

CPF

Discussion Brief 2022#5

# Making The Case ... for Capitalism



CPF Discussion Briefs exist to stimulate debate. They do not necessarily represent the views of the Conservative Party.



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Dear Colleagues,

## 2022#5 Making The Case ... for Capitalism

*“Members requested further discussion and debate on core Conservative values and how these can be promoted across the UK.” (Salisbury and South Wiltshire CPF)*

Thank you to everybody who submitted Ideas for our Next Manifesto. This generated immense interest and resulted in a huge response. We have been excited to see the breadth of ideas pour in from across the country. Very clearly, even after twelve years in power, the grassroots membership of the Party is still bubbling with innovative Conservative proposals.

Those of you who have been involved with CPF for some years may recall that in 2017-18 we conducted a reflection on Conservative values in which over 1,200 CPF members and about 4,000 wider Party members participated. Following that consultation, we expressed the hope that future CPF discussions would be “positively shaped by the common set of values and principles established through this process.”

Since the last general election, several CPF groups, such as the one quoted above, have called for “further discussion and debate on core Conservative values and how these can be promoted across the UK.” We are pleased, therefore, to launch a new series of consultations, somewhat different from our usual ones, aimed at strengthening grassroots Conservatism. These will focus on “Making the Case for Conservatism”, building on the Conservative values previously identified by the Party membership and applying them to what have been called the “big four” priorities facing the country—namely, the cost of living, energy security, the NHS, and our place on the world stage.

We anticipate that these consultations will result in two products: firstly, our usual confidential reports for policymakers in the Party and in Government; secondly, a set of leaflets to be compiled and published as a short pamphlet “Making the case for Conservatism”. Just as policymakers in Parliament and Downing Street have invited representatives from CPF groups to explore in greater detail the most promising ideas from CPF consultations, so too we expect to invite a selection of CPF groups—based on their reports to the initial nationwide consultation—to help shape these leaflets. In this way, we hope that the CPF will make a lasting contribution to strengthening grassroots conservatism: defining what it is and helping members to make the case.

Make sure that your Conservative Association or Federation has a date in the diary to be a part of this process—and be sure to invite as many members and supporters as possible. As usual, please send your responses to the questions in this briefing paper to [CPF.Papers@conservatives.com](mailto:CPF.Papers@conservatives.com), using the associated response form published alongside the paper on the CPF website. The deadline for submitting your response is 15th January 2023. We aim to publish our next discussion paper in this “Making The Case” series on 16th January.

We look forward to hearing your views,

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## Setting the scene

*“Sir Anthony Eden developed the domestic policy theme of a ‘property-owning democracy’ as the right way to popularize capitalism and counter nationalization.”*

(Lord Hailsham, 1959, *The Conservative Case*, p.143)

Through the CPF’s 2017-18 consultation on Conservative values<sup>1</sup>, members identified several areas as being central to modern Conservatism. These included freedom, defence, justice, democracy, integrity, responsibility and opportunity. Each of these may also be important to non-Conservatives, but different groups of people will often understand the same term to mean different things. That is why we need to be clear about what we mean by the terms as Conservatives and, if necessary, deliberately choose to use different terms in order to communicate our vision and values more effectively.<sup>1</sup> The first topic that we want to consider in this new “Making The Case” series is Party members’ support for responsible capitalism, private enterprise and a free market economy.

In his landmark 2021 survey on politics, economics and culture wars, Dr Frank Luntz observed:

“The greatest threat to capitalism isn’t socialism or communism. It isn’t even wokeism. It’s from capitalists themselves. ... If you want to save economic freedom in this country, you have to do better.

“There is more that unites the UK than divides it. But different people see the country differently -- and the divisions that exist are significant and serious. It will worsen if not given alternative unifying narratives. The gap between rich and poor is what bothers voters most – much more than the divide between north and south, elites vs. ordinary people or even Leavers vs. Remainers.”<sup>2</sup>

Be sure to watch the three-minute video with Dr Luntz, made to introduce this discussion!

### Definitions (Oxford English Dictionary)

*Capitalism*: The practices or principles of capitalists; the dominance of capitalists in financial and business enterprises; *esp.* an economic system based on wage labour in which the means of production is controlled by private or corporate interests for the purpose of profit, with prices determined largely by competition in a free market.

*Capitalist*: A person who possesses capital assets; *esp.* one who invests these *esp.* for profit in financial and business enterprises. Also: an advocate of capitalism or of an economic system based on capitalism.

*Capital*: Real or financial assets possessing a monetary value; the stock with which a company, corporation, or individual enters into business; the total sum of shareholders’ contributions in a joint-stock company; accumulated wealth or goods, *esp.* as used in further production.

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<sup>1</sup> A concordance search to see what adjectives are most commonly used to qualify capitalism reveals that the term is used to describe a wide range of different systems: global capitalism, market capitalism, state capitalism, late capitalism, contemporary capitalism, modern capitalism, industrial capitalism, consumer capitalism, American capitalism, corporate capitalism, venture capitalism, new capitalism, world capitalism, ethical capitalism, compassionate capitalism, transnational capitalism, western capitalism, stakeholder capitalism, European capitalism, surveillance capitalism, neoliberal capitalism, X-century capitalism, welfare capitalism, national capitalism, monopoly capitalism, advanced capitalism, laissez-faire capitalism, human capitalism, finance capitalism, financial capitalism, responsible capitalism, community capitalism, international capitalism, digital capitalism, inclusive capitalism, commercial capitalism, information capitalism, managerial capitalism, early capitalism, agrarian capitalism, rainbow capitalism, alliance capitalism, raw capitalism, merchant capitalism, organized capitalism, knowledge capitalism, people’s capitalism, common sense capitalism, large/small-scale capitalism, caring capitalism, rational capitalism, developed capitalism, disorganized capitalism, dynamic capitalism, rogue capitalism, technological capitalism, agricultural capitalism.

## Polling Insights<sup>2</sup>

### 1. You NEED a qualifier when talking capitalism; none better than ‘responsible’

Which of these phrases gives you the most favourable opinion of capitalism? Choose three.

Total	Labour	Conservative	
<b>35%</b>	30%	<b>40%</b>	Responsible capitalism
29%	<b>34%</b>	23%	Ethical capitalism
28%	22%	36%	Common sense capitalism
23%	23%	22%	Caring capitalism
22%	23%	18%	Compassionate capitalism
22%	19%	24%	Inclusive capitalism
19%	23%	16%	Community capitalism
18%	18%	17%	Human capitalism
17%	16%	17%	Consumer capitalism
16%	16%	16%	Dynamic capitalism
10%	13%	7%	Stakeholder capitalism
8%	13%	6%	Rainbow capitalism
17%	14%	21%	Capitalism - it doesn't need an explanation

### 2. Two parties divided by division: the divides that matter

Which of the following do you believe is the GREATEST DIVIDE in Britain today? Choose three.

Total	Labour	Conservative	
<b>39%</b>	<b>54%</b>	27%	Rich vs. poor
26%	23%	31%	British born vs. immigrants
25%	27%	21%	Elites vs. ordinary people
25%	19%	<b>32%</b>	Hard-working taxpayers vs. benefit recipients
23%	23%	27%	White vs. minority ethnic groups
21%	21%	22%	London vs. elsewhere
20%	12%	30%	Woke vs. non-woke
19%	20%	15%	Leavers vs. remainers
17%	15%	19%	North vs. south
15%	11%	16%	England vs. Scotland/Wales
14%	13%	15%	Britain's past vs. future
13%	12%	12%	Young vs old
12%	18%	7%	Men vs. women
11%	14%	8%	Employers vs. employees
9%	6%	8%	Pro-union supporters vs. pro-independence supporters
6%	5%	5%	Cities vs. elsewhere
5%	6%	4%	University graduates vs non-graduates

**3. “Profit” is increasingly an unhelpful word: It is about creating jobs, opportunities & being the best for your people, NOT the “best in the world”**

Which words or phrases do you think of first when you think about British companies? Pick your top four.

<b>Total</b>	
<b>47%</b>	Profit over people
44%	They put shareholders first, not ordinary people
43%	Excessive CEO/Executive compensation
34%	Avoids paying taxes
31%	Creates jobs
27%	Too big and monopolistic
26%	Creates opportunity
20%	Innovative
19%	Supports the local economy
17%	Entrepreneurs/small business owners
15%	Provides a good salary to the workforce
15%	Socially responsible
14%	Addressing a need in society
14%	Defenders of an unfair system
13%	Discrimination and injustice
12%	Economic Freedom
8%	The best in the world

**Questions for discussion**

1. If you had 30 seconds with someone to make the case for capitalism, what would you say?
2. How might we best promote capitalism to the next generation?
3. What international example do you think best exemplifies the benefits of capitalism?
4. What international example do you think best highlights what can go wrong when capitalism is neglected?
5. Please share any helpful short quotes from world leaders making the case for capitalism.
6. What should capitalism look like when translated into policy in each of the following areas?
  - i. Cost of living
  - ii. Energy security
  - iii. NHS health and social care
  - iv. Global influence
7. Is there any other observation you would like to make?

## Appendix: Transcript of introductory video with Frank Luntz

Hello. I'm Frank Luntz. I'm your cousin from across the Atlantic.

That gentleman behind me is one of my heroes and I was asked to communicate or explain how to communicate capitalism.

I have five rules for you. Number one is: I actually don't like the word. To too many people, capitalism reminds them of Wall Street, reminds them of CEOs. "Economic freedom" is the phrase to use because that reminds people of employees, rather than employers; it reminds people of opportunity the ability to make it up the ladder. "Economic freedom" says it's available to everyone.

Second, you have to individualize. The left has a great time embarrassing the right by talking about the victims, by talking about the few rather than the many and the truth is no economic system has ever been created that has helped more people but if you don't humanize it, individualize it and personalize it, people don't realize that.

Third, the most popular element of capitalism—as I say again and again "economic freedom"—is the small business, is the entrepreneur and particularly the family business that's passed along from generation to generation. The restaurant, the small store: that is economic freedom by definition; that communicates "community" it communicates "intergenerational" and, most importantly, it explains success.

Fourth, is to remind people the difference between capitalism and socialism—and notice that it's only fourth, and the reason for that is I don't want you to complain about other systems before you explain what you support in your own. I think it's absolutely essential for you to be able to draw the distinction between government control versus your control, between government interference and your agency, between what the government has done wrong and what individuals and families continue to do right every day, every week, every month, every year. And that's the comparison between capitalism and socialism.

And finally, it's not just about the past track record—it really is about the future; and the great thing about capitalism is that it allows you to fail, and fail, and then succeed again and again and again. It is the most hopeful system and is the most focused on a better future for all of us, rather than socialism, which only focuses on the few and only focuses on government success.

So I hope this has been helpful. He—I know he's listening and he approves of this too—one of the greatest capitalists of modern times and I'll wish you luck and a strong economy. Cheers!

## Sources and Further Details

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<sup>1</sup> *Conservative values summary*, Conservative Policy Forum, 17 November 2017, <https://www.conservativepolicyforum.com/post/conservative-values-summary>

<sup>2</sup> *Britain Speaks: The New Language of Politics and Business*, Centre for Policy Studies, 6 July 2021, <https://cps.org.uk/wp-content/uploads/2021/11/Britain-Speaks-by-Dr-Frank-Luntz.pptx-1.pdf>