



**THE BRITISH GENERAL ELECTION OF 2010:
A MOMENT OF RECKONING FOR A TORN COUNTRY?**

By Andrew Glencross

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One of the most perceptive insights in the late Samuel Huntington's much-misunderstood essay *The Clash of Civilizations* was its discussion of "torn countries," those whose elites—as in Turkey today or early 1990s Mexico—face a stark choice between embracing or rejecting Western free-market liberal democracy. What Huntington seemingly took for granted was that the political civilization of the West was confident and stable in its own political identity. Amongst the traditional bastions of this shared civilization, nowhere is this less true than in the contemporary United Kingdom. The protracted affair that was the recent parliamentary election brought into relief how far this country, despite its traditional but misleading staid image, is torn between multiple identities that offer conflicting visions of Britain and its place in the world.

Yet, when certain tensions are acknowledged to lurk at the heart of the British political establishment, the Anglo-American instinct is to resort to Dean Acheson's barb that "Great Britain has lost an empire but not yet found a role." Fifty years on, this slogan obscures rather than clarifies the UK's predicament. Of course, Britain—bereft of an empire—is torn between political and economic attachments to the United States and Europe. However, this dilemma is fundamentally linked to a less noted split between proponents of U.S. financial capitalism and those more enamored with European social democracy. This, in turn, is associated with an ongoing cleavage between attempts to modernize Britain's political institutions—chiefly the voting system, the status of the upper house of Parliament and the ability of the House of Commons to hold the government to account—or else rely on the time-honored tradition of muddling through. A further complication arises from uncertainty over whether the United Kingdom is really one nation-state or else a multinational pseudo-federal entity—given that Wales, Scotland and Northern Ireland, but not the far more populous England, now have a distinct constitutional status.

Hence, the United Kingdom is beset by various struggles between multiple political identities that elites have found impossible to reconcile or overcome. This failure has left the British public politically disoriented. There is a risk of acutely polarized politics should the current coalition government collapse in acrimony. The New Labour project—the ruling party from 1997-2010, led by Tony Blair and his successor, Gordon Brown's—was a temporary but ultimately unstable resolution of Britain's political fractures. The hung parliament (a historically rare situation where no party has an absolute majority of seats to govern) voted in on May 6th marked the unraveling of New Labour. In this political void, the ability of British politics to reckon with its torn identity depends on two factors: the new coalition between David Cameron and Nick Clegg, the respective Conservative and Liberal-Democrat leaders and a stock-taking of the fault-lines the electoral success of Tony Blair masked, how New Labour policies helped exacerbate these, and the consequences for the current political establishment. Indeed, what seems to be at stake is nothing less than the future of the British party system and, alongside it, the ability to maintain a political union between increasingly restless constituent nations. Where once this would have been an insular problem—possibly welcomed across the Channel if not also the Atlantic—in today's interconnected world, Britain's political fate has important repercussions as a major player in the EU as well as an important strategic partner for the United States.

NEW LABOUR'S WINNING STRATEGY: ALLYING TRADITIONAL, PERIPHERAL, AND FINANCIAL CONSTITUENCIES

A historically socialist party—closely affiliated to labor unions heavily present both in decaying industries and the public sector—the British Labour Party was transformed from within by Tony Blair. He masterminded a dramatic shift towards the political center that was made possible, or rather necessary, by four successive general election defeats (1979, 1983, 1987 and 1992) and the sudden death of John Smith, the more traditionalist party leader, in 1994. Emblematic of this shift was the repeal of a Marxist clause in the party constitution that advocated state ownership of the means of production and exchange. Above all, in the prelude to their 1997 landslide election victory, this transformative strategy relied on reassuring the markets that New Labour would pursue sound economic policy.

These reassurances were built on twin policy pillars: giving the Bank of England the freedom to set interest rates without government interference and refraining from increasing the tax burden on high earners or corporations. The result was supposed to be fiscal prudence whereby public deficits would only occur counter-cyclically and remain earmarked for productive capital investments. In addition, the regulation of the booming banking sector was devolved to an independent agency, the Financial Services Authority, in the first year of the new government. Tellingly, the bastion of Britain's commercial elite, the *Financial Times*, lent Blair its support in his three successful electoral campaigns.

Thus, the New Labour project connected the core urban public sector and industrial constituencies of the traditional labor movement with the rapidly developing financial services industry concentrated around London. In keeping with its historical ties beyond England, New Labour also concocted ambitious constitutional reforms that gave birth to an elected Assembly in Wales and a Parliament with limited sovereignty in Scotland. Creating these institutions was designed to shore up the party's vote in the British periphery, as well as to further marginalize the opposition Conservative party in those areas.

Keeping these three odd bedfellows happy required an unusual constellation of fiscal policies whose real cost only became apparent in light of the first run on a British bank in over a century and the global financial crisis that unfolded in 2008. The light regulation of finance helped create jobs in the South-East. The glut of cheap credit fuelled consumption but also sustained the house-price boom that further spurred private spending and encouraged debt—mimicking developments in America. At the same time, government spending—particularly on public sector wages and employment—increased dramatically. This largesse radiated across the United Kingdom so that today government spending represents nearly 60 percent of GDP in Scotland and an astonishing 70 percent in Wales and Northern Ireland. In little over a decade, British government spending has increased by more than 10 percent of GDP from just over 37 percent in 1997 to 48 percent in the current fiscal year. However, this increase has been financed by borrowing rather than taxation, since the latter has risen by only half a percent of GDP.

Overall, the decade of Tony Blair's premiership was a period of exuberant spending, public and private alike, characterized by London's successful attempt to outdo New York in real estate prices, skyscraper construction, and as a magnet for global immigration of skilled and unskilled laborers alike. Blair's political guru and now peer of the realm, Peter Mandelson, went on the record in 1998 to declare that the Labour party was "intensely relaxed about people getting filthy rich." This sat rather awkwardly with the sober, if not dour, reputation of the Labour party's core working class supporters, but these were pacified by promises of trickle-down wealth and increased spending on public services. Thirteen years on, the defeat of Gordon Brown reveals the shortcomings of this attempt to reconcile different core constituencies. More importantly, the failure to square this circle has significantly contributed to Britain's torn identity and thus its current precarious political alignments.

A DOOMED BALANCING ACT: THE "THIRD WAY" TO SOCIAL DEMOCRACY

Already in 1990, John Major, who unexpectedly emerged as Prime Minister following the Conservative party coup that ousted Margaret Thatcher, announced upon entering 10 Downing Street that he wanted Britain to be a genuinely classless society. New Labour had identical ambitions for overcoming the pernicious rigidities of British social stratification. To realize this, Tony Blair advocated a "third way" of achieving social-democratic goals—notably improved as well as more accessible educational opportunities and health services—while still not imposing redistributive taxation on income or assets. Over the past 13 years, this approach disproportionately benefited those associated with London's financial services industry as compared with Labour's traditional urban working class constituency.

The British capital captures neatly the contrasting fortunes of these two electoral constituencies as income inequality has reached a modern peak. Uniquely, a quarter of the London population (even taking into account its extraordinary housing costs) is in the UK's top income quintile while another quarter is in the bottom quintile. Indeed, the middle stratum, the aspiration for many of Labour's working class voters, is being squeezed out of the entire South-East region, the new heartland of the UK economy. This phenomenon is accompanied nationally by urban segregation based on income, with large shifts in wealthy households relocating to the outskirts of major cities. As with the flight to American suburbia, the principal reason for this trend is parents' desire to avoid their children being educated in the comprehensive public schools located in urban areas with diverse socio-economic populations. In this way, the new gulf of socio-economic inequality has rekindled deep-rooted anxieties about how privilege determines life chances in Britain.

The resulting campaign dynamics of the general election are indicative of the fragility of the New Labour electoral alliance, as well as the government coalition that has succeeded it. The third main party, the Liberal Democrats, ratcheted up the rhetoric of social-democratic change, including populist threats about introducing robust banking regulation, in an attempt to capture disaffected traditional Labour voters. As part of this gambit of political transformation, the Liberal Democrats also argued that Britain's creaking constitutional arrangements, especially the "winner takes all" voting procedure for members of parliament, stymies the public's desire for a more egalitarian society based on redistributive taxation. Gordon Brown countered by eliding the constitutional question, blaming rather the legacies of the Thatcher era for New Labour's poor record on social equality while also claiming that this sad contemporary reality was all the more reason for voters to give his party another electoral mandate for progressive change. Those who did best from the fat years of the global financial boom

fled to the Conservatives in fear of inevitable tax rises—foreshadowed by a new 50 percent rate on income tax introduced in Brown's last budget—to finance continued public spending. Yet, rejection of economic redistribution and support for conservative values was not enough to secure a majority in Westminster, resulting in an odd alliance between avowed social-democratic constitutional reformers and fiscal conservatives who defend the institutional status quo.

AWKWARD IN EUROPE BUT ALSO SKEPTICAL ABOUT THE SPECIAL RELATIONSHIP

Besides negotiating the cleavage over socio-economic policy and the associated constitutional quandaries it raises, the major parties have had to cope with two other unresolved challenges to Britain's political identity that festered during the New Labour years. The first of these regards the United Kingdom's ambivalence towards integration with the European continent and the repercussions this has for the supposed special relationship with the United States. Tony Blair was originally an ostensible social-democratic leaning Europhile within a party traditionally lukewarm about Europe, who embarked in 1998 on a pioneering venture for European foreign and security cooperation while also leaving open the possibility of holding a referendum to join the euro. However, the decision to join the U.S. coalition of the willing against Saddam Hussein soured the British relationship with the EU. Ironically, this came at a time when Blair's successful lobbying for Eastern enlargement actually insured the EU would remain preoccupied by market rather than political integration. Thereafter, New Labour's ambiguous relationship with the EU became most problematic for the entire political class as a result of prevaricating over the question of holding a referendum on the EU constitutional treaty.

After a failed attempt at an unpopular vote on joining the single currency, Tony Blair announced in 2004 that another vote would be held on the EU constitutional treaty. The government, pledged to support the campaign for a treaty it had helped design, intended to use this opportunity as a way of clarifying Britain's relationship with Europe once and for all by putting to rest disparate antagonisms towards the EU. Such a referendum never materialized as the EU constitutional treaty was already scuppered by voters in France and the Netherlands.

Nonetheless, the issue continues to simmer in British politics. The Lisbon Treaty of 2009 essentially retained all the institutional and legal innovations of the constitutional treaty, yet, was deemed by Gordon Brown, Blair's successor, not to merit a referendum. Then, after three successive election defeats, the Conservatives tried to capitalize on public discontent with the perceived negative implications of this new treaty for British sovereignty. Their pledge to hold a referendum on the Lisbon Treaty was thus designed to differentiate them from Labour and recapture votes from the United Kingdom Independence Party, a populist party radically hostile to the EU, capable of gaining 16 percent of the national vote in the 2009 European parliamentary elections. The referendum promise has subsequently backfired. The new Prime Minister, David Cameron, has declared that he will not hold a popular vote on a treaty already ratified by the House of Commons in 2008. This is a great relief to the European political establishment but has troubled the euroskeptic core of the Conservative party. British dithering over its relationship with Europe is now approaching a climax, since this is the issue where the coalition parties are most ideologically divided—as the Liberal Democrats are instinctively euro-positive.

A decade of awkward interaction with the EU also coincided with a novel period of scrutiny about the benefits from a supposed “special relationship” with the United States. Without the comforting narrative of a unique bond with the United States, Britain appears adrift and peripheral to both America and Europe. In particular, the costly contribution—in blood and treasure—to the NATO operation in Afghanistan is hotly contested at the grassroots level on both sides of the political spectrum. Before that, the virulence of the rhetoric against Blair's entanglement with the American-led ousting of Saddam Hussein demonstrated that anti-American impulses are not the preserve of continental Europe. Curiously, opposition to Britain's willingness to follow in the footsteps of the U.S. military has had no real impact on the current political elite. Despite voters elsewhere in Europe (notably Spain and Denmark but so far not France or Germany) sanctioning governments over their alignment with U.S. foreign policy, none of the three major parties pledged to withdraw UK troops from Afghanistan as quickly as possible. Nevertheless, there is reason to believe that the supposed special relationship is set for a more critical re-evaluation from the British end.

Voters' unease with the most arduous military campaign since the Korean war—is matched by growing hostility towards the cost of replacing the technology backing the UK nuclear deterrent. Anticipating a prolonged period of fiscal austerity, the questioning of deterrence is now coming from a wider swathe of the political spectrum who feel British security interests are best served by protecting funding for the conventional armed forces. In fact, those on the conservative right are even beginning to query the reality of a special Anglo-American bond that was originally, in its Churchillian formulation, between a mighty republic and a martial empire. From a British vantage point, this is now a highly asymmetric relationship where U.S. unilateralism—its hegemony within NATO and support for greater EU foreign policy coordination—make it hard to define what Britain's role in world politics can be.

ONE NATION OR MANY?

The second identity issue vexing the United Kingdom at both the popular and elite level relates to the silent collapse of unionism. Tony Blair delivered devolved policymaking powers to Wales, Scotland and (as part of the Good Friday peace agreement) Northern Ireland. In the case of the first two, this was a response to mounting frustration at 16 years of rule from

London by a Conservative government with little electoral presence in the peripheries. Yet, devolution has not satisfied the desire for regional autonomy, especially amongst the independence movement in Scotland. At the same time, a host of constitutional and fiscal issues raise the hackles of the English majority.

Since the creation of the Scottish Parliament in 1999, politics north of the border has diverged markedly from Westminster. Members of the Scottish parliament are elected by proportional representation not the traditional first past the post system. The Scottish Nationalist Party has benefited greatly. It now heads a minority administration—with the support of the Green Party—that has pursued a social welfare agenda supported by the Scottish-based Labour and Liberal Democratic parties. As a result, university tuition fees have been abolished and nursing care is provided for free for the elderly. In England, the government has passed on the cost of both to individuals. The Scottish Conservative party, the lone opponent to the public spending binge, remains fourth placed following the 2010 general election, meaning the biggest party in Westminster now boasts only one MP from Scotland amongst its 305 seats.

Hence, the new Westminster government's legitimacy is questioned by the nationalists in Scotland, where trimming the public deficit will have a disproportionate effect, given its bloated public sector. In the uncertain aftermath of the general election, the Scottish nationalists mooted a supposedly "progressive" alliance with the Labour Party and kindred nationalists in Wales to run the United Kingdom with a feeble Westminster majority. This very suggestion highlights the country's constitutional fracture, as it would have seen England ruled by a minority including parties not even represented in that country—all in the name of avoiding the Conservative-minded will of the majority of the British population. Consequently, the Scottish nationalist strategy is now to negotiate increased powers for the devolved parliament and initiate a Scottish referendum on independence.

Ironically, the premiership of Gordon Brown could be labeled a government lacking support from across the United Kingdom since it was Labour's large cohort of Scottish constituencies that provided the government's Westminster majority. Although the UK parliament no longer legislates over many areas of Scottish life, laws affecting England and Wales are passed by representatives from across the UK. Moreover, the two banks whose profligate loans resulted in the greatest liabilities during the 2008 financial crisis were Scottish ones, rescued eventually by a bailout from the UK taxpayer. Until the collapse of the global economy, the Scottish National Party was even attempting to outbid New Labour by calling for lighter financial regulation alongside ever greater public spending.

To the surprise of many commentators, the English electorate has not yet responded with a nationalist movement of its own. Opposition to the EU, as well as hostility to immigration, has resulted in the formation of the UK Independence Party and the British National Party respectively. Yet the hoary virtue of unionism can scarcely be found in the contemporary Conservative party. As with English acquiescence to both Brown's government and the bailout of Scottish banks, there is a residual, de facto unionism based on the habit of shared obligations, but this is no longer a passionate or well-articulated strand of British politics. In straightened economic times, the leadership of the Conservative party, recognizing that it is no longer a political force in Scotland, may find it difficult to resist the temptation of organizing as a specifically English party.

AN ELITE SEEKING TO AVOID HARD CHOICES

Since the fall of Margaret Thatcher, Britain's political elite has largely sought to avoid hard choices about the nature of socio-economic policy, domestic constitutional reform, and foreign affairs. New Labour was, in effect, an attempt to demonstrate that these tough decisions were not necessary. Voters have now rejected a continuation of this experiment while rendering an indecisive verdict overall. The latter is a clue that something is amiss but also that some important change—whose parameters remain undefined—is desired. A coalition government—based on moderating instincts and horse-trading between the centre left and the centre right—might well be a way to patch up a torn country. It certainly is not a solution that has been tried before in the modern era.

Nevertheless, as the tears in the fabric of Britain's political identity have deepened, the establishment's recent strategy of procrastination and prevarication inevitably becomes harder to maintain. Of particular concern here is the fact that, given its European and transatlantic ties, this island nation does not have the luxury of hiding behind isolationism or unilateralism. Its awkward relations with the EU means it is unable to push the case for Turkish membership, advocate an enhanced common foreign policy or mediate between divergent German and French proposals for financial regulation. At the same time, diffidence about the special relationship with the United States could further jeopardize NATO's resolve to meet twenty-first century challenges. The scenario of a dissolution of the United Kingdom is even more disturbing, as this would force the EU to deal with an even more euroskeptical England and would also blunt the military strength of a key EU foreign policy actor. In these circumstances, how Britain's coalition reckons with its torn identity—to the satisfaction of voters across its constituent peoples—is of crucial importance to the rest of the West.

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