



Paper: Introduction to Comparative Government and Politics
Lesson: Britain: Constitutional Developments and Political Economy
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Britain: Constitutional Developments and Political Economy

Introduction:

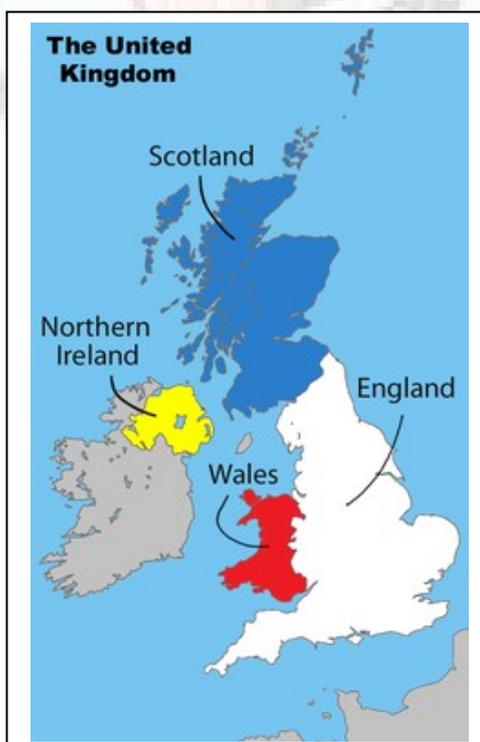
To study politics in a comparative manner, we pick up various political units and look at some specific aspects of their political organization. This unit is a part of a comparative framework of four countries, namely, Britain, Brazil, Nigeria and China. Britain is an early developer of liberal democracy with a very long history of constitutional development. In this unit we discuss various political aspects of Britain's constitutional development and its political economy.

The subject matter of this unit is limited exclusively to Britain, though we will bring small comparative points here and there. Britain has attracted the interest of students of comparative politics for a long time, due to its long history of stable constitutional governance. It also presents an evolutionary developmental model of the modern liberal-democratic constitutional state-form, in contrast to many other Western, European and non-European countries, which saw bloody revolutions of varied intensities.

Let us begin our study of political dimensions of Britain by making some factual points clear.

COMPOSITION OF BRITAIN

The term Britain is a commonly used shorthand for the United Kingdom of Great Britain and Northern Ireland. It is also often called the United Kingdom. The United Kingdom (UK) is situated off the north-western coast of continental Europe. It is an independent nation-state composed of several islands, namely, England, Scotland, Wales and Northern Ireland. The capital city of UK is London and English is the most commonly spoken language, though some other regional languages such as Welsh and Gaelic are spoken too. The expanse of the country is about 94,000 square miles – a small geographic presence – if we compare it with countries like China and Brazil.



A map of the United Kingdom, source: en.wikipedia.org

Political Framework of the United Kingdom:

- The United Kingdom is one of the oldest constitutional governments. It has an uncodified constitution – one which is partly written and partly unwritten – and is spread out in several written sources and some unwritten sources, like conventions and customs.
- Britain is a unitary state, meaning that the most important powers are concentrated in the national government and that the sub-national or local governments are relatively weak. This phenomenon, however, has changed to some extent after the creation of Scottish, Welsh and Northern Irish regional assemblies in recent times.
- Since 2010 and till now, the United Kingdom is governed by a coalition of the Conservative Party and the Liberal Democratic Party led by Conservative leader David Cameron as Prime Minister.
- The United Kingdom is a constitutional monarchy with the Queen as the hereditary head of the state. A constitutional monarchy is one where the King or the Queen is a titular head and the real power of the executive is exercised by a popularly elected government, in accordance with the constitutional norms.
- Parliamentary sovereignty, or the parliament's power to make or overturn any law, has been a core principle of the British constitutional system.
- The United Kingdom is a member of the European Union (EU), which is a trans-national economic and political organization of 28 European countries.
- As per the UK census of 2011, the total population of the United Kingdom is 63,181,775, which is a meagre 0.88% of the total world population.

Value addition: Britain's Quality of Life Index

In a recent study by the Harvard Business School, known as the Social Progress Index – taking into account factors like health, education, housing, crime, freedom of press, access to water etc. – Britain secured an overall 13th rank out of 132 countries that were surveyed. While it ranked high in crucial factors such as education (1st), personal rights, free speech and enrolment in school, its overall rank went down due to a low ranking in the health index (37th), mostly due to the fact that a quarter of its population is obese.



Map: United Kingdom's location in Europe, source: en.wikipedia.org

We would now proceed to look at various historical developments which proved to be critical junctures for the constitutional developments in the United Kingdom. History is an important tool to understand the contemporary politics of any country. This is even more so in the case of the Britain, as the British constitution, the instrument which sets the framework of contemporary politics, unlike constitutions of India, United States of America and most other countries in the world, is not created at a specific historical moment, but has evolved through centuries. Unlike most other constitutions in the world, the British constitution is not about completely replacing an older form of government with a new one. Rather, it is about making continuous changes in the existing arrangements, through centuries

Constitutional developments

As the British constitution is not codified, its growth is linked to the development of political institutions in Britain from time to time. We attempt to trace these developments from a very early time, when the native people known as the Celts living in the isles of Britain were invaded and attacked by their continental neighbours. In 55 BC, the Romans invaded, and the Celts, who were the original inhabitants, were pushed to west and north of England. The Celts are thus the ancestors of the Irish, Welsh and Scottish people of present times. England, on the other hand, developed a different political, economic and social set-up. The Romans, however, left by the beginning of the 5th Century, and the isle of England again saw waves of invasions by various Germanic tribes such as Angles and Saxons.

Value addition: Useful to know

The term 'Germanic tribes' refers to an ethno-linguistic group of people with a Northern European origin. They are identified by their use of the Germanic languages. The terminology of 'Germanic tribe' was first used in classical times (8th-7th century BC to 5th century AD), when the Roman authors referred to these people as Germanic.

The Pope in Rome sent a mission in 597 AD, which established Christianity in England. For a couple of centuries after that, Britain saw invasions by seaborne Scandinavian pirates, commonly known as Viking raids. The year 1066 saw the last successful invasion of Britain by the Duke of Normandy, William, in the battle of Hastings.

During the Norman period itself, in the year 1100 AD, a **Charter of Liberties** was granted by the King. This Charter tried to minimise abuse of royal power and outlined some guidelines for the king about how to treat church officials and nobles. This Charter was the first attempt in the history of these isles, to bind the actions of a ruler by some rules, and thus could be seen as the first step towards constitutional government.

While royal power consolidated initially during the Norman period, the dominance of King John (1199-1216) led to emerging discontent of the feudal barons, and in 1215, they forced the king to give various concessions to the feudal landowners. This document charting out the restrictions on royal power to safeguard the interests of the barons is known as the **Magna Carta** (meaning the Great Charter) of 1215. The Magna Carta required the king to consult the aristocrats before levying any tax. It also put limitations on arbitrary arrests and seizure of property of the subjects.

The term Parliament came into existence when in 1236, it was officially used to refer to the gathering of feudal barons, which were called by the king to consult and gain consent on imposition of new taxes. The parliament thus convened was not elected and was an

aristocratic body of feudal lords. It, however, lent to the monarch the required legitimacy of rule.

Value Addition: the Magna Carta

The Magna Carta or the Great Charter of the Liberties of England, was accepted by King John, at Runnymede on the bank of the Thames river, near Windsor, England, on 15 June 1215. It was a document imposed by the feudal barons upon the King, to protect their own liberties by limiting the king's powers. This charter is seen as a very important step towards constitutional government. The charter required the king to accept that no 'freeman' (i.e. someone who is not a serf) could be punished except through the law of the land. It also said that the king can levy taxes only if it is consented to by the Great Council of barons or the parliament. Through this charter, royal interference upon the church was also attempted to be reduced.

The relation between the parliament and the monarch, however, remained conflicted, and by 1642, it boiled down to a civil war between the monarchists and the parliamentarians, known as the **English Civil War** (1642-1651). For a brief period (1649-1660) during and after the Civil War, under the leadership of Parliamentarian Oliver Cromwell, the parliament reigned supreme, but soon afterwards, the monarchy was restored. The first king after the restoration, King Charles II accepted several compromises to his power, but King James II, who ascended the throne after Charles II, had antagonised the parliament once more, leading to the nearly bloodless political revolution of 1688, widely known as the **Glorious Revolution**. The Glorious Revolution overthrew James II, and redefined the powers of the monarch vis-à-vis the parliament.

After the Glorious revolution, during the rule of the Hanover dynasty, the Parliament passed a **Bill of Rights**, which proclaimed legislative supremacy of the parliament, and drew the limits within which the monarch can exercise his or her power. Since then, the Parliament, which is one of the continuous authors of the British constitution through its laws and enactments, has been guiding the role of the monarch, practicing a constitutional monarchy with the Queen-in-Parliament as the sole holder of sovereignty. The terminology of Queen-in-Parliament is a formal way of referring to the parliament.

The unification of Scotland and Wales also happened meanwhile, through conquest. Wales was unified between 1536 and 1542 and Scotland was brought under control in 1707, thus creating the entity of Great Britain. The unification of Northern Ireland was a process of steady subjugation, which became a part of the Kingdom by late 18th century, completing the formation of the United Kingdom.

The British constitution, however, continued to develop and the process goes on till date, with newer legislations coming up in the context of changing political environment. One major influence has been the formation of the European Union and Britain's membership in it.

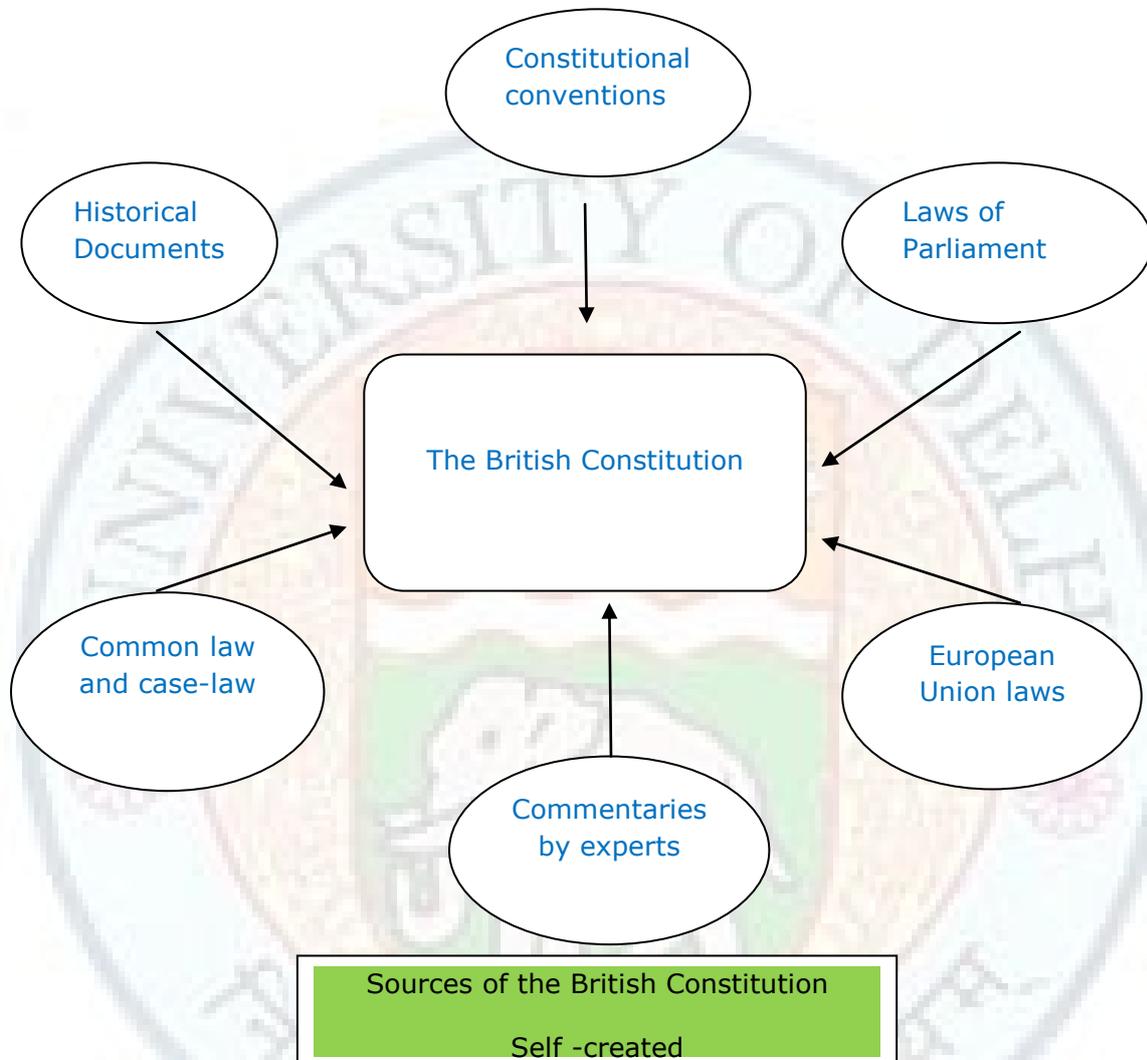
While discussing the constitutional developments of the British constitution, pointing out some of the major sources of this uncodified and constantly evolving constitution would be helpful.

Sources of the British constitution

When we talk of sources of the British constitution, we think about the various parts of the constitution, and where do they come from. Doing this exercise allows us to see how the British constitution is an amalgamation of several types of constitutive resources. We

have already seen the evolutionary nature of the constitution. This is affected by the fact that a lot of sources of the British constitution are not fixed documents, but are variable voices of people living in varied time-periods.

Let us now have a look at the following diagram:



The diagram represents some major sources of the constitution of the United Kingdom. In the first place we can think of various **documents** that express important constitutional principles. We can name here the Magna Carta of 1215, the Bill of Rights of 1689, and the Act of Settlement of 1701. Apart from these written documents of the past, various unwritten rules and customs are generally accepted and observed in the British political system. These **conventions** thus provide some guidelines for constitutional practices. For example, it is a convention that the Prime Minister of Britain has to be from the House of Commons, which is accepted and practiced throughout the years.

Then there come some crucial **laws or statutes** made by the Parliament, which have implications for the constitutional structure. These could be, for example, laws about the relation between various organs of the government, or about the rights of the citizens. Apart from these laws, there are some judicial decisions based on claims of people from very old times. For example, there is a claim to free speech from a very old time. When the judges take that claim and implement that in practice as a claim, then it becomes a **common law** source of the constitution. The judges contribute to the constitution in one

more way. Some judgements interpret the vague points of some important statutes. They may also define the scope and limitation of some charters and statutes, having an influence on the constitutional practice. These are known as **case-laws** which serve as another important source to the British constitution.

Further, the **interpretations** of the British constitution by some eminent experts, like Bagehot's *The English Constitution* (1867), or A.V. Dicey's *The Law of the Constitution*, have been so influential, that they are seen as a part of the constitution itself.

Value addition: Let us differentiate

Conventions are unwritten practices and customs which have been received as valid parts of the British constitution, through their acceptance and use for centuries.

Laws or statutes are acts of parliament which are formally passed and are written in nature.

Common law is a judicial validation and implementation of a claim that is held by people for a very long time.

Case law is a judicial interpretation of some vague points in statutes or charters.

A relatively newer source of the British constitution is the **laws of the European Union** (EU). Due to United Kingdom's membership of the EU, the laws of the EU take precedence over the domestic laws, if there arises a conflict. The EU laws are applicable in the British courts too. This phenomenon has influenced the British constitutional framework too, making some scholars to think if the British constitutional principle of 'parliamentary supremacy' is no longer relevant. The principle of 'parliamentary sovereignty' is about the British parliament's absolute and unlimited authority over law-making.

Value addition: the European Union (EU)

By the year 1993, the erstwhile European Steel and Coal Community (founded in 1951) and the European Economic Community (founded in 1958) grew larger in the number of member states and encompassed more or less the whole of Europe, facilitated by the fall of the USSR. Formally, the European Union was formed in November 1993, by the Maastricht treaty. The main architects of this treaty were the then Chancellor of Germany Helmut Kohl and the President of France Francois Mitterrand. At present the EU has 28 member countries, and 5 more are trying for its membership. The EU has developed a single market across the member states, to facilitate which all member states had to accept the applicability of EU laws uniformly. The EU facilitates free movement of people, goods, services and capital across Europe, and the member states maintain common policies on trade, agriculture, fisheries and regional development. The members agreed upon a monetary union too, and today, 18 of its member states use the euro (€) as their legal tender. Through foreign and security policies, the EU maintains external relations and maintains its permanent diplomatic missions throughout the world. It also has a representation in the United Nations and the World Trade Organization (WTO).

Thus we see that the British constitution is an evolutionary entity. It continues to evolve till this time. Many commentators suggest that the evolutionary nature of the British constitution has enabled Britain to continue with the same constitution for over three centuries.

Value addition: Do you know?

A very important concept related to constitutions is **constitutionalism**. In a basic sense, constitutionalism means following the rules and laws charted out in the constitution, by the government of that country. It is about holding the constitution as the supreme law of the land and every citizen, including those who are in power, requiring to adhere to it. In a deeper sense, the idea of constitutionalism guarantees effective checks on arbitrary use of power, and protects citizen's liberties.

The political organization of a society and its working is influenced to a great extent by its constitution, as a constitution contains the constitutive or fundamental rules of that society. The constitution defines who can make decisions, how and to what extent. It also delineates the powers and functions of the major institutions of state. The rights and liberties of the citizens are protected by a constitution, as it defines the powers and functions of those in power, thus restricting arbitrary interference or coercion. After studying the evolution of the British constitution, thus it makes sense to proceed a little further to see how the constitution has been put into practice, i.e., how the working of various political institutions of the society manifest the constitutional rules and norms.

Putting the British constitution into Practice

As a constitutional democracy, the British state is composed of the Monarch, the Parliament, the ministers and the cabinet headed by the Prime Minister and the civil servants, and the judiciary. The monarch is the head of the state, while the ministers headed by the Prime Minister and assisted by the civil servants form the executive. The Parliament with two houses, the House of Commons and the House of Lords, is the legislative organ. Within the constitutional framework of a 'parliamentary supremacy', the role of the judiciary, at least till now, has remained somewhat subdued in the United Kingdom.

Let us briefly discuss a few major political institutions which put the British constitution into effect:

I. The Parliament

The British Parliament dates back more than 700 years, and the British constitution in practice evolved with the parliament. It consists of two houses: the House of Commons whose members are elected through direct universal vote from single-member constituencies and the House of Lords consisting of hereditary and politically appointed members and religious leaders. In principle, the British parliament is a very powerful body, as we can gather from the constitutional principle of 'parliamentary sovereignty'. Parliamentary sovereignty is about the Parliament's absolute and unlimited authority to make any law. Any new draft legislation is introduced, discussed and passed or rejected in the Parliament and existing laws are amended or abolished by the Parliament. The Parliament also has the authority to check government policies and debate its performance.

In practice, however, the executive branch assumes a more important role. The Prime Minister and his or her cabinet can initiate any policy or legislation and get it approved in the house, as majority of the members of the upper House are from the ruling party and these members vote along party lines. The Upper House or the House of Lords no longer retain much power to reject a bill passed by the Lower House, and mainly plays the role of a second house to review and discuss the bills further.

In contemporary times, the role of the British parliament as the supreme law-making body has also been subsided by United Kingdom's membership in the European Union (EU). As a member of EU, the European Parliament's legislation prevails over any British legislation, even in matters related to affairs within the country.

Value Addition: The History of the Two Houses of the British Parliament

The House of Lords started historically as an advisory council to the British monarch, composed of feudal lords and barons. As trade increased by the 14th century, a new merchant class emerged, as the monarch Edward III had two groups of advisors, which came to be known as the lords and the commons. The chamber or house of the commons was composed mainly of merchants and lesser knights. With time, the House of Commons gradually became more and more powerful, and the monarch became less and less powerful. Between the two houses, the House of Commons came to be more powerful. At present, the House of Commons is a fully elected chamber, and its members are elected through direct universal vote from single member constituencies.

As time advanced, questions were also raised about the House of Lords, and about how some old, rich men who gain membership by birth became the representatives of the common British people? The 1958 Life Peerage Act enabled women, and also men from any background, to be life members of this House, based on their individual achievements. In 1999, an act was passed to reduce the number of hereditary peers in the House of Lords, and seats are no longer passed to the present hereditary member's descendants after their death. For more on the House of Lords and the House of Commons, see the video and the photo-stream with links below:

<http://www.parliament.uk/education/about-your-parliament/mps-lords-monarch/what-is-the-house-of-lords/>

<http://www.parliament.uk/education/about-your-parliament/mps-lords-monarch/mps-in-the-house-of-commons/>

Please see if this video and the photostream could be embedded in the web version of this unit. These resources have an open government license saying it can be used freely for public sector information.

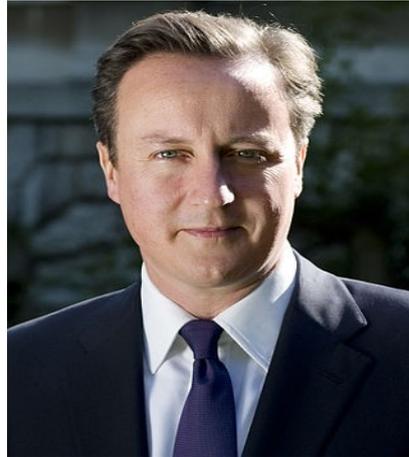
II. The Executive

The head of the British government is the **Prime Minister**. He leads the implementation of policies and laws with the help of his cabinet of senior ministers and other ministers. The British Prime Minister, however, unlike the American President, is not completely separated from the legislative organ of the state. Rather, it is a constitutional convention that the Prime Minister as well as all other ministers are members of the House of Commons, i.e., the lower house of the Parliament.

The leader of the political party or the coalition having maximum seats in the House of Commons is called upon by the monarch to form government. He or she is appointed as the Prime Minister. While Britain follows a policy of responsible government, which makes the executive answerable for their actions to the legislature, due to a convention of party-whips and voting in the House following party-lines, the Prime Minister can get their way quite smoothly. They can easily influence which laws will be passed and which policies will be adopted by the Parliament, by dint of the fact that the Prime Minister leads the majority in the lower House. The upper House of Lords no longer enjoys substantive powers to reject a bill passed by the lower House. Their powers are more in the nature of review.

The Prime Minister leads a **cabinet** which is a group of ministers who are appointed as heads of government departments by the monarch as selected and suggested by the Prime Minister. The size of the cabinet is generally about two dozen ministers. All cabinet ministers are required to be Members of Parliament (MPs). There have been occasions, when non-MPs were selected as cabinet members, and to fulfil the criterion of membership of Parliament, they were appointed to the upper House.

Value addition: David Cameron: the present Prime Minister of Britain



Picture source: www.wikipedia.org

David Cameron of the Conservative Party has been the Prime Minister of the United Kingdom since 11 May 2010. He leads a coalition government, the first since the Second World War, of the Conservative Party and the Liberal Democratic Party. An Oxford graduate, forty three year old Cameron occupied office in 2010 as the youngest Prime Minister of Great Britain in 198 years. He was preceded by Prime Minister Gordon Brown of the Labour Party.

The cabinet ministers have a lot of responsibilities related to policy formulation and, as S.E. Finer puts it, as the "supreme controlling and directing body of the entire executive branch" (quoted in Krieger 2010, p. 72).

While technically the Prime Minister is only the 'first among equals' in the cabinet, in practice, due to the powers of choosing cabinet members and setting agenda attached to the position, the Prime Minister becomes very powerful. The cabinet often becomes the loyal supporters of the Prime Ministers. The cabinet is held collectively responsible for the policy decisions of government, and all members are expected to act and speak in solidarity once a decision is taken, regardless of their personal differences in views.

The relative power of the Prime Minister and the cabinet also depends upon the personality of individual Prime Ministers. Prime Ministers, who have a strong ideological conviction and leadership qualities, often tend to centralize power in their own hands, by choosing a loyalist cabinet and marginalising or expelling detractors.

Margaret Thatcher, the Conservative leader who was the Prime Minister from 1979 to 1990, was one such Prime Minister. More recently, Tony Blair, the Labour Party Prime Minister from 1997 to 2007, exercised power in a way giving less and less room to the cabinet. He took decisions in smaller gatherings of a few key cabinet members, and the regular cabinet meetings were kept to very brief, dull and debate-less formalities.

III. The Judiciary

Until 30th of July, 2009, the United Kingdom did not have a constitutional court as the highest appeal court, and the House of Lords played that judicial role. Any review happened to be carried out in a complex way, where the Law Lords of the House of Lords used to hear final appeals in five-person benches.

Value addition: Who are the Law Lords?

Law Lords, or the Lords of Appeal in ordinary are judicial members of the House of Lords. They were appointed under the Appellate Jurisdiction Act 1876, for exercising judicial functions. They acted as the highest court of appeal in most domestic matters.

The establishment of a Supreme Court of the United Kingdom was one of the constitutional changes brought about by the Labour government led by Tony Blair. This court commenced from 1st October 2009. The Supreme Court of United Kingdom assumed jurisdiction over all civil law cases in the United Kingdom, and over all criminal cases in England, Wales and Northern Ireland, leaving out Scotland which has its own structure of judiciary for this purpose. At present, the twelve Law Lords officiate as justices in the 12-member Supreme Court, and they now cannot sit or vote in the House of Lords. But once their term in the Court is over, they can return to the House as full members. In future, however, new appointees would not be members of the House of Lords.

The British constitution is both put into practice through these institutions discussed above, as well as it continuously evolves through various parliamentary acts, judicial proceedings, and newer practices which become conventions.

Now, what is the political-economic context, within which this constitution is exercised? A legal instrument or an institutional structure influences the society in which they work, and in return, the societal and economic practices and norms influence the composition and nature of legal and institutional structures. In the next section we would deal with how the political and economic dimensions have interacted with each other in the United Kingdom, and how these interactions have uniquely shaped the contemporary British state.

Political Economy of United Kingdom

In the post World War II period, United Kingdom has gone through implementation of several economic and social models, depending at times upon which political party had been ruling the country. The nature of the economy too has seen ups and downs. Immediately after the Second World War, like most other countries which invested closely in the war, Britain's economy was under strain. To revamp the economy, a lot of state intervention and welfare policies were seen as necessary. But by early 1970s, the economy was still in shatters. It was plagued by low growth and high unemployment rates. During this time, Britain was often referred to as the 'sick man of Europe', as its economy performed very badly in comparison to the other European countries. Britain fared its performance, however, from the mid 1990s onwards, and it largely avoided the crises of high unemployment and recession which erupted in the United States in 2007 and affected many other European countries. Britain rather improved its position from a per-capita income ranking of fifth in 1997 to a second in 2006.

Overall the British economy shows a dual character. On the one hand, the service sector, specially the financial service sector shows a very competitive pattern. It stands tall in the knowledge-intensive high-technology sectors. On the other hand, it lags behind in the manufacturing sector. By early 2008, Britain too was affected by the recession, with low growth forecasts, and high rates of unemployment.

Politics and Economic Management

How did the British state deal with varying trends in the economy? Like most other states, it too did interfere in the economy, at times more forcefully and at other times less. While it did not have institutions for state economic planning or industrial policy

making, it has from time to time influenced the economy generally through revenue and expenditure adjustments. Let us briefly examine in the following, how the Post-War economic orientations of various British governments have been.

Post-war consensus and the Keynesian welfare state (1945-1979)

During the World War I, the interwar period and the World War II, the British state controlled the crucial industries, and actively managed the economy. It was a break from the laissez-faire traditions of the country. And after the wars, the sense of shared suffering together with a general understanding that the war-broken economy needs to be revamped, led to a consensus among the actors of all political ideologies. The consensus was about the responsibility of the British state to revamp the economy, by playing a more interventionist role.

The state policy that was adopted was that of **Keynesianism** or Keynesian demand management, as formulated by British economist John Maynard Keynes (1883-1946). It involved boosting up demand and subsequently consumption and investment by employing the tactic of deficit spending by the state. Deficit spending means spending a greater amount than generated through revenue collection. Keynesianism also involved reducing government spending and tightening credit and finance to reduce demand, when there arose a fear of inflation due to high growth rates. This was done in an attempt to maintain a steady growth rate, keep prices stable and gain favourable balance of payments and exchange rates.



http://upload.wikimedia.org/wikipedia/commons/6/66/John_Maynard_Keynes.jpg
accessed on 21 July 2014

Value addition: John Maynard Keynes (1883-1946)

John Maynard Keynes was a British economist, who revolutionised economic thinking in the 1930s, by overturning the claims of neoclassical political economists like JB Say, Adam Smith and David Ricardo. While the neoclassical economists held that free market would, both in the long run and the short run, automatically provide full employment given that workers remain flexible in their wage demands, Keynes, writing in the interwar period of widespread unemployment, argued that free market alone cannot regulate the boom and bust cycles of the economy. Keynes argued that the state must intervene, by using fiscal and monetary measures, to mitigate the adverse effects of recession and depression as well as excess demands leading to inflation. While the state should play the role of investor by deficit financing and thus employing the unemployed, so that demands don't fall leading to a recession, at times of excess demand leading to inflation, the state should tighten credit and financing. After the outbreak of the Second World War and in the period following that, the Keynesian model of economics was adopted by almost all Western capitalist economies. Keynes's influence waned by the 1970s, however, due to weakening of Anglo-American economies, as well as under attack from free-market economists like Milton Friedman and Friedrich Hayek.

Apart from the Keynesian management of the economy, the state also nationalized key industries and directly controlled them; tried to reduce unemployment by following a policy of full employment; and attempted to maintain a basic standard of living by expanding social services.

Till the 1970s, even the Conservative leaders of Britain were more or less convinced with the collective consensus.

Despite these efforts, however, the relation between the workers and the management was not very cordial, as workers were not given any voice in the management of private industry. The trouble occurred for the first time in the 1970s, and when the Labour government led Harold Wilson and then James Callaghan (1974-1979) could not maintain their cordial ties with the trade unions, the Keynesian practice finally began to end. During the winter of 1978-1979, known as the '**winter of discontent**', the trade unions went on strike angered by wage increases much below the inflation rates. The Labour Parties failure to maintain its traditional allies contributed to a great extent to the victory of the Conservative Party under Margaret Thatcher in May 1979, and the subsequent abandonment of Keynesian welfare state policies.

Thatcher-period and monetarism (1979-1990)

The Conservative government under Thatcher which came to power in 1979 rejected the Keynesian model, and pursued several economic policies as an alternative. Thatcher was influenced by the writings of libertarian philosopher Friedrich Hayek and monetarist Milton Friedman, and she highly valued free market economics. Her political-economic orientation was expressed in various steps that she took to deal with the British economy.

Value Addition: Libertarian Economic Thinkers

Milton Friedman (1912-2006) was an American economist and statistician. Friedman challenged what he called 'naïve Keynesian' theory, and was opposed to governments adopting a Keynesian approach. He developed an alternative macroeconomic policy in the 1960s, known as monetarism, which held that there is a 'natural' rate of unemployment, and if governments try to reduce this rate by increasing employment, then it may actually cause inflation to accelerate. He rather advocated a steady and small expansion of the money supply.

Friedrich Hayek (1899-1992) was the best-known advocate of the school of thought known as Austrian economics. He believed that the market is a spontaneous order in the sense of being evolved out of unplanned human actions, and argued that any state attempt to create a boom in the economy by artificially increasing money supply would ultimately lead to a bust. Hayek confronted Keynes, who was his contemporary, by saying that Keynesian policies meant for reducing unemployment would cause inflation. The central bank, he said, would have to increase money supply at a growing pace to keep the unemployment rates low, thus leading to more and more inflation.

By late twentieth century and in the twenty-first century, Hayek's and Friedman's views have come to be the dominant form of economics, sidelining the Keynesian welfare economics.

Firstly, she dealt with the trade unions in a stern manner, and the trade union strikes were not paid much heed. She introduced laws which made calling for strikes very difficult, and at the same time invested more on police equipping them with riot gear to deal with the protesters and strikers. Eventually the strikes collapsed and the trade union movement of Britain dwindled. Secondly, taxes were lowered and more specifically income tax was slashed down. Along with this, workers were encouraged to opt out of the state pension system, and finance their own post-retirement pensions. The next big thing was selling off of publicly owned companies. Many nationalised companies, such as British Telecom, British Gas, electric and water facilities etc. were sold off. Further, by reducing government subsidies, the government tried to make the basic services more competitive, so as to make them more efficient and self-supporting. In 1988, she introduced the '**New Steps**' programme, leading to state delivery-services, starting from sewage management, being contracted out to private companies or voluntary agencies. While this had reduced costs, it led to increased corruption.

Value addition: Interesting to know

Thatcherism is a term associated with the distinctive leadership style of Margaret Thatcher as well as her economic and political strategies. It also expresses the values held by Thatcher, such as individual responsibility, commitment to family, frugality and entrepreneurial spirit.



Margaret Thatcher, Photo source: [www.wikipedia .org](http://www.wikipedia.org)

During this period, the overall rate of growth of Britain had improved, but the gap between the rich and the poor increased. While the average income rose by 37 per cent, the composition of this rise was a 61 per cent rise for the top 10 per cent of the population and an 18 per cent fall for those at the bottom.

Value addition: Rolling Back of the State

The Thatcherian model of political-economy is often known as the 'rolling back of the state', or of the 'nanny state' as advocates of this move would often call it. Thatcher believed that state-intervention stifled individual initiative, and hence attempted to cut back welfare spending. She also refused to support ailing industries and to prevent unemployment by the state coming in. Many, however, argue that Thatcher did not really reduce the role of the state, but only used the state's machinery differently. She moved away from welfarist state-interventions to a model of pro-rich and pro-business interventions, leading to concentration of resources in the hands of a few and increasing inequalities.

The New Labour and Britain's Political Economy (1997-2010)

The Labour governments led by Tony Blair and Gordon Brown had brought in significant changes to the overall orientation of the Labour Party towards the economy. The New Labour offered a 'third way', which was different from both Thatcherism and the old-Labour consensus about a dominant role of the state in the economy. This new 'third way' was about the Labour Party rejecting any exclusive tie with the trade union movement and about accepting ties with business as being important too. This new approach highlighted that the citizens have a claim to assistance only if they took the responsibility of getting the required education and training. A high skilled labour force, it was argued, would maintain labour market flexibility and draw investments to Britain. A major focus was on reducing public debt.

Return of the Conservatives (2010 onwards)

David Cameron, the Conservative leader came to power in 2010 is seen as a towards-the-centre Conservative leader, due to his attempts to cater to various classes. His economic policies, however, have been in line with the Conservative and Thatcherite legacy of tax-cuts. While gearing up to a general election to be held in 2015, Cameron has been trying to develop his support base on the argument that a reduction in public spending together with a balanced budget will make Britain more 'responsible' as a society.

Implications of Economic Policies

Why do we study the attitude of various governments towards economic management? That is because the attitude of a government towards managing the economy gives us clues about the wider governing of the society, about its social or welfare policies. If government is primarily about making the lives of citizens safe and comfortable, then a

study of these aspects is an essential part of studying the politics of a government. Every economic policy or doctrine is based on a broader moral and cultural vision of a society, and thus studying these policies are crucial to understand their political consequences.

Conclusion

Britain or the United Kingdom of Great Britain and Northern Ireland has remained a staple in most courses on comparative politics. Often it is attributed to the fact that Britain has a very long history of constitutional development and a stable democratic system. It is seen as a model from which other late developers can learn. A study of the constitutional and political processes of Britain, it seems, however, is crucial for one more reason. This reason is related to the history of empires and colonialism. There was a time when this tiny country in Europe was ruling almost a quarter of the earth's total area. After the Second World War, gradually the process of decolonization started. But many newly independent countries took Britain as a model and tried to formulate their constitutional processes following the British constitution. A study of the British constitution and how it has been working in practice, and how the practice of various other countries compare with it, thus, have emerged to be interesting things to study.

Summary

The United Kingdom has an uncodified constitution which has evolved through several centuries and by taking from various sources. Some of these sources are, various constitutional conventions, laws of the parliament, common-law and case law sources, judicial interpretations, comments of eminent experts etc. The constitution provides United Kingdom with one of the most stable constitutional democracies in the world. The economic policies and programmes of this country over the years have reflected the world-views and political-cultural visions of its leaders. These policies have moved from a post-war consensus on state intervention in the economy starting from the inter-war period to be replaced by a conservative laissez-faire policy of the Thatcher government, and then to the 'third way' of the New Labour led by Tony Blair and Gordon Brown favouring a unique mix of free market policies with a measure of welfarism. The present Conservative government has been treading on a cautious free-market path, talking of cutting down public spending, while at the same time trying to hold on to diverse classes as its support base.

Glossary

Baron: a baron is a lowest ranked nobleman in the British nobility, which is composed of a few privileged social classes separated from the large masses.

Constitutional court: a constitutional court is a court of higher order, which deals primarily with constitutional law, and decides whether any law of the land comes into conflict with the basic constitutional norms and principles.

Direct universal vote: direct universal vote is a method of voting, where each and every adult citizen of a country, regardless of race, class, sex or educational qualifications etc. vote in the general elections to choose their representative of choice. It is universal in the sense that every adult citizen votes, and direct in the sense that people themselves vote for a person who would be elected, rather than voting a body of learned electors to elect the representative.

Interwar period: the period between the end of the First World War and the beginning of the Second World War, precisely, from 1918 to 1939. This period is also known as the interbellum.

Knight: historically, a knight is a person who is granted an honorary title of knighthood by the monarch, often in recognition of gallantry military service. In modern times, knighthood is a totally honorific title, often given to people who are not from military background.

Laissez-faire: it is basically an economic environment within which economic transactions taking place between two or more private parties are not interfered with by government legislations and restrictions, tariffs or subsidies. The state's role in the economy is required only to see that property rights are protected.

Monetarism: it is a macroeconomic school of economic thought which argues that the role of the government in the economy should be to control the amount of money in circulation, as variation in money-supply has crucial influence upon both the short-run (in the form of national output) and long-run (in the form of price level) health of the economy.

Party-whip: a party-whip is a member of parliament, appointed by each political party, to ensure that maximum number of MPs from his or her party vote, and vote in the way that their party wants.

Recession: a recession in economics means general slowdown in economic activity. Recessions generally occur when there is a widespread reduction in spending. It leads to unemployment and industrial decline.

Single-member constituency: a single-member constituency or a single-member district is an electoral district, which elects only one member from the whole district, to represent it in a body with multiple members, such as a legislature.

Exercises

1. Discuss the major milestones of British constitutional development. What are some of the important sources of this constitution?
2. Discuss the political economy of Britain from post Second World War period till date.
3. Write whether the following statements are true or false:
 - a) The United Kingdom has a codified constitution
 - b) The constitution of the United Kingdom has evolved through several centuries
 - c) The British monarch is a titular head of the state
 - d) The Prime Minister of Britain is not a member of the Parliament
4. Choose the correct answer for the following questions:
 - a) Which of the following is not a part of the United Kingdom
 - i) Scotland
 - ii) Wales
 - iii) Northern Ireland
 - iv) Ireland

the correct answer is option iv

JUSTIFICATION FOR THE ANSWER

Only a part of Ireland, that is Northern Ireland, is part of United Kingdom, while the Republic of Ireland is an independent nation-state.

b) A Common-law source of the constitution means

- i) A judicial decision based on claims of people from very old times**
- ii) A law that is commonly known to people**
- iii) A law made by the British parliament**
- iv) A law made by the monarch**

b) the correct answer is option i.

JUSTIFICATION FOR THE ANSWER

British monarch is a titular head and does not have any real powers to legislate laws. The laws enacted by the parliament are regular laws or statutes. Any recognized law can be commonly known to the people, but without recognition from the authority, knowing of any norm by the public would not have much value. A common-law is a claim of people which is recognized by the judiciary.

c) Prime Minister Thatcher was an advocate of

- i) Keynesian welfare state**
- ii) Free-market economy**
- iii) A liberal foreign policy**
- iv) Trade union rights**

the correct answer is option ii.

d)

JUSTIFICATION FOR THE ANSWER

Thatcher was influenced by ideas of philosophers like Hayek and Friedman who believed in a minimalist state with maximum freedom for the transactions of the market

e) The 'third way' is

- i) **Was practiced during the inter-war period**
 - ii) **Advocated by Margaret Thatcher**
 - iii) **Suggested by Milton Friedman**
 - iv) **A middle path between state-control and laissez-faire**
 - v)
-) the correct answer is option iv.

JUSTIFICATION FOR THE ANSWER

The interwar period was marked by a consensus about an interventionist state. Thatcher and Friedman, both were advocates of a minimalist state. The third way conciliates between these two extreme paths.

Keys to objective questions:

Question 3:

- a) **False**
- b) **True**
- c) **True**
- d) **False**

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