

# I

## The Outriders

At first and second glance, forty-seven-year-old Paul Staines is not the most sympathetic of characters. With a shock of white in the side-parting of his black mop, he has the appearance of a sort of male, politico Cruella de Vil. Over a glass of wine in a posh Islington gastro-pub, the king of the right-wing blogosphere casually – almost as an aside – tells me: ‘I’m not that keen on democracy.’

Back in the 1980s, Staines was a young zealot inspired by Margaret Thatcher’s crusade. ‘I think I loved her,’ he told me, in a rare lapse into human emotion. ‘I *loved* her,’ he reaffirms. He has long been driven by an unapologetic hatred of the left. ‘I think your creed is evil,’ he says, with no sense of irony. He means it.

After reading Karl Popper’s *The Open Society and Its Enemies* as a thirteen-year-old in 1980 – regarded by admirers as a blistering defence of liberal democracy against totalitarian ideologies – Staines decided that he was a libertarian, or someone who believes that government and the state are inherent threats to individual liberty. Even as a teenager Staines was, he says, ‘in close proximity to quite a lot of powerful people’. He became ‘bag carrier’ – or personal assistant – to David Hart, an advisor to Margaret Thatcher whose activism was partly funded by Rupert Murdoch. Hart, Staines boasts, ‘financed the smashing of the NUM [National Union of Mineworkers]’ during the 1984–5 Miners’ Strike, a decisive victory for Thatcherism. Both Hart and Staines loudly championed the selling of US arms to the Contras, brutal right-wing paramilitaries who committed atrocities as a matter of course during their fight against Nicaragua’s leftist Sandinista government in the 1980s.

For years, Staines worked as a broker and a trader in the City of

London, until in 2004 – after suing the financial backer of his investment fund – he was forced to file for bankruptcy. He needed a new venture. With blogging still in its infancy, he seized on what would prove to be a lucrative new niche – setting up a website that would expose politicians in a way that made even tabloids look tame. In homage to a man who once tried to take down the political establishment in the most literal sense, Staines adopted the pseudonym Guido Fawkes. ‘My anger against politicians is genuinely heartfelt,’ he explains. ‘I hate the fucking thieving cunts.’

Little was off bounds for Guido Fawkes. In 2009 he published email exchanges between one of the then Prime Minister Gordon Brown’s most trusted aides, Damian McBride, and the former New Labour spin-doctor Derek Draper, in which the pair plotted to spread rumours that would smear political opponents. It is unclear how Staines came to access the emails. He destroyed his computer hard drive in the aftermath of the scandal, and he jokes to me that his source was the ‘Irish Secret Service – you laugh at them, but they’re the best in the world.’ The repercussions of his exposé were sensational. McBride was forced to resign in disgrace, and the already besieged Brown was sent spinning into political crisis.

Yet Staines protects himself from potentially crippling libel claims by locating Guido Fawkes’ server offshore, in – as he puts it – a ‘sunny corporate tax haven’. No wonder he inspires genuine fear among politicians. It’s a reputation in which he delights: ‘I think it reflects badly on me that I quite enjoy it.’

But it would be a mistake to see Staines as leading a crusade against Britain’s ruling elite: far from it. In fact, he is an unapologetic outrider for the wealthiest elements of society. Or, as Staines describes it, he is ‘standing up for the plutocrats of the world: “Haven’t the plutocrats suffered enough?” is my view.’ And this uncompromising support for the interests of the wealthiest lies at the heart of his contempt for democracy. ‘Undermining politicians delegitimizes what politicians can do,’ he says. ‘Fundamentally, it suits my ideological game plan.’

For this mouthpiece for the ‘plutocrats’, democracy is a potentially mortal threat. ‘It doesn’t get me the result I want, and the have-nots vote to take away from the haves, and I don’t think that’s a fair way of doing things ... So democracy always leads to – if you have

universal franchise – those who don't have are going to take from those who do have.'

To explain his objection to democracy, Staines makes a comparison that many would find troubling. 'Look at Apartheid. It was obvious that the whites who were on top of Apartheid were going to arrange affairs to suit themselves. It's clear, and they did that, because they took away political power from the blacks. It's clear to me in a system where everybody has a vote and you have an unequal distribution of the shares, that those who don't have are going to vote to take away from those who do have.' Not that it's entirely that simple, he concedes, but only because 'capital finds ways to protect itself from the voters. The American system very clearly does that, where money dominates politics and it means that even when slightly-to-the-left Democrats get in, the system tempers that urge to redistribution.'

Although his views might lead people to dismiss Staines as an irrelevant crank, to do so would be a mistake. He is well connected with senior ministers and high-profile right-wingers. Guido Fawkes is consistently ranked Britain's number one political blog, while Staines has a column in the country's most read newspaper, the *Sun on Sunday*. His crusade against the political establishment – not to increase accountability, but seeking to undermine faith in the democratic system itself – is part of a much broader ideological movement. In the last three decades, wealth and power have been taken away from the broader population and systematically redistributed to those at the top. It would not have been possible without the determined efforts of their outriders.

To understand the guiding principles of today's Establishment, we have to go back to 1947 and the sleepy Swiss village of Mont Pèlerin. A visitor would have been awed by the beauty of the surrounding landscape: the expansive waters of Lake Geneva and the towering mountain ranges of the Dents du Midi. In this idyllic setting, it might have been easy to forget the death and destruction that had raged outside neutral Switzerland just two years earlier.

Mont Pèlerin was the unlikely birthplace of a counter-revolution that would one day sweep the globe. For the first few days of April 1947, nearly forty intellectuals from across the Western world – academics,

economists and journalists among them – descended upon the town’s Hôtel du Parc. After a week of rigorous and often heated debate, the assembled group convened to pass sentence on a new global order that had emerged from the rubble of World War II. ‘The central values of civilization are in danger,’ read the group’s damning Statement of Aims. ‘Over large stretches of the earth’s surface the essential conditions of human dignity and freedom have already disappeared.’ To these thinkers the roots of the crisis were clear; they had ‘been fostered by a decline of belief in private property and the competitive market’. With the stage set for a generational struggle in defence of an increasingly besieged free-market capitalism, the Mont Pèlerin Society was born.

The Society was the brainchild of Austrian-born British economist Friedrich Hayek. As the Nazi empire crumbled at the hands of the Red Army and Western forces, Hayek published a deeply pessimistic indictment of the world he believed had been emerging for a generation or more. The abandonment of laissez-faire economics – or the belief that the state withdrawing itself from economic life was a guarantee of prosperity and freedom – had, he claimed, threatened the very foundations of liberty: ‘We have progressively abandoned that freedom in economic affairs without which personal and political freedom has never existed in the past.’<sup>1</sup>

Published towards the end of World War II, Hayek’s seminal book *The Road to Serfdom* was a sensational success. Hundreds of thousands of copies were sold in Britain and other Western countries, and a condensed version was published in *Reader’s Digest* in April 1945.<sup>2</sup> The book’s popularity was of little comfort to Hayek. Despite the huge interest in his work, he wrote to a co-thinker, ‘I am by no means optimistic about the immediate future. The prospects for Europe seem to me as dark as possible.’<sup>3</sup>

Hayek and his adherents were ‘reactionaries’ in the truest sense of the word. They aimed to turn the clock back to a supposed golden age that had been swept away by the trauma of economic depression in the 1930s and global war in the 1940s. They were unabashed in describing themselves as ‘old-fashioned liberals’. As Hayek put it to the opening session of the Mont Pèlerin Society, one of the chief tasks at hand was to purge ‘traditional liberal theory of certain accidental accretions which have become attached to it in the course of time’.<sup>4</sup>

Buried in this rather dry academese was a revealing statement about how the members of the Society saw themselves – as the ideologically pure on a mission to cleanse their own corrupted belief system.

Until recently, Hayek believed, the West had been ‘governed by what are vaguely called nineteenth-century ideas or the principle of *laissez-faire*’,<sup>5</sup> the model to which he and his followers advocated a return. This, however, was not the liberalism that became associated with social reform and state intervention in the second half of the twentieth century. For Hayek’s close associate, the US free-market economist Milton Friedman, their form of liberalism was a movement that emerged in the late eighteenth and nineteenth centuries which ‘emphasized freedom as the ultimate goal and the individual as the ultimate entity in society’. What their idea of liberalism stood for, above all, was ‘laissez-faire at home’ and ‘free trade abroad’ – or, to put it another way, the diminishing of state intervention in economic affairs.<sup>6</sup>

But in this new post-war world – years that have been aptly described as ‘the nadir of capitalist ideology’<sup>7</sup> – Hayek, Friedman and other backward-looking liberals were ideological pariahs. They were regarded, quite simply, as ‘cranks’.<sup>8</sup> Blamed for causing the Great Depression in the 1930s and the global conflict that followed, and further undermined by the success of state wartime planning, *laissez-faire* economics appeared to be ideologically bankrupt.

Across Western Europe, millions of workers radicalized by the experience of total war demanded far-reaching social reforms in peacetime at the expense of big business and the wealthy. Socialist and Social Democratic parties swept to power either as part of coalition governments or – as in Britain, Sweden and Norway – as governments in their own right.<sup>9</sup> Threatened by powerful left-wing forces, the right had little choice but to abandon its traditional embrace of *laissez-faire* economics – which it did until, nearly three decades later, a small group of ideologues in the 1970s seized an unmissable opportunity. And at the heart of the project that would remould the entire British Establishment was a young man named Madsen Pirie.

These days, Pirie is a cheerfully eccentric man, lightened up by a stripey bowtie. At first he takes me to lunch, partly to suss me out. But

when I interview him, it is in the breezily informal offices of the Adam Smith Institute, located on a quiet backstreet just minutes away from the House of Commons. He has a playful manner, and hands me science-fiction books he has written; up a spiral staircase, bright young libertarians hack away at keyboards. But Pirie is no child of the elite. He was brought up near the Lincolnshire seaside town of Cleethorpes by his grandmother, who made a living making fishing nets in her living room. An elderly woman who had already raised several children, she left him to his own devices. ‘You acquire more independence as a result,’ he suggests. ‘If you were to attribute my preference for pursuing an independent course psychologically, you could probably trace it to that kind of laid-back upbringing.’ He cannot remember a time when he did not subscribe to his libertarian views. In his early twenties he typed a two-page summary of everything he believed in, before discovering ‘that John Stuart Mill had done it much better more than a century earlier’.

In the early 1970s, Pirie was a postgraduate student of philosophy at the University of St Andrews, a long-established centre of right-wing student politics. He invited Karl Popper, one of the founders of the Mont Pélérin Society, to come and address his fellow students. Pirie would go on to attend meetings of the Society, too, and in doing so came to know Friedrich Hayek and Milton Friedman. ‘Hayek saw socialism triumphing all over the world in the capitalist democracies as well as the Communist countries,’ recalls Pirie. Three decades after World War II, he remembers, Hayek and Friedman seemed as isolated as ever, linked together out of both conviction and necessity. ‘Each of them, perhaps, was fighting a lone battle in their own university or their own country. But now they would be part of an organization that gave them a sense that they were not alone, that they were part of a movement.’ There was little in the way of optimism among leading members of the Mont Pélérin Society: ‘With the exception of Friedman all of the others were pessimistic. Most of them thought they were on the descending slope of history. They thought that ultimately shall we say at the very best a mixed economy – the sort of Scandinavian model – was about the best they could hope for.’

As Pirie was completing his PhD in philosophy, Britain remained governed by the social-democratic consensus established by Clement

Attlee's 1945 Labour government. This was the political underpinning of the Establishment that once ruled post-war Britain, in which all mainstream politicians were expected to sign up to a set of core tenets, for fear of being deemed to have stepped beyond the realms of political acceptability if they did not. Trade unions were mighty forces to be reckoned with. To celebrate its centenary in 1968, the Trades Union Congress boasted of how it had been transformed from 'a small debating society' into the representative body of trade unionism, which shared 'in the making of government policies', took 'part in administering major social services', and met 'on equal terms with the spokesmen of the nation's employers'.<sup>10</sup> The top rate of income tax for earned income stood at 75 per cent. Key industries and utilities were publicly owned. This period is the stuff of nightmares for modern-day free-market ideologues – 'You want to bring us back to the 1970s!' is a standard right-wing retort to even mild left-wing ideas – but at the time, this consensus produced a staggering increase in living standards and the greatest, most stable economic growth this country has ever seen.

In 1955 Tony Crosland – the intellectual godfather of Labour's traditional right – wrote a book that celebrated a 'Leftward shift in the balance of electoral opinion', a shift which, he emphasized, was here to stay. Such social-democratic triumphalism would foreshadow the glee of free-market ideologues at the end of the Cold War. In post-war Britain, Crosland explained, Conservatives were fighting elections 'largely on policies which twenty years ago were associated with the Left, and repudiated by the Right'. These changes were so profound that – in Crosland's dramatic conclusion – 'it is manifestly inaccurate to call contemporary Britain a capitalist society'.<sup>11</sup> Crosland's thesis might be summed up: 'We've won.'

Triumphalism on the left was matched by despair on the right. 'In the fine print of policy, and especially in government, the Tory Party merely pitched camp in the long march to the left,' Margaret Thatcher would later complain. She quoted her mentor, the free-marketeer Keith Joseph, approvingly: British politics had become a 'socialist ratchet'. In other words, he believed Britain was moving relentlessly – and possibly irreversibly – in the direction of socialism. Describing the course of post-war politics, Thatcher wrote how the Tories 'stood pat' as the

'next Labour Government moved the country a little further left. The Tories loosened the corset of socialism; they never removed it.'<sup>12</sup>

For the followers of Hayek, there seemed to be some hope when, in the run-up to the 1970 general election, Tory leader Edward Heath attempted to redraw his party's politics. Following a discussion at the Selsdon Park Hotel in Croydon, he proposed a wave of free-market policies, including tax cuts and a rejection of the state. Labour's Harold Wilson would caricature this Tory manifesto as 'Selsdon Man', named after the prehistoric 'Piltdown Man', to portray it as backward, primitive, and a hoax. But in the face of harsh economic realities and climbing unemployment, the Selsdon Manifesto would be abruptly abandoned by Heath's government after it came to power. 'After a reforming start, Ted Heath's government . . . proposed and almost implemented the most radical form of socialism ever contemplated by an elected British Government,' wrote Thatcher, criticizing Heath for offering 'state control of prices and dividends, and the joint oversight of economic policy by a tripartite body representing the Trades Union Congress, the Confederation of British Industry and the Government, in return for trade union acquiescence in an incomes policy. We were saved from this abomination by the conservatism and suspicion of the TUC which perhaps could not believe that their "class enemy" was prepared to surrender without a fight.'

Languishing as he did under this resolutely social-democratic Establishment, Madsen Pirie felt that he was a 'revolutionary, radical, rebel'. In Britain, at least, he had become a key standard-bearer of Friedman and Hayek's work, and was determined to do all he could to take on the 'socialist ratchet'. 'In a paper I wrote when I was at St Andrew's in the early 70s, I coined the term "reverse ratchet", meaning we had to do a similar thing.' Pirie was determined to learn from his enemies, believing that if they could establish a consensus, so too could he and his like-minded colleagues. He had a plan to do just that. 'When we got the chance to do any market reforms we must build in the support of interest groups such that it would never be possible to reverse it.'

After finishing his PhD, Pirie went to the United States 'with no money, no job and no prospects', determined to get a position in academia. Instead, he ended up working for the conservative Republican Study Committee on Capitol Hill, then led by Edwin Feulner.



Feulner would go on to head the Heritage Foundation, a right-wing think tank set up to advance conservative principles. It was not alone. The American right was bubbling away with ideas and a shared determination to reverse what conservatives regarded as their country's remorseless decline in the aftermath of the Vietnam War and prolonged economic stagnation.

There were already similar though more limited think tanks in the United Kingdom. The Institute for Economic Affairs (IEA) had been founded in the mid-1950s, pushing free-market ideas in a hostile political climate. 'The IEA was considered mad,' its current Director General, Mark Littlewood, tells me. 'It was considered to have intellectual honesty, but was just so far out of the mainstream.' When the IEA suggested abolishing exchange controls, Littlewood sums up the response. The proposal was thought of as 'total madness. The idea that the state would ever abolish exchange controls around its currency, total la-la land out there. And of course it was essentially the first action of the Thatcher government.' Likewise, another IEA pamphlet in the 1960s suggested privatizing the telecommunications industry. The reaction, Littlewood says, was similar: the IEA were considered 'lunatics', 'complete fruitcakes'.

What the IEA had tried to do, as Littlewood puts it, was win 'the intellectual case', rather than 'placard waving, leaflet delivering, sloganizing on posters'. This was not, he says, referencing Margaret Thatcher's favoured advertising agency, 'a sort of Saatchi and Saatchi effort to shift the public'. Rather, it was 'really quite an in-depth academic and intellectual effort'. In that sense, the IEA was already working on Pirie's 'reverse ratchet'. 'When Thatcher became leader of the Conservative Party and then Prime Minister, that was a shift where the IEA had provided the intellectual groundwork to make that possible, and to equip Margaret Thatcher intellectually in her first term in office.'

Pirie agrees that the IEA had played an important role in challenging the post-war Establishment. 'The IEA was doing an excellent job of disseminating market ideas, particularly in universities.' But it was not enough. 'We wanted something that would impact directly on policy. We wanted to formulate policies that would achieve free-market objectives.' Pirie's eyes light up, his voice full of passion. It is this that

most excites him: the chance to turn abstract ideas into practical policies that would transform society. For Pirie, convincing politicians that ‘free-market ideas were sound’ was not enough: they had to be shown how they could actually be implemented in the real world. ‘You had to produce practical policies that would not only achieve success in practice but would also help them get re-elected,’ he explains. ‘Because otherwise there’s no point in them doing all of the sound things if they then get whacked to oblivion at the next election and everything gets reversed.’

This was Madsen Pirie’s mission. He wanted to overthrow the old Establishment and lay the foundations for a completely new one.

When Pirie was in the United States in 1976, celebrations marking the 200th anniversary of the Declaration of Independence were in full swing. For the followers of free-market economics, it was also two centuries since another landmark date: the publication of Scottish thinker Adam Smith’s *The Wealth of Nations*, which set out for the first time some of the ideology that underpinned capitalism. With a colleague, Eamonn Butler, Pirie decided to found a new think tank – and so the Adam Smith Institute was born, in 1977 and in London.

Pirie was determined to bury the post-war Establishment, but he did not anticipate how much he and his fellow travellers would be pushing at an open door. ‘We hoped that one or two policies would be taken up and succeed and the success of those would lead to more being done; it would be a cumulative thing,’ he says. ‘We never at the time envisaged how completely successful those ideas would be.’ Pirie’s Adam Smith Institute would succeed beyond his wildest dreams.

By the mid-1970s, the post-war consensus was beginning to totter. The international framework for global finance, the Bretton Woods system, was unilaterally dismantled in August 1971 by a United States reeling from the cost of the Vietnam War. Two years later, oil-producing countries announced an embargo, causing an ‘oil-price shock’. Inflation surged across the Western world while economies stagnated. Profit margins began to collapse. For the outriders of Mont Pèlerin, the moment had come. ‘Only a crisis – actual or perceived – produces real change,’ as Milton Friedman put it. ‘When the crisis occurs, the

actions that are taken depend on the ideas lying around' and 'the politically impossible becomes politically inevitable'.

Crucially, this ideological struggle reflected something that was playing out in British society at the time. As inflation soared and trade unions attempted to win pay settlements that reflected the cost of living, a wave of strikes shook the country, culminating in the 1978–79 Winter of Discontent, a battery of industrial action that shut down essential services in parts of the country. But although it won some battles, the entire trade-union movement was on the brink of calamitous defeat. Britain was becoming ever more receptive to the ideas of the Mont Pèlerin outriders.

Among the new wave of think tanks set up in crisis-hit Britain was the Centre for Policy Studies (CPS), founded in 1974 by Margaret Thatcher and Keith Joseph – the son of a wealthy construction magnate and long-standing Conservative minister – to promote their insurgent right-wing views. 'It was very much set up with the intent to be revolutionary,' says the CPS's current director Tim Knox. 'If you look at any Keith Joseph speech around that time, he was scathing about the consensus which had emerged in the mid-70s and the economic difficulties of that time meant that a challenge to the consensus could find its roots. When things are going wrong people are prepared to listen to alternatives. When everything is going nicely then why rock the boat?' Milton Friedman's view that a grand crisis was necessary to transform society was common to all the free-market outriders of the time.

On its foundation in 1977, Pirie's Adam Smith Institute began a relentless campaign of agitation. Its members petitioned politicians in their parliamentary offices, over lunches and at conferences. They wrote articles in key newspapers, with the hope of bringing their ideas to the attention of those in power, and established close relationships with influential journalists. 'John O'Sullivan, writing for the *Telegraph* first, and then *The Times*, could usually contrive some reference to our latest publication or induce one of his colleagues to cover it', as the official history of the Adam Smith Institute puts it.<sup>13</sup> The Adam Smith Institute was transforming journalists into its very own outriders, disseminating their work to a mass audience. Feature articles based on their research were published in newspapers like the *Daily*

*Mail*. The Institute was nothing if not ambitious. ‘Our aim was almost to try and build another consensus – or not quite a consensus, but to create the impression that a tide was surging in that direction,’ says Pirie.

Soon it became a coordinated offensive. The Adam Smith Institute joined with the IEA, CPS and other free-market organizations to found the St James Society, named after the St James’ Court hotel in Westminster where they first convened. They would meet to listen to key members of the Tory shadow cabinet, such as Keith Joseph and Geoffrey Howe – soon to become Thatcher’s first Chancellor of the Exchequer. But for all their energy and bravado, the outriders had a job on their hands: ‘There were at that time very few people who thought that free-market ideas and economic incentives could succeed in turning Britain around,’ Pirie would later write. ‘We used to point out that you could then fit most of us into a taxi, and that the entire free-market movement would be wiped out if it crashed.’<sup>14</sup>

But, few in numbers though they originally were, the outriders’ achievement would nevertheless be seismic. They helped turn what was viewed as the hopelessly wacky and left-field into the new political common sense – something that even they had believed in their more despairing moments was an impossible task. They provided political openings for policies that would later become known as the cornerstones of Thatcherism: privatization, deregulation and slashing taxes on the rich. ‘One of the areas I worked on and actually had quite an influence on Conservative policy with Nigel Lawson was housing policy, particularly the sale of council houses,’ says Mark Boleat, who in the 1970s was a member of the Conservative think tank the Bow Group. Then, he says, the issue of selling off council houses ‘was a battleground between the left and the right. Now, it’s not at all. It’s generally accepted that it’s a perfectly sensible policy.’

It was not just the think tanks that helped popularize such policies and ideas, but the advertising men as well. Back in the 1970s, Timothy – now Lord Timothy – Bell was a linchpin of the Thatcherite crusade and has remained an unapologetic cheerleader of the former Prime Minister’s policies: it was he who, in 2013, was entrusted with revealing Thatcher’s death to the world. Today, he chairs Bell Pottinger, a PR agency that works for clients ranging from the Belarus dictatorship and the wife of

President Assad of Syria to the Pinochet Foundation, an organization set up by the late Chilean tyrant to promote his legacy. Bell was the driving force behind Thatcher's devastatingly effective media campaigns that helped propel her to successive victories. He designed the famous 'Labour Isn't Working' posters for the Tories' triumphant 1979 election campaign, featuring a picture of a huge queue of unemployed people outside a Jobcentre. During the 1984-5 Miners' Strike – the defeat of which was a shattering victory in Thatcher's war against social democracy – Lord Bell helped orchestrate the National Coal Board's media onslaught against the unions. Today, he is like a retired general basking in the glow of many victorious campaigns.

At first I struggle to find his offices in London's exclusive Mayfair – an area heaving with millionaire bankers, Russian oligarchs and some of the other great winners of modern Britain. Lost, I am finally directed to the next building along by machine-gun-toting police officers outside the Embassy of Saudi Arabia, a dictatorship that happens to have been one of Lord Bell's lucrative clients. A compact lift takes me straight up to his office, which boasts a glorious view over some of the capital city's most extravagant homes. During our discussion Lord Bell sits behind a desk in the middle of the room, chain-smoking Benson & Hedges cigarettes, oozing a bemused disinterest.

Part of Lord Bell's success involved translating Thatcherite dogma into an everyday language, helping to forge it into a new common sense. This ability to communicate a message with mass appeal is something with which opponents of Thatcherism have often struggled. 'One of the things that advertising men learn is how to put across complicated messages in very short phrases and in a very simplistic language,' Bell explains. 'Now the critics will say "Well, you ruin it, because you oversimplify it." The people in favour of it say "No, that's not true, what you do is enable other people, ordinary people, to understand it."' Bound up in Bell's aim to bring Thatcherism to a mass audience was something even more ambitious: he sought to transform the way people thought. 'Advertising is about having an idea which captures the public's imagination, and makes them change their attitudes or their behaviour,' he states. 'And politics should be the same thing.'

Under the influence of figures like Lord Bell, Thatcherism emerged

in the late 1970s with a clear and in many ways compelling narrative. As the post-war political cartel collapsed and the nation's social fabric came under stress, Thatcherism put forward a plan to reverse what it portrayed as an apparently relentless social and economic decline. It had drawn on the same sort of doom-laden predictions made by Hayek in the aftermath of World War II: what Bell offered was more or less Hayek for the masses.

'Life was horrid,' Lord Bell declares in an entirely matter-of-fact tone, as though I should simply take it as read, 'and she came along with a new idea, which was we don't have to be like this, we could actually go back to where we were and be great again, but in a contemporary context. And the idea captured the imagination of a large proportion of the population. And so they supported her, despite not particularly liking her, not particularly thinking she was a hugely popular figure or a wonderfully charismatic figure, in the way Tony Blair positioned himself.' Lord Bell's portrait of Thatcher is a revealing corrective to the belief, held by Thatcher's greatest admirers, that her unconventional charisma beguiled the nation. For Bell, she was not popular or loved, or particularly charismatic, but just right.

When Thatcher came to power in May 1979, much of the hard graft in laying the foundations for her policies had already been done. The Adam Smith Institute had showed that privatization was not only desirable but possible, and had detailed how a government might go about implementing it. 'If you look at the Thatcher revolution, that was all powered by think tanks,' says Robert Halfon, one of many current Conservative MPs inspired by the Thatcherite assault who received a political education from the outriders. 'So in the 1970s and 1980s, I remember going to every think tank I could possibly go to, whatever it was: the IEA, the Freedom Association, you name it.'

Madsen Pirie's 'reverse ratchet' did not end with Thatcher becoming Prime Minister. As it turned out, that was only the start. Today, the outriders have become indispensable defenders of power and wealth. And as Britain was plunged into economic catastrophe in the late 2000s, they were waiting in the wings.

Matthew Elliott's office reveals a man with a mischievous sense of humour. On his desk is a little statue of Lenin, a woolly hat over his

bald head, and he toys with the statue affectionately. Evidence of past glories clutter the walls, including framed newspaper front pages, showcasing impressive media coups. One is a poster emblazoned with ‘NOtoAV’, the name of Elliott’s sensationally successful campaign against the new ‘alternative vote’ electoral system in the 2011 referendum, offered by the Conservative–Liberal Democrat coalition which came to power a year earlier. Elliott summarizes one of the ruthless campaigning tactics of ‘NOtoAV’: ‘Do you want £250,000 spent on a new voting system, or do you want to spend it on incubators for babies or body armour for soldiers?’ The campaign paid off, and the public rejected AV by a decisive margin in the referendum. Here is a man evidently pleased with the impact he has had on British politics over the last decade, an impact that has been substantial, to say the least. He enjoys talking with political opponents, and insists on marking our meeting with a photograph, which ends up on his wall.

Elliott was a grammar-school boy from Leeds. After graduating from the London School of Economics he worked as a press officer at the anti-EU European Foundation, before becoming political secretary to a Conservative Member of the European Parliament. Both positions helped him build and cement links with like-minded right-wingers. Back in 2004, when in his mid-twenties, Elliott set up the TaxPayers’ Alliance, a self-described ‘non-partisan grassroots campaign for lower taxes and better public spending’. He had been intrigued by the Business for Sterling movement of the late 1990s and early 2000s, which mounted a high-profile campaign against joining the European single currency. That was a campaign which, he stresses, ‘involved not being a think tank’. Rather, ‘it involved quite savvy campaigning involving lots of people on the centre-right – but without explicitly being a centre-right campaign’. This was a step change in strategy from the original outriders, who were explicitly ideological think tanks. The TaxPayers’ Alliance would instead be a campaigning organization, cleverly presenting itself as a non-partisan mass movement.

For Elliott, the trick was to be unashamedly populist. ‘There was a space for a campaign group that, yes, put forward ideas on how to cut taxes and what have you, but not in a way which the IEA does so well now in its academic think-tank way, but in a way which actually

campaigned in a more media-savvy grassroots way.’ Elliott also looked to flourishing US right-wing elements for inspiration: outriders demanding huge cuts to both taxes and spending, such as Americans for Prosperity, the National Taxpayers Union, Citizens Against Government Waste and FreedomWorks. These are organizations that present themselves as non-partisan, ‘grassroots’ campaigning groups of concerned citizens, rather than what they are: the outriders of right-wing politicians.

Here lay the genius of Elliott’s initiative. The TaxPayers’ Alliance is a right-wing organization, funded by conservative businesspeople and staffed with free-market ideologues. And yet it presents itself as though it were simply the voice of the taxpayer. After all, ‘alliance’ itself implies some sort of broad coalition. From its early days, the Alliance’s pronouncements were invoked by news outlets more or less as the impartial mouthpiece of the hardworking taxpayer. What was more, the Alliance had from the outset a highly professional relationship with journalists: a press officer available twenty-four hours a day, and TV-friendly spokespeople available for rolling news channels at a moment’s notice. Rather than publishing long policy papers that hard-pressed journalists working to deadlines would ignore, the Alliance issued snappy research notes that got straight to the point. The slick approach paid off. ‘After years of being ignored by politicians of all parties,’ its website proudly declares, ‘the TPA is committed to forcing politicians to listen to ordinary taxpayers.’

Yet until the financial crash of 2008, the Tories were matching Labour’s spending plans pound for pound – much to the chagrin of Elliott and his allies. ‘The Tories had basically convinced themselves that the only way to get back into office was to not only match Labour’s spending plans, but actually say they’d possibly spend more than Labour would,’ says Elliott, his tone betraying his contempt for the Conservatives’ old position. But it was the party’s stance that gave what Elliott describes as ‘political space’ to push a ‘low-tax, free-market message’. After all, there was now a pool of right-wingers disaffected with what they regarded as a betrayal of Conservative principles and who were looking for leadership. The TaxPayers’ Alliance waged a guerrilla campaign from 2004 onwards, highlighting extreme examples of public-spending waste to be passed off as supposedly



representative of how taxes were used. 'In order to convince people that you can actually cut taxes, you need to engage in the spending debate,' Elliott says. Civil servants with huge pension pots; incapacity-benefit claimants claiming for dubious medical conditions; supposedly useless degrees at university – these were the sorts of stories the Alliance hunted down.

The strategy of the TaxPayers' Alliance was clear: to demonize public spending, portraying hard-earned taxpayers' money as gratuitously wasted on gimmicks and perks. When I suggested to Elliott that putting striking examples of so-called 'public-sector waste' in newspapers helped build a broader case for spending cuts rather than simply trying to argue for more efficient public services, his response was unambiguous. 'That's very deliberate. If you look at the arguments for cutting taxation, trying to explain it is quite difficult. Pointing out that their money is being wasted and therefore you can have tax cuts works.' Above all else, it forced opponents of the TaxPayers' Alliance to argue on their terms. Elliott gives an example of the Alliance's exposure of high pay in local authorities. 'The Town Hall Rich List – do you support that, yes or no? Even Gordon Brown got to a stage where he would say how public-sector fat cats needed to have their wages cut.'

It was a highly effective strategy. In the immediate aftermath of the Lehman Brothers crash in September 2008, David Cameron, then Leader of the Opposition, declared that 'we must put aside our differences and work together with the government in the short-term to ensure financial stability'. This abandonment of partisan politics in the national interest did not last. Within weeks, the Conservatives dropped their policy of backing Labour's spending plans – and, as they did so, started to rewrite history. Tim Horton of the Fabian Society – a Labour-affiliated think tank – is among those who have argued that what the Conservatives did next drew directly on the TaxPayers' Alliance – that the Alliance was 'fundamental to the Conservatives' political strategy'.<sup>15</sup>

The Conservatives presented a new story – a story that the TaxPayers' Alliance had been fashioning for years. Here was Milton Friedman's dictum, 'Only a crisis – actual or perceived – produces real change', put into practice. Britain was facing economic catastrophe

not because a venal and out-of-control financial sector, in search of ever-greater profits, had run amok – but rather because the British government had been spending too much money on public services. It was Britain’s bloated public sector, so the Conservatives’ story went, not greedy bankers, who were to blame. Taking the Alliance’s fully formed narrative, the Conservative Party and their allies drove it further into the mainstream. As Elliott boasts, ‘We got the Conservative Party to move from a position of saying they wanted to match Labour’s spending plans to talk about spending cuts.’

As Gordon Brown’s Labour government lurched from crisis to crisis, the narrative of overspending was relentlessly pushed by both the Conservative Party and much of the mainstream media. When, following their failure to win the 2010 general election, the Conservatives formed a coalition with the Liberal Democrats, the TaxPayers’ Alliance continued to be instrumental in softening up public opinion for a broader attack by the coalition on the public sector, slashing its funding and handing over large chunks of it to private owners.

Trade unions – the traditional foe of the business elite and large sections of the British right – were a key target of the TaxPayers’ Alliance. One campaign was against so-called ‘facility time’, which allowed trade-union representatives to take time off work to attend to union duties. According to a 2007 assessment by the Department for Business, Enterprise and Regulatory Reform, such facility time in fact provided huge savings. By resolving issues within the workplace, employers and the Exchequer had been saved between £22 million and £43 million in expensive Employment Tribunal cases, and wider society up to half a billion pounds through reducing workplace injury and work-related illness.<sup>16</sup> Even some on the right acknowledged these benefits. As Conservative MP Robert Halfon wrote in 2012, citing the case of Arriva, a bus company in his constituency that employed a union official on facility time: ‘My experience as a constituency MP has also led me to believe that most facility time and trade-union volunteerism is genuine.’ Arriva ‘find this is good value for money, in terms of supporting staff and resolving grievances, which might otherwise end in a tribunal’.<sup>17</sup>

But where some saw a productive understanding between employers and their workforce, the TaxPayers’ Alliance saw an opportunity.

In spring 2011 it seized on a woman named Jane Pilgrim, a long-serving NHS nurse who took time off work to attend to union representative duties, and decided to dub these union reps ‘pilgrims’. Paul Staines, the creator of the Guido Fawkes blog, is a close ally of Elliott; the two helped found the data-analysis company Wess Digital together.<sup>18</sup> Staines recalls that ‘we had huge internal debates about “pilgrims” . . . I was arguing, “It mustn’t be personalized.”’ At first, they feared the positive connotations of the word – ‘pilgrims are good people’ – but it stuck, and they realized its meaning could be subverted. ‘We could accuse people of something – being a pilgrim.’ And so they did.

The attack on ‘pilgrims’ became a coordinated campaign: newspaper columns were written, including one by the Tory MP Jesse Norman; Staines compiled numerous blogs; the issue was debated in the House of Commons; local street stalls with leaflets and petitions were even organized to try and win public support. A broader assault on trade-union rights was taken up by the so-called Trade Union Reform campaign, another set of outriders posing as a grassroots campaign. It was headed by a Tory MP named Aidan Burley, who would be sacked from government for organizing a stag-do involving Nazi costumes and salutes. On its staff was Harry Cole, Paul Staines’ right-hand man.

With trade unions on the agenda, sympathetic politicians could now act. At the end of 2011, David Cameron wrote to Burley agreeing that facility time could not be justified ‘morally or economically’; it was a ‘scandal’ and the ‘public subsidy to the trade unions’ must end. In early 2013 the Department for Communities and Local Government issued new ‘guidance’ to local councils to crack down on facility time. New legislation targeting trade unions was floated. Unions and their supporters were forced onto the defensive. Led by the TaxPayers’ Alliance, the outriders were shifting the political debate in just the direction they wanted.

The extraordinary influence of the TaxPayers’ Alliance is widely acknowledged. In 2008, *The Guardian* believed it to be ‘arguably the most influential pressure group in the country’. Elliott, meanwhile, is ‘probably the most effective political campaigner that Britain has produced in a generation’, according to Tim Montgomerie, comment

editor of *The Times* and former head of the influential Conservative-Home website.<sup>19</sup> In November 2007 one-time Conservative leader William Hague presented Elliott with the Conservative Way Forward ‘One of Us’ award – a nod to Margaret Thatcher’s famous description of those she regarded as politically onside. ‘We became a force in the country,’ Elliott proudly declares. ‘We have lots of constructive meetings with people in government.’

Creating a consensus is not always straightforward, of course. The TaxPayers’ Alliance is a group of ideological dreamers who have the luxury of cooking up policies without having to confront the difficulties of actually implementing them. Politicians who are sympathetic to their ideas have to contend with pressure from civil society and the electorate. The outriders may have helped to shift the terms of debate and to soften up public opinion, but there are inevitable limits to what they can achieve. Where outriders are useful, says Robert Halfon, is that they ‘set a benchmark, but they have disadvantages too because, though there are great articles in the *Telegraph* or whatever about how the government should cut such and such, it’s very easy to write this stuff’. But, he acknowledges, noting the backlash over the shutting down of the youth advisory service Connexions as a national service following the coalition’s assumption of power in 2010, cuts to services face opposition. ‘You can argue whether it’s right or wrong,’ says Halfon about the scrapping of Connexions, ‘and yes I believe we should be balancing the economy, but nevertheless the think-tank people never consider how it actually impacts on the front, although they do create an intellectual framework.’

The TaxPayers’ Alliance is, of course, deeply embedded within a network of right-wing outriders. A confidential guest list for a post-2010 general election TaxPayers’ Alliance ‘roundtable’ discussion reads like a ‘Who’s Who’ of the British radical right: Tory politicians such as Douglas Carswell, MP, and Daniel Hannan, MEP; chairmen of think tanks, such as Eamonn Butler, Madsen Pirie’s associate at the Adam Smith Institute, and Mark Littlewood from the IEA; David Henderson, the economist and climate-change sceptic; Richard Ritchie, Director of UK Government Affairs at British Petroleum; bloggers

such as Paul Staines; and so on.<sup>20</sup> At such gatherings, ideas are exchanged, strategies are discussed, priorities are debated.

Organizations like these are not simply ‘outriders’ for some of the wealthy elements of society because of the agendas they promote. They are hired hands. They comprise ‘the same pool of supporters who support other think tanks, the Conservative Party and Ukip and what have you,’ Elliott concedes. But their sources of funding are murky. The ‘WhoFundsYou?’ campaign organization gives the TaxPayers’ Alliance and Adam Smith Institute an ‘E’ for transparency – strictly bottom of the class; other right-wing think tanks such as the IEA, the Centre for Policy Studies and Policy Exchange are given a ‘D’. When questioned about where their money comes from, they tend to give coy responses that don’t exactly inspire confidence: ‘I can tell you – we have some donors who would cease giving us money if their name was to be put out in the public domain,’ Mark Littlewood says. Meanwhile Neil O’Brien, the former Director of Policy Exchange, tells me in his soft northeastern accent – a rarity among the southern-dominated British right – that ‘people quite often don’t want to have their donations registered because they don’t want to get pursued for cash from other people’ – not, he adds, for any ‘sinister reason’.

But we do have some clues about who is financing the outriders. Between 2005 and 2009 the TaxPayers’ Alliance received £80,000 from a shadowy organization called the Midlands Industrial Council, which had also donated £1.5 million to the Conservative Party, as well as donating to a fund that helped get key Conservative candidates elected in marginal seats in the 2005 general election.<sup>21</sup> Key members of the Council include leading right-wing businessmen such as Sir Anthony Bamford, the owner of JCB; construction supremo Malcolm McAlpine; and betting magnate Stuart Wheeler.<sup>22</sup> Here are powerful people who want to shrink the state and reduce the amount of tax they pay, and who are using their considerable wealth to undermine confidence in public spending. Because of the outriders, they achieve this while largely remaining hidden from view, or without having to front such a campaign.

Similarly, the list of Trustees behind Policy Exchange is a ‘Who’s

Who' of City millionaires and Tory donors. One is Simon Brocklebank-Fowler, founder of the financial lobby group Cubitt Consulting, who has donated tens of thousands of pounds to the Conservative Party. Other Trustees include the CEO of the banking firm Edmond de Rothschild Ltd, Richard H. Briance, a Conservative donor; and Theodore Agnew, an insurance executive appointed by the Tory Education Secretary, Michael Gove, as a non-executive member of the Department of Education board, who has donated £134,000. Hedge-fund manager George E. Robinson, meanwhile, has handed over at least a quarter of a million pounds to the Conservatives, a figure trumped by the CEO of Next clothing and former advisor to Chancellor George Osborne, Simon Wolfson, who has given £383,350. The treasurer of Policy Exchange, Andrew Sells, has spent two decades in private equity, is the director of a number of private companies ranging from investment banking to construction, was the co-treasurer of the 'NOtoAV' campaign, and has placed £137,500 in Conservative Party bank accounts. It is difficult not to conclude that Policy Exchange is nothing but a conclave of Conservative tycoons and bankers with a vested interest in so-called free-market economics.

This association between the outriders and big business is nothing new. Back in the 1980s they also relied on donations from wealthy businesspeople. During Thatcher's early years in government, the Adam Smith Institute devised an initiative called the Omega Project to create detailed proposals for a second term in office. As they did so, Madsen Pirie and his associates went cap in hand to donors, successfully raising funds from the likes of financier Sir James Goldsmith, and the businessmen Sir Clive Sinclair and Malcolm McAlpine.

It might seem tempting to view the outriders as nothing more than tools of the wealthy elite, translating their economic interests into political ideas that are then peddled to the public. But, Mark Littlewood says, this would be jumping to conclusions. 'I think there is an erroneous belief and a trap that people want groups such as us to fall into,' he explains, 'whereby the minute you see our list of donors you would immediately think, "Ah, well, all of the things they're arguing for are just the interests of these donors."' But, he states, the contrary is true: 'In fact we argue our case and donors give us money because they like our case. That really is the truth of it.'

Littlewood is right. He, Matthew Elliott, Madsen Pirie and their ideological fellow travellers are not cynical charlatans, simply pumping out propaganda at the behest of powerful businesspeople. They are true believers, zealots even. They speak from genuine, unshakeable conviction. It just so happens that their beliefs coincide with the interests of tycoons and magnates who want lower taxes, fewer regulations, a smaller state and weaker trade unions. Such businesspeople are grateful for the work the outriders do in popularizing these ideas, and believe that donating to them is a wise investment.

Nevertheless, the association between think tanks and private corporations can sometimes look rather more cynical than Littlewood would have us believe. Take Reform, a right-wing think tank that specializes in pushing the case for the privatization of public services. ‘Of all our money, 70% comes from companies and 30% comes from individuals,’ says Nick Seddon, the think tank’s former deputy director. Reform’s donors include corporate giants such as the General Healthcare Group, BMI Healthcare and Bupa Healthcare, which would benefit from the selling off of publicly run services. Seddon himself was head of communications at Circle Partnerships, which describes itself as ‘Europe’s largest healthcare partnership’ and which is one of the great beneficiaries of the privatization of the NHS. In 2012 the company took over Hinchingsbrooke Health Care Trust, the first time an NHS hospital was handed over to the private sector. This is a process that Reform has long been championing. Seddon has written articles that call for the sacking of 150,000 NHS workers, real-terms cuts to the NHS budget, and charges for GP visits. He has also called for healthcare to be ‘largely funded by government . . . but organised outside of government, by insurance companies and other organizations, answering only to patients’.<sup>23</sup> Reform’s chairman, Sir Richard Sykes, is a former executive at numerous pharmaceutical companies, including GlaxoSmithKline; in 2011 he was made Chair of Imperial College Healthcare NHS Trust. Again, here are corporate interests pragmatically boosting outriders in making a case from which they will directly benefit.

Early in 2013, Reform published research endorsing the privatization of Britain’s prisons, a policy from which even the Conservative-led government had begun edging away. The report was widely cited in

the British media; the BBC flattered it by describing it as ‘thought-provoking’. But what was not mentioned was Reform’s substantial funding from security firms G4S, Serco and Sodexo – companies that were already running fourteen prisons, and stood to benefit from further privatization. In 2012 alone, Reform received £24,500 from G4S and £7,500 from Serco.<sup>24</sup>

Now, Reform doesn’t actively try to cover up these awkward details. The information can be found on its website. ‘The only question that people are levelling was, did it look secretive that we didn’t admit on the report that we were funded,’ says Nick Seddon. ‘I’m not sure that transparency needs to go there. Transparency is that anybody can find out about our income. And we publish that on our website quite clearly and there is a transparency on the website that shows all that stuff.’ Nevertheless, Reform knows full well that few would take the time to dig around and find out about the potential conflict of interest inherent in a think tank funded by private prison providers extolling the virtues of privately run prisons.

Seddon takes the same view on the numerous private healthcare companies that fund Reform. ‘I’m not sure that it means that if we publish a report on healthcare, we have to say, “Over the past year or two, the private healthcare companies that have given us money include x, y and z.” It starts to get a little bit “the lady doth protest too much”.’ Seddon is certainly right that such frank admissions would provoke widespread suspicion about the role of think tanks like Reform. As he himself admits: ‘There’s no doubt about it. We work with private companies and those private companies, I suppose, do have an interest in us advancing an argument about the delivery of public services.’ This seems like nothing less than a candid admission – but remarkably, Seddon sees no conflict of interest. Mainstream journalists, though, should also take responsibility for this lack of clarity. According to Seddon, a BBC journalist privately asked him whether there was a conflict of interest – but did not bother to report on it.

Nowadays, the outriders are closely entangled with the political elite as well as with big business. Take Policy Exchange, whose reports include calls for the wholesale privatization of public services: ‘Politicians must stand up to militant trade unionists, including banning the



right to strike for emergency workers, to truly deliver a revolution in the way public services are delivered.<sup>25</sup>

Policy Exchange, in fact, was founded by politicians. It was set up in 2002 by a number of key Tory MPs and MPs-in-waiting, one of the most prominent of whom was its founding chairman, Michael Gove, who would become one of Cameron's closest allies and, in 2010, was appointed Secretary of State for Education. Other founder members were Francis Maude, who entered Cameron's Conservative government as Paymaster General; and Nicholas Boles, the founding director, later a junior minister in the Cameron government. Policy Exchange's current chairman is Danny Finkelstein, Associate Editor and former chief leader writer of *The Times* and unpaid advisor to George Osborne.

In 2012 the then director of Policy Exchange, Neil O'Brien, was touted as a possible successor to Steve Hilton, Cameron's former director of strategy. It was a story with 'no basis in the truth at all', he told me. After rumours were reported on the Guido Fawkes blog, 'everyone else has then picked that up, but then it's been repeated endlessly by various other sources until it's like a sort of fact'. Maybe so, but actions would speak louder than words. In 2013, O'Brien left the think tank to become a policy advisor to Chancellor George Osborne – with a brief, in part, to help draw up the Conservatives' 2015 manifesto.

The list of other Policy Exchange appointments is impressive. In January 2013, O'Brien's former colleague Matthew Oakley, Head of Economics & Social Policy at Policy Exchange, was appointed to the supposedly independent Social Security Advisory Committee, which advises government on social-security issues; a few months later, he was appointed to carry out an 'independent' review of benefit sanctions.<sup>26</sup> Another Policy Exchange figure, Alex Morton, joined Number 10's Policy Unit as a special advisor for housing planning after drawing up a report advocating the selling of expensive council homes.<sup>27</sup> It could work the other way round, too: for example, David Cameron's former Head of Policy, James O'Shaughnessy, joined Policy Exchange in 2012 to work on a project to create school federations.<sup>28</sup>

In government, these Policy Exchange alumni would find themselves colleagues of former TaxPayers' Alliance staffers. In a 2008 interview on the LBC radio station, Susie Squire, the group's

former campaign manager, had furiously dismissed suggestions that the TaxPayers' Alliance was secretly Conservative as 'absolutely outrageous'. Two years later she ended up as special advisor to Iain Duncan Smith, the Tory Secretary of State for Work and Pensions, before becoming the Conservative Party's head of press in 2012.

Some appointments provoked a backlash. Anti-smoking campaigners criticized the 2012 appointment of IEA director Mark Littlewood to the government's 'Red Tape Challenge' – a programme launched to roll back regulations on businesses. Littlewood was a vociferous opponent of measures to tackle smoking and the IEA had previously received funding from tobacco companies, and the government was considering proposals to introduce plain cigarette packaging to deter people from smoking. The appointment triggered understandable fears of a conflict of interest.<sup>29</sup>

Other appointments gave a clear sense of the government's political direction. In 2005, four years after helping Seddon to found the pro-privatization think tank Reform, Nick Herbert entered Parliament as a Tory MP, becoming a member of David Cameron's shadow cabinet. His colleague was Andrew Haldenby, one-time head of the Political Section at the Conservative Research Department, who went the other way, joining the staff at the Centre for Policy Studies, the think tank founded by Thatcher and Keith Joseph. Another Reform deputy director was Liz Truss, elected a Tory MP in 2010, and co-author of *Britannia Unchained*, a book damning the British as 'among the worst idlers in the world', and demanding a new assault on workers' rights. In 2013, Seddon, a keen backer of NHS privatization, would leave Reform to become David Cameron's new health advisor.

The intermingling between the outriders and the political elite goes much deeper than just the founders and senior staff of these think tanks and campaigning organizations. It's what Neil O'Brien calls an 'ecosystem', where 'people have both gone to government from here, come from government to here . . . Think tanks are good because they're a kind of meeting place between people from all different sorts of worlds, journalism, business, politics, civil-service sort of melange of people.'

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To be an outrider in modern Britain is to wield considerable power: the backing of corporate interests, an incestuous relationship with the political establishment and strong connections to journalists. With the advent of twenty-four-hour news and its insatiable appetite for commentators, outriders are frequently provided with a national platform through both TV and radio.

What is missing is a genuine counterbalance to these outriders. There is, for example, the Institute for Public and Policy Research, a centre-left think tank that is supposed to be an alternative to the right-wing outriders. But it is a rather technocratic outfit that in no way seeks to challenge the settlement established by Thatcherism. In 2013 its director, Nick Pearce, a former advisor to arch-Blairite David Blunkett, attacked Labour's setting of a target to reduce child poverty, claiming that spending money on the problem was 'running out of road before 2008, never mind now'. Although the IPPR receives some trade-union money, its big funders include the tax-avoiding multinational Google; Capita, a private company that makes money by taking over public assets; and energy companies such as EDF Energy and E.ON UK. In other words, the IPPR can hardly be described as a think tank that is independent of the Establishment, let alone challenging it. Another self-styled 'centre-left' think tank is Demos, whose current director is David Goodhart, an Old Etonian who came to prominence by founding *Prospect*, a political magazine, in 1995, and whose overriding passion appears to be an almost obsessive opposition to what he regards as mass immigration. 'The direction I very much want to take Demos in,' Goodhart says, 'is a "social glue" direction' – by which he means social cohesion – 'looking particularly at those difficult things for Labour, like welfare, immigration and multiculturalism'. A lonely exception to these organizations is the New Economics Foundation, a progressive think tank that remains studiously ignored by most mainstream media.

Meanwhile, university economics departments have been emptied of opponents of the status quo. As well as the dramatic political shifts in Britain, the proponents of unrestrained free-market economics were helped by other developments too. When the Soviet bloc collapsed in the late 1980s onwards, it was spun as a dramatic victory for free-market capitalism. It was the 'end of history', declared US

political scientist Francis Fukuyama. ‘It’s time to say we’ve won, goodbye’ was the assessment of US neo-conservative Midge Decter. Even mild Keynesianism, however non-existent its links with Soviet-style Communism, was somehow seen as beyond the pale. Even mild forms of state involvement in the economy were consigned to a discredited past.

‘In academia, I am in a minority of maybe 5 per cent,’ says dissident economist Ha-Joon Chang. He sounds surprisingly upbeat given his isolation, as though he relishes a David versus Goliath battle: his tone, intriguingly, is not dissimilar to that of Madsen Pirie when he described his own fight against the consensus of the 1970s. Many of the dissenting academics working on economics, Chang says, are now forced to work in other departments: ‘Because of the ideological dominance of the free-market school, these people have found jobs in business schools, government schools, and international relations.’ For those economists wanting to be seen as ‘respectable’ or ‘mainstream’, there is little option but to embrace neo-liberal ideas.

This process of marginalization is an essential prop to the new consensus. It means that supporters of an order that favours wealth and power can draw on endless intellectual material, as well as being granted academic respectability. Its opponents, on the other hand, are intellectually starved. ‘That’s one legacy of neo-liberalism: fencing off the means of knowledge production, claiming it as theirs,’ says *Guardian* economics writer Aditya Chakraborty. ‘The ethos is “You can’t come here unless you buy certain assumptions.”’ All this, of course, helps reinforce the sense that there is no alternative. By the mid-1990s free-market dogma had become – and remains – the ‘new normal’.

Madsen Pirie and his fellow travellers have come a long way from the margins. It is not so much that their views have entered mainstream intellectual opinion: they have *become* the mainstream.

What the corporate-backed outriders have achieved is this. They have helped shift the goalposts of debate in Britain, making ideas that were once ludicrous, absurd and wacky become the new common sense. In the terminology of right-wing political thinkers, they have shifted the ‘Overton Window’.

The Overton Window is a cherished concept of the US right, coined in homage to Joseph P. Overton, the late vice-president of the

right-wing think tank the Mackinac Center for Public Policy. It describes what is seen as politically possible or reasonable at any given time while remaining within the political mainstream. But the very nature of outriders is that they can float ideas or policies that a politician would not dare mention. In doing so, they shift the Window. Even if a politician meets the outrider's concept halfway, what is seen as moderate has shifted. The privatization of the NHS is one example: even Margaret Thatcher did not dare to do it, but the coalition government has been able to turn it into a reality. 'They're able to say stuff, and then a politician can say, "Actually we won't do it because it's too extreme, but actually we can do a little bit of it",' explains Conservative MP Robert Halfon, a close friend of the Tax-Payers' Alliance founder Matthew Elliott.

It was not the outriders alone who achieved this victory of ideas, but they have played a key role – in laying the intellectual foundations of radical right-wing ideas, and then popularizing them to a mass audience. Their biased, loaded policy suggestions – which if introduced, would sometimes directly benefit their sponsors – are frequently treated by journalists as objective and impartial. The outriders are a reservoir of intellectual material for defenders of the Britain they have helped to create. They connect together the worlds of business, politics and the media. They're not just a crucial part of Britain's ruling elite: they helped construct it in its current form. They have proven a wise investment for their corporate and wealthy backers, whose power and fortunes have flourished in neo-liberal Britain. The national political conversation is kept relentlessly on the terms favourable to those with wealth and power. It is the outriders who can take much of the credit.