



Lower Taxes for Lower Earners

By Matthew Page

About the Author

Matthew Page is Chairman of Consult which advocates the role of younger people in politics, and engages potential new voters by stressing issues and policy rather than political process. Matthew is externally focused in looking at new opportunities for Consult as well as how the think-tank engages with different groups, agendas and campaigns. Matthew also line manages the direct reports of Consult as well as overseeing the planning of all it's activity.

About Consult

Consult encourages young people to think for and beyond the cause of the Conservative Party, and represents the growing niche of people who want to talk about policy away from the emphasis of politics.

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Lower Taxes for Lower Earners proposes a very worthwhile tax reduction, but critically also one with a social conscious

Tax Cuts must have moral purpose in order to restore the Conservative policy platform to the centre ground of British Politics

Introduction

Proposals regarding reducing taxation are always of interest to Conservative voters, and after all are closely tied in to our own ideals and beliefs. In believing in less government and that the role of government is here to represent people rather than dictate a high costing mandate, the Conservative belief in reduced taxation is one easy to understand.

But it is how reductions in taxation are presented and indeed how the moral case is made in terms of the benefits that can be realised by particular sections of society that are so crucial in gaining the political support of the British electorate. And through advocating the argument for lower taxes for lower earners, I also will illustrate how such proposals can reflect Conservative values and ideals in a centre ground manifesto suitable for government.

Looking after your Own and an Unbalanced Policy Agenda

As acknowledged, lower taxes are naturally aligned to the belief in less government and more personal autonomy. However a wide range of tax cuts which does not go much beyond the obvious reduction in personal financial burden is unlikely to win much electoral support, especially of the 2001 and 2005 general elections are anything to go by.

I think there are three essential arguments that help explain this. The first is that reductions in tax are often perceived as arguments from the Conservatives to look after their own members and, in particular, help the rich to keep more of their own money. In many ways, this accusation is unfair; in 2005 the Conservatives proposed to lower the stamp duty threshold which would have helped many younger people, like myself, to get onto the first step of the property ladder. But then perhaps the proposal didn't make other advantages like this clear enough to the electorate.

Secondly, reductions in taxation are often seen as unbalancing the general policy agenda. The public perceive lower taxes as undermining the policy agenda for education, health, transport, defence, so on and so forth. Despite the high amount of money the Labour government have wasted on attempted public service reform, the wider electorate would still appear to favour public service investment over tax cuts. Hence why when proposals surrounding reductions in taxation fail to make the necessary arguments for where advantage may be found, the message becomes lost with the electorate.

Lastly, policies around reductions in taxation need to carry very real moral purpose and wider social benefit for the electorate to consider giving them their support. In brief, the tax pledge would have to spell out very clearly the benefit that would be gained by certain groups of people and why it should therefore be supported.

In short, an endless list of proposed tax cutting proposals will not resonate or strike a chord with the electorate as there is still support for public service investment and reform. What the electorate want to see is thoughtful and credible proposals which also have moral purpose in bringing very clear benefit to a good cause.

Lower Taxes for Lower Earners

It is for this reason that the proposal of reducing the level of taxation for people on low incomes deserves very real consideration by the Conservative Party.. It is also why Consult are now campaigning for the recognition and consideration to be given to this proposal as part of the Conservative Party's mission to put forward a broad range of policies which will appeal to a broad cross section of the electorate.

Lower taxes for lower earners is not only a plausible argument about reducing the role of Government and allowing individuals more autonomy as well as the ability to save more money, it is also about giving support to those who are most in need of it by targeting low income earners. In addition, it directly contradicts the Conservative myth that they are only interested in the more affluent and well-off sections of society.

Most importantly, this proposal has moral purpose by arguing that it is the least well-off who most require support and radical solutions in being able to have the same opportunities as everyone else. This ties itself in well with the Conservative party arguing for more social opportunity through policies on education, health, pensions, so on and so forth.

It is also important in arguing that the best values and beliefs come from within us as individuals and not from the government, since lower taxes for lower earners combines the principles of people being able to better themselves and progress (i.e. lower earners being able to save more money), whilst also caring for our fellow mankind in giving them the same opportunities enjoyed by the privileged few (i.e.. the ability to save).

Crucially, a lower tax for lower earners is about giving real equality of opportunity for people. It is about championing the most vulnerable in society, and recognising that they need different solutions to other people in making the most of their respective opportunities. The proposal is focused on championing the underdog and giving them the opportunity to make the most of their own assets as other people have.

Capturing the Centre Ground

Arguing that proposals around tax reduction have to be well justified with moral purpose to win electoral support is also about reflecting the ideals and values of Conservatism in a centre ground manifesto which can win government. Going back to the start of this article and I commented that lower taxes were naturally aligned to the Conservative beliefs in less government and more personal autonomy for individuals.

But most crucially when pitching for the political centre ground and potential election for government, these ideals and values have to be reflected in a realistic set of proposals which can gain the wider electoral support necessary to win government. As already stated, wide ranging tax cutting proposals which do not justify themselves much beyond the obvious reduction in personal financial burden are unlikely to win support, mainly because the wider public believe that public services require substantial investment for the necessary reforms to be made.

In many ways, tax could be argued as the clause 4 issue for the Conservative Party. Conservative members passionately believe in lower taxes, but they have to be moulded in a particular fashion in order to be both credible and realistic. There are comparisons here with Labour in 1995; Tony Blair realised that the Labour Party were strong advocates of both a socialist philosophy (i.e. redistribution of wealth) and union representation, but he had to reflect these ideals in a way which convinced the wider electorate that Labour could both handle the economy and not be held to ransom by the Unions.

Conclusion

If lessons of previous election campaigns have to be learnt, wide ranging tax cutting proposals simply do not resonate with the British electorate. They have to both convey a principled stance and explain their worth in order for them to gain the support of the wider British electorate.

Lower taxes for lower earners achieves this goal by contradicting the myth of the Conservatives only believing in more autonomy and power for the rich; by stressing more autonomy and buying power for the poorest communities, lower taxes for lower earners is a proposal with social conscious. It promotes more radical opportunity by championing the drive and compassion of the individual by promoting the classless society typical of the autonomy of our time in the 21st century.

The importance of this proposal should not be underestimated. It's remit goes much wider than making credible arguments on tax and goes to the heart of principled policy making. It is about reflecting the Conservative belief in greater autonomy and choice in the credible and well justified spirit of offering support to those most in need. It is therefore about reflecting Conservative beliefs and values in a policy making structure which is vital to wining the centre ground of British politics, and winning the next general election.

Matthew Page
Chairman, Consult
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