Renewal 2030

# Conservatism in Crisis

Rise of the Bureaucratic Class

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# Conservatism in Crisis: Rise of the Bureaucratic Class

This essay is based on a forthcoming book – *Your New Rulers: Rise of the Bureaucratic Class*, but it has been created to be read as a standalone text.



# Introduction by the Rt Hon Kemi Badenoch

The General Election of 2024 delivered the most left-wing Parliament this country has ever seen. This will have enormous consequences for our country, as will soon become apparent.

The Conservative Party made many mistakes. However, the lessons have not been learned and this new Parliament and the Labour Government will repeat and double down on some of the worst mistakes. We need to renew our thinking across the board. This starts with a renewal of the Conservative Party and Conservatism itself ready for the 2030s and beyond. This is why my campaign is called Renewal 2030.

Conservatism is in crisis, and we need to be serious about getting it back on track. The changes in UK politics crystallised by Brexit are part of a wider picture. There is a political realignment going on in almost every Western country, as this pamphlet sets out.

While the General Election result this year was disastrous for us, we need to consider a wider problem. Since 1992, the Conservative party has only won a majority when Brexit was on the ballot paper; in 2015, through a pledge to hold a referendum on the European Union and in 2019, to 'Get Brexit Done'. By 2029 we will have not won a majority without this issue in nearly four decades.

So, when people say we just need to deliver policy X or policy Y, and then everything will be fine again, they are kidding us and themselves. This is not just about policy. It is about a wider economic and cultural malaise that has set in across a complacent West that is living off the inheritance built by previous generations.

Politics is no longer about class in the old sense – increasingly, whether you are high income does not drive your voting patterns. Educated voters are moving left, and many private sector voters on average incomes are moving right. Brexit was a symptom of deeper currents across the West, not a cause of them, and we need to think more intelligently if we are to ride this wave of change and not be drowned by it. This voting shift is part of a series of wider changes.

In nearly every country, a new progressive ideology is on the rise. This ideology is based on the twin pillars of constant intervention on behalf of protecting marginalised, vulnerable groups, including protecting us from ourselves – and the idea that bureaucrats make better decisions than individuals, or even democratic nation states.

This ideology is behind the rise of identity politics, the attacks on the democratic, sovereign nation state, and ever-more government via spending and regulation. It is driving the economic slowdown seen across the West and social polarisation in country after country. A new left, not based primarily on nationalisation and private sector trade unions, but ever increasing social and economic control.

A new class of people, a new and growing bureaucratic class, is driving these changes. More and more jobs are related not to providing goods and services in the marketplace, but are instead focused around administering government rules.

Often these jobs are in private sector bureaucracies, confounding the old split between the public and private sectors.

This pamphlet discusses some of them – and how there is a world of difference, for example, between a lawyer dealing with market contracts and one focused on compliance, human rights or environmental laws. Between the market-focused HR staff fixing pensions and finding the best talent and those dealing with the ever-expanding EDI sector or imposing ever tighter control over employees' lives, changes driven often by government rules. The growth of pointless degrees pushed by government so that a middle-class job requires a major millstone of debt, funding a growing university administrative class.

This pamphlet shows how certain sectors are growing much more quickly than the economy as a whole and how this is linked to expanding government.

The costs of an ever-expanding regulatory state then drives government to intervene to spend more money, without tackling the real issues that caused these problems.

We recently saw an excellent paper, Foundations, which built on the strong work by the group Britain Remade, listing the tens of thousands of pages of paperwork required to build infrastructure, holding back our economy. I met with this team as a Secretary of State and explained the challenges I faced were often with fellow Conservatives afraid to challenge the consensus.

Whenever you try to roll back the environmental laws, the diversity and social requirements, to trim the judicial reviews and the fake consultation processes, too many in our party are nowhere to be seen. This is thus not a process problem, but a political problem.

Too many in our party think that the bureaucratic class and their demands should not be confronted, and they are not prepared to make the trade-offs we need in order to get our economy moving again.

Because we didn't even try to understand these issues and forces, we were unable to fight them. On issue after issue, we were dragged along with the current. We ended up losing sight of our principles and our values. The idea that we can hive off ideology and principles from managerial economics is false. They are all intertwined.

If you tell people they cannot cope with microaggressions, they are unlikely to take risks or become entrepreneurs. If you build a victimhood and complaint culture, then a well-paid job policing this culture becomes the goal for more and more talented people.

The rising social intolerance of the bureaucratic class helps them push their progressive agenda across the wider economy. Culture and economics are entwined.

If we start from the presumption that bureaucracy knows best, we will never be able to reform our economy – either the private sector or the public sector.

On top of this, the new progressive ideology sees the nation state, and related migration controls, as a purveyor of historic injustice, not the fundamental necessities that they are.

So we are uncomfortable with limiting migration on economic or cultural grounds, and the result is too many people coming here and placing strains on our economy and society.

We risk holding back our economy and tearing apart the fabric of our society. The progressive left's war on the nation state is a disaster for all of us and it must be ended.

As noted, these changes are driving affluent voters that make up this new bureaucratic class leftward. Meanwhile the old middle class, the entrepreneurs and the private sector businesses providing market goods and services are under siege from this new ideology. They are shrinking, and as they shrink, so does our political and economic base.

We need to rise to this new challenge - without simply retreating to a nostalgic reactionary agenda that says the past was inevitably better than the present.

We have seen already that the Labour Party has nothing new to offer but increasing the attempts to control ordinary people, to double down on a failed managerialism.

The purpose of this pamphlet is to start to set out a different analysis. In time, this will be turned into a book. There is so much to discuss here, and my colleagues and I do not have to agree with every single word to know that its underlying message must be heard for our country to thrive again in the future. And, if you agree too, join with us. This is not about one summer, but the work of years to come.

I want to lead our party's renewal as we face the challenges of the 21st century, and to defeat this new left and its new progressive ideology. We can't afford to try to build unity based on an empty shell, or think simplistic knee-jerk answers are the way forward.

Ultimately our principles of personal responsibility, citizenship, equality under the law, family and truth, are the principles of the British people. If we have the intellectual honesty to renew our party, I believe we can still turn the tide.

We may be outnumbered in Westminster but we are not outgunned. We may be late to the fight, but we will not cease until we have won.

Jeni Badenoch

#### Rt Hon Kemi Badenoch, MP for North West Essex

along with

Andrew Bowie, MP for West Aberdeenshire & Kincardine

Alex Burghart, MP for Brentwood & Ongar

Nigel Huddleston, MP for Droitwich & Evesham

Julia Lopez, MP for Hornchurch & Upminster

Rt Hon Chris Philp, MP for Croydon South

Lord Johnson of Lainston

**Baroness Stowell of Beeston** 

Ben Bradley, former MP for Mansfield

Rt Hon Sir Simon Clarke, former MP for Middlesbrough South & East Cleveland

Robert Courts, former MP for Witney

Rt Hon Michelle Donelan, former MP for Chippenham

Eddie Hughes, former MP for Walsall North

Mark Jenkinson, former MP for Workington

Rachel Maclean, former MP for Redditch

Lee Rowley, former MP for North East Derbyshire

Alexander Stafford, former MP for Rother Valley

Cllr Jo Barker, Warwickshire County Council

Cllr Dan Birch, Wychavon District Council

Cllr Oliver Cooper, Three Rivers District Council

Cllr Matt Dormer, Redditch Borough Council & Worcestershire County Council

Cllr John Moss, London Borough of Waltham Forest

Cllr Nadim Muslim, Bolton Metropolitan Borough Council

Cllr Simon Rouse, Buckinghamshire Council

Cllr Sonia Zvedeniuk, Royal Borough of Kensington & Chelsea

# **Executive Summary**

In the July 2024 General Election, the Conservative Party received the lowest number of MPs and the lowest number of votes in its nearly 200-year history. But this is part of a wider crisis. The only two General Election victories the Conservatives have won since the narrow 1992 victory, in 2015 and 2019, were both linked to the very specific issue of Brexit. Because of the Conservative 2015 EU in-out referendum pledge, "the Labour party was the main victim of UKIP".

In 2019 Brexit was clearly the number 1 issue for voters, powering the Tories to victory. (E.g. Ipsos Mori recorded it as the top issue for roughly two-thirds of the country, well ahead of the NHS, and Conservative voters saw it as most important, trumping the NHS by 72-41%).

The Conservatives have failed to win a majority at every single election where they could not mobilise the promise of Brexit. Six out of eight elections from 1997 to 2024. By 2029 they will have been in power with a majority for under 7 of the preceding 30 years, versus Labour's 16.

#### The rise of the new progressive left across the West

Brexit has *reflected* rather than *caused* the political realignment. The Conservatives have failed to understand that a new bureaucratic class, that is often middle class, with a new progressive ideology, and an entirely new way of viewing the world, distinct from liberalism, conservatism, or the old socialism has arisen with two fundamental aspects:

Due to ever-present, unfair power structures we need a constant focus on economic and social redistribution to support the 'marginalised', the 'oppressed', 'victims' and 'the vulnerable' – including the poor, but also certain group identities, (e.g. women, LGBT people, ethnic or religious minorities, the disabled or neuro-diverse, and migrants) as well as the natural world itself.

Progressive bureaucrats can make better decisions than individuals and democratic nation states are able to manage. Therefore, decisions should be taken away from individuals and democratic nation states and concentrated in the hands of the bureaucratic class.

It means we need the endless policing of our economy and society. This progressive ideology builds on, yet transcends, the old Marxist view of economic class exploitation. Belief in incessant intervention, not trade unions and nationalised industry, powers the modern left.

#### The rise of a new bureaucratic class

The bureaucratic class derives much of their *income*, or more widely, their *justification*, from government, through state spending but also an ever-growing regulatory state. They are very different from the market class of entrepreneurs and general market focused workers.

There is a <u>microeconomic</u> link between the bureaucratic class and the government. The key question in assessing the bureaucratic class is: Does this job primarily relate to providing goods or services in the market or administering rules set by government?

Another way to see the difference is the market orientated class gives people what they want and will pay for, and the bureaucratic class gives people what the bureaucratic class thinks they should want and what government can force or require people to have.

Increasing numbers of middle-class jobs relate more to government rules than goods and services bought and sold in the market. This close relationship with government and regulation creates a different economic, social, cultural and political reality for much of the urban middle class in the UK and wider West. A lawyer dealing in market contracts between two private sector firms is very different to one dealing in HR, sustainability, compliance etc.

Forerunners of this group were the managers of Burnham's 1940s Managerial Revolution and Irving

Kristol 1970's 'new class' of left-leaning educated professionals. After the defeat of socialism, nationalisation and the unions in the 1980s led to an intellectual renaissance, the new progressive ideology and this new bureaucratic class took over the left.

#### A fundamental political realignment

Matthew Goodwin and David Goodhart deftly set out some crucial aspects of the new class (which they do not term the bureaucratic class). Its focus on credentials, its link to the rising professional class, its left-wing views and the focus on new administrative workplaces.

But they do not see the fundamental relationship with government, which explains, as one mega-study of Western democracies sets out, why "higher educated voters... moved from being significantly more right-wing than lower educated voters to significantly more left wing".

This study notes "the rise of tertiary education and the concomitant development of aspirations and careers not directly orientated toward monetary gain (including occupations related to education, culture and health), which now co-exist with occupations more directly orientated toward for-profit activities". The link between income and voting is shrinking, and on current trends there will be no link between income and voting right or left by the 2040s.

Thus "In the 2016 US presidential election, among counties with a population of fifty thousand or more, Hillary Clinton won forty-eight of the fifty counties that had the highest percentage of voters with at least a four-year bachelor's degree" while "Following the 2018 midterm elections, forty-two of the wealthiest fifty congressional districts in the US were represented by Democrats." In 2020, Biden won over two to one among postgraduate degree holders and Trump won 54% of those earning more than \$100,000, well ahead of Biden at 42%.

What is happening is a high density, affluent and educated urban bureaucratic class tends to vote Democratic, and the affluent suburban and non-urban (and non-graduate) market orientated class tends to vote Republican. This is merely a trend echoed across the West.

The parochialism of our politics is shown by the fact that London's shift away from the Conservatives is blamed on Brexit, when in many Western countries, "socialist, social democratic and green parties have concentrated a growing share of the votes of capital cities."

Across the West we are moving to a structure of politics that is horizontal – where how you earn your money is as important as how much money you earn. Instead of a vertical political structure, there is now a horizontal political structure.

To quote the mass study of Western democracies, change accelerates "as old generations voting along historic class lines gradually disappear from the political scene." But "contrary to a commonly held view, we do not find evidence of a rise in left-right generational divides in Western democracies." Across the West, the old right is dying off, but a new right is being born.

In 2024, the Conservatives managed to win 43% of the over 65s, just 20% of those 35-54, and came 5<sup>th</sup> among those under 35%, behind not just Labour, but the Liberal Democrats, Greens and Reform. The Conservatives stopped being the party of government, but soon they may not even be the natural party of opposition. Yet they cannot renew as the party of the new bureaucratic class, as some commentators urge, because this group inevitably leans left.

#### The bureaucratic class benefit from the left-wing view 'more government is best'

The bureaucratic class benefit from more government, not less government. If you work in a job where you are largely about protecting people in some sense, if your role is derived from the sprawling mass of government regulation, then you will lean toward more government. We discuss some examples of this in this pamphlet.

Human resources and the increasing regulation of the labour market: Firstly, on human resources, in 2001, the ONS recorded 119,000 or so people working as personnel managers. By 2023, this had risen to 221,000, an increase of 86%. This happened at a time when productivity rose at historically low levels of 0.8% a year – a third of the longrun average.

When the Financial Conduct Authority argues any firms it deals with must have 40% of their Board directors as women, and at least one ethnic minority member, or 'explain itself', when "indirect" discrimination is increasingly costly, as shown by the collapse of Birmingham Council and recent cases for Tesco, when legally it is not acceptable if high standards are 'experienced as intimidating', this is government regulation, driving human resources not related to higher productivity, but a new culture of harm focused on ideas of group equality of outcome.

The university explosion: Graduate numbers were just 77,000 a year in 1990 but rose by a factor of nearly 10 to 750,000 or so by 2020/21. An even larger explosion took place in postgraduate degrees, which rose from 31,000 in 1990 to 493,000 in the same period, up by a colossal 1,500%. This rise in students has been accompanied by a huge increase in university staff. In Britain, the sector employs 500,000 staff directly. Just half of these are academics: the rest are a rising bureaucratic class that surrounds the higher education sector.

The most obvious way in which the state promoted university education was by underwriting it while it became a self-sustaining sector. In 2016-7, for example, around 61% of university finance was from government-backed fees, and a further 11% was from the state directly. Certain areas were now declared as 'graduate professions', raising a huge new barrier for people trying to get good jobs. The state has driven this forward, while the promised gains in economic growth have been nowhere to be seen.

The socialisation of mental health: While people talking about mental health is a positive, the socialisation of mental health so everyone has to treat you differently has failed to improve people's mental health outcomes. As one academic put it, across the West, 'the meaning of 'safety underwent a process of 'concept creep' and expanded to included 'emotional safety'... The subjective experience of 'harm' became definitional in assessing trauma'. Psychological and psychotherapy professions numbers went from 102,000 in 2002 to 223,700 in 2023. In 1999 the NHS spent £4 billion on mental health, which had risen to £16.8 billion by 2023/4.

This approach now offers economic advantages and protections. If you have a neurodiversity diagnosis (e.g. anxiety, autism), you are in a category similar to race or biological sex in terms of discrimination law and general attitudes. As a child, you may well get better treatment or equipment at school – even transport to and from home. If you are in the workforce, you are protected in employment terms from day 1, you can more easily claim for unfair dismissal, and can also require your employer makes 'reasonable adjustments' to your job (only revealed after you are employed). By 2024, mental health was the number 1 issue for new welfare claimants, with this as the primary claim for 41% of all new disability related benefit claims.

The vast growth of regulatory and compliance sectors: The ratio of regulators to financial services workers had increased from 1:11,000 in 1980 to 1:300 in 2011 and now stands at roughly 1:75. In a single decade, the proportion of Citigroup's workforce devoted to compliance and risk went from 4% to 15%. Simply changing the Basel regulations increased the number of calculations required to comply with regulation into millions. In 2017, the Risk Management Association found for half of banks, compliance

cost 6-10% of revenues.

Expanding regulation is seen in area after area. The legal profession has also grown very sharply as the size of government has grown. From 1971 to the present there has been an over a sevenfold increase in numbers, versus a 200% increase in GDP. Only 10% of the UK's legal profession's earnings are related to legal exports. This mirrors the USA, where per head the legal profession largely grew at the rate of the population, but took off toward the end of the 20th century and close to tripled. New specialisms, such as environmental law, human rights law, human resources and discrimination law, immigration and refugee law are now whole careers in themselves.

#### A paradigm shift in the function of society and the economy

These changes are creating a paradigm shift in how society and the economy function. The Human Resources lawyer pushes the courts to take a more expansive view of harm at work. This boosts the internal power of HR departments, who also rely more on legal advice. The green lobby argues that we need more rules on green investment or disclosure, which the compliance and risk lobby agrees with since it boosts their size and status, and which likely later on leads to further extra rules around environmentalism.

Indirectly, those who support equality legislation in procurement usually think procurement needs more rules. The Human Resources manager who supports tighter controls on staff is likely to support school psychologists and more welfare spending, since they view people as ultimately fragile. Both directly and indirectly, the growing bureaucratic class is a self-reinforcing spiral. It supports more rules, more intervention, more control. People don't have exactly the same beliefs, but the overall 'common sense' of society will shift.

Also, once the bureaucratic class reaches a critical mass, its members dominate the remaining market middle class by exercising both market and social pressures, (i.e. I won't shop at your store, or have a relationship with you if you don't support my values). The noted 'march through the institutions' and the fact the left controls most powerful institutions in our society is just an extension of the fact that there is a major shift within the middle class itself.

#### The bureaucratic class is destroying growth across the West

The rise of this bureaucratic class takes somewhat different forms across different countries. But in every country, the rise of safetyism, stifling of risk, a bureaucratic class to regulate and control us and protect the marginalised is rising steadily. The result of this has been a collapse in average per capita G7 large advanced economy growth rates from 2.7% in the 1980s to 2.1% in the 1990s and just 1% in the 2000s and 2010s (even before Covid).

The only partial exception to this has been the USA, largely due to abundant and cheap energy driven by shale and fracking, which "transformed the United States into the world's top oil and gas producer and a leading exporter for the fuels. As a result, the US approach to energy policy making has shifted from a mind-set of scarcity to one seeking to maximise the benefits of energy abundance". Even here, the US bureaucratic class hates this approach. Those with post-graduate degrees earning over \$150,000 a year in dense urban greas strongly support rationing meat, gas and electricity to beat climate change, and most want to ban gas stoves, petrol cars, non-essential air travel, SUVs and private air conditioning.

Despite false narratives of austerity, the rise of the bureaucratic class has been accompanied by a rise in GDP spent by government, on top of an ever-rising debt pile. In the past 30 years across the wealthy G7 nations taxes have risen by three and a half percent as a share of GDP, while government debt to GDP has more than doubled.

There has been a steady growth in legislation. The Economist noted in 2021 that "the number of US federal regulations has more than doubled since 1970. The total word count of Germany's laws is 60% larger today than it was in the mid-1990s." This is on top of rising legislation coming from supranational entities. The European Union between 2019 and 2024 passed a staggering 13,000 regulations, double the USA (that had itself seen a major increase in regulation).

Here in the UK, statutory instruments, legislation that sits underneath Acts of Parliament, rose from a few thousand in the initial postwar period to well over 10,000 by the late 00s and 2010s. The bureaucratic class has a clear economic cost. But even more importantly, there can be no reform of the public or private sector while the bureaucratic class dominates.

The bureaucratic class cannot fix anything because it always starts from the wrong place.

Bureaucratic class answers are always the same. They always involve more regulation and control over ordinary people – expanding the power and scope of the bureaucratic class – rather than streamlining the public sector and giving more power to public sector users. This drives weak public sector productivity, growing at just 0.2% a year over the past few decades.

#### The bureaucratic class assault on capitalism

Not only does the bureaucratic class prevent public sector reform, they stop private sector reform too. Work by the group Britain Remade, used in the recent excellent essay Foundations, sets out ways our infrastructure and planning system holds back growth and infrastructure, with serious negative consequences.

They rightly complain that the planning application for the Lower Thames Crossing runs to 359,866 pages, the 3.3-mile Portishead branch line had 79,187 pages of paperwork, and the Sizewell C environmental impact assessment runs to 44,000 pages. But this is a politics not process failure. Ministers who consider reform find that other Conservatives were unwilling, and the machine hostile. Because each specific regulation is always seen as positive.

We can understand the West's slowdown using Acemoglu and Robinson's Why Nations Fail framework around inclusive or extractive institutions. Inclusive institutions are market based, competitive and drive cheaper goods and services. Extractive institutions block capitalism and redistribute wealth in an economy. The bureaucratic class are an extractive institution that force others to pay for them, via economic power, legal sanctions, and moral manipulation.

The work The Innovation Illusion shows 21st century Western economies and capitalism have steadily slowed and become stagnant, so by 2012 then <u>none</u> of the top 100 European firms were created in the past forty years. An OECD study found "declines in business dynamism have been pervasive in many countries".

As capitalism is no longer working as effectively, large companies dominate even without consistently innovating and improving. This is why much of the corporate world does not oppose the new bureaucratic class or its progressive ideology. By increasing the barriers to entry by growing regulation, many corporates benefit, and parts of these organisation benefit even more. More people aim at a comfortable job in the growing bureaucratic class, not being an entrepreneur. Just 1% of those in their 20s in the EU run a business that employs someone.

This sluggish modern economy is the core argument of *The Captured Economy* by Lindsey and Teles. They argue in the USA "economic returns are now determined much more by success in the political arena and less by the forces of market competition." The Captured Economy notes, "Post tax profits as a percentage of gross domestic product (GDP) bounce around quite a bit from year to year, but from a trough of 3 percent in the mid-1980s they have climbed above 11 percent as of 2013." This crisis of capitalism is very different from the 1970s, where due to post-war socialist ideology profits were too low. The problem now is that profits are no longer linked to market capitalism but to fulfilling bureaucratic class whims.

Lindsey and Teles note that "many US industries are growing increasingly concentrated" while "a number of cross-country studies over the past couple of decades have found that policy barriers to entry, along with other restrictions on product market competition, reduce the growth of both overall GDP per capita and Total Factor Productivity in particular". As the state grows both the quantity of regulation will grow and the *quality* of regulation deteriorates, and the ability and desire of corporate bureaucracy to capture the expanding regulatory state grows.

In consumer led-sectors where the market is stronger and government limited, most goods have fallen in price. Computer prices fell 83% since 2000, so you can buy the equivalent of a £1,000 PC in 2000 for just under £200 now. Clothes are 30% cheaper, while wages rose 86%.

But in housing, the regulatory burdens that restrict housing supply have driven up housing costs, with house prices rising by 254% from 2000 to 2023. On childcare, we have driven out the informal childcare sector, so in recent years, "a part-time (25 hours per week) nursery place for a child under two rose by 59%. This is around twice as quickly as overall inflation."

Consumer electricity prices rose by 200% from 2000 to the early 2020s ahead of the war in Ukraine. In America, where they embraced the shale revolution, electricity consumer prices had risen by just around 50% from 2000 to January 2020. The push for middle class jobs to require a university degree cost £27,000 in tuition alone, up from £3,000 in 2000.

The problem is that to solve these issues, the bureaucratic class never supports deregulation but instead proposes more government. As prices rise, calls for government intervention grow, fuelling taxes and yet more regulation. We need to save capitalism from the bureaucratic class.

#### The progressive assault on our social fabric has economic costs

As well as strangling growth, the bureaucratic class damages social tensions. From 1965 to 2015, the heyday of liberalism, there were massive advances for LGBT people, liberalisation around sex, abortion, cuts to defence spending, welfare, births out of wedlock, women in the workplace, a multiracial society, a decline in Christianity and much else besides.

Whether you garee or disagree, the right has accepted social change after change since the middle of the last century in order to keep social peace and our society together. But the progressive bureaucratic class ignores this and promotes polarisation, endless new victimised identities ground race, nationality, sex, gender, and the environment itself.

It is on the left, not the right, rising intolerance is most clearly found, particularly among the progressive youth. 51% of Labour party supporters aged 16-24 found it difficult to be friends with Conservatives compared to just 23% of Labour supporters who were aged 55+. 65% of 16-24-year-old supporters of Black Lives Matter would find it hard to be friends with opponents of Black Lives Matter.

The progressive goal is explicitly to turn everything political and into a struggle. To quote radical feminist Katherine MacKinnon, "rather than transcending the private as a predicate to politics, feminism politicizes it. For women, the private is the political". Or to quote Robin DiAngelo, a leading progressive, "white silence in discussions of race ... functions to maintain white power and privilege and must be challenged."

Reni Eddo-Lodge's work, Why I'm No Longer Talking to White People about Race, sums up the progressive view of debate, where the "intent is often not to listen or learn, but to exert their power, to prove me wrong, to emotionally drain me, and to rebalance the status quo.' The progressive ideology means a constant war on the supposedly neutral areas of life. From jokes to knitting to visiting the countryside, all are seen as harbouring oppression and hate.

But the idea these "social issues" are free floating is wrong. There is always an economic link. This priming of people as victims, of the helplessness of individuals, drives the supposed need for the bureaucratic class, more regulation, more controls in general. The intolerance of the bureaucratic class forces the market class to cater to the progressive ideology.

Or take the complaints around universities. Haidt and Lukianoff's The Coddling of the American Mind is about the fact that "anxiety, depression and suicide rates have risen sharply in the last few years" for young people. They note the rise of microaggressions and 'safetyism'. Two other professors, Campbell and Manning, were developing theories around what they termed 'victimhood culture' in an essay entitled "Microaggression and Moral Cultures" (later a book on the same theme). Haidt and Lukianoff argued, "We predict that things will improve, and the change may happen quite suddenly at some point in the next few years. As far as we can tell from private conversations, most university professors reject the culture of safetyism."

They could not have been more wrong. Such safetyism benefits progressive academics, allied student activists, and most of all, the university administrators. In the USA, 64% of those who work for universities are now not academics or researchers. The promotion of the 'safetyism' that these academics bemoan is inevitable as it has an economic basis.

Likewise, the priming of the younger generation around identity politics is preparing them for a job in the bureaucratic class, or if not directly such a job, to support, transmit and vote for this new ideology. Thus Haidt and Lukianoff were wrong to state, "The interests and activism of teens have far more to do with social issues and injustices than with purely economic or political concerns, and the 2010s have been extraordinarily rich in such issues". There is no division between social and economic issues.

Here in the UK, similar issues are coming into play. Polls show an intellectual revolution is overturning students' personal responsibility and freedom in favour of collective safety. If you want to build an economy where people are prepared to take risks, where they can strike out and be resilient, this is not compatible with the progressive ideology and the belief in protecting fragile people rather than building resilience.

#### The progressive assault on the democratic nation state

A key part of progressive politics is hostility to the nation state. The bureaucratic class dislikes the nation state for two strong reasons. Firstly, as it presents an alternative mechanism of power. Through democratic elections within a nation state, and political power, the bureaucratic class can have its powers reduced.

Secondly, the nation state is inevitably discriminatory. By definition, a nation requires borders. It thus creates a strong divide between the (privileged) citizens within and the (marginalised) foreigners without. Since the progressive ideology is built upon tearing down such privileges, they are deeply uncomfortable with migration controls.

This ideological hostility to the nation state is unprecedented in Western thought. The nation state is the core pillar for the modern West, and is implicit in almost all conservative and liberal political thinking. Francis Fukuyama notes, "thinkers such as Thomas Hobbes, John Locke, Jean-Jacques Rousseau, Immanuel Kant, the authors of the Federalist Papers, and John Stuart Mill all assumed the world was predivided into nations that formed the foundation of democratic choice." Without nations, political stability and democracy were seen as impossible. Liberal and conservative theories were proved right as many post-colonial states struggled. It is unsurprising that Acemoglu and Robinson's Why Nations Fail notes that successful nation states are necessary to impose political and other reforms and maintain growth.

Fukuyama notes "Weak national identity has been a major problem in the Middle East, where Yemen and Libya have turned into failed states, and Afghanistan, Iraq and Somalia have suffered from internal insurgency and chaos. Other developing countries have remained more stable, yet remain beset by problems related to a weak sense of national identity... By contrast, Japan, Korea and China all had well developed national identities ... they too suffered from civil war, occupation, and division. But they could build on traditions of statehood and common national purpose once these conflicts were stabilised."

These countries in Africa or the Middle East might look homogenous to Western eyes - e.g. Arab Muslim

societies or black African societies. But because within these nations other aspects take over, the apparent homogeneity is not the case. Which tribe are you from? What form of Islam do you practice? What language do you speak? What specific ethnicity are you?

The problem for the left, to quote a key 2012 decolonisation essay, is they think that for ethnic minorities, "the attainment of equal legal and cultural entitlements, is actually an investment in settler colonialism". In other words, successful integration of ethnic minorities in Western societies merely props up the unjust social structures within society.

The goal of the progressive ideology is to replace the nation state with a new multicultural society managed by the bureaucratic class itself. In reality, this will merely replicate post-colonial states with weak national identities. The progressive discomfort of not judging migrants for the benefits they bring means we simply allow too many people for our society or economy to be able to cope with.

It is thus unsurprising protecting the nation state is at the heart of almost all new right-wing opponents of the progressive ideology, regardless of any other political aspects.

#### Reacting whilst avoiding the reactionary trap

The backlash to the progressive ideology and its failures is creating a space for a negative reactionary politics. There is no point in trying to reverse the problems of the modern world by trying to get back to the past or reverse social liberalism. By 2018/19 just 6% disapproved of people remaining childless, just 8% disapproved of cohabitation. Just 29% disapprove of cannabis, 13% of people think homosexuality is morally wrong. Fewer Brits would have a problem living next to immigrants (just 5%), people of a different race (just 2%) or different religion (just 1%) than almost any other country.

Sounding like we want to go back to the past makes it hard to get the political consent needed to roll back the bureaucratic class. And while we urgently need to reform institutions, we have to avoid the conspiracy theories that have led to some people on the right – as well as the left – drifting away from deep seated democratic norms. This is the tightrope we must walk.

#### A new right is being born and the Conservatives must renew or be replaced

As noted, this pamphlet is a forerunner of a forthcoming book on the rise of the bureaucratic class, which will go into these issues more deeply. But the fundamental point is the rise of the bureaucratic class and a new progressive ideology is the fundamental shift of our time.

We are moving to a new politics. The Conservatives have to realise the bureaucratic class and the new progressive ideology are their opponents. The idea that as Labour fails, then simply because a voter has a comfortable middle-class job, they will return to us is false.

There will have to be a new type of politics. To take on the bureaucratic class means to ditch radical environmental politics, unpick identity politics, focus on a strong positive national identity, limit migration, streamline HR, compliance, sustainability, planning, to focus on bringing down the cost of the welfare state and much more.

To roll back the guangos and 'independent' bodies, give power to users of public services, reverse pointless university degrees, take on the supranational bodies encroaching on democratic control. It will have to do all this while avoiding being sidetracked into reactionary conservatism, or portrayed as hacking back at the state's core functions.

Despite all this, the diagnosis in this pamphlet and the forthcoming book that it comes from are fundamentally optimistic. Our troubles are the result of a new bureaucratic class and its progressive ideology gnawing away at the foundations of our society and can be reversed.

The first step will be to understand the scale of change required to create a new Conservatism for the 2030s. And the second step must be to elect a leader committed to such a widespread process of renewal.

The Conservative Party is in crisis. In the July 2024 General Election, it received the lowest number of MPs and the lowest number of votes in its nearly 200-year history.

Since then, as the Labour party has floundered, it has sometimes started to slip back into old habits and complacency. It is treating the leadership election as if this is just another internal debate. But the Conservative party, and Conservatism more widely, are in a deep crisis that is likely to end either in widescale renewal or else replacement by a new right wing alternative.

Not only was the 2024 General Election an unprecedented disaster, but the only two General Election victories the Conservatives have won since 1992 were won on the very specific issue of Brexit.

In the 2015 General Election, spooked by the loss of two Conservative seats, Clacton, and Rochester & Strood to UKIP at by-elections, (including one on the second largest swing in British history), on top of the 2014 UKIP victory at the European Elections, the Conservative party promised an in-out referendum on the issue of EU membership.

This was for good reason. By 2014 as UKIP's vote rose steadily it was found that "UKIP's newer voters will overwhelmingly be those who voted Conservative in 2010... the switch from the Conservatives to UKIP is still happening". 2 By promising an in-out referendum, which reversed the flow of voters to UKIP, the Conservatives managed to bring back sufficient voters to scrape the narrowest of majorities, just 12. It meant in the final analysis of 2015 "the Labour party was the main victim of UKIP in this election".3

In the 2019 General Election, the Conservatives promised to 'Get Brexit Done', and in a year when the political headlines and polling converged in showing that Brexit was clearly the number 1 issue for voters, this powered them to victory. (E.g. Ipsos Mori recorded it as the top issue for roughly two-thirds of the country, well ahead of the NHS,4 and with Conservative voters seeing this issue as the most important, trumping to the NHS by 72-41%<sup>5</sup>).

The Conservatives have failed to win a majority at every single election where they could not mobilise the promise of Brexit – six out of eight elections from 1997 to 2024. The defeat in 2024, unprecedented in scale, was the result of a decades' long crisis of Conservatism. The Conservatives are no longer the party of government, and by 2029 will have been in power with a majority for less than 7 out of the preceding 30 years, versus Labour's 16.

On top of this, the Conservative record from 2010-2024 was extremely patchy when compared to the revolutionary nature of the other recent long-term governments, the Thatcherite period of 1979-1990 and its consolidation under John Major, and the Blairite governments of 1997-2010. Not only have the Conservatives been weak at obtaining power, they were poor at exercising it, hence the chaos of the post-Brexit 2019 parliament once Brexit was done.

#### The rise of the new progressive left across the West

Brexit was an electoral crutch for the Conservative party. But it does not explain that fundamental weakness, and it reflected rather than caused the political realignment.

The challenges of the past are not the challenges of the modern world. To say that Labour will take us back the 1970s is wrong – and it mistakenly leads us to propose the solutions of the 1980s, rather than tackling the challenges that we face today.

The Conservatives have failed to spot the growth of a new progressive left that has a different ideology, underpinned by a new bureaucratic class, one that is often middle class in nature.

Understanding this new bureaucratic class and its new progressive ideology are fundamental to what is going wrong in Western countries and the changes reshaping politics in each country. Too often, the

UK is treated as a unique case, as if recent social, economic and political changes are due to Brexit, as if a single policy shift can fix our issues.

But the slowdown in growth, social polarisation and political realignment seen in the UK are seen across the Western world. We need to set the UK in a wider context. Across the West we see the following three trends:

- A political realignment with affluent voters moving left and average income voters moving right. In many cases existing parties have collapsed or been taken over.
- A slowdown in growth and growing government. Across the Western world in general growth rates have come down while government has grown.
- A rise in social tensions. The more easy-going liberalism of the 90s has steadily been taken over by an aggressive and intolerant new approach to managing society.

This is the backdrop to the Conservative leadership election. It is an existential challenge based on understanding what is driving these three fundamental factors, and who is most likely to be able to renew Conservatism for the 2030s and 2040s.

These three trends above are linked to this new progressive ideology and this new bureaucratic class.

This progressive ideology is an entirely new way of viewing the world, distinct from liberalism, conservatism, or the old socialism. The progressive ideology has two fundamental aspects:

Due to ever-present, unfair power structures we need a constant focus on economic and social redistribution to support the 'marginalised', the 'oppressed', 'victims' and 'the vulnerable' including the poor, but also certain group identities, (e.g. women, LGBT people, ethnic or religious minorities, the disabled or neuro-diverse, and migrants,) as well as the natural world

Progressive bureaucrats can make better decisions than individuals and democratic nation states are able to manage. Therefore, decisions should be taken away from individuals and democratic nation states and concentrated in the hands of the bureaucratic class.

Crucially, these two fundamental aspects of the progressive ideology reinforce each other. If the world is full of endless marginalised, oppressed, and victim groups, it justifies constant intervention by an expert class to prevent privileged, oppressive, and victimising forces taking advantage of others. It means that we don't just need a simple one-off redistribution, but the endless policing of our economy and society.

This progressive ideology builds on, yet transcends, the old Marxist view of economic class exploitation. In this new progressive ideology, the world is divided not into two economic blocs of bourgeoise and proletariat and an elite communist party that can and must dismantle the power of the bourgeoise. Instead, it is about endless permutations of different oppressor and oppressed groups, and a progressive elite that must constantly reorder society along fairer lines.

It is this belief in incessant intervention, not old ideas of trade unions and nationalised industry that powers the modern left. Jonathan Reynolds thinks he knows better than private companies about working from home. Ed Miliband thinks he knows better than energy generators how to power our economy. Rachel Reeves thinks she knows better than consumers what industry should produce. Bridget Phillipson thinks she knows better than employers what they should pay, based on their employee's skin colour.

And the left justifies such intervention as necessary interventions on behalf of the exploited, the marginalised, and the victims of the world, framing those who are against this new left as exploitative, privileged, and cruel.

#### The rise of a new bureaucratic class

This new progressive ideology has become the new ideology of a new powerful force in our society, a new 'bureaucratic class'. The bureaucratic class derives much of their income, or more widely, their justification, from government, through both state spending but also an ever-growing regulatory state. They are very different from the old market class that they are replacing, that of entrepreneurs, private sector owners and market focused workers.

The fundamental point is there is a microeconomic link between the bureaucratic class and the government. The key question is: Does this job primarily relate to providing goods or services in the market or administering rules set by government? The market orientated class are based in the market, they are the old idea of SMEs, those parts of the corporate world based on market goods and services, profit and loss, the high earning workers within this.

Another way again to restate this difference between the two groups is that the market class gives people what they want and will pay for, and the bureaucratic class gives people what the bureaucratic class thinks they should want and what government can force or require people to have.

These definitions are by nature somewhat slippery. But they explain why certain parts of the economy are growing much faster, and they link to the regulatory growth we are seeing. One of the problems has been because this analysis is complex and microeconomic in nature, it has been ignored, leaving the right of politics in confusion.

This new bureaucratic class is often found in the private sector as well as the public sector and NGOs. It is divorced from buying and selling, profit and loss, consumer competition. It seeks to limit market pressure and democratic accountability to their world.

The growth of not just government, of guangos and NGOs, but private sector bureaucracies in HR, sustainability, compliance, legal teams and much more has been driven by rising government regulation that has enlarged corporate bureaucracies and weakened consumer and market pressures.

Increasing numbers of middle-class jobs relate more to government rules than goods and services bought and sold in the market. This close relationship with government and regulation creates a different economic, social, cultural and political reality for much of the urban middle class in the UK and wider West.

Michael Lind notes that what I am calling the market class is now concentrated in the 'heartlands' of America, the low-density suburbs, exurbs and rural areas, with two main economic sectors, "goods production and what can be described as 'mass services".6

He defines this as "almost all of the goods producing industries that have not been offshored to other countries - factories, farms, mines, and oil and gas wells. In addition to being the realm of goods production, the heartland is the land of mass services... workers in mass-provision service industries..."7

Likewise, provision of mass goods and services in the private sector is now the dominant economic model only in provincial Britain – not coincidentally the last political holdout of the struggling Conservative party.

Past writers noted some of the foundations of this new class. Burnham's Managerial Revolution in the 1940s noted the rise of a quango administrative state that was giving more powers to a 'managerial class', while Irving Kristol in 1970s America saw a 'new class' of left-leaning educated professionals growing in the post-war USA, whose goal to reorder society would lead to "an economic system so stringently regulated in detail so as to fulfil many of the traditional anti-capitalist aspirations of the Left".8

Until the collapse of the old left in the 1980s, this group were the weaker part of the left. But the defeat of socialism, nationalisation and the unions led to an intellectual renaissance on the left, which justified the creation of this new economically left-leaning class. The progressive ideology above took over from the socialism of old.

#### A fundamental political realignment

Authors such as Matthew Goodwin and David Goodhart deftly show some of the crucial aspects of the new class, (though they do not term it the bureaucratic class). They notice its focus on credentials, its link to the growth in numbers of professionals, its left-wing views, the shift in the left from a focus on the old manual working class to new administrative workplaces.

But they do not see the fundamental and crucial aspect of this new class, that of its relationship to government. And this explains why a substantial part of the middle class are now voting left – not because of Brexit, not because of the Conservative party, but because of a fundamental realignment going on across the Western world.

As one mega-study of Western democracies noted, over the past few decades, "higher educated voters... moved from being significantly more right-wing than lower educated voters to significantly more left wing".9

It notes changes link to "the rise of tertiary education and the concomitant development of aspirations and careers not directly orientated toward monetary gain (including occupations related to education, culture and health), which now co-exist with occupations more directly orientated toward for-profit activities". 10 In other words, a different middle class is emerging, with very different concerns.

While adjusted for education, "high-income voters have remained closer to conservative parties than low-income voters over the past fifty years", 11 but that income gap has halved since the mid-80s, and continues to decrease as the bureaucratic class replaces the market orientated class. On current trends there will be no link between being high income and voting right or left by the 2040s across these Western countries.<sup>12</sup>

In some countries the shift to the new politics is nearly complete. To quote one study, "In the 2016 US presidential election, among counties with a population of fifty thousand or more, Hillary Clinton won forty-eight of the fifty counties that had the highest percentage of voters with at least a four-year bachelor's degree"13 while "Following the 2018 midterm elections, forty-two of the wealthiest fifty congressional districts in the United States were represented by Democrats."14

But it is more complicated than the affluent becoming Democratic, as in 2020, Trump won 54% of those earning more than \$100,000, ahead of Biden at 42%, and ahead of Trump's national vote share. But Biden won over two to one among postgraduate degree holders.<sup>15</sup>

What is happening is that the high density, affluent and educated urban bureaucratic class tends to vote Democratic, and the affluent suburban and non-urban (and non-graduate) market orientated class tends to vote Republican.

The parochialism of our politics is shown by the fact that London's shift away from the Conservatives is blamed on Brexit, when in fact in general in many Western countries, "socialist, social democratic and green parties have concentrated a growing share of the votes of capital cities."16 This explains why "Paris, the seat of all economic and cultural power, where real estate prices are the highest in the country, is now a bastion of the "left"".17

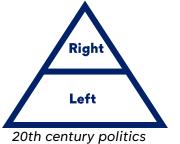
The realignment is rewiring politics across the West, not just in the UK. The old right is fading away and a new right is being born. To quote one large scale 2022 data analysis about the right in recent decades, "both the conservative and Christian Democratic party families have experienced declining support" while the "the populist radical right party family has been able to establish itself and expand its electoral appeal".18

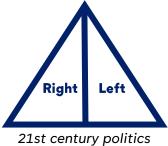
Indeed, since this was written in 2022 the decline of the traditional right has accelerated, with elections across France (2022), Sweden (2022), Italy (2022), the Netherlands (2023), Finland (2023), Portugal (2024), seeing either the traditional right being eclipsed, or forced into working with or relying upon right-wing populist parties.

What is happening across the West is that we are moving away from a vertical structure of politics, where, as in the immediate post-war period, the main thing which determined your vote was your

income. Instead, we are moving to a structure of politics that is horizontal – where how you earn your money is as important as how much money you earn.

As the diagrams set out below, politics has shifted. Instead of a vertical political structure, there is now a horizontal political structure.





To quote the mass study of Western democracies, "Contrary to a commonly held view, we do not find evidence of a rise in left-right generational divides in Western democracies." Politics is shifting. Across the West, the old right is dying off, but a new right is being born.

What is instead happening is the old pattern of affluent voters who lean right and less affluent voters who won't vote right are dying off, being replaced by new divisions. This means that those examining the data believe changes in voting habit will accelerate, "as old generations voting along historic class lines gradually disappear from the political scene."20

The Conservatives are benefitting from a group of elderly, affluent voters who vote Conservative because they always have done. But as this group declines in number, then the Conservatives face an existential threat. In 2024, the Conservatives managed to win 43% of the over 65s, winning just 20% of those 35-54, and coming 5<sup>th</sup> among those under 35% behind not just Labour, but the Liberal Democrats, Greens and Reform.<sup>21</sup>

On these figures, the Conservatives have long since stopped being the natural party of government, but they will soon not even be the natural party of opposition.

The problem is that some commentators argue the Conservatives need to win amongst the new rising bureaucratic class, the educated, left-leaning progressives that dominate our urban areas. Some Conservatives feel that they should be the party of this new middle-class group. This is deeply mistaken. At best they are overlaying a 20th century viewpoint onto 21st century politics, and at worst they are being motivated by misplaced snobbery.

For this group never votes - in general - for right wing parties – as the data on the realignment sets out above. And once we understand what this group is, we can see why. They will never support free markets, individual responsibility, and the nation state, because it would be extremely detrimental to their interests to do so.

#### The bureaucratic class answer is always the left-wing 'more government'

This is the real explanation for a key question – the issue being, to quote a recent FT article, 'How the Conservatives lost touch with prosperous Britain' and 'the sorts of places that are inhabited by ambitious graduates and professionals'. It noted "For most politicians and commentators, Brexit is Year Zero in modern British politics."22

But blaming Brexit is false. The realignment is real across the Western world, not just here in the UK. And this is because there is a new bureaucratic class, usually middle class or affluent, which leans left, not just here in the UK, but across the West, and which is dominating our politics and creating an equal and opposite reaction on the right.

If you work in a job where you are largely about protecting people in some sense, if your role is derived from the sprawling mass of government regulation, then you will tend to lean toward more government. The economic drivers of the bureaucratic class are related to more government, not less government.

To set this change out more we examine just a handful of areas where there has been a fundamental shift in the nature of work – the growth areas of human resources, universities, the socialisation of mental health, and regulation and compliance.

#### Human resources and the increasing regulation of the labour market

Firstly, on Human Resources, in 2001, the ONS recorded 119,000 or so people working as personnel managers. By 2023, this had risen to 221,000, an increase of 86%.<sup>23</sup> This happened at a time when productivity grew at historically low levels of 0.8% a year over two decades.<sup>24</sup>

Parts of Human Resources are absolutely necessary. But it seems likely that at least part of this growth in HR is down to more legislation (and expansive case law); a focus on diversity and legal duties of care; increased desire to regulate interpersonal relationships; and an increased reluctance to accept risk. It doesn't seem to be having a positive impact on productivity. And much arises from government.

When the Financial Conduct Authority argues that for any firms it deals with, it wants at least 40% of their Board directors as women, and at least one ethnic minority member, or 'it must explain itself', 25 this is not the market but government. A court deciding that unskilled work was 'equivalent' and so indirect discrimination if Birmingham City Council paid less for collecting bins, for example, a traditional 'male job', versus cooking meals for children each lunchtime, <sup>26</sup> a traditional 'female job', despite them requiring different working hours, physical requirements and unpleasantness, this was government. Likewise, a recent Next case on warehouse versus retail work, where very different conditions were ruled equivalent by a judge.<sup>27</sup>

When, as in the recent Dominic Raab case, bullying is defined by the state through law as consisting of 'used physical gestures in communication', allegedly referring to the Civil Service code in upbraiding a civil servant for poor performance, and moving a staff member after they exceeded their remit during the highly fraught and crucial Brexit negotiations, this is government. When it is seen as legally significant that 'certain individuals genuinely believed that they had suffered significant negative impacts on their psychological well-being as a result of their interactions', even though neither they nor others raised this with him at the time, or high standards are 'experienced as intimidating',28 this is government.

In all of these expansions and cases, the net result is likely to be an ever-expanding level of human resources devoted to dealing with these changes, rather than driving up productivity. Avoiding indirect discrimination, creating policies that shape workplaces in line with the new HR laws and regulations.

Not only that, if as a private sector worker you observe all these changes, and decide that you can advance more by arguing that group X are 'under-represented' or being treated 'unfairly', (and you as a member of group X need to be therefore given a helping hand), instead of providing a good or service that people want in the marketplace, you are not going to want more market, but more activism, more intervention, and more redistribution.

#### The university explosion

The explosion of university courses in recent decades in the UK (as elsewhere in the West) has done a great deal for providing a new set of middle-class jobs, but has gone alongside a collapse in growth rates. There were just 68,000 graduates in 1980.<sup>29</sup> There was then limited growth during the economic boom of the 1980s, rising up to just 77,000 a year in 1990.30

From then, numbers exploded. By 2020/21 the number of people, (including overseas students), starting their first year at undergraduate level, had grown by a factor of nearly 10 to 750,000 or so. 31 An even larger explosion took place in postgraduate degrees, which rose from 31,000 in 1990 to 493,000 in the same period, up by a colossal 1,500%.

This rise in students has been accompanied by a huge increase in university staff. In Britain, the sector employs 500,000 staff directly.<sup>32</sup> Just half of these are academics: the rest form a growing bureaucratic class that surrounds the higher education sector, (a phenomenon mirrored in other countries and linked to rising progressive student activism as we examine later on in this pamphlet).<sup>33</sup>

The most obvious way in which the state promoted university education was by underwriting it while it became a self-sustaining sector. In 2016-7, for example, around 61% of university finance was from government-backed fees, and a further 11% was from the state directly.<sup>34</sup>

Some areas were now declared as 'graduate professions', raising a huge new barrier for people trying to get good jobs. For example, government approved a requirement all nurses have a degree from 2013.<sup>35</sup> Similarly, the police have required that all new officers from 2020 must be educated to degree level.<sup>36</sup> Labour has even suggested that it wants senior childminders to be degree-qualified, too.<sup>37</sup>

This growth of university has created a fundamental shift from what people deliver in the market place to the stamp a university degree creates – an official mark that in theory sets out the owner as 'special' and worthy of respect and financial reward. And it has ensured that those who are entering many professions have been through a similar process whereby the progressive ideology is transmitted to them at university.

#### The socialisation of mental health

It is a positive thing our society is now more open around mental health. However, the socialisation of mental health, whereby mental health moved from something that people worked on for their own benefit, to something where everyone had to treat you differently, has both created costs and failed to improve people's mental health outcomes.

But the focus on fragility does not seem to have improved our state of mind. If anything, the opposite. As we explore later in this essay, we have increasingly turned our backs on concepts of building resilience in favour of a narrative built on fragility and medicalisation, with negative results. Across the West, 'the meaning of 'safety underwent a process of 'concept creep' and expanded to included 'emotional safety'... The subjective experience of 'harm' became definitional in assessing trauma'.38

This new psychological definition of harm being incorporated into our society fundamentally changes the legal and economic structure, if a lack of 'safety' includes emotional safety. Thirty years ago, if you said something to me not illegal or threatening, and I felt hurt by it, then this was my problem. But increasingly if you say something that hurts me, I am 'harmed' and can appeal to the courts and demand recompense, and not just from you, but others who failed me, such as my employer or others who may have a "duty of care".

This duty is ever expanding. Only last year the Conservative government backed a Liberal Democrat Bill to 'make employers liable for harassment of their employees by third parties (such as customers or clients)'.39 So if someone felt harmed by comments a third party made, they could sue their employer.

This change in the nature of 'harm' helps explains why people who had suffered events once seen as non-traumatic now feel entitled to support. This increases demand for psychologists and therapists, required to help people previously seen as able to cope. As will be set out in the forthcoming book, across the psychological and psychotherapy professions, numbers have risen from 102,000 in  $2002^{40}$  to 223,700 in 2023.41

Being diagnosed as neuro-diverse was once seen as helpful as it meant you could understand your own brain, and so help you to deal with the world. It was an individual focused change. But now it also offers economic advantages and protections. If you have a neurodiversity diagnosis (e.g. anxiety,

autism), then that is usually seen as a disability, a category similar to race or biological sex in terms of discrimination law and general attitudes.

If you are a child, you may well get better treatment or equipment at school – even transport to and from home. If you are in the workforce, you are protected in employment terms from day 1, you can more easily claim for unfair dismissal, and under disability rules you can also require your employer makes 'reasonable adjustments' to your job (and you can reveal your disability once you have been employed rather than before).

In short, whereas once psychological and mental health was seen as something that people should work on themselves as individuals, mental health has become something that society, schools and employers have to adapt around.

Alongside rising educational needs and employment issues, the rise in welfare claims related to mental health, in the UK at least, has outpaced any conceivable clinical explanation. By 2024, mental health was the number 1 issue for new welfare claimants, with this as the primary claim for 41% of all new disability related benefit claims. 42 And while the pandemic exacerbated this process, it began long before. And again, the growth of such diagnoses has been accompanied by an expansion of the numbers and the powers of the bureaucratic class.

Despite the constant refrain that the NHS is underfunding mental health services, a large and growing share of NHS spending is now related to mental health. In 1999 the UK spent £4 billion on mental health, 43 which had risen to £16.8 billion by 2023/4. A purely inflationary increase over this period would have seen a rise to £7.3 billion.44

#### The vast growth of regulatory and compliance sectors

Another change in our society is the ever-rising level of compliance and legal complexity, which does not seem to be adding to growth or making our society much safer.

The ratio of regulators to financial services workers had increased from 1:11,000 in 1980 to 1:300 in 2011 and now stands at roughly 1:75 – so, the ratio of regulators to financial services workers appeared to have quadrupled in just over a decade. 45

Moreover, more and more of those within the private sector will now be engaged on dealing with this regulatory burden. The UK banking system, for example, is now incredibly complicated due to regulators' attempts to micromanage risk. In most of the immediate postwar decades, which were also more financially stable, banks were simply required to hold high levels of capital. But the rules around this have grown steadily.

In a single decade, the proportion of Citigroup's workforce devoted to compliance and risk went from 4% to 15%. 46 Simply changing the Basel regulations increased the number of calculations required to comply with regulation into millions.<sup>47</sup> In 2017, the Risk Management Association found for half of banks, compliance cost between 6-10% of revenues.48

Such ever expanding regulation is seen in area after area. For example, UK building regulations are now 1,500 pages,<sup>49</sup> despite the misleading and dishonest arguments that the sector is 'deregulated'. Indeed, the complexity now acts to make the limited genuine requirements (e.g. protecting us from unsafe cladding) obscured in a thicket of wider regulations.

Often the creation of a compliance industry just expands the bureaucratic class. Likewise, the growth of a massive planning bureaucracy has not improved the quality or quantity of what we build, but it has meant bureaucratic class jobs.

A good proxy for rising compliance burdens, at least for listed companies, is the length of annual reports. One recent survey found that since 2016/17, word counts have risen by 46%, from roughly 65,000 to 96,000 words. The report argued that part of the reason for this was that companies 'fear censure from the FRC (regulator) and missing out on capital from ESG-focused funds'.50

The legal profession has also grown very sharply as the size of government has grown. The number of practising solicitors in the UK rose from 22,184 in 1971 to 36,641 in 1985, before taking off sharply to 116,256 in October 2011 and 166,256 by October 2023.<sup>51</sup> This is over a sevenfold increase in numbers, well beyond the 200% increase in GDP from 1971.<sup>52</sup> Only 10% of the UK's legal profession's earnings are related to legal exports.53

This copies the rise of the USA's legal profession, where in the majority of the 20<sup>th</sup> century the legal profession grew at around the rate of the population, but took off toward the end of the 20<sup>th</sup> century. "Before 1970 the number of lawyers increased at about the same rate as the general population, so that there were roughly 1.5 lawyers per 1,000 population. After 1970, numbers of lawyers began growing much faster and today approaches the level of four lawyers/1,000 population."54

Specialisms that would have barely existed a few decades ago – such as environmental law, human rights law, human resources and discrimination law, immigration and refugee law – are now whole careers in themselves.

#### A paradigm shift in the function of society and the economy

These are just some examples – there will be more discussed in the future book – whereby the growth of the middle class is related to a growth in government. The rise of Net Zero, the ever-rising focus on 'public health' and much else besides all also drive this.

Government, through spending, regulation, and accepting and empowering judicial and quango activism is driving the creation of a new and growing middle class based not on providing market goods and services, but accountability to government regulation, alongside dismantling of old ideas of resilience and personal responsibility in favour of legal requirements toward protecting those who declare themselves victims.

This is creating a paradigm shift in how society and the economy function. The sum of these changes is greater than any one change. Partly, this comes about due to direct economic links. A human resources lawyer pushes the courts to take a more expansive view of harm at work. This in turn boosts the internal power of HR departments, who in turn will also rely more on legal advice. The green lobby argues that we need more rules on green investment or disclosure, which the compliance and risk lobby agrees with since it boosts their size and status, and which likely later on leads to further extra rules around environmentalism.

But the links are also indirect and ideological. Those who support diversity rules in procurement will think procurement should have more rules in general. Those who lobby for green issues in compliance will be generally more sympathetic to extra compliance, because they see compliance as delivering 'good things'. The human resources manager who supports tighter controls on staff is likely to support more school psychologists and more welfare spending, since they view people as ultimately fragile.

There is a huge difference between a middle-class encouraging self-reliance versus one based on policing victimhood. It is this difference that explains the move left of the urban middle class. Both directly and indirectly, the growing bureaucratic class is a self-reinforcing spiral. One which tends to support more rules, more intervention, more control.

Further, once the bureaucratic class reaches a critical mass, its members dominate the remaining market middle class by exercising both market and social pressures, (i.e. I won't shop at your store because you don't support my values, and I won't have a relationship with you because I don't like your politics). This explains the rising intolerance we explore later.

Of course, not all individuals within the bureaucratic class will hold exactly the same views. Someone might support the green sector, but be sceptical of diversity requirements, or vice versa. But there is more than enough common ground across the agenda for the 'common sense' assumptions of the middle class to shift dramatically.

In addition, it is on this new common-sense set of assumptions the progressive ideology builds the two

new key pillars of the left, of endless social and economic redistribution toward the marginalised on the one hand, and a bureaucratic class able to reorder our economy and society on the other.

The shift in the middle class is nearly complete in Western global cities such as London and our university towns, and is moving through major urban areas. The economic and cultural power of this new bureaucratic class makes the ideas and values of the bureaucratic class dominant. Combined with their rising intolerance, which we discuss briefly below, they drag the entire social and economic structure in their direction.

The noted 'march through the institutions', the fact the left controls most powerful institutions in our society, which those on the right are finally now becoming aware of, is just an extension of the fact there is a major shift within the middle class underway.

And it is an inevitable outcome since that the market pressures on most institutions are weak – and without a clear democratic political challenge, the bureaucratic class will be able to insert itself and its values across society.

Understanding the new bureaucratic class is necessary because their agenda has influenced almost all recent political and economic debates. While it is possible and sometimes productive to examine particular policy areas, the change the bureaucratic class are driving is not just a policy here or there, but a paradigm shift that must be seen in its entirety.

As the last two decades have shown, individuals may come and go, specific policy debates may rage, but ultimately the power of the bureaucratic class consistently advances, and the negative consequences of their advance multiply.

Conservatives are confused as to why successful people increasingly do not support the right. But this is unsurprising when success is increasingly decoupled from delivering in the market, and is about individuals climbing within the bureaucratic class or using a new progressive hierarchy of victimhood to demand social and economic resources from wider society.

#### The bureaucratic class is destroying growth across the West

The fact that our social and economic assumptions are being rewired by a new rising class and its ideology are having a major impact on our society and our economy.

The rise of this bureaucratic class takes somewhat different forms across different countries. But in every country, the rise of safetyism, stifling of risk, a bureaucratic class to regulate and control us and protect the marginalised is rising steadily. The result of this has been a collapse in average growth rates as shown below.

Per capita growth in the years from 1981-1990 and 1991-2000 versus 2001-19<sup>55</sup>

|                      | 1981-1990 | 1991-2000 | 2001-19 |
|----------------------|-----------|-----------|---------|
| G7 per capita growth | 2.7       | 2.1       | 1       |
| UK per capita growth | 2.7       | 2.4       | 1.2     |

Indeed, the only partial exception to this steady fall in growth has been a shift back to higher growth in the USA in the 2010s, where growth in the 2010s was higher than the 2000s, (though lower than in the 80s and 90s),<sup>56</sup> a growth spurt largely due to abundant and cheap energy driven by shale and fracking.

To quote the International Energy Agency, "The shale boom has transformed the United States into the world's top oil and gas producer and a leading exporter for the fuels. As a result, the US approach to energy policy making has shifted from a mind-set of scarcity to one seeking to maximise the benefits of energy abundance".57

The USA saw its energy production rise by a staggering 40% over the 2010-19 period, predominantly

driven by a doubling of energy provided by crude oil and natural gas. 58 From 2010 to 2020 the cost of energy for US households fell consistently, allowing spending to be diverted to other parts of the economy, as well as a boom in export revenues.<sup>59</sup>

Despite this, other developed countries have not followed the US example. And indeed, within the USA, polling of those earning over \$150,000 a year, with post-graduate degrees and living in dense urban areas showed that they hate this new energy abundance. 60

Seven in ten in this group support rationing meat, gas and electricity to beat climate change, with large majorities wanting to ban gas stoves, petrol cars, non-essential air travel, SUVs and private air conditioning.

This is an inevitable part of the radical environmentalism that is a core pillar of the bureaucratic class and which posits nature as an exploited and under attack entity that humanity is destroying, ignoring the trade-offs and realities of decarbonisation in favour of a simplistic and misleading morality tale.

Despite false narratives of austerity, the rise of the bureaucratic class has been accompanied by a rise in GDP spent by government, on top of an ever rising debt pile. In the past 30 years across the wealthy original G7 nations taxes have risen by three and a half percent as a share of GDP, while debt has more than doubled.

Government debt and taxes across Western countries

| Country/grouping              | Government debt<br>& taxes 1991<br>(% GDP) | Government debt & taxes 2007 (% GDP) | Government debt & taxes 2022 (% GDP) |
|-------------------------------|--|--------------------------------------|--------------------------------------|
| G7 AVERAGE TAX <sup>61</sup>  | 33.2                                       | 34.1                                 | 36.7                                 |
| G7 AVERAGE DEBT <sup>62</sup> | 47   | 63                                   | 108                                  |

Yet this rising government burden in the sense of taxes and debt spiralling ever upward is only part of the story. There has been a steady growth in legislation. The Economist noted in 2021 that "the number of US federal regulations has more than doubled since 1970. The total word count of Germany's laws is 60% larger today than it was in the mid-1990s."63

Here in the UK, statutory instruments, legislation that sits underneath Acts of Parliaments, rose from a few thousand in the postwar period to around 5,000 by the late 1980s (although notably it remained broadly stable in the Thatcher governments), before rising to well over 10,000 by the 2010s.<sup>64</sup>

There is also new legislation being created by the devolved administrations to interact with UK rules. adding a different layer and a new set of complexity there. On top of this, there are a growing number of rules, guidance, commitments, agreements and so on from supranational entities such as the European Union or bodies like the World Health Organisation, which often now have legal force in much of the West. The European Union between 2019 and 2024 passed a staggering 13,000 regulations, around double the USA, 65 (which as we noted already, has itself seen an increase in regulation).

Rising state intervention is the inevitable reality of this new progressive ideology.

The bureaucratic class has a clear economic cost. But even more importantly, there can be no reform of the public or private sector while the bureaucratic class dominates. The bureaucratic class argues we need 'less ideology' and more 'technocratic' solutions. But such technocratic solutions invariably just mean more powers for the bureaucratic class.

For example, the dominance of the bureaucratic class is a key reason for weak public sector productivity, growing at just 0.2% a year over the past few decades. 66 Bureaucratic class answers are always the same. They always involve more regulation and control over ordinary people – unsurprisingly expanding the power and scope of the bureaucratic class – rather than streamlining the

public sector and giving more power to public sector users.

For example, on healthcare, for the bureaucratic class, the main problem is the public are always doing something wrong, eating or smoking or generally enjoying themselves. In reality, smoking is falling,<sup>67</sup> average heavy drinking has fallen slightly,<sup>68</sup> and obesity rose moderately from 22.5% in 2002 to 25.9% in 2021.<sup>69</sup> Rishi Sunak's banning of smoking, even as vaping is driving down smoking levels to ever lower levels was a typical capitulation to the bureaucratic class and its agenda.

It is ignored that the Department for Health and Social Care's expenditure has risen from £131.8 billion in 2010/11 to £182.2 billion in 2024/5 in real terms (i.e. after inflation), an increase of over £50 billion, around 40%.<sup>70</sup> The share of UK GDP taken up by healthcare has increased over time, rising from 10% in 2010 to 11.3% in 2022.71

There will never be reforms to put patients at the heart of the NHS that drive up outcomes while the bureaucratic class are dominant. Nor will there be improvements in education, nor welfare, nor planning, nor on any of the key issues that our society needs to resolve.

The bureaucratic class cannot fix anything, because it always starts from the wrong place. The bureaucratic class always seeks more controls over the majority rather than giving individuals more control and power within the systems they are in.

#### The bureaucratic class assault on capitalism

A private sector with the dominant bureaucratic class can never be reformed to make the system work. Excellent work by the group Britain Remade sets out ways our infrastructure and planning system holds back growth and infrastructure, with serious negative consequences.

They rightly complain that the planning application for the Lower Thames Crossing runs to 359,866 pages, <sup>72</sup> the 3.3-mile Portishead branch line had 79,187 pages of paperwork, <sup>73</sup> and the Sizewell C environmental impact assessment runs to 44,000 pages.74

But they are wrong to assume this is a failure of process. This is a failure of politics. A Minister involved in planning had a roundtable where it was suggested having major infrastructure applications having a named civil servant responsible, a major reduction in consultation around environmental requirements for some infrastructure, (as a nuclear station reduces emissions substantially it is a victory in itself), and fewer judicial reviews.

The Minister pointed out the first was impossible because officials hate the accountability, the second was impossible because any precedent in reducing environmental regulations would be fought by green stakeholders and probably end their career, and thirdly limiting the judicial reviews would be fought by both external bodies and the legal team within the department, since they viewed more lawyers as integral to pretty much anything.

Without a government explicitly taking on the bureaucratic class, the chances of pushing radical reform that cut back on these areas is minimal. This will continue to push up the cost of private sector delivery to the benefit of the bureaucratic class not the people of this country.

We can see the rise of the bureaucratic class as part of an economy wide shift. Acemoglu and Robinson's economic text Why Nations Fail argues the key to whether an economy sustains consistent and rising living standards is if it has 'extractive' or 'inclusive' institutions.

"Political and economic institutions, which are ultimately the choice of society, can be inclusive and encourage economic growth. Or they can be extractive and become impediments to economic growth. Nations fail when they have extractive economic institutions, supported by extractive political institutions that impede and even block economic growth."75

"Economic growth and technological change are accompanied by the great economist Joseph Schumpeter called creative destruction... The process of economic growth and the inclusive institutions upon which it is based create losers as well winners in the political arena and in the economic

marketplace."76

We can understand the West's slowdown using this framework. The bureaucratic class creates extractive institutions that force the rest of society to pay for them, via a mix of economic power, legal sanctions, and moral manipulation.

The bureaucratic class aim to replace a free market with empowered individuals and a core safety net with constant micro-managing of the economy by the bureaucratic class (paid for by the rest of society).

They justify this by greater "expertise" and the need to overcome endless unfair oppressive structures, (oppression of the poor, minorities, women, those with fragile mental health, the environment etc). But in practice, this is gumming up capitalism as their growing power and influence is replacing the market economy with their direction.

Frederick Erixon and Bjorn Wiegel's The Innovation Illusion notes how 21st century Western economies and capitalism have steadily slowed and become stagnant. They note by 2012 then none of the top 100 European firms were created in the past forty years while "In the United States for example, firm entry and exit rates have been on a declining trend since the end of the 1970s... Only one-third of all firms were 11 or older in 1987 compared to nearly half of all US firms in 2012. Or to take another measure of corporate aging; the share of firms in the US that are 16 years or older increased by 50 percent between 19982 and 2011."77

An OECD study found "declines in business dynamism have been pervasive in many countries". 78 Capitalism is no longer working, meaning that large companies are able to dominate even without consistently innovating and improving. This is why much of the corporate world does not oppose the new bureaucratic class or its progressive ideology. By increasing the barriers to entry by growing regulation, many corporates benefit, (and as we have seen, some teams within these organisations benefit even more).

Further, more and more people think they should find a comfortable job in the growing bureaucratic class, not be an entrepreneur. It is no coincidence just 1% of 20-somethings in the EU run a business that employs someone else. 79 The churning out of more progressive graduates creates a less entrepreneurial youth, but we should not be surprised. These progressive graduates then defend the system providing them with the remaining 'good' jobs.

This sluggish modern economy is the core argument of The Captured Economy by Lindsey and Teles. They argue in the USA "economic returns are now determined much more by success in the political arena and less by the forces of market competition. By supressing and distorting markets, the proliferation of regulatory rents has also led to lower wealth for everyone."

By 'rents' they mean payments awarded but not attached to market forces, instead 'earned' through political and regulatory capture. They note "The rents enjoyed through government favouritism not only misallocate resources in the short term but they also discourage dynamism and growth over the long term. Their existence encourages an ongoing negative-sum scramble for more favours instead of innovation and the diffusion of good ideas."80

The link between this and the bureaucratic class is clear. The Captured Economy notes, "Post tax profits as a percentage of gross domestic product (GDP) bounce around quite a bit from year to year, but from a trough of 3 percent in the mid-1980s they have climbed above 11 percent as of 2013."81 This crisis of capitalism is very different from 1970s, where due to post-war socialist ideology profits were too low. The problem now is that profits are no longer linked to the workings of capitalism but to fulfilling bureaucratic class whims. What we need is to realign capitalism so profits link to delivering in the market place.

Lindsey and Teles note the increasingly sluggish and oligopolistic nature of US capitalism, that "many US industries are growing increasingly concentrated. Between 1997 and 2012, the share total industry revenue accounted for by the 50 biggest firms in that industry rose in three-fourths of the broad nonfarm business sectors tracked by the Census bureau."82

Meanwhile, "The share of American workers employed at young firms has dropped from nearly 19 percent in the late 80s to just over 10 percent as of 2010."83 They note the growth of rent seeking is critical in slowing growth since "a number of cross-country studies over the past couple of decades have found that policy barriers to entry, along with other restrictions on product market competition, reduce the growth of both overall GDP per capita and Total Factor Productivity in particular."84 (Total Factor Productivity is the efficiency with which an economy uses its inputs, rather than growing by using extra labour or capital).

Lindsey and Teles take four areas of serious failures in the ever-expanding regulatory state, "explicit and implicit quarantees of financial institution debts and policies", as well as "excessive monopoly privileges granted under copyright and patent law... the protection of incumbent service providers under occupational licencing... artificial housing scarcity created by land use regulation."85

In all these areas, excessive regulatory and other barriers are harming living standards and leading to slower growth. Some are worse than others, so housing scarcity in the UK is much larger. But these "are only the tip of the iceberg", 86 as shown by the economy wide slow down.

This is all unsurprising. We would expect as the state grows ever larger both the *quantity* of regulation will grow and the *quality* of regulation will deteriorate as government ability to manage growing rules and controls falls, and the ability and desire of the corporate bureaucracy to capture the everexpanding regulatory state grows.

Our economy is still seeing the market operate in some areas but not in others. In consumer led-sectors where the market is stronger and government more limited, most goods have fallen in price. Computer prices fell 83% since 2000, so you can buy the equivalent of a £1,000 PC in 2000 for just under £200 now. Clothes are 30% cheaper, while wages have risen by 86%.87

But in housing, the regulatory burdens that restrict housing supply have driven up housing costs. Of course we want to protect our most cherished landscapes, but the more that government restricts housing supply, the more that our over-complex planning system creates a quasi-cartel of large housebuilders, the more house prices and rents will go up even as complaints rise about new builds – with house prices rising by 254% from 2000 to 2023.88

On childcare, we have driven out the informal childcare sector, requiring greater numbers of staff, and growing bureaucracy such as OFSTED inspections of childminders and higher academic requirements. Labour is even promising to make childminding a graduate led profession. It is no surprise "between 2010 and 2021 the sticker price for a part-time (25 hours per week) nursery place for a child under two rose by 59%. This is around twice as quickly as overall inflation."89

While the Ukraine conflict pushed energy prices up, consumer electricity prices rose before that 200% from 2000 to early 2020. 90 In America, where they embraced the shale revolution, as we saw, electricity consumer prices rose just 50% from 2000 to January 2020.91

On top of this, we increasingly insist that to have a good job you have to complete a typical three-year university degree which costs £27,000 in tuition alone, up from £3,000 in 2000. Much of this comes from the spread of degrees so that jobs in the 80s and 90s that were once open to all now require a degree, either formally or for you to be considered for entry-level positions.

Increasingly the signals that are being sent out into the market are telling people not to start businesses, not to work in the consumer-focused sector, but instead to move into this new and overly regulated bureaucratic class. On top of this, the more prices rise, the more clamour for government intervention increases, fuelling taxes and yet more regulation. We need to save capitalism from the bureaucratic class.

#### The progressive assault on our social fabric has economic costs

As well as strangling growth, the bureaucratic class damages society. The list of social changes from 1965 to 2015 is comprehensive, during the heyday of liberalism before the new progressive paradigm

took over. A short list might include the following:

Decriminalisation of homosexuality, same sex civil unions, same sex marriage with adoption and surrogacy, cuts to greenhouse gases, an 80% reduction in greenhouse gases, cuts in defence spending from nearly 6% to just over 2% of GDP, doubling of spending on the NHS and welfare from roughly 10% to 20% of GDP, banning direct discrimination, banning indirect discrimination, legalised abortion up to 24 weeks, acceptance of the morning after pill, simplified divorce, non-enforcement of most laws on drug possession, tolerance of paying for sex, toleration of pornography, a massive shift toward two parents working, the rise of women in the workplace, an increase in out-of-wedlock births from near 0 to close to 50%, surrogacy and IVF for infertile straight couples, a rise in the non-white population from close to zero to around 14%, the ending of capital punishment, legal recognition of gender reassignment surgery, a large decline in the numerical and social power of Christianity.

Whether you agree or not, the right accepted massive social change to keep social peace. Yet despite this massive list of change in our society, the progressive ideology must necessarily reject the idea we have seen real social change, in favour of endless and vicious social struggle. We must believe that our society is still riddled with prejudice and obsess over new victimised identities around race, nationality, sex, gender, and the environment itself. As moderate and anti-Trump American conservative Andrew Sullivan notes for progressivism, "the core point of that movement, its essential point, is that liberalism is no longer enough".

The rise of 'cancel culture', attacks on freedom of speech and thought, the rising racialisation of society, the demand that as a woman, LGBT person, migrant or any other potential group you must see yourself as a victim and demand redress - all this is unhelpful for our society, but it is helpful for the bureaucratic class.

It is on the left, not the right, rising intolerance is most clearly found. A 2019 poll showed Leavers would largely date Remainers by 69% to 15%, while among Remainers, 48% would date a Leaver and 34% would not. The same poll showed 33% of Labour voters would be upset if their child married a Tory, versus 13% of Tories if their child married a Labour voter.92

Among the youngest group, most likely to be progressive rather than the old more liberal left, the numbers were even worse. Among younger Labour voters, upset at their child marrying a Tory rose to 51%.93 Likewise, 51% of Labour party supporters aged 16-24 found it difficult to be friends with Conservatives compared to just 23% of those who were aged 55+.94 And 65% of 16–24-year-old supporters of Black Lives Matter would find it hard to be friends with opponents of Black Lives Matter.

Ipsos Mori termed a group "progressive", as the "youngest and most ethnically diverse of the four groups, as well as the most educated, with nearly half holding university degrees." Only 23% of the population, this progressive group is already economically and socially dominant. They were "By far the most likely of the groups to disagree that political correctness has gone too far (61%), as well as most likely to think the way people talk needs to be more sensitive to those from different backgrounds."95

To quote Matthew Goodwin, the result of this is that, "in 2021, remarkably, nearly six in ten people in Britain agreed with the statement "I sometimes find myself stopping myself from expressing my views on political and/or social issues ... Researchers at the University of Cambridge have found the same share of people now believe 'political correctness is undermining free speech' while the British, remarkably, were more likely than the Americans, the French, the Germans, the Hungarians and the Poles to feel this way".96

The progressive goal is explicitly to turn everything political and into a struggle. To quote radical feminist Katherine MacKinnon, "rather than transcending the private as a predicate to politics, feminism politicizes it. For women, the private is the political". 97 Or to quote Robin DiAngelo, a leading progressive antiracist, "white silence in discussions of race ... functions to maintain white power and privilege and must be challenged."98 This is the basis for the slogan "white silence is violence", used heavily by 2020 antiracists in BLM protests.

Not only that, but the very ideas of free speech and debate is no longer valid for progressives. Consider the success of first the essay, and secondly the book, by Reni Eddo-Lodge, both entitled Why I'm No Longer Talking to White People about Race.

In her essay, Eddo-Lodge insisted: 'I'm no longer engaging with white people on the topic of race. Not all white people, just the vast majority who refuse to accept the legitimacy of structural racism and its symptoms. I can no longer engage with the gulf of an emotional disconnect that white people display when a person of colour articulates our experiences.' She claimed: 'The balance is too far swung in their favour. Their intent is often not to listen or learn, but to exert their power, to prove me wrong, to emotionally drain me, and to rebalance the status quo.<sup>99</sup>

This essentially sums up the progressive view of debate. The purpose of debate is not about trying to find the truth, or even a possible shared ground, but about exerting power within existing power structures to oppress marginalised groups.

Of course, turning everything political turns democracy into an existential struggle, because if your opinion is only allowed if it conforms with the new progressive consensus, and your group identity trumps your individual views, then liberal democracy as currently constituted is really just a sham.

The progressive ideology means a constant war on the supposedly neutral greas of life. This is why areas from jokes<sup>100</sup> to knitting<sup>101</sup> to visiting the countryside, <sup>102</sup> are all actually constantly to be acknowledged as harbouring oppression and hate. This helps drive the crisis of Conservatism, where admitting to Conservative support, or even to not supporting all progressive views, is seen as socially unacceptable.

But the idea these "social issues" do not relate to economics is wrong. There is always an economic link. Two books on the rise of so-called 'safetyism' among students miss the underlying economic rationale behind this agenda.

Professors Campbell and Manning wrote about termed 'victimhood culture' in an essay entitled "Microaggression and Moral Cultures" (later a book on the same theme). They noted new aggressive policing of speech and people's interactions had arisen, with harsh punishments for those who breached, even indirectly, in small ways, the new code.

This was a "culture of victimhood in which individuals and groups display high sensitivity to slight, have a tendency to handle conflicts through complaints to third parties, and seek to cultivate an image of being victims who deserve assistance."103

They noted, "the moral concepts each side invokes are not free-floating ideas; they are reflections of social organization... This culture arose because of the rise of social conditions conducive to it, and if it prevails it will be because those conditions have prevailed."

Haidt and Lukianoff's The Coddling of the American Mind likewise noted for young students, "anxiety, depression and suicide rates have risen sharply in the last few years."104 They noted the rise of microaggressions and 'safetyism' for students, which they saw as misguided.

They noted, "If someone wanted to create an environment of perpetual anger and intergroup conflict, this would be an effective way to do it. Teaching students to use the least generous interpretations possible is likely to engender precisely the feelings of marginalisation and oppression that almost everyone wants to eliminate."105

Optimistically, Haidt and Lukianoff claimed that, ""We predict that things will improve, and the change may happen quite suddenly at some point in the next few years. As far as we can tell from private conversations, most university professors reject the culture of safetyism."106

They could not have been more wrong. Such safetyism benefits progressive academics, allied student activists, and most of all, the growing army of administrators. In the USA, a staggering 64% of those who work for universities are now not academics or researchers. 107 "From 1987 to 2012, 517,636" administrators and professional employees were hired at colleges and universities across the country an average of 87 hires for every working day."

"Other studies have shown that the increase in non-academic employees at colleges and universities has greatly outpaced the growth of both students and faculty". And "Since 2010, spending on student services has grown 29%, and spending on administration has grown 19%, both outstripping growth in spending on instruction (17%)",108 with instruction meaning tutors, while student services included the areas of mental health, careers, pastoral issues, complaints, equality, diversity and inclusion etc.

The promotion of the 'safetyism' that these academics bemoan is the inevitable result of the economic structure of the modern university.

Even more, the priming of the younger generation as victims and a focus on safetyism is preparing them for a job in the bureaucratic class, or if not directly in such a role, priming them to support, transmit, and vote for the new progressive ideology.

Thus Haidt and Lukianoff were wrong to state, "The interests and activism of teens have far more to do with social issues and injustices than with purely economic or political concerns, and the 2010s have been extraordinarily rich in such issues". 109 There is no division between social and economic issues. The young are being prepared for their new economic role.

Here in the UK, similar issues are coming into play. Such "safetyism" has advanced furthest amongst new graduates. A clear majority of 79% now believe 'students that feel threatened should always have their safety respected', up from a solid majority of 66% in 2016.

Only 32% disagree academics should be fired if they 'teach material that heavily offends some students'. A plurality of students believe student unions should ban all speakers that cause offence to some students and only 31% disagree. 64% of students think universities should 'consult special interest groups about on-campus groups'. 110 This intellectual revolution is designed to overturn personal responsibility and freedom in favour of collective safety.

The Conservatives tried to solve these problems by creating powers for a new quango, the Office of Students, around free speech. But this, while better than nothing, ignores that there is an economic basis for this – both because it creates the need for a large administrative class in universities and because it primes people for their new roles in the bureaucratic class – administering our society and economy. Until you solve these issues things will get worse.

If you want to build an economy where people are prepared to take risks, where they can strike out and be resilient, then this is not compatible with a world in which people are being taught that microaggressions are a real threat, or HR is more important than core functions, or where people are taught that your identity characteristics are more important than what you contribute in the market or workplace.

#### The progressive assault on the democratic nation state

Perhaps the single most harmful part of the new progressive ideology and the bureaucratic class is the assault on the nation state, which causes both strong economic and social damage. The bureaucratic class dislikes the nation state for two strong reasons.

Firstly, because it presents an alternative mechanism of power and accountability to the bureaucratic class. Through democratic elections within a nation state, and the exercise of political power, the bureaucratic class can have its powers reduced.

In the absence of such democratic accountability, the state will almost inevitably expand due to the interaction between officials and the bureaucratic class in the private sector. There will almost always been agreement to increase the size and scope of the state, passed on to either taxpayers directly, or consumers indirectly through higher prices.

Secondly, the nation state is inevitably discriminatory. A nation is defined by its borders. It thus creates a strong divide between the (privileged) citizens within and the (marginalised) foreigners without. Since the progressive ideology is built upon tearing down such privileges, they are deeply

uncomfortable with migration controls and judging migrants on what they bring to the host society.

This is made even worse across the West, since enforcing borders also involves a whole host of other realities that the progressive ideology declares itself against – indirectly it discriminates on the basis of race, religion, class (by assessing migrants based on economic output), and much else besides. The reality of the modern European state is that any policy to limit migration can be decried as xenophobic, racist, Islamophobic, classist and so on.

This progressive hatred for borders was summed up in 2019 when the Labour party conference voted to "campaign for free movement, equality and rights for migrants; reject any immigration system based on incomes, migrants' utility to business, and number caps/targets; ensure conditional right to family reunion; scrap all hostile environment measures, use of landlords and public service providers as border quards, and restrictions on migrants' NHS access; close all detention centres; end no recourse to public funds policies."111

This ideological hostility to the nation state is unprecedented in the history of Western thought. The nation state is the core pillar on which the modern West was built, and is implicit in almost all conservative and liberal political thinking. The high priest of classical liberalism, JS Mill argued without nation states, a free society would not function, and instead political chaos and even military rule would result.

He said, "free institutions are next to impossible in a country made up of different nationalities. Among a people without fellow-feeling, especially if they read and speak different languages, the united public opinion, necessary to the working of representative government, cannot exist."112 He firmly believed "it is in general a necessary condition of free institutions that the boundaries of governments should coincide in the main with those of nationalities". 113

This belief extends to conservative thinkers. Roger Scruton, the main modern conservative, noted "Democracies owe their existence to national loyalties... Wherever the experience of nationality is weak or non-existent, democracy has failed to take root. For without national loyalty, opposition is a threat to government and political disagreements create no common ground."114

Francis Fukuyama, one of the main current liberal political theorists notes, "thinkers such as Thomas Hobbes, John Locke, Jean-Jacques Rousseau, Immanuel Kant, the authors of the Federalist Papers, and John Stuart Mill all assumed the world was predivided into nations that formed the foundation of democratic choice."115 Without nations, political stability and democracy were seen as impossible.

These liberal and conservative theories were proved right throughout the 20th century as post-colonial nations often struggled in merging and managing large numbers of different ethnic, linguistic and tribal groups.

Fukuyama notes "Weak national identity has been a major problem in the Middle East, where Yemen and Libya have turned into failed states, and Afghanistan, Iraq and Somalia have suffered from internal insurgency and chaos. Other developing countries have remained more stable, yet remain beset by problems related to a weak sense of national identity...

By contrast, Japan, Korea and China all had well developed national identities ... they too suffered from civil war, occupation, and division. But they could build on traditions of statehood and common national purpose once these conflicts were stabilised."116

These countries in Africa or the Middle East might look homogenous to Western eyes - e.g. Arab Muslim societies or black African societies. But because within these nations other aspects take over, the apparent homogeneity is not the case. Which tribe are you from? What form of Islam do you practice? What language do you speak? What specific ethnicity are you?

In other words, identity politics plays a key role in either destabilising the social order and tearing apart society or, through civic nationalism, stabilising the social order and providing the basis for a common political debate.

Fukuyama argued two of the critical social functions of national identity are to "promote a wide radius"

of trust. Trust acts like a lubricant that facilitates both economic exchange and political participation", which can "make possible liberal democracy itself. A liberal democracy is an implicit contract between citizens and their government... National identity is built around the legitimacy of this contract; if citizens do not believe they are part of the same polity, the system will not function."117

Fukuyama argues to integrate migrants, numbers matter because, "A policy focus on assimilation also means that levels of immigration and rates of change become important... Assimilation into a dominant culture becomes much harder as the number of immigrants rise relative to the native population. As immigrant communities reach a certain scale, they tend to become self-sufficient and no longer need connections to the groups outside themselves. They can overwhelm public services and strain the capacity of schools and other public institutions". 118

But such chaos is not necessarily opposed by the new left. "Decolonisation", a key goal for the left within the Western societies is not aimed at creating a new stable equilibrium. To borrow the title of a key decolonisation essay from 2012, and cited nearly 10,000 times, "decolonisation is not a metaphor".119

As they put it, "settler colonialism is a structure and not an event", and those who propose decolonisation want an "uneasy, reserved, and unsettled matter that neither reconciles present grievances nor forecloses future conflict", since for minority groups, "the attainment of equal legal and cultural entitlements, is actually an investment in settler colonialism". 120 In other words, successful integration of ethnic minorities is a negative because it props up the unjust social structures within society.

The goal of the progressive ideology is to replace the prior structures of the nation state with a new multicultural society that will be managed by the bureaucratic class itself.

In reality, this will merely replicate the chaos of post-colonial states with weak national identities, and all the failures that will flow from that.

Fukuyama notes that "national identity is important for the quality of government. Good government, that is, effective public services and low levels of corruption – depends on state officials placing public interest above their own narrow interests... The strong national identities in Japan, South Korea, and China produced elites that were intensely focused on their countries' economic development.

This kind of public-directness underlay the "developmental state" and was much less common in such regions as sub-Saharan Africa, the Middle East, or Latin America. Many identity groups based on ethnicity or religion prefer to trade among themselves and use their access to state power to benefit their group alone". 121

Similarly, to quote Acemoglu and Robinson's Why Nations Fail, they argue that "Inclusive political and economic institutions necessitate some degree of political centralisation so that the state can enforce law and order, uphold property rights, and encourage economic activity when necessary by investing in public services. Yet even today, many nations, such as Afghanistan, Haiti, Nepal and Somalia have states that are unable to maintain the most rudimentary order and economic incentives are all but destroved."122

If nation states are not able to maintain political order, then at best low trust and low growth, and at worst social and political disintegration will follow.

As economist Christian Bjornskov noted in an overview of the work since Putnam's original 1993 essay, "One of the most important and robust results emerging from the subsequent empirical literature is indeed that countries with high levels of social trust ... have grown faster in recent decades than other comparable countries".123

To quote an early finding from the 1970s, "Virtually every commercial transaction has within itself an element of trust... it can be plausibly argued that much of the economic backwardness in the world can be explained by the lack of mutual confidence."124

Such cohesion matters in almost every area. For example, the excellent essay Foundations, already

cited, argues that the economics of agglomeration are increasingly important, and that "great metropolitan agglomerations have become even more economically important."125

But this ignores the increasing division between the progressive cities and their hinterlands. There is increasing hostility as the UK – and other parts of the West – splinter between the cities and their surrounding areas. Many green suburban areas oppose development not just because of the loss of green space, but fear of absorption into increasingly culturally different urban areas that they feel decreasing bonds and links with.

So if you want to expand and improve metropolitan agglomerations in the UK you need a cohesive national culture and national identity – or else you will find that such an approach will run into widespread hostility. This is just one example among almost any where lack of a functioning nation state will have major economic costs.

It is for this reason that protecting the nation state is at the heart of almost all new right-wing movements, regardless of the other political aspects.

#### Reacting whilst avoiding the reactionary trap

The final aspect of the Conservative crisis is that the reaction to the new progressive ideology and the new bureaucratic class in some countries is creating problems of its own. The backlash to the progressive ideology and its failures is creating a space for a negative reactionary politics that worships the past as if the future will always be worse than the present.

There is no point in trying to reverse the problems of the modern world by trying to get back to the past. Most people in Britain are very happy with the triumph of social liberalism. They do not judge others nor want to be controlled by government.

So, by 2018/19 just 6% disapproved of people remaining childless, just 8% disapproved of cohabitation.<sup>126</sup> Just 29% disapprove of cannabis, 13% of people think homosexuality is morally wrong.<sup>127</sup> The jibes about 'childless cat ladies' of JD Vance would go down even more badly here than they have in America.

Fewer Brits would have a problem living next to immigrants (just 5%), people of a different race (just 2%) or different religion (just 1%) than almost any other country in the world. 128 Despite the attacks on them by the bureaucratic class, most British people are very much – thankfully – still in a situation where they want to live and let live.

What they want is a world where – as ironically stated by Keir Starmer, that embodiment of the bureaucratic class incarnate – politics treads more lightly on their lives. They want to live in a world where their lives are not being increasingly policed by a bureaucratic class that is always watching and judging, where the economy is not stagnant, and where growth, living standards and ownership are once again rising.

The Conservatives must avoid the reactionary trap, where a desire to roll back the increasing intolerance of the progressive left and the new bureaucratic class ends up becoming a misplaced nostalgia for the country of a hundred or fifty years ago, rather than a defence of our society now against the progressive threat.

We need to avoid the problem where there are too many people willing to go on the media to complain and far too few people thinking through the structural issues that are driving the problems that we face in the first place.

And while we urgently need to reform institutions, we have to avoid the conspiracy theories that have led to some people on the right – as well as the left – drifting away from deep seated democratic norms. This is the tightrope we must walk.

#### A new right is being born and the Conservatives must renew or be replaced

As noted, this pamphlet is a forerunner of a forthcoming book on the rise of the bureaucratic class, which will go into these issues more deeply. But the fundamental point here is the rise of the bureaucratic class, who with their new progressive ideology now dominating Western capitals and large parts of the urban middle class, is the key shift of our time.

The Conservative party has not even begun to grapple with these issues. Instead, it uses words like 'freedom', 'patriotism' or 'aspiration', while ignoring the reality that for fourteen years it did not always implement policies to support those values. It tells itself myths that are no longer true - that it is pro-growth, that it supports ownership, that it supports deregulation - when this was not how it aenerally behaved.

Across the world, as we have seen, right wing parties are being forced to change, having to become radical not "small c" conservatives, because they are having to overturn the ideology and structures the newly empowered bureaucratic class has built, prioritising the nation state and fighting identity politics, focusing on average income market voters in economics.

Across the West, formerly dominant right-wing parties have either collapsed, been taken over by outsiders such as Trump, formed new alliances with populist upstarts, or become marginalised as a new right in the West based on the nation state dominates.

We are moving from the largely horizontal politics of the 1950s to 1980s, where those at the top in socio-economic terms vote right and those at the bottom vote left, to a vertical politics, where those in the bureaucratic class or supported by it, e.g. those on welfare or newly arrived migrants, vote left, and those in the market dominated classes vote right.

The Conservatives have to realise the bureaucratic class and the new progressive ideology are their opponents. The idea that as Labour fails, then simply because someone has a comfortable middleclass job they will come back to voting for the right is false.

There will have to be a new type of politics. To take on the bureaucratic class means to ditch radical environmental politics, unpick identity politics, focus on a strong positive national identity, limit migration, reduce the endless HR, compliance and sustainability rules, to streamline planning, to focus on bringing down the cost of the welfare state and much more.

It means to roll back the guangos and 'independent' bodies, give power to users of public services, reverse the growth of pointless university degrees, take on the supranational bodies encroaching on democratic control. It will have to do this while avoiding being sidetracked into reactionary conservatism, or portrayed as hacking back at the state's core functions.

Despite all this, the diagnosis in this pamphlet and the forthcoming book that it comes from are fundamentally optimistic. The key point is the social and economic malaise the UK and the wider West are stuck in is not inevitable. It can be reversed. The malaise is the result of a new bureaucratic class and its progressive ideology gnawing away at the foundations of our society.

The right-wing vision of strong, self-confident democratic nations built upon strong, free and responsible individuals and families appeals to many. This essay and the book that it comes from is primarily an attempt to make the Conservative party and wider movement realise what is happening. not a full set of solutions. It is a wake-up call.

It will be difficult. It will require a united party. But this is the only way to deliver what all Conservatives agree we want - growth, social cohesion, better public services and sustainably lower taxes. The solutions will flow from an understanding of the problems.

It will take time to develop an agenda as radical as the Thatcher agenda was fifty years ago, the last real successful reinvention of Conservatism. We will need a reinvention that faces the challenges of the times now, not looking back to past solutions. The first step will be to understand the scale of change required to create a new Conservatism for the 2030s. And the second step must be to elect a leader committed to such a widespread process of renewal.

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