AM: We've been talking perhaps rather loosely this morning about a post-liberal era. And one of the headline writers suggest that, compared with the economic liberalism and so forth of past Conservatives, Theresa May represents a break. Do you recognise that language at all?

DG: No. I think – I mean clearly liberal capitalism and western values are under threat, they need fighting for, but they always do. I always think this idea we've reached the point of the end of history, that Fukuyama analysis at the end of the 80s was optimistic nonsense. You always have to keep fighting for your values. But Theresa May and her government will fight for those broadly small 'L' liberal, free market values as hard as any previous Conservative government.

AM: So do you see any change of tonal direction in this new government at all?

DG: Well, there's clearly a large element of continuity because we're all still Conservatives and we're all modernising conservatives. I think the Conservative Party went through a big change under David Cameron that was necessary and desirable and that element will continue. Of course any new prime minister has their own individual policy priorities, and indeed their own way of doing business and Theresa will do it in a different way.

AM: I was going to invite you to explain further since you knew Theresa May for a long, long time. What do you think is the essence of the Theresa May approach? What is new and fresh about it?
DG: Well, the essence of it is a desire to serve. She is a classic public servant coming from her personal background -

AM: But everyone desires to serve.

DG: Well but that is – it’s innate, it’s not a job she’s doing, you know, she sees it as per role in life. And what – I mean the point she’s made in her first few weeks as Prime Minister about trying to help those who are just about managing is squarely addressing that issue of how do we recapture the ground for liberal capitalism.

AM: She talked about families who are struggling, towards the bottom of the heap rather than towards the top of the heap as being her big priority, which is why I’m very interested to talk to you about welfare and what’s happening in welfare. Can I ask you first of all about all of those disabled people, people in the working group who are going to lose £30 a week under current plans. Are you comfortable about that?

DG: Well, our whole system of welfare reform is precisely designed to help people get into work and the balance you have to strike between benefits and help is always a sensitive one, clearly. But absolutely what we’re about is helping people who are struggling and I think one of the things I most want to achieve is helping people who are struggling and I think one of the things I most want to achieve is have a modernised welfare state where we try and help people get a job, get some work, not just because it’s the best route out of poverty but it’s the best route to personal dignity, greater self esteem and so on that leaving people on benefits are not helping them. It’s an old fashioned way that doesn’t help them.

AM: I’d like, if I may, to pick through some of this, but before I do can I ask are you continuity Iain Duncan Smith? Is there any
change of tone or policy with the new man in charge of the department at all?

DG: Well clearly every politician will have their own tone and use their own language.

AM: So how do you characterise the difference?

DG: Well, the difference will be that I’m different from Iain, I will use different language.

AM: How?

DG: But I suspect we both share – I know we both share – the desire for increasing social justice by which we mean – and this I think is the change that we need to get that you don’t just measure it by the benefits bill if you like, you measure it by the help you’re giving those individuals.

AM: And the help you’re taking away, because that £30 taken away from disabled people you hope will get into work but aren’t in work yet is a lot of money for a lot of people. It’s the end of the para-Olympics now, Britain’s done very well but our great Para-Olympian Tanni Grey Thompson called this ‘brutal and inhumane.’ Words to that effect.

DG: What we’re doing is changing the system so that the main benefit will become Universal Credit and that’s specifically designed for the first time –

AM: But you’re taking away a lot of money from these people.

DG: Specially designed for the first time to make sure that work always pays. Now there are various other benefits of course that specifically are for disabled people, but the central thrust of
making work always pay absolutely is what we must need to have in a successful welfare state.

AM: I mean the reason I’m asking about this is that under Iain Duncan Smith those were the toughest austerity years and a lot of disabled people felt that they were targeted rather unfairly during that period and I’m interested, now that we’re told that austerity is going to unwind a little bit whether any of that is going to change or it’s just more of the same.

DG: Well no. The commitment that the Prime Minister has made since she took office has been that obviously we will meet the previous commitments we’ve made, but there will be no new search for cuts in individual welfare benefits.

AM: That’s the end of the cuts?

DG: You’re right that the period of austerity meant that tough decisions had to be taken across the board, not just in the welfare system.

AM: But you’re not going to be going back to any groups and saying -

DG: I’m not looking for – there are things that have been announced that haven’t yet been introduced, but people know that they’re coming.

AM: I want to come onto that, yes, absolutely.

DG: But no, no new –

AM: Can I ask you particularly about the system of assessment for disabled people going into work, because this has been hugely controversial and you know there have been some highly
controversial but tragic-sounding cases – a diabetic man whose electricity was cut off, couldn’t get his insulin and who died. Somebody who allegedly killed themselves when they were reassessed away from the benefit and so on, and there’s a new case right now about somebody who was suffering from terrible illnesses and has been in terrible trouble as well. You know these cases. They must be on your desk. You’ve been there over the summer. When you look at them are you completely satisfied yourself the government has done this right in the past? Do you want to look again at any of these cases and think again about the way that disabled people are assessed for work?

DG: Well obviously there are individual cases where it looks as though the system is not working and we look at all those individual cases very, very hard. I think you need a system of assessment and it’s a case of continuous improvement. And of course we’re always seeking to do that. Nobody wants an inhumane system.

AM: I don’t want to go through lots and lots of cases, but Phil Spanswick was somebody who was born with the terrible deformities produced by Thalidomide and he has had £30 a week taken away from him and feels very, very angry and upset about that. These specific cases, can I ask, are you going to look again at the way people have been assessed generally to see if it has been as fair and humane as – I know you’re a sort of centre ground, one nation Tory - you would like it to be?

DG: Yeah and I’m permanently looking at all these systems and of course there are tens of thousands of assessments going on all the time. There will, I dare say, be individual cases that are wrong and as they’re brought to the attention of ministers we look at them.

AM: Are you going to review those cases?
DG: Well, we're permanently looking at them.

AM: Right, okay.

DG: But I think the thrust – there are some people who argue sort of you should just pay out the benefits and not test people. I don’t agree with that.

AM: Now you mentioned just now some cuts that are still to come and I’m thinking in particular I guess about the cuts coming in April to Universal Credit people. And they are going to lose £42 a week on average. Three million working families. Those are the same families the Prime Minister was talking about when she talked about glaring social injustice. The same people are going to lose £42 a week come this April. That’s a lot of money. The Resolution Foundation, which is on your side in politics generally said: “with most independent economic forecasts find higher inflation and lower real wage growth in the coming years implementing these cuts risks deepening the squeeze on living standards facing low and middle income families.” That is not the new Conservatism, is it?

DG: The Resolution Foundation the last time I looked was run by Torsten Bell who was Ed Miliband’s chief of staff, so I’m not – I wouldn’t describe them as a -

AM: They’ve been quite supportive of some of the things the government’s done.

DG: Absolutely, and there is an element of consensus around these areas, but as I say that cut which has already been announced is part of a programme that we need to go through to make sure that we keep our public finances under control and we are rolling out Universal Credit in a way that already shows that
people are much more likely to get work if they’re on Universal Credit than the previous benefits and much more likely to stay in work once they’ve got work. So actually it is the sort of compassionate Conservative policy I’m very happy to introduce.

AM: Iain Duncan Smith, when he was sitting in that very chair, said to me that this, our very sharp and narrow attack on people’s working age living standards - people at the bottom of the heap - compared to what was being done for pensioners risks destroying inter-generational fairness. He was very worried that you’re doing too much for pensioners because they vote for you and not enough for people on benefits because by and large they don’t.

DG: Yeah, and I absolutely accept that we need to look over time at the area of inter-generational fairness. But I do think we should step back from this view that we’re being too generous to pensioners, because all these things are very long term and if you look over the long term pensioner poverty in the 1980s was 40% of pensioners. It’s now down to 14%. That’s an enormous, beneficial social revolution.

AM: Final question, if I may. You knew Theresa May way back in the day when she was at university. Was he always going to be a Prime Minister?

DG: She always had the capacity to do and I think she always wanted to be Prime Minister and now we know why. She has the capacity to be Prime Minister. She has shown with the tremendous start she’s made as Prime Minister that the Conservative Party made the right choice.

AM: Did she tell you that, did she ever say to your I’d like to get the top job?
DG: She never, no she never said it to me. It is said that she said it to others, including my wife. So it was reasonably well attested that Theresa was ambitious, but unlike many others - and this is absolutely central to Theresa - if she thinks something is worth doing she will go after it and by and large she will get it. That’s why she will be an extremely good prime minister.

ENDS