Issues: National deficit and debt
Prior to the 2007 financial crisis and the resulting global recession, when ‘modernising’ Conservatives were attempting to ‘detoxify’ the Conservative brand and win over more centrist voters, the party promised to match Labour’s fiscal plans for three years if elected, reassuring voters that public services were safe in their hands. With the party talking about its aim of ‘sharing the proceeds of growth’, the gap with Labour appeared to have narrowed. However, the recession led to a sharp drop in tax receipts, while bank bailouts, stimulus packages, and rising unemployment stretched public spending, greatly increasing the national deficit. The Conservatives argued that Labour had overspent during the years of pre-crash growth, and that if there had not been a deficit prior to the crash the nation’s finances would have been better prepared for the economic downturn. They began to argue that the deficit had to be addressed quickly in order to protect the UK’s credit rating, to reassure lenders that the UK was taking steps to repay its debts, and to tackle the rapidly increasing national debt. In 2010, the party pledged to eliminate the deficit by 2015, criticising Labour’s pledge to only halve the deficit in that time. By 2015, the Conservatives argued that, having halved the deficit, their ‘long-term economic plan’ was working and that, if re-elected, a Conservative government would run a surplus by 2019-20. Under Cameron, the party continued to argue that the best way to address the deficit was to cut public spending, particularly on welfare, and, at the same time, cut taxes in order to encourage hard work and investment, in order to boost tax receipts. However, like Labour, Cameron did commit to protecting NHS, education and international aid spending levels. Since taking over as Prime Minister, Theresa May and Chancellor Philip Hammond have claimed to take a slightly different approach to the national deficit and debt. In her first conference speech to party members in October 2016, May revealed that her Government would be borrowing to “invest in the things that matter”, in particular new homes and infrastructure, and would no longer be aiming for Cameron’s target of eliminating the deficit by 2020. Instead, it will now aim for a deficit that amounts to 2% of the UK’s GDP by 2020. However, May does not have plans to generally reverse the existing cuts made by her predecessor, and, whilst public sector borrowing will increase by £100 billion under May’s Government, this is far from the levels pledged by Labour, who want to increase investment by £250 billion. It is arguable that May’s shift in economic rhetoric and policy has been made easier by Labour’s move to the left under Jeremy Corbyn. May has said that she wants to occupy the centre ground in between “the socialist left and the libertarian right”.

In 2010, Labour also pledged to eliminate the deficit, but at a slower rate. The party argued that sharp cuts could slow the economic recovery, as a combination of job losses and welfare cuts would reduce spending, impacting businesses that were already struggling from declining sales. The party also argued that the focus should not just be on spending cuts, but also tax increases. Whereas the Conservatives proposed a 4:1 ratio of spending cuts to tax increases, Labour wanted a ratio of 2:1. By 2015, many in the party argued that the fact that the Conservatives had only halved the deficit, as Labour had planned to do in that time frame, was proof that austerity had delayed a recovery that was beginning to appear in 2010. They argued that their approach would have achieved better results, without the spending cuts that had impacted so many people. However, at the same time, Ed Miliband still argued that the party was committed to reducing the deficit, and pledged that a Labour government would not borrow to fund any new spending. This disappointed Keynesian economists and left-wing ‘Old Labour’ members who had long urged the party to take a much less centrist approach, and to borrow while interest rates were low to stimulate the economy. The current Labour leader Jeremy Corbyn is much more firmly anti-austerity, calling for an economic policy that prioritises investment over spending cuts. In 2015, the party opposed the Government’s Charter for Budget Responsibility, which requires future governments to run a surplus in ‘normal’ economic times.

Issues: Economy and Business
The Conservatives continue to share Margaret Thatcher’s belief in the free market, arguing that private competition encourages greater efficiency and higher standards than state ownership. This can be seen in the decision to privatise Royal Mail in 2013, ending almost 500 years of public ownership. In 2015, the Conservative Government also controversially sold the state-owned rail company East Coast. The Government decided to re-franchise the line despite it working efficiently and returning over £220 million to the state in 2013-14. Critics argued that the party was putting ideology before the public interest and passenger satisfaction. The Conservatives also argue that the UK needs lower tax rates and less regulation in order to attract businesses that can always choose to move elsewhere. Since taking office in 2010, corporation tax has already been cut from 28% to 19% (effective April 2017) and the current Government aims to cut it to 17% by 2020, which would be the second lowest rate amongst developed
countries. Similarly, in a January 2017 speech on Brexit, Theresa May warned the EU that if the UK is given a punitive exit deal, she is fully prepared to significantly cut taxes and regulations in order to attract businesses to the UK. However, since becoming Prime Minister, May has also made some announcements that suggest a slight shift from her predecessor. She has created a new Department for Business, Energy, and Industrial Strategy, which will work on "a new industrial strategy" to address "long-term structural challenges". The idea of an industrial strategy is far removed from the New Right's preference for free markets and minimal state intervention. However, May has stressed that, rather than using public money for "propping up failing industries", as Thatcher often criticised, she wants to identify industries that are important to our economy, and support them "through policies on trade, tax, infrastructure, skills, training, and research and development."

New Labour accepted many of Thatcher's free market reforms, scrapping the Clause IV commitment to nationalisation and making concerted efforts to win over big business. However, under Ed Miliband the party began to show more support for government intervention. Miliband talked about 'predatory and responsible capitalism', arguing that Labour had to be willing to challenge 'predatory' businesses and markets that it considers to be exploitative. The party pledged to tackle the housing shortage by forcing private developers to build on the land that they own, to force energy companies to freeze their prices until 2017, and to reform the banks by forcing the largest to downsize and accept new competition. The party also pledged to ban zero-hour contracts, where the employer is not obliged to provide a minimum number of working hours, and to levy an additional tax on tobacco companies, spending the money on the NHS. Under Jeremy Corbyn, Labour has adopted several more positions that are traditionally associated with 'Old Labour', such as calling for the renationalisation of the railways and Royal Mail. In 2015, Labour criticised the Conservative Government's decision to return the East Coast rail line to private hands, after it had been successfully managed by the public sector for more than five years. In 2016, the Labour shadow chancellor, John McDonnell, argued that the Government should consider nationalising the Port Talbot steelworks, after its owner, Tata Steel, decided to sell its entire UK business, threatening 5,500 jobs.

**Issues: Taxation, Wages, Welfare and Pensions**

David Cameron claimed to be a 'compassionate conservative' leading a 'One-Nation' Conservative Government. He distanced himself from some of Thatcher's more controversial comments about society, and insisted that when it came to addressing the national deficit "we are all in this together". He argued that his aim was to move from a "low wage, high tax, high welfare society to a high wage, low tax, low welfare society". He said that it is wasteful to tax lower incomes, only to return the money in the form of tax credits and other welfare payments. As a result, the 2010-15 Coalition Government raised the personal tax allowance to £10,500, and the current Conservative Government plans to raise it to £12,500 by 2020. The party is also in the process of introducing a new 'Universal Credit', which combines a number of different benefits into a single payment, which can be gradually withdrawn as earnings increase, to ensure that it always pays more to be in work than on benefits alone. The Coalition also introduced a new household benefits cap, which has since been cut from £26,000 to a maximum of £23,000 inside greater London, and £20,000 outside. The party has argued that tax credits and other in-work benefits allow and encourage businesses to pay wages lower than the cost of living. As a result, the party wants to both lower in-work benefits, and force employers to pay more, by introducing a new 'National Living Wage' for those aged 25 and over, reaching £9 an hour by 2020. As the Conservatives opposed the introduction of the original national minimum wage in 1998, these policies have been viewed as an attempt to occupy political territory once held by Labour. Theresa May has similarly claimed to be a 'One-Nation' Conservative, arguing that those who avoid taxes and treat their staff poorly fail to respect "the bonds and obligations that make our society work". In March 2017, Chancellor Phillip Hammond controversially announced a 1% increase in national insurance contributions for the self-employed. The Government argued that the change would leave lower-paid self-employed workers better off, and would fund greater investment in education and social care. However, the Prime Minister decided to delay the rise after a number of Conservative MPs argued that it penalised entrepreneurs and 'risk-takers'. Some argue that, despite claims by its leaders, the party is still influenced more by Thatcher's belief in self-reliance and individual responsibility, than the more paternalistic approach of the post-war One-Nation Tories. Under Cameron, the party used controversial rhetoric, describing the working poor as deserving 'strivers' and the unemployed poor as less deserving 'skivers'. In addition to raising the income tax threshold, the party also plans to increase the 40% tax threshold from £41,900 to £50,000 by 2020, and to cut the higher and basic rates of capital gains tax, paid on profits made from the sale of assets like businesses, second homes, and shares - policies that benefit higher earners. In a January 2017 speech outlining her Government's plans to address growing mental health concerns, Theresa May promoted the 'power of government' to 'deliver real social reform across every layer of society.' However, May made it clear that, while she supports greater state intervention in mental health, she is reluctant to invest financially, claiming in an interview with *Sky News* that 'it is always wrong for people to assume that the only answer to these issues is about funding.'
Under Ed Miliband, Labour focussed largely on what they called the nation’s ‘cost of living crisis’. The party argued that wages had failed to rise in line with prices, and that, while unemployment had fallen, many people were now working part-time, or on zero hours contracts, earning far less than they need. The party criticised many Conservative welfare reforms, arguing that cuts had disproportionately impacted the poorest, leading to a significant increase in the use of food banks. The party promised to: repeal the so-called ‘bedroom tax’, which reduces housing benefits if the claimant’s house has extra bedrooms; raise the top rate of tax, paid on earnings over £150,000, from 45% to 50%; introduce a ‘mansion tax’ on houses worth more than £2 million; and guarantee jobs for under-25 year olds who have been unemployed for over two years though a new tax on bankers’ bonuses. Miliband even began to use the slogan, ‘One-Nation Labour’, challenging the Conservative Party’s claim to be a unifying, One-Nation party. However, while these criticisms suggest a growing divide between the two parties, Miliband also stressed that the national deficit meant that a Labour government would not be able to apply the ‘tax and spend’ logic of New Labour. Instead, he argued that Labour would encourage ‘pre-distribution’, for example by offering UK businesses a 12-month tax break if they agreed to pay their staff a “living wage”. To the disappointment of more left-wing members, the party was also reluctant to criticise all of the Government’s welfare reforms, conscious of the Conservative’s claim that Labour was too generous with welfare. In 2013 and 2014, the party supported the Coalition’s plans to introduce a cap on the amount spent on welfare each year, and their new household benefit cap of £26,000. Unlike the Conservatives, Labour promised to cut tax relief on pensions for wealthier savers, and to restrict winter fuel payments for the richest 5% of pensioners. Under Jeremy Corbyn, the party has become more divided on the issue of welfare and taxation. Corbyn was one of the few Labour MPs to oppose the household and total caps on welfare and continues to argue that they should be abolished, with greater emphasis put on taxing the wealthy.

**Issues: Immigration and the European Union**

Some on the right, who support the free market and limited state intervention, likewise support higher immigration, arguing that cheap labour can help British businesses and encourage economic growth, which benefits the entire country. However, the majority of Conservatives fear that immigration can have a negative impact on public services and British society. The party has long pledged to reduce net migration to fewer than 100,000 people. However, in February 2015, it was announced that, despite the party’s efforts, net migration had reached 298,000. Most party members blame this largely on the European Union, which allows unrestricted travel to any member state. In February 2016, Cameron announced that he had negotiated a new EU deal that he argued addressed many member concerns. However, the deal fell far short of the national veto that many Conservatives felt was necessary to restore Parliamentary sovereignty. In response to pressure from members and the backbenches, the Conservative Government agreed to hold a referendum on the EU in 2016, but took the position that the UK should vote to remain a member. This did not stop a number of ministers and backbench MPs from supporting the Leave campaign. Despite supporting the Remain campaign during the referendum, Theresa May has made it clear since becoming Prime Minister that she supports a ‘hard Brexit’, arguing that only by leaving the Single Market (a trade agreement that treats the EU as one territory without borders, allowing the free movement of goods, capital, services and people) can full legal sovereignty be restored to Parliament, and limits placed on immigration.

The Labour Party has historically been more supportive of immigration, suspicious that the criticisms made in the 70s and 80s were racially charged. However, in his 2012 conference speech, Ed Miliband said that “the last Labour government made mistakes” by underestimating the impact of immigration from the EU. Unlike other EU members, the New Labour government did not impose ‘transitional controls’ when ten new countries joined the EU in 2004. These controls gave the original EU members the option of delaying or restricting ‘free movement’ until 2011. New Labour claimed that its research suggested only around 13,000 migrants would arrive a year, and their new household benefit cap of £26,000. Unlike the Conservatives, Labour promised to cut tax relief on pensions for wealthier savers, and to restrict winter fuel payments for the richest 5% of pensioners. Under Jeremy Corbyn, the party has become more divided on the issue of welfare and taxation. Corbyn was one of the few Labour MPs to oppose the household and total caps on welfare and continues to argue that they should be abolished, with greater emphasis put on taxing the wealthy.
**Issue: Education**

While the Conservative Party often presents their public service reforms, particularly to education, as ‘One-Nation’ attempts to raise standards and improve the life chances of the poor, critics often view them as more influenced by the Thatcherite belief in free market competition, private ownership, and public choice. The party has rapidly increased the number of ‘academies’ - independent, state funded schools that are overseen by charitable bodies called academy trusts, rather than local authorities. They are given much more independence and flexibility, with power to control their admissions process, the length of the school day, the curriculum taught to students, and teachers’ pay and conditions. The Conservatives have also introduced ‘free schools’ which can be set up by parents and charities, and performance based pay for teachers. The party argues that this increased competition, and freedom to innovate, drives up standards, and gives parents much greater choice. While David Cameron was enthusiastic about academies and free schools, he was firmly opposed to the creation of new grammar schools (state schools that admit pupils on the basis of ability), arguing that they benefit middle class children, at the expense of children from poorer backgrounds. However, Theresa May, who went to a grammar school herself, holds very different views, and intends on increasing their number in England. Like Thatcher, May says that she believes in creating a ‘meritocracy’, where power and rewards are distributed based upon talent and willingness to work. She says that grammar schools provide excellent opportunities for talented children from lower income families that cannot afford private school, or homes in expensive areas near outstanding state schools.

Even though it was New Labour that established the first academy schools in London, under Miliband the party became increasingly critical of the rising number of ‘free schools’ and academies. Being more sceptical about the prioritisation of the private over the public sector, the party questioned whether handing schools over to large academy chains would really lead to higher standards, arguing that schools removed from the influence of local authorities had insufficient oversight. The party criticised some of the freedoms given to academies, particularly the ability to hire individuals without teaching qualifications. The party’s opposition to academies has hardened under Jeremy Corbyn, who has argued in favour of establishing a new National Education Service, which, like the NHS, would provide a service ‘from cradle to grave’, with universal free childcare, zero university tuition fees, a minimum wage for people on apprenticeships, and greater training opportunities for adults.

**Issue: Constitutional Reform**

As conservatives tend to stress the importance of tradition, and are reluctant to abandon traditional values and institutions, it is logical that the party has historically been less supportive of constitutional reform. During the coalition negotiations in 2010, the Conservative leadership reluctantly agreed to several reforms that would ultimately be defeated. Conservative MPs defeated the House of Lords Reform Bill in 2012 and successfully campaigned against the Alternative Vote in the 2011 referendum. Instead, the main type of constitutional reform favoured by many Conservatives tends to be the repeal of previous reforms, which they consider to undermine Parliamentary sovereignty. For the time being, the party is united behind the goal of leaving the EU, however, it remains to be seen whether all factions will be equally supportive of the final exit deal. Many want to leave the EU because they consider it undemocratic and unaccountable. They argue that when Edward Heath’s Conservative Government joined the EEC in 1973, the party was supporting free trade, not political union. Some also want to withdraw from the European Convention on Human Rights, and replace the Human Rights Act (1998) with a new British Bill of Rights. They dislike the fact that the European Court of Human Rights is able to hand down decisions on the laws passed by Parliament. In particular, they disagree with the ECtHR’s decision in *Hirst v United Kingdom* (2005), which ruled that the UK’s blanket ban on prisoners voting breaches human rights. One exception to all of this opposition, is the issue of devolution. Conservatives are strongly in favour of the union, and opposed devolution in 1997. However, today, the party has become more supportive of the transfer of further powers to the Scottish Parliament and Welsh Assembly, as they consider it a pragmatic means to protect the union.

New Labour successfully introduced a number of significant constitutional reforms, including the devolution of power to Scotland, Wales and Northern Ireland, House of Lords reform, the Human Rights Act, creation of the UK Supreme Court, the Lisbon Treaty, and electoral reform. Ed Miliband supported the introduction of AV, although the party was divided on the issue. He also said that a Labour government would retain the Human Rights Act and keep the UK in the European Convention of Human Rights. The 2015 Labour manifesto also included promises to introduce a “Home Rule Bill”, to give extra powers to Scotland over tax, welfare and jobs, and to replace the House of Lords with an elected senate. The party also proposed an extension of the franchise, to allow 16 and 17-year-olds to vote.
Issue: Privacy and security

One policy area where the Conservative and Labour parties appear to have a significant overlap is privacy and security. Under the premiership of Tony Blair (1997-2007), New Labour was accused of becoming increasingly authoritarian following terrorist attacks in the US and UK in the early 2000s. Whilst the Conservatives at times criticised several of Labour’s national security measures, in particular the Identity Cards Act (2006), which introduced a now-scrapped National Identity Register, which kept information on all British citizens, including fingerprints, facial and iris scans, the party’s ideology can leave it quite conflicted on the debate over privacy and security. While Thatcherism was economically heavily influenced by classical liberalism, which stresses the importance of individual freedom and limited government, it was socially much more traditionally conservative, valuing a strong state capable of maintaining order and keeping citizens safe.

In its final vote in the House of Commons, the Investigatory Powers Act (2016) passed 444-69, with SNP, Lib Dem, Plaid Cymru, Green, SDLP, and two independent MPs all voting against it. Only 2 Labour MPs joined these third parties in opposing the bill. A number of Labour MPs, including the party leader Jeremy Corbyn, decided to abstain, alongside several Conservative MPs, but, for the most part, MPs from the two main parties argued that the bill was a necessary expansion of the government’s powers. The Act gives 48 different government bodies, ranging from intelligence agencies and the police to NHS Trusts and the Food Standards Agency, the legal authority to access communications data for every UK citizen. Most controversially, it introduces a new legal requirement for every Internet Service Provider to store details about all forms of internet communication (known as Internet Communication Records) for 12 months - recording the time, duration, originator and recipient of each communication, as well as the location of the device the communication originated from. It also compels companies to decrypt data when requested and gives intelligence services the power to hack electronic devices, including computers, tablets and phones. Privacy campaigners have claimed that the Act is the most authoritarian piece of legislation to ever be introduced in a modern democracy, and that it gives the Government unprecedented powers to “spy” on the general population. However, MPs from both main parties argued that the Act’s reforms were necessary to protect national security, given the threat posed by terrorist groups.