 manifesto. This involved just one tax increase, with the introduction of a 50 per cent tax rate (instead of 40 per cent) on that part of people's incomes over £100,000 per annum. The revenue raised by that policy (£4.5 billion per annum at the time) would be used to scrap university tuition and top-up fees (£2 bn) and cut every council tax bill by £100 (at a cost of £2.5 bn) prior to replacing council tax with a local income tax. At once, that meant that the Liberal Democrats were no longer proposing tax increases for all those paying the basic rate. Instead, tax cuts for most people were proposed (through scrapping the council tax), while at the same time redistributing money from the wealthiest

1.5 per cent of taxpayers to reduce costs for others. Indeed, the party talked about this as a tax 'change' which helped to emphasise its redistributive nature.

On tax policy, the only major change from February 2003 until the publication of the manifesto two years later was that the party's pledges on personal care could be paid for from the SOp tax rate. This was because official figures had shown that the cost of scrapping tuition fees was smaller than expected and that the SOp rate would raise more than expected. Given the continuity of fiscal policy from 2003 to 2005, it was ironic that when Dr Vincent Cable MP replaced Matthew Taylor as Shadow Chancellor in autumn 2003, he was credited by journalists with introducing economic rigour to the party's policy-making. Cable's reputation as a former Chief Economist at Shell was undoubtedly a boost to the party's credibility, but Taylor had shaped the overall package and continued to play a key role in ensuring that the sums added up.

In shifting ground on fiscal policy, the party was also helped by the internal spending review, which was primarily associated with David Laws MP. In the summer of 2004 the review identified savings of around £5 bn per annum which could fund policies deemed more important by the party. The key proposals were: scrapping the Department for Trade and Industry (using the saving for several policies including increased pensions); using money from the proposed ID card scheme to fund extra police; and spending money on reducing primary school class sizes instead of the Child Trust Fund. This was a significant departure from the party's 2001 manifesto which had included only modest savings, and illustrates how much political debates had shifted in the intervening years.

One further area of change was crime policy, which was long seen as a weak issue for the party. When Mark Oaten MP became Shadow Home Secretary in late 2003, he began to use the language of 'tough liberalism'. This caused some alarm among activists, who saw 'tough liberalism' as pandering to tabloids. However, the core of Oaten's policies remained impeccably liberal, with an emphasis on crime prevention and rehabilitation of offenders. He took the view that the genuinely 'tough' approach to crime was to prevent it in the first place, rather than simply to lock up offenders as a form of punishment, regardless of whether that might make them likely to reoffend. He therefore began to push through shifts in the language used to describe party policy. This made the party more confident in talking about crime than previously, and many MPs felt they had a more effective message on crime than in 2001.

The manifesto and the message

The changes in policy potentially meant that the party's message would change significantly compared to 2001. Surprisingly, it remained broadly the same, with the party creating an overall impression that it would increase taxes (if only on a small number of people) to fund, for example, scrapping university tuition fees. Two main reasons can be identified for this: the influence of the overall campaign strategy; and the impact of the party's local income tax policy.

The most important factor was that those with overall responsibility for the campaign, especially Lord (Chris) Rennard, the party's Chief Executive, argued that polling has consistently demonstrated that scrapping tuition fees is popular. Other messages, such as decentralising decision-making, do not have the same appeal, and are often not understood. Similarly, it was believed that an anti-crime policy based on recruiting extra police was more likely to win votes than talking about rehabilitating offenders, even using the language of 'tough liberalism'. For those reasons, the party's manifesto was built around ten core messages which tended to emphasise long-standing aspects of policy more than some of the recent changes. The first stage of the manifesto was the pre-manifesto, produced for debate at party conference in September 2004. The Federal Policy Committee has formal responsibility for manifestos, but the three key figures in the daily work were Matthew Taylor MP (as Chair of the manifesto process), myself (as Director of Policy) and Claire Bentham (a Policy Officer with general responsibility for manifestos). Matthew Taylor assumed a greater role in the drafting of the final manifesto as both myself and Claire Bentham left the employment of the party in the summer of 2004 to pursue careers in education. As the core of the manifesto was complete by that stage, our roles were not directly replaced, although Christian Moon, as Head of the Policy Unit, took on some of the manifesto drafting.

In writing the pre-manifesto we consulted many different parts of the party. The nature of that process, and the remit we were given, meant that the pre-manifesto had a strong campaigning focus. In particular, it included ten headline 'Reasons to Vote Liberal Democrat'. These included policies such as 'Free personal care when you need it-no one

forced to sell their home to pay for care' and 'No tuition fees, no top-up fees - university affordable for every student'. However, there were also general positioning statements such as 'We should not have gone to war in Iraq-it's time to restore trust in the Government.' These points remained the basis of the Liberal Democrat message, although they were made more punchy for the final package launched in late March 2005. Then, each of the ten final messages was put into the same 'oppose/propose' format. So, for example, on environmental policy, the pre-manifesto pledge to 'Take the environment seriously-cut pollution, cut congestion, and boost renewable energy' was replaced with the statement 'We oppose: ignoring climate change. We propose: cleaner transport & cleaner energy'.

Aside from the campaign focus of the manifesto, a further reason that the overall message in 2005 remained similar to that of 2001 was the importance given to local income tax (LIT). That was not because it had been important in 2001 (it had not), but because it created the impression that the Liberal Democrats were proposing general tax increases. Although the party's income tax changes applied to a small number of people (the 1.5 per cent of taxpayers with incomes over £100,000 per year, compared to all basic rate taxpayers in 2001), many more people believed that their tax bills would increase with LIT. In fact, three-quarters of people stood to gain or pay no more than under council tax, but LIT had an impact on the perceptions of many voters who did not believe themselves to be affluent: households with an annual income of around £40,000 were on the margin of those who would pay more. This helped suggest that the Liberal Democrats would increase tax overall at a time when people are increasingly questioning the efficacy of increasing taxes.

Continuity in campaigning

In addition to continuity in the party's message, there was also continuity in the way that message was delivered. One explanation of that is the continuity of key figures at a senior level in the decision-making process. In the party's middle management, there was significant change, especially in the press operation. Nobody in a major press role in 2005 had been working for the party in 2001: Jackie Rowley replaced Daisy Sampson heading the leader's press operation, while Mark Littlewood took over from Robin Banerji who had in turn replaced Elizabeth Peplow as head of the party press office. A new post of 'Director of General Election Communications' had been filled by Sandy Walkington, and David Walter's post of Director of Communications had disappeared. Yet at a senior level, there was marked continuity: Lord (Tim) Razzall was Chair of the campaign (in his role as Chair of the Campaigns and Communications Committee); Lord (Chris) Rennard was Director of the campaign; and Lord (Dick) Newby was the Leader's Chief of Staff. All three had the same positions in 2001.

The most important aspect of this continuity is the influence of Chris Rennard. In 2001, Rennard had been the party's Director of Campaigns and Elections and in that role already had a deep influence on party strategy. However, in autumn 2003 he had been promoted to Chief Executive, which gave him even more influence on the party organisation. Yet his impact is not solely associated with the post he holds. More significant is that he has persuaded key figures that his approach works, and many parliamentarians believe that they owe their seats to his campaigning methods. Andrew Russell and Edward Fieldhouse established Rennard's influence in their detailed study of seventy key Liberal Democrats. They said, 'All interviewees were asked who they felt controlled the party. Not only was Rennard the most popular answer, but more than twice as many of our non-representative, but carefully selected, sample mentioned Rennard than Ashdown and Kennedy combined.'⁴ The result of this was broad acceptance of Rennard's judgement that the 2001 campaign was successful and should be replicated.

As a result, the 2001 model of repeating key messages was the core of the campaign. For that reason, the general election slogan, 'the real alternative', was launched at the party's spring conference in Harrogate in early March, a month before the formal campaign began. Soon after, the party launched its ten core election messages through national newspaper adverts. With the key messages in the public domain, tried and tested tactics were used to promote them. First, resources were targeted on 'key seats' (usually described in the media as 'target seats'). This is done because polling shows that the biggest factor people cite in not voting Liberal Democrat is a belief that the party cannot win in their seat. Targeting seeks to show that on the contrary, the Liberal Democrats are stronger than other parties in specific areas. Second, the party leader travelled around the country by 'battlebus' and aeroplane on a 'Leader's Tour'. This was heavily focused on generating local and regional media coverage in specific constituencies, of which Charles Kennedy visited 39 in the campaign. It began with a

'Flying Start' running for three days from 5 to 7 April. During that time, Kennedy emphasised the ten core messages in visits to nine different towns and cities. A particular feature of the Flying Start was the argument that the Liberal Democrats would be fighting a positive campaign. Kennedy said, 'We're going to address people's hopes, not play on their fears.' Third, on each day of the campaign, the party followed a pre-agreed plan, highlighting core messages, beginning with a 7.30 am press conference. The aim of such an approach was to secure broadcast headlines along the lines of 'The Liberal Democrats today focused on their plans to scrap tuition fees.' These press conferences (which have been part of the party's campaigning since 1992) followed the same pattern as in 2001, with Kennedy making introductory remarks, followed by the relevant spokesperson, with Tim Razzall in the chair. Questions from journalists then followed. The only obvious change to 2001 was that the panel sat in armchairs around a coffee table rather than behind the more formal press conference set. This change was believed to suit Kennedy's conversational style.

However, there were departures from the basic pattern of the campaign, sometimes dictated by events outside politics. The birth of the Kennedys' first baby on 12 April saw the party's Deputy Leader, Sir Menzies Campbell, carrying out leadership duties for a few days. Meanwhile, the funeral of the Pope and the wedding of Prince Charles and Camilla Parker-Bowles led to parties suspending national campaigning on 8 and 9 April. Otherwise, there were only two political 'events' which significantly diverted the Liberal Democrats from their plan of repeating different key messages each day. The first was the manifesto launch on 14 April. At this, many journalists focused on the effects of the party's local income tax policy (LIT). Kennedy was asked whether LIT would raise the same amount as council tax, and how much people would earn before they paid more tax with LIT, but he fluffed the answers. This was potentially damaging as it suggested there was confusion over the details of the policy. However, it became clear in the broadcast media later in the day, and then in anecdotal evidence from campaigners, that the public and some journalists excused Kennedy's performance as he had returned home with a new baby only two days before. If anything, it appeared to strengthen the public view that Kennedy is 'human', although it remains to be seen what impact it will have had on long-term impressions about his capabilities as a potential Prime Minister.

The second 'event' was Iraq. The Liberal Democrats planned to tackle foreign affairs issues generally towards the end of the campaign, to remind voters of the war in Iraq which was a key factor in moving voters from Labour. However, on 25 April the party announced one of the few surprise events of the campaign: the defection of the former Labour MP, Brian Sedgemore, partly related to Iraq. That coincided with the leak of the Attorney General's advice on the legality of the war on 24 April, which meant that the media spotlight was on Iraq. Given the strength of the issue for the Liberal Democrats, it would have been foolish for the party not to have made the most of it. However, the judgement of the core campaign team was that Iraq could not be sustained as the major campaign issue for any longer than a few days because senior campaigners believed that the key task for the Liberal Democrats was to communicate positive alternative policies on domestic issues. That approach dominated the rest of the campaign.

Yet there were innovations in 2005. One was the improvement of the party's rapid rebuttal operation by allocating specific staff to prepare responses to attacks on Liberal Democrat policy by opponents. The other innovations flowed from the party's success in fundraising: figures from the Electoral Commission show the party having raised over £4 million in the first quarter of 2005 (over half of that coming from one donor), compared to £9 m for the Labour Party and £8 m for the Conservatives. In 2001, the party had come nowhere near to such fundraising. These additional funds allowed three new tactics aimed at further entrenching the overall strategy of repeating key messages. First, the party paid for a series of full page adverts in national newspapers when it launched its 'Ten Reasons to Vote Liberal Democrat' in late March. Second, some of these policy bullet points were used in billboard posters across the country. Third, the national party paid for eleven million tabloid newspapers to be delivered across the country as inserts in local free newspapers. However, even if these were innovations compared to 2001, it should be noted that they were still part of an identical overall strategy.

Assessing the campaign

The results of the election were mixed for all the parties. Labour's 'historic' third term was accompanied by massive haemorrhaging of support. Despite gains, the Conservatives moved up only slightly in the polls and the immediate afterglow of their result was soon doused by

rows over the succession to Michael Howard. For the Liberal Democrats, there were reasons to be pleased with both the campaign and the result. In the campaign, the party was successful for the first time in communicating a number of its domestic policies to voters.⁵ The headline results obviously represented progress: 22 per cent of votes overall (an increase of 3.8 per cent), and sixteen seats gained with five lost, giving a net gain of eleven seats. They increased their vote share by more than any other party, and their seats are now spread through both rural and urban areas (including cities where the Conservatives are unrepresented). Meanwhile, the party is now in second place in 189 seats (up from 111).

However, there are also reasons for Liberal Democrat disappointment. In particular, the party fared less well than expected against the Conservatives, gaining only three seats and losing five. That was despite heavy targeting which has previously been successful. For example, there were fifteen seats where the Liberal Democrats were fighting the Conservatives and needed a swing of 5 per cent or below (a standard measure for 'most winnable' seats) to win. Many others were targeted too, but these were the seats where targeting was most obviously appropriate if past experience was a guide. Yet of these fifteen, the party only won two (Taunton, and Westmorland and Lonsdale, with the third gain from the Conservatives coming in Solihull which needed a bigger swing). Of the other thirteen seats, the gap between the Liberal Democrats and the Conservatives actually widened in ten, with swings ranging from 0.15 per cent to 7.48 per cent to the Conservatives. Local factors will have affected different seats, but the general pattern was of failing to make progress against the Conservatives, despite using methods which had previously delivered results. Why did this happen? Peering behind the swing figures shows that in six of these ten seats where there was a Liberal Democrat to Conservative swing, the total number of Liberal Democrat votes actually *increased* compared to 2001. However, the Conservative vote increased by even more. The likely explanation for this, and the one favoured inside Liberal Democrat HQ, is that the Conservatives were more effective than the Liberal Democrats at getting their voters actually to vote. Internal Liberal Democrat polling in key seats showed that the party successfully increased the numbers intending to vote Liberal Democrat, but that on election day, there was a differential turnout with more Conservatives actually voting. Nationally, the British Election Study also provides evidence which could support that conclusion.⁶

Such improvements in Conservative campaigning raise questions about the overall Liberal Democrat message, and the party's campaign. Did the Conservatives get their vote out because they had a more invigorating message, or because they were better at grass roots campaigning? Several explanations have been offered in the media by journalists, defeated candidates, and unnamed 'senior Liberal Democrats', and also behind the scenes by Liberal Democrat parliamentarians. These arguments can be divided into five categories: policy, campaign management, continuity, vision, and leadership. First, it has been said that some Liberal Democrat policies put off former Conservatives. Sue Doughty, the former MP for Guildford, told the *Today* programme on 11 May that she felt local income tax had cost her the seat. She said, 'We found that the Tories were able to target local income tax and to tell people that taxes would rise. In a lot of cases it wouldn't have risen, but it was very hard to make that point to people.' Responding, Ed Davey MP pointed out that he had won Kingston with the same policy, and he has subsequently argued that the policy must be kept as he believes it is both right and popular? This all means that the debate on local income tax is sure to continue, but it is not the only aspect of policy which is under fire. In many constituencies, opponents highlighted party policies such as allowing sixteen year olds to drink alcohol and giving prisoners the vote. Although these are party policy, they were not in the manifesto and would not have been implemented by a Liberal Democrat government. However, such policies may well have alienated some potential voters, and at the behest of the party leadership, it is likely that there will be a debate at the next party conference on whether all policy other than that in the 2005 manifesto should be repealed.

The second area criticised is campaign management. An anonymous 'senior Lib Dem' has claimed that Chris Rennard and Tim Razzall failed both to match Conservative efforts on the ground, and to produce messages which were targeted towards both Labour and Conservative voters. ⁸ In particular, the campaign has been described as inflexible, which made it unable to respond to the Conservative appeal to 'send a message to Tony Blair'. In many areas of the country where the Liberal Democrats failed to make progress against the Conservatives, it appears that the Conservatives persuaded voters that the best way to express discontent about the government was to vote Conservative rather than Liberal Democrat. It is said that this helped the Conservatives both to fend off the Liberal Democrat challenge in many areas and to win seats from the Liberal Democrats. It can therefore be argued that the party should, in the final week of the campaign, have come out with a much stronger anti-Labour message than it did, instead of continuing to concentrate on core policies. However, part of the accusation of inflexibility seems to stem from a view that

having the party leader on a battlebus touring the country makes him less able to respond to events. That is more difficult to understand than criticisms of the overall message because one virtue of a battlebus is that it allows the media to follow the leader around all day, allowing an immediate response by him to any breaking news. Moreover, there were at least two examples of the leader's tour changing its plans and visiting different seats at very short notice.

The third issue which may be part of the post mortem is whether Liberal Democrat campaigning has gone stale because there has been so much continuity. It was very difficult to make that argument when the party was steadily winning every seat in which it built up strength. However, the failure to win perennial near misses such as Orpington may lead some people to question how much progress, rather than consolidation, targeting can deliver. Given that both the other main parties appear to have learnt much from Liberal Democrat local campaigns, it may be that its potential to deliver big gains is becoming limited, even if it has to continue simply to counteract the efforts being made by the other parties. In future, there may have to be greater emphasis on newer techniques such as direct mailing of national messages (as Labour did in seats it feared losing), or greater use of national telephone banks which were used by the other parties. Much of this will depend on resources, but the extent to which future funding can be used differently will highlight how far the Liberal Democrat campaign machine is capable of learning new tricks, rather than just fine-tuning its tried and tested tactics.

The fourth criticism which has been made of the campaign is that it lacked an overall vision. I made that argument in an article in the *Independent*, saying that the party has become too focused on specific policies and strategic messages, and has not given people an overall image of its basic values.⁹ This is a difficult issue for the party, because while people do vote on the basis of policy issues that affect them, most successful parties have an overall image which helps sum up their general approach and which is rooted in values rather than policy. Both Labour in 1997 and the Conservatives in 1979 are good examples of this. In marketing terms, that could be termed a brand, but it is also an ideological issue. There have recently been plenty of efforts to work on the party's ideology. In particular, the 2000 pre-manifesto was based around the idea of 'freedom' which was the shorthand label given to a reworking of the early twentieth century social liberalism of people such as L. T. Hobhouse. The freedom theme was then at the core of the 2001 manifesto, entitled *Freedom, Justice, Honesty*, and the party's 2002 values paper, *It's about Freedom*. Subsequently, in 2004, the party's pre-manifesto was called *Freedom, Fairness, Trust*. However, the title of the 2005 manifesto, *The Real Alternative*, was the campaign slogan, which was a strategic rather than an ideological statement. Of course, it has to be said that the party made greater progress in 2005 than 2001. However, as the party draws together greater support from very different backgrounds, there may well be greater internal dissension on specific policies, so a unifying vision may become more necessary.

The final set of criticisms may focus on Charles Kennedy's leadership. While there is no doubt that he deserves credit for leading the party to two successive increases in vote share and parliamentary seats, questions about him remain. He polls very well on issues of trust. However, as John Curtice has said, 'he does not seem to have persuaded the public that he is a potential prime minister.'¹⁰ For example, a YouGov poll showed that 52 per cent of people said that he could not cope as Prime Minister. This does not appear to be a big issue in the party at the moment, but it is likely that it will be discussed at some point during the current Parliament and is one that Kennedy and the party have to address if they are to become a party of government.

These five issues are likely to be debated in the fringe meetings and bars at the next Liberal Democrat conference. The media is likely to present the challenges facing the party in terms of left versus right: should it be a centre-left party, appealing to disaffected Labour voters, or should it be a centre-right party, appealing to Conservatives? This apparently straightforward question may make the debate intelligible to the public, but it is unlikely to be the perspective from which many Liberal Democrats will approach the issue. That is partly because many of the issues which motivate party activists, such as the environment and constitutional reform, are not usefully placed on a left-right axis. However, it is also because, as the early debates on the direction of the party have shown, party members are far more likely to seize on smaller arguments, for example by focusing on one or two particular policies, or even on campaign management. In some ways such a practical approach may be helpful. However, the results in target seats suggest that if the party continues to believe that 'more of the same' will result in huge gains, it is likely to receive a shock. Looking at the more fundamental issues of the basic purpose of the Liberal Democrats and the way in which that message is communicated may yield more results in the long term.

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Notes

- 1 British Election Study, 2005: <http://www.essex.ac.uk/bes/2005/Rolling%20campaign.htm>
- 2 Liberal Democrats, *Quality, Innovation, Choice: The Report of the Public Services Policy Commission*, London, Liberal Democrats, August 2002.
- 3 Liberal Democrats, *Invest in Change: Spend More Wisely, Tax More Fairly. The Liberal Democrat Alternative Budget*, February 2003, p. 4.
- 4 Andrew Russell and Edward Fieldhouse, *Neither Left nor Right? The Liberal Democrats and the Electorate*, Manchester, Manchester University Press, 2005, p. 75.
- 5 Sandy Walkington, 'How we managed the media', *Liberal Democrat News*, 20 May 2005, p. 4.
- 6 British Election Study 2005: <http://www.essex.ac.uk/bes/2005/Rolling%20campaign.htm>
- 7 Ed Davey, 'Local income tax is the answer', *Liberal Democrat News*, 20 May 2005, p. 5.
- 8 Greg Hurst, 'Lib Oem "air war" campaign under fire for wasting Kennedy's time', *The Times*, 12 May 2005, p. 27.
- 9 Richard Grayson, 'The Liberal Democrats still face a long journey', *Independent*, 14 May 2005, p. 31.
- 10 John Curtice, 'Kennedy found lacking in Lib Oem push for power', *Independent*, 2 May 2005, p. 7.