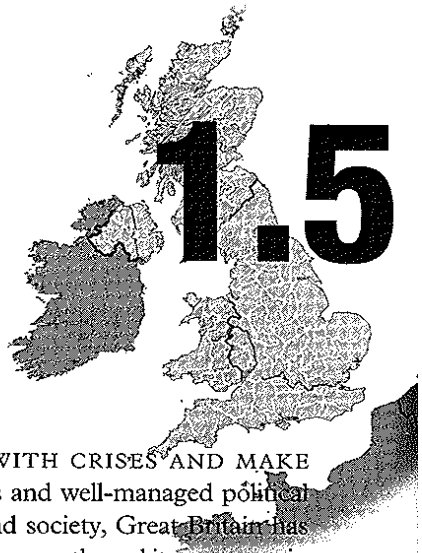
1.5 What Is the Future of British Politics?



EVERY GOVERNMENT MUST CONSTANTLY DEAL WITH CRISES AND MAKE difficult decisions—even those with the most prosperous and well-managed political systems. Despite significant improvements in its economy and society, Great Britain has been neither the most prosperous nor the best-managed nation on earth, and it must sustain itself in the face of a significant number of challenges to its political and economic systems. Many of these challenges arise from the international economic and political environment within which Great Britain operates. Globalization and Europeanization continue to alter that environment and lessen the capacity of governments to control their economies. Some of the challenges also arise from the changing character of the political system itself, because constitutional reform alters many traditional ways of doing things in government.

This chapter examines the variety of challenges that continue to confront the government of the United Kingdom. Some are economic and social, and some are more clearly in the public sector itself, but all will require effective responses from British government.

The Economy

Although the economy had proved a serious problem for both Conservative and Labour governments throughout much of the postwar period, the British economy outperformed those of most of its European neighbors during the early years of the twenty-first century. Britain's annual growth rate, which had averaged 2.5 percent from 1985 to 1995, grew from 3.3 percent in 1997 to 3.9 percent in 2000—compared to an annual average of 2.7 percent among the euro area countries during the same five-year period.[1] Just as previous governments had taken the blame for poor economic performance, Labour under Tony Blair sought to take credit for the improved economy on its watch. In particular, by adopting some aspects of Thatcherite economic policy (such as deregulation, privatization, and somewhat lower tax rates) and adding some features of its own (such as granting greater autonomy to the Bank of England to set monetary policy), the Labour Party indeed helped orchestrate a short period of rapid growth. Fortuna then intervened to conspire against Labour's record. Annual economic growth began a slow decline during the early years of the decade—and abruptly plummeted to 0.6 percent with the onset of the international economic and financial crisis in 2008. By the next year the growth rate had fallen still further to an abysmal -4.7 percent.[2] By March 2010 the nation's budget deficit reached a peacetime high of 11 percent of GDP.[3] This negative trajectory severely eroded the authority of the newly appointed prime minister, Gordon Brown, and contributed in no small measure to Labour's debilitating electoral defeat in May 2010.

In one of its first major policy initiatives, the Conservative–Liberal Democratic coalition government unveiled an emergency budget in June 2010 that combined draconian budget cuts—up to 25 percent in many departments—with an increase in the national value-added tax (VAT) from 17.5 percent to 20 percent. The budget plan also called for a two-year wage freeze for most public sector employees, a three-year freeze on children's benefits paid to parents, and more stringent medical screenings for persons on disability. With this move, the coalition partners repudiated the previous Labour government's economic stimulus measures in favor of "a historic gamble: that austerity measures will help balance the government's books without pitching the country into a double-dip recession."[4] With economic recovery slow to develop and Britain's next general election (in 2015) on the horizon, it remains to be seen whether the Conservative–Liberal Democratic austerity policies will pay off at the polls.

Other issues present challenges—now and in the future. One is the problem of regional disparity in economic performance and standards of living. Northern Ireland, the north of England, and to some extent Scotland and Wales have not grown at the same rate as the south of the United Kingdom, especially the London area. In addition, economic globalization is creating a group of people in Britain and other industrialized nations who appear to be faced with permanent unemployment or underemployment. This situation creates a serious political problem for any contemporary government, and it has been exacerbated by the effects of the international financial–economic crisis that began in 2008. Furthermore, globalization is generating economic forces that widen income disparities within the population, and the life chances for anyone left behind in this economic transformation are less favorable than they would have been in times of expanding welfare state benefits.

The underlying uncertainty about the economic future of Great Britain has become even greater as a result of the accelerated movement toward greater economic (and political) integration within the European Union. The member nations of the EU now constitute more of a single economic area than ever before, despite difficulties inherent in the expansion of the community since 2004 to include ten postcommunist countries in central and eastern Europe plus Malta and Cyprus in the Mediterranean. Even more important, successive EU treaties—beginning with the Maastricht treaty of 1992 and culminating in the Treaty of Lisbon, which was implemented in December 2009—constitute the legal and institutional basis for further economic integration. Both Conservative and Labour governments have resisted relinquishing the British pound in favor of adopting the euro, which a majority of EU member states now use as a common currency. Yet greater international economic openness has placed British industries in direct competition with continental industries, many of which are considered more efficient. In the long run, then, the United Kingdom may not be able to avoid competitiveness problems posed by continental Europe, the rest of the world economy, and a usually strong British pound that makes British exports expensive. Continuing to be the "euro-skeptic" may not serve the long-term economic goals of Great Britain well, though it may satisfy the demands of short-term political expediency.

The Public Sector

The nature of the British public sector is linked with economic changes in Great Britain. Despite the efforts of the Thatcher and Major governments to reduce the size of government, public expenditures as a percentage of the gross national product (GNP)

were little reduced by the end of the more than eighteen years of Conservative government.[5] The amount of deficit public borrowing was finally under control, but Great Britain continued to spend a great deal of money through the public sector. Although the Labour government might have been expected to return to even higher levels of public expenditure, the opposite proved true; the public sector remained stable or even declined, with the exception of increased spending on the National Health Service (NHS). Likewise, the 1997–2010 Labour government did not try to return to the high levels of public ownership of industry that was a central policy of most previous Labour governments.

Privatization did, however, shift the terms of the debate on the size and nature of the public sector in British political life. The postwar consensus on the mixed economy welfare state has been broken, perhaps for good, and governments now have the capacity to make their own choices about the social and economic future of the nation. Yet such choices run the risk of accentuating economic divisions in the country and therefore raising the political stakes in any policy discussion. What may be happening, however, is that a new consensus is emerging across much of the population—a consensus that calls for a smaller and less intrusive public sector, even if that change leaves some portions of the population behind.

By the time Prime Minister John Major left office in 1997, there was relatively little industry left to privatize, but the nature of the state continues to change significantly. Instead of shedding activities to the market, Labour's reforms tended to impose market-type mechanisms within government. On the one hand, many of the industries that have been privatized require regulation because they are monopolies, so the British government has developed effective means of controlling rates and quality. On the other hand, the level of support for, and the quality of service provided by, the NHS continues to be a major political issue in Great Britain. Over a period of ten years, the Labour government was not able to return the NHS to its former state of respect by the population.[6] The coalition government has also faced difficult challenges wrestling with the NHS budget, trying to find "efficiency savings"—that is, cuts to administration and technology spending, while maintaining "frontline" services to patients. Under these conditions, it remains to be seen whether the NHS will be able to meet the needs of an aging population while facing increased budgetary constraints.[7]

Beyond putting pressure on the health service, the United Kingdom's aging population represents a major challenge to both the public sector and economy, especially given the commitments of the public sector to providing pensions and personal care for this segment of the population. Will there be enough workers to support the growing elderly population without large increases in taxes or significant reductions in the value of pensions? Because pensions in the United Kingdom are among the least generous in Europe, there are limited opportunities to reduce benefits, so the taxing and spending question is even more salient.

More broadly, the coalition government, in part to cut expenditures and reduce the size of the government debt and in part to pursue the Conservative Party's ideological commitment to smaller government, has implemented a strategy aimed at reducing the size of the civil service and quangos. Not surprisingly, the trade unions have fought the public sector cuts, organizing strikes and demonstrations throughout Britain. Given the pressures on the public budget and an ideological commitment to smaller government, the coalition government has not been deterred in pushing for reductions in the size of the civil service. How much success it will have and how much public support it will cost is unknown.

Who Rules Great Britain?

One of the major outcomes of successive long-serving Conservative and Labour governments has been a reassertion of the primacy of cabinet, if not always parliamentary, government in Great Britain. This may sound like an odd statement given that the existence of democracy has not been challenged in the United Kingdom in the same way that it has been in other countries, even in other European countries. In Great Britain, the central question during the period of Conservative and Labour rule was about the extent of influence exerted by trade unions and business interests in the policy process.

The power of the trade unions was broken during the Thatcher government. The miners attempted several times to exert their control over government policy with mixed results, and in the summer of 1989 the railway workers tried their hand. Somewhat later, the public sector unions challenged the capacity of the Thatcher government to rule when the government proposed reducing the size of the public sector and eliminating the recognition of unions at the Government Communications Headquarters, a major intelligence installation. In the end, the unions lost all these battles against a determined Conservative government. Later, "New Labour" moved to reduce the power of the unions within its ranks, and certainly the Labour government succeeded in being less beholden to the labor movement than were previous governments from that party.

The influence of business interests in policymaking has received a good deal of attention following the "cash for questions" scandals in the House of Lords. Although it has long been recognized that sitting parliamentarians may represent different interests, the closeness of these relationships causes some unease in the public and among media watchdogs. Additionally, various party funding scandals, from Labour's "cash for honors" scandal to Conservative's problems associated with Lord Ashcroft's (the major financier of the party's 2010 election campaign) nonresident tax status, have raised concerns about connections between the parties and large financial interests.

It is not the parties' ties to outside interests that has dampened public support for the Conservatives and Labour (and boosted the national parties and the smaller parties); rather, it is also concerns that the two main parties have converged too closely on the ideological middle. To win the 1997 election and retain control of parliament, New Labour migrated away from traditional leftist policies to the ideological center. Likewise, David Cameron's Conservatives shifted to the center on environmental and social issues for the 2010 election. Although some may see the parties' ideological convergence as a signal of agreement that could be reflected in more consensual politics, many in the "chattering classes" take the view that the public is actually being denied policy choices and alternatives. Additionally, the ideological gap may have somewhat narrowed between the main parties, but both the Conservatives and Labour still actively engage in what in the United Kingdom is called "Punch and Judy-style politics," with members taking political shots at each other, rather than focusing on substantive policy.

Who Rules in Government?

Usually in the United Kingdom there is no question about which party is generating policy and which parties are in opposition. At the center of the UK strong party system is the belief that parties put forward competing manifestos during election campaigns and that

through the electoral process the public selects which slate of policies the majority would like to see adopted. With a coalition government, however, this certainty of policy adoption is obscured. The Conservatives and Liberal Democrats negotiated a rather specific set of policies that they, together, would attempt to enact. Both parties had to compromise and both had to agree to not pursue certain parts of their manifesto promises. These bargains have led to significant and very public disagreements between the coalition partners. Further, as events develop over time and unforeseen circumstances arise, the strength of the initial agreements appears to wane. While advance negotiation could settle the issues known at the time, unexpected problems test the partners and raise questions about the final location of power within the government. As Britain draws closer to the next general election, it is likely that the cracks in the coalition agreement will only grow larger as the two parties seek to differentiate themselves and make a case to the electorate that it is their coalition partners who held back the UK economic recovery.

In addition to the questions about how effectively and efficiently the coalition government is able to respond to events in the context of a looming election, it would be helpful to know which institutions are most influential in policymaking. The problem here is also one of democratic governance. Voters in the United Kingdom go to the polls every few years and make choices about the party they wish to govern them for a period of five years (following the adoption of fixed-term parliaments). And Parliament, to which the members of that victorious party are elected (along with the opposition parties), nominally has the power to govern. Rather than the members of Parliament (MPs), however, the cabinet and the prime minister within the partisan institutions of government and the civil service within government as a whole have become more important in policymaking, and the voting choices of millions of citizens may be negated or ignored in the policymaking process. This sense of exclusion, whether justified or not, is a serious problem for all democratic political systems, because citizens may start to believe that their government institutions are no longer responsive to their wishes and are overly bureaucratic and technocratic rather than democratic.[8] In the 1980s the Conservative government addressed at least one component of the problem of democratic governance. Rightly or wrongly, that government did not consider many members of the civil service sufficiently committed to the party program to implement it faithfully. Therefore, the Conservatives, and perhaps especially Prime Minister Margaret Thatcher, sought to reduce the influence of the civil service over policy by using more personal policy advisers in government and ignoring advice from senior civil servants. Several structural reforms were also undertaken to make the civil service more managerial and less a source of policy advice. In short, the structure of government was changed, apparently permanently, to provide the party in power with even greater control over policy. Such changes may make the system more "democratic" but perhaps at the price of reducing the overall quality of policymaking by government. Once in office, the Blair government maintained, and even extended, the influence of partisan members of government over the civil service and over the noncareer officials now appointed as heads of executive agencies, and it institutionalized the role of special advisers to ministers. And it seems that the Conservative-led coalition has tried to continue this practice.

Another question about who rules in government is whether Great Britain is a cabinet government (or perhaps a parliamentary government) or whether it is becoming more a government dominated by the prime minister. This issue was raised about Thatcher, but it was at least as applicable to Tony Blair. The Blair government strengthened the policy

machinery in the Prime Minister's Office and, along with the party leaders who are very loyal to the prime minister, attempted to exert rather close control over what Labour MPs could say and do in their public life. Party discipline is a part of political life in a parliamentary regime, but under the coalition government it seems to be even more important. When there are significant disagreements between the coalition partners, such as over a referendum on EU membership, it seems that the parties have tried to exert as much influence as they can over their parliamentary party members to promote the party line.

It also could be argued that the most important problem for government in the United Kingdom is its ability to make and implement unpopular policies with little effective restraint, thereby reducing the legitimacy of government with the population. The clearest manifestation of this possibility was the poll tax debacle at the end of the Thatcher government. The continuing failures to increase funding for the NHS had much the same impact, as did some elements of Labour education and transportation policies. The adversarial and majoritarian nature of British politics enables the party in government to push through policies that ultimately will undermine government—raising yet more problems for a coalition government that has had difficulties responding to attacks in a unified way. This remains a conundrum for the coalition government.

Another institution with an unclear future is the House of Lords. In 1999 the Blair government abolished the right of all but ninety-two hereditary peers to sit in the House of Lords and established an appointments committee to grant peerages. Controversies remain, however, over further reforms. The Labour government did not deliver substantial House of Lords reform because Blair did not like the idea of an elected second chamber. It is true that an elected Lords would greatly complicate the legislative process in the United Kingdom, because the House of Commons is presently the only chamber that can claim a popular mandate for its actions. While Deputy Prime Minister Nick Clegg pushed for the adoption of Lords reforms, in 2012 significant splits in amongst the Conservatives led David Cameron to back away from his previous commitment to endorse modernizing the House of Lords. Not surprisingly, Cameron's change in direction only served to increase tensions between the coalition partners and effectively parked the issue of Lords reform for some time to come.

Finally, beyond the question of which institution within British government is dominant is the broader question of the role of the emerging EU government in Brussels.

Britain's claimants to the throne represent the kingdom's monarchical future. Pictured are two future kings: Prince William, standing (grandson of Queen Elizabeth II), who is the father of Prince George Louis of Cambridge (born on July 2, 2013), held in the arms of his mother, Catherine Elizabeth, Duchess of Cambridge.

The ideas of parliamentary sovereignty and cabinet government are being challenged from abroad just as they are at home. Many British politicians and citizens also consider some EU actions undemocratic and intrusive, but extricating themselves from Europe does not appear a desirable option for most officials. That said, according to most polls, had there been a referendum in 2005 in the United Kingdom on the proposed European constitution, it would almost certainly have failed as it did in France and the Netherlands.[9] While the Liberal Democrats continue to support strongly EU membership, the Conservatives, faced with pressures from the "euro-skeptic" political right, have pushed for a referendum on membership—but only following the next general UK election. It is likely then that this will remain a prominent item on the political agenda for some years to come.

Even if Britain were to vote to remain in the European Union, the nature of Britain's part in an ever-expanding Europe is likely to be different from that existing today. The United Kingdom must decide what to do about the monetary union with the rest of the European Union; remaining outside the euro area, while perhaps profitable in the short term, may have serious long-term economic consequences. As mentioned previously, although the settled policy of the coalition government is to keep Europe "at arms length," the Liberal Democrats have long favored closer ties to the European Union, creating ongoing disagreements between the coalition partners. In short, the coalition forged between the Conservatives and Liberal Democrats is a marriage of convenience, not one of ideological love.

Continued Devolution, Breakup, or What?

Will there continue to be a United Kingdom? Indications are strong that this question can be answered in the affirmative, at least for the time being, although devolutionary pressures certainly put the long-term situation in greater doubt. By the time of the referendums in September 1997, a large majority of Scots and a smaller proportion of Welsh voters favored devolution. The success of these two referendums resulted in new governments being established in Edinburgh and Cardiff and, especially for the Scottish government, a transfer of substantial powers to those new loci of governing. In September 2014 Scotland will again be going to the polls, this time to vote on whether to remain part of the United Kingdom or become an independent nation. Even if the Scots vote to remain in the United Kingdom it is likely that the Scottish independence referendum will only be the beginning of an extended process that will see more powers transferred to the Scottish government, possibly increasing tensions between Westminster and Holyrood in the future. The process of moving toward greater autonomy in Northern Ireland has been more complicated, but a devolved government has emerged in Belfast, and London and Dublin agreed about self-government in what remained a part of the United Kingdom.

In the nation as a whole, there appears to be relatively little interest in devolution or other substantial changes from the current constitutional arrangements. As for local government in England, the Conservative governments in the 1980s and into the 1990s centralized control over policy and local government finances. If anything, the Labour government that followed them extended and tightened that control and used its regulatory and inspection organizations to attempt to make the local authorities conform to the wishes of central government. One enduring question is whether the British government will find ways to accommodate these interests within a governing framework that is historically unitary and centralized. One option that has been explored is to allow regional assemblies in England modeled on the Welsh assembly and having only secondary legislative authority.[10] But this

proposal has not received support of any significance in the English regions (outside London). In a referendum held on November 4, 2004, voters in northeast England decisively rejected a proposed regional assembly by a vote of 696,519 to 197,310. Slightly less than half of the electorate turned out to vote.

Perhaps the only issue that has much real resonance in England as a whole is the "West Lothian Question"—that is, following devolution of Scottish domestic matters to the Scottish Parliament, whether Scottish MPs in Westminster should be barred from taking part in votes on legislation that affects only England, in the same way that English MPs no longer have a vote on most Scottish matters. This asymmetry strikes some observers as undesirable and unsustainable. The reduction in the number of Scottish MPs in Westminster after the 2005 elections temporarily relieved a bit of the tension surrounding the West Lothian Question, but it has not resolved the issue. Of course if Scotland votes for independence in 2014 that will resolve this issue, but short of that, no immediate solution is obvious.

British policymakers are much like other policymakers, although they have their own particular processes, problems, and potential. The conduct of contemporary democratic government requires the British government to balance traditional norms and procedures that legitimate decisions against the more modern techniques for analysis and control. Today's more technically sophisticated and professionally qualified officials are challenging the older institutions for control over policymaking. And the underlying social divisions in society refuse to be homogenized, despite the pressures of the mass media, industrialization, and urbanization. Whether in the United Kingdom or elsewhere, modern government is a balancing act between the new and the old—those things that unite and those that divide.

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NOTES

1. See Table A-2 in the Appendix and the CQ Press website for this volume.
2. That the British economy is more closely linked with the U.S. economy than with those of the other European countries also may contribute to this performance level.
3. "Britain's emergency budget. The meaning of austerity," *Economist,* June 24, 2010.
4. "Britain Unveils Emergency Budget," *New York Times,* June 22, 2010.
5. In fact, during the early years of the Thatcher government, public expenditures increased as a proportion of the GNP, in large part because the GNP was stable or declining.
6. For example, the quality of services provided to cancer patients has been found to be much lower than that provided in other European countries.
7. "David Cameron Accused of Breaking Pledge as NHS Spending Falls Again," *The Telegraph,* July 6, 2012; "NHS Is 'About to Run Out of Cash' Top Official Warns," *The Telegraph,* July 5, 2013.
8. Gerry Stoker, *Why Politics Matters: Making Democracy Work* (Basingstoke, UK: Palgrave Macmillan, 2006).
9. Alan Cowell, "Britain Suspends Referendum on European Constitution," *New York Times,* June 7, 2005.
10. The European "government of the regions" provides opportunities for regional governments and may make this change in England more desirable.