United Kingdom report
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Executive Summary

The United Kingdom’s political system, widely known as the paradigmatic “Westminster model,” has traditionally been defined by a set of distinct characteristics: strong centralization, unitary state organization, single-party government, and a core executive that faces few if any hindrances to the implementation of its own political preferences. However, this model has been under pressure for some time, with a decade of developments challenging the ideal Westminster type both in terms of state organization and the stability of the two-party system. Today there is increasing tension between the model and the reality of the British political system.

In part, this has to do with the absence of formal constitutional provisions in key areas of governance, with the corollary that less formal institutions play an important role. For these to work well, there has to be sufficient trust in the goodwill and good intentions of those running the system. Unfortunately, one of the negative developments of the last two years has been the parliamentary expense-report scandals. The scandal did not uncover corruption per se, so much as the exposure of a cavalier attitude to public money among many politicians, and was significant more because it undermined trust than because it pointed to dysfunctionality in governance.

Several of the institutional reforms introduced by the Labour government after 1997 were designed to ease pressures that had been building in the political system for years. Devolution for Scotland and Wales was meant to enhance the degree of self-determination in areas that had been governed by a Conservative government in London despite their overwhelming support at the polls for the Labour Party. Reform of the House of Lords, however, never moved beyond the first step of ejecting the great majority of hereditary peers from the chamber. And reform of the voting system, which had been advocated by a commission chaired by Lord Jenkins, was never even properly considered for countrywide adoption, since the prospect of continuing to win comfortable absolute majorities in the House of Commons while attracting just 40% of the popular vote simply seemed too enticing for the Labour Party to give up.

Over the period under investigation in this report, reforms of the political system have had to take a back seat to attempts to deal with the acute financial and economic crisis that began unfolding in summer 2007. The UK’s centralized government structure seemingly
allowed for a swift reaction to fallout from the financial and economic crisis fallout. However, then-Prime Minister Gordon Brown’s adoption of a leading role in the G-20 coordination process – a role many saw as politically motivated, and a part of his own campaign for reelection – proved controversial. It is worth noting that the United Kingdom, with its large financial sector dominated by the City of London and disproportionate reliance on tax income from that sector, has been particularly hard hit by the crisis.

The budget deficit has increased rapidly, reaching double-digit figures as a share of GDP, and cutting it will be the main challenge for the British government over the expected lifetime of the current parliament. Given the perceived need for fiscal retrenchment, deep cuts have been announced in some categories of public spending and there may be some rollbacks of welfare state benefits, public higher education funding, and despite manifesto promises, even of the National Health Service. These areas saw more than a decade of continuous expansion of expenditure under the Labour government, and ending (and potentially reversing) that trend is likely to be politically highly contentious.

On most management index indicators, the UK still earns fair scores, although the absence of formal constitutional structures entails some shortcomings and insufficient safeguards, such as relatively undeveloped self-monitoring capacities. A robust broadcast media sector provides scrutiny of policies and enhances accountability. It is therefore especially important in assessing the UK to take account of implementation and practice as well as the governance framework.

**Strategic Outlook**

The outlook for the United Kingdom, both economically and politically, is today decidedly less favorable than was the same assessment several years ago. The fallout from the economic crisis of the last two years will have wide-ranging and enduring effect. Today the United Kingdom’s economy faces a fundamental challenge to a growth model that relied on the public sector, the consumer and the financial sector. This had been considered highly successful (and had been held up as an example to other countries) for the better part of the last decade. However, the focus on a highly sophisticated financial market structure ensured that the United Kingdom was strongly hit by the global financial market crisis.
Clearly, a major economic challenge is to ensure the sustainability of public finances after bearing the brunt of the response to the crisis. The emergency budget introduced on June 22, 2010, put forward a tough package aimed at a fiscal consolidation intended to eliminate the deficit by 2014. While such plans depend heavily on a sustained recovery of GDP growth, they are by no means implausible, and it is important to note that despite concerns articulated by many commentators, the squeeze on public spending and most of the proposed increase in taxes (notably the VAT increase from 17.5% to 20%) will not be implemented until 2011. Thus, the risk of an immediate derailing of the recovery due to a reduction in aggregate demand is overstated, although the government will have to be very cautious in 2011 – 2012 when the fiscal squeeze becomes more acute.

Inflation is, and is likely to remain, muted in contrast to the recessions of the early 1980s and early 1990s, when restoration of price stability had to be addressed alongside fiscal consolidation and the restoration of real economic growth. Monetary policy consequently has considerable scope to be loose and supportive of growth. Some rebalancing of the economy will be essential, including a reduction in the reliance on unsustainable growth in consumer indebtedness that characterized the run-up to the crisis. Already there are signs that the industrial sector is leading the way out of recession, helped by a competitive exchange rate.

Several leading banks, such as the Royal Bank of Scotland, had to be rescued and largely taken into government ownership, which was both very costly and ran counter to the paradigm of keeping the state out of business affairs as far as possible (although a clear expectation is that they will be returned to private ownership, possibly earning the government a profit). The focus on market liberalization as a cure to all economic ills is now being questioned in the United Kingdom, and the fiscal consequences of the economic crisis are likely to cause that chorus to become louder in the future. The new chancellor of the exchequer, George Osborne, has in the past pledged his support to initiatives for tighter international financial regulation. Whether he will follow that commitment, or whether now that he is in office he will rather want to prop up and protect the business of the City of London, remains to be seen.

With the first peacetime coalition government since the 1930s taking office in May 2010, the United Kingdom’s political system is also faced with new challenges and uncertainties. Bringing together the
Conservative and Liberal Democratic parties, Prime Minister David Cameron’s government combines two parties which were long seen as being positioned on opposite sides of the political spectrum. The coalition agreement of May 11, 2010, however, has shown a remarkable array of compromises, ranging from tax policy and banking reform to environmental policy and civil liberties. If implemented, these policy initiatives will bring about substantial changes compared with the outgoing Labour government. But in spite of the good personal chemistry between the new prime minister and his deputy, which was frequently on public display in the early days of the new coalition, it remains far from certain that their respective parties will follow them without dispute along the coalition’s chosen path.

The coalition represents a new departure in the political direction of government, obliging the coalition parties to concentrate on policies acceptable to both, and thus creating a pull toward the center. However, there are few signs of significant change in most managerial aspects of governance.

There are proposals for an alternative vote system, and changes to the House of Lords’ election procedures are also under scrutiny. The nature of the Westminster model is thus being revised, and might change considerably.

More broadly, governance is facing challenges from a sense of disenchantment with politics fuelled by the 2009 revelations about parliamentary expenses. Political parties are manifestly aware of the need to rebuild trust, but face an uphill task. Bank of England Governor Mervyn King has predicted that the party that won the May 2010 general election in the United Kingdom would have to take such drastic action in terms of cutting public spending that it would be out of power for a generation as a consequence. The Cameron government will probably do all it can to refute that prediction. Yet it also has a major opportunity to reshape and enhance the administration of public services, and by announcing its intention to abandon public service agreements between the Treasury and line ministries, has signaled a shift away from an approach relying heavily on targets.
Status Index

I. Status of democracy

Electoral process

The United Kingdom’s procedures for the registration of parties and candidates for general elections are fair and transparent, and there is no evidence of regulatory discrimination. Parties can easily and cheaply be registered, with only a few restrictions, mostly concerning party names (which must not be offensive, obscene or misleading). There are no restrictions on the content of party programs, but a deposit requirement exists. To register as a candidate, there is no need to belong to a registered party; candidates can also run as independents. There is a deposit requirement of £500, as well as a signature requirement (the nomination paper has to be signed by at least 10 voters); moreover, the candidate in question must not be in prison, must not have previously offended against the electoral law, must not hold military or government office, and must have no bankruptcy, insolvency or mental health problems. Hereditary peers entitled to a seat in the House of Lords were also not allowed to run for a seat in the lower chamber; the reform in the House of Lords has had the consequence that hereditary peers who no longer hold an upper house seat are now in principle entitled to run for the House of Commons, although no such case has yet transpired.

Because the great majority of parliamentary seats are usually “safe” in the sense of usually being won by a particular party, the parties which control these seats effectively choose the expected winner of the election. This is sometimes exploited by the party hierarchy to ensure that a preferred candidate is selected, and therefore elected.

Paid television advertising for elections is not allowed in the United Kingdom, but no such restriction exists for the printed press. A certain amount of free television advertising time is allocated to major parties; the amount of time and space depends on the number of candidates that are being put forward as well as past electoral support. The internal rules of television news broadcasters require programs to maintain a rough balance between parties, and television news coverage must consequently be judged as fairly balanced. Despite periodic grumbling by the parties about bias in coverage, most
commentators would accept that balance in the broadcast media is achieved. No such balancing requirement exists for the printed press, which consequently (though in varying degrees) is quite partisan in its outlook. It goes without saying that the major parties find it much easier to attract media attention than do smaller parties or independent candidates. In general, media coverage of political issues is extensive and rich, even if (especially in the popular press), a national obsession with “celebrity” often dominates the headlines. Political parties are not given free print advertising space, but each candidate is awarded free postage for a mail advertisement in their own electoral district.

To be entitled to vote, voters must be on the electoral register. This register is kept by local authorities, and is updated annually on the basis of a house-to-house canvassing process in which everybody is legally obliged to participate. The process is open to abuse in that the head of household simply sends a list of residents to the local canvass officer, and it is unusual for any subsequent checks to occur. Applications for postal votes (with cutoff points a few weeks ahead of elections) function in a similar way, and there have been occasional concerns and reports in the press about abuse of the system, with ballot papers falling into the wrong hands. In other words, the system relies on a high degree of trust rather than strict monitoring. It was reported in the press in the run-up to the May 2010 general election that the police were investigating 50 cases of electoral rolls being rigged (Daily Mail, May 4, 2010).

Restrictions to the right to vote in general elections apply in only three cases, namely those of criminal imprisonment, mental disability and membership in the House of Lords.

The funding of political parties is overseen by the Electoral Commission, an independent institution set up by Parliament. The Commission’s tasks include ensuring the transparency and integrity of election funding. Both public funding and contributions by party members are of minor importance compared to the amounts parties receive from institutional sponsors (trade unions in the case of the Labour Party, associations and businesses in the case of the Conservative Party) and individual donors. The Electoral Commission provides voters with information about donations, campaign spending and party finances; it also identifies inefficient controls, rejects impermissible donations and holds those who fail to comply with the law to account.

Over the period from 2008 to 2010, there were several high-profile cases focusing on the propriety of certain forms of party funding,
notably from rich individuals, some with non-domiciled tax status: A major donor to the Conservative Party (Lord Ashcroft) was highlighted in this regard, but some donors to Labour and the Liberal Democrats were also mentioned.

Access to information

Television channels in the United Kingdom, both in the public and private sector, are required by law to be politically neutral, while no such requirement exists for the print media. The BBC, the country’s leading public service broadcaster, is overseen by a board of governors and enjoys a large degree of political independence, although it has come under increasing scrutiny from party political interests (especially from the opposition) in recent years. This is to no small amount due to attempts to actively shape the media’s agenda through “spin.” After excessive use of this during the Blair government, attempts at indirect media control were reduced under Gordon Brown, in part in order to distance himself from his predecessor.

In practice, all governments engage in news management, but there is also a robust skepticism in the media about government and considerable freedom for journalists to dig into and exploit information. In the last two years, freedom of information requests (often resisted by the information owners) have been pivotal in exposing malpractice by politicians, especially in the context of the parliamentary expense-report and party funding scandals. There is some concern in the media about whether the strength of the libel laws inhibits investigative reporting, but also a societal disquiet over media intrusion into private affairs driven more by prurience than by true concern with the national interest.

A strong concentration with respect to press ownership has long been a feature of the UK’s media market, and remains so today. A few corporations control most of the large UK newspapers, with Rupert Murdoch and his News Corporation being the most famous and widely known example. Despite the presence of commercial pressures and ownership concentration, there is still quite a lively and diverse local press. The electronic media and television market is different in that it has three important free broadcast players (the BBC, ITV, and Channel 4) who are required by law to be politically neutral, as well as the subscription-based Sky channels in which News Corporation is dominant. While television can be considered fairly neutral politically, the oligopoly of media interests in the print market is to some degree an impediment to media pluralism.
Winning support from the Murdoch-owned media has been a coveted political prize in the past, and the impact of the competition for this has been most visible in the area of European integration, of which all the Murdoch papers are very skeptical. One-sided media coverage on this issue is the norm across much of the media, which is generally hostile to anything to do with “Brussels.” Growing levels of euroskepticism and public disinformation in this area have been evident.

The United Kingdom's Freedom of Information Act 2005 (FOI) was an attempt to open a notoriously secretive government bureaucracy to more public scrutiny. Generally this can be said to have been successful, although the limits on FOI have been criticized: No information will be divulged if openness will cause more harm to the public interest than good; if the cost of compliance exceeds an appropriate limit; or if the country’s security, economic or financial interests are at stake. Any denials of access to information must be explained and justified. Appeals to such a denial can be made to the Information Commissioner’s Office, upon whose orders action can be taken in court.

Recently, with the help of the inventor of the World Wide Web, Sir Tim Berners-Lee, the government embarked upon a new “open data” initiative, endeavoring to make all publicly collected data available to the public through the Internet. Besides this being an exercise in transparency, it is also hoped that this will spark new inventions by “unlocking innovation” (see http://data.gov.uk/ for details). Government departments and most public agencies are reasonably good at providing information on policy decisions, with speeches and relevant documents rapidly made available online.

**Civil rights**

A long tradition of protecting civil rights has worked in the United Kingdom without the support of a written constitution. The nature of the protection is thus substantially dependent on the commitment and support of the government of the day rather than on unalterable principles. Recently, UK citizens have won the right to seek recourse on the European level as well.

The absence of codified fundamental rights normally found in continental European constitutions also has to do with another feature special to the United Kingdom, namely the “sovereignty of Parliament” that rules out a special protected status for any class of rights.

Particularly in the context of the last few years’ fight against terrorism, the protection of civil rights has become a contentious political issue.
in the United Kingdom. There are occasional criticisms that stop and search powers under Section 44 of the 2000 Prevention of Terrorism Act have been abused by the security agencies, but also that other bodies have used powers derived from measures introduced to combat terrorism to justify low-level snooping on citizens – even in relation to parents who claim to be resident in an area to gain access to good schools. Data on such incidents suggest widespread misuse. For example, a local newspaper (the Wandsworth Guardian) reported in October 2009 that “laws introduced to help the fight against terrorism have been used nearly 300 times in four years by council chiefs to snoop on residents” of the London borough of Wandsworth. Similarly, the Daily Telegraph of November 1, 2008, reported that of the 151 councils that responded to a freedom of information request admitted using the Regulation of Investigatory Powers Act (RIPA) to crack down on “domestic waste, littering or fly-tipping offences” in the last three years.

Especially after the London attacks of July 2005, the government has put more emphasis on the protection and security of citizens than on their civil rights. The question of whether the “right to life” deserves preference over other human rights and liberties, as the government argues, remains contested by civil rights groups and the Liberal Democrat party.

Courts protect citizens’ liberties by and large effectively, however, and observers agree that they have become more assertive in countering the government’s otherwise unchecked extension of laws and police powers.

The 2008 – 2010 period also saw extensive debate over the introduction of identity cards, which would have contained a wide array of personal data.

Without a written constitution and the protection thus afforded, citizens of the United Kingdom have no fundamental rights in the sense that they enjoy special protection against the powers of the executive and Parliament. Citizens’ rights in the United Kingdom can thus be said to be residual and negative in nature: Citizens can do anything not expressly prohibited by law, but there are no positive rights they are able to assert against the government unless the government concedes them.

Since disputes about political liberties always arise over contested issues, this means that UK citizens have little recourse within the political system, especially when compared to continental European political systems. The Human Rights Act of 1998 (HRA) represented
an attempt to create a “higher law” to which all other laws must conform. It offers individual and minority rights, and empowers judges
to hold the executive to account and review acts of parliament. But its
effectiveness is constrained by the fact that the government can
temporarily annul the HRA if it considers this necessary for the benefit
of the country; and it remains contested.

The Labour government introduced a number of measures to combat
discrimination in the years following 1997, and considerable change
has been achieved both in terms of policy and practice. However,
difficulties persist in implementing that change in the face of
sometimes deeply rooted societal behavior.

The Race Relations Act 2000 imposed on all public authorities a duty
to promote race equality and tackle discrimination. The initial focus on
race was extended to gender and disability in 2006. But there is
evidence that members of ethnic minorities are still more likely to be
stopped and searched than are members of the majority white
population; similarly, there is a massive discrepancy with respect to
how frequently different ethnic groups’ have their data entered into
the national DNA database: 40% of the black male population has
been registered in the database, while the corresponding shares for
Asian and Caucasian males are respectively 13% and 9%.

The number of high-profile cases of “institutionalized racism” in the
police force, as well as of sexist and homophobic attitudes, seems to
have declined in recent years; with respect to disability, the effects of
the nondiscrimination legislation have also become more visible, but
leave room for improvement, as is the case for gender
mainstreaming. Indeed, a telling verdict on developments in recent
years was delivered by incoming Prime Minister David Cameron, who
said in his statement on arriving at 10 Downing Street that, “This
country is more open at home and more compassionate abroad.”

While negative attitudes towards minorities repeatedly surface,
sometimes fuelled by comments in the right-wing press, a reasonable
interpretation of developments in the last two years is that tolerance
has increased and discriminatory behavior or activism has declined.
Although the extreme-right British National Party (BNP) succeeded in
securing two European Parliament seats in 2009, largely as part of
widespread protest voting against the mainstream political parties,
fuelled by the revelations about excessive expense-report claims,
their star appears to have waned. Recent results have gone against
the BNP. However, concern about immigration has grown, albeit
without resulting in any obvious upsurge in discriminatory attitudes.
Rule of law

The UK’s government and administration act predictably and in line with legal provisions. This is facilitated by the fact that the government has a large degree of control over the legislative process, and can amend legislation that proves to be a hindrance to government policy objectives, though this can occasionally trigger opposition from the House of Lords or other sources, as occurred with attempts in 2008 to extend the period that the police could hold suspects in custody.

In the United Kingdom, there is no written constitution, no constitutional court, and therefore no judicial review comparable to that in the United States or in most continental European countries. Courts therefore have no power to declare legislation adopted by Parliament to be unconstitutional. However, courts have in recent years become more assertive in scrutinizing executive action to prevent public authorities from acting beyond their powers. Four grounds for judicial review can be distinguished in the United Kingdom: illegality (if public authorities take action for which they have no statutory authority), procedural impropriety (if statutory procedures have not been followed), irrationality, and non-proportionality (the latter derived from EU legal doctrine).

The exercise of judicial review by courts has seen considerable change over the last decades, and it is likely that this trend will continue. But it is more rooted in a specific legal culture that considers executive power to be largely insulated from legal action. Nevertheless, the United Kingdom has a sophisticated and well-developed legal system, which is highly regarded internationally and is based on the regulated appointment of judges.

Public inquiries are occasionally undertaken when there is concern about government action, an example being the wide-ranging inquiry into the Iraq war that remained in progress at the close of the review period. However, governments are typically reluctant to grant such inquiries, and often procrastinate.

The judicial appointment system reflects the informality of the constitution. The process has undergone substantial changes in the past several years. These formalize a cooperative process without a majority requirement. Prior to the Constitutional Reform Act 2005, the lord chancellor possessed an extraordinary amount of power, through being a member of the cabinet, the head of the judiciary, and presiding officer in the House of Lords. He was thus a member of the executive, the legislative and the judiciary. Since 2005, these tasks have been separated and distributed among
several officeholders. Judges are now selected by the Judicial Appointments Commission, an independent commission that selects candidates on the basis of merit through a fair and open competition, and makes appointment recommendations to the lord chancellor. A separate lord chief justice is appointed by the same commission, drawn from the pool of Appeal Court judges, and subsequently acts as head of the judiciary of England and Wales.

A new Supreme Court has also been introduced, and in October 2009 it replaced the appellate committee of the House of Lords as the highest court in the United Kingdom. There is now a complete separation between the UK’s most senior judges and the House of Lords. With this major innovation being so recent, no sound assessment can be made of the factual independence of appointments to this body; however, the procedures put in place appear transparent, and there is every reason to believe that the appointment process will confirm the independence of the judiciary.

Citation:

Anti-corruption policies have been strengthened through a number of reforms in the past couple of years. The 2004 Corruption Bill consolidated existing legislation in this area into one law. Legislation in this field dates back to the late 19th century and has thus existed for a long time.

In May 2009, a scandal over expense-report abuses by members of parliament (MPs) caused major turmoil in the British political class. Data detailing how MPs had used and misused the House of Commons expenses regime had been obtained illegally by a major newspaper, and were published on a daily basis to maximize attention and scandal. Public anger erupted, forcing the House of Commons to abandon its initial attempts to ignore the scandal. In an unprecedented move, the speaker had to resign, police investigations and an Inland Revenue inquiry took place, and trust in politicians plummeted. Survey evidence suggests that public confidence in politics has dropped considerably, and voter abstention at European and local elections resulted. A substantial number of MPs decided not to stand again for their seats; others were deselected by the local constituency parties.

While politically very damaging, the expenses scandal can be viewed largely as too-casual implementation of rules on eligible expenses, a situation in which MPs were tacitly encouraged to boost their incomes by ratcheting up expenses while being held to low salary increases.
The scandal arose when too many MPs were shown to have gone too far in these expenses claims. It is important to stress that the activity was not corruption in the sense of money being extorted to shape decision-making or legislation, but rather represented a cavalier attitude to taxpayers’ money. There have been rare cases of more overtly corrupt behavior of this former sort, but the UK remains on the whole comparatively free of corruption.

New rules for politicians’ behavior are being put in place, but are so far untested. They are important because so much of the UK system of governance relies on trust rather than formal legal provisions, and if that trust is impaired, the system of governance is bound to suffer.

II. Policy-specific performance

A Economy

Economy

The period leading up to the financial crisis of 2007 had been characterized by steady growth and generally positive economic developments, for which Chancellor of the Exchequer Gordon Brown claimed significant credit following the Labour’s Party rise to power in 1997. The economic policy framework put in place by Brown (and to some degree already by the preceding Conservative government) emphasized fiscal prudence and granted independence in the conduct of monetary policy to the Bank of England. Given the comparatively high degree of deindustrialization and correspondingly low level of manufacturing output, economic policy put much emphasis on creating favorable conditions for the financial services industry in which the United Kingdom (and more specifically the City of London) is one of the world’s leaders. A regime of “light touch” regulation contributed to the sector’s growth, to the point at which it eventually accounted for around 8% of UK output and contributed very positively to the country’s balance of payments, in addition to employing more than 1 million people. Combined with an increasingly lax fiscal policy after the Labour Party won its second term in 2001, the result was superficially strong economic development which was in fact built upon the disregarded risks of a housing price bubble, high levels of indebtedness and a reliance on the financial sector’s corporate tax receipts.
The financial market crisis beginning in 2007 has therefore hit the United Kingdom particularly hard. While the state’s reaction was quick (if not always consistent, especially in the area of monetary policy), the country continues to experience severe problems in a number of areas. Unemployment has increased substantially, though by less than initially feared, and the fiscal deficit has shot into double-digit figures. With hindsight, the economic policy framework of the last decade or so now has to be assessed far more critically than was commonly the case in the heyday of the British economic upswing, before the eruption of crisis.

Like many other countries, the UK was taken by surprise by the suddenness of the systemic crisis in the banking sector following the collapse of Lehman Brothers in September 2008. The direct consequences included several reversals of previous policy rules and stances, including the early decision to inject equity capital into two of the largest banks most at risk of failure (after another smaller bank, Northern Rock, had been denied support from the Bank of England on moral hazard grounds, ultimately forcing it to be nationalized); the elaboration of guarantee programs and massive liquidity injections by the Bank of England; and an extensive program of “quantitative easing” designed to ease monetary conditions. The corollary was a rapid deterioration in the county’s public finances, although it is important to note that the low levels of public debt with which the UK entered the crisis gave greater room for maneuver than was the case for many other countries.

On the other hand, the loss of tax revenue from financial sector and the costs of the bailouts meant that the UK could not afford as much of a discretionary fiscal stimulus as in other countries, although specific measures were taken, such as a temporary lowering of the VAT rate. The UK was slow to show signs of recovery, with a return to growth only in the last quarter of 2009, but the emergency measures can be credited with stabilizing what was a more acute systemic threat than in many other countries. It is also noteworthy that the British crisis management model was emulated by others, even though in all cases there was an (understandable) element of learning by doing, given that economic policy was confronted by challenges that had not been seen for decades.
Labor market

The performance of the UK labor market remained remarkably good and stable for more than a decade after the mid-1990s. The rate of unemployment was below that of the euro zone and even below the OECD average. In the light of the substantial levels of immigration into the UK labor market from EU accession countries, this was a particularly impressive performance. A closer look into labor market statistics, however, reveals a high degree of working age inactivity due to a sharp increase in the rate at which disability-related benefits are being claimed (the rate of which is now among the highest in the OECD). Some 2.5 million people claiming incapacity benefits are not on the labor market.

Since 2007, the financial crisis has hit the labor market particularly severely. Although the government massively increased general public expenditure, as well as supporting unemployed people with an additional £1.3 billion to help them find new jobs, the unemployment rate increased from 5.2% in the first quarter of 2008 to 7.1% in March 2009. The latest (spring 2010) forecasts for unemployment from Eurostat are for an actual figure of 7.6% in 2009, rising marginally to 7.8% in 2010, then declining to 7.4% in 2011. Yet a surprise is that unemployment and labor-force inactivity have risen rather less than many commentators expected, and indeed appear to have stabilized.

A possible explanation is that the framework for labor market and employment policy established over the previous decade proved to be both flexible and resilient, while targeted initiatives introduced from the autumn of 2008 attenuated the deterioration in employment.

Especially when compared its European partner countries, the United Kingdom’s labor market performance now has to be assessed far more critically than would have been the case five or 10 years ago, particularly with a view to the chances of improving performance in years to come. Whether the resilience so far exhibited by the labor market will continue is uncertain, and it may be that the expiration of temporary anti-crisis measures will mean that employment growth will be slow to appear. However, the current combination of activation and welfare policies has performed comparatively well in an obviously difficult time.
Enterprises

Positive assessments of the United Kingdom’s enterprise policy in a number of comparative rankings (for example, by the World Economic Forum) have largely reflected the country’s good macroeconomic performance in the decade after the mid-1990s. There is agreement that the cost of doing business in the UK is comparatively low, and that regulation is comparatively light. If one looks at more precisely measurable indicators, however (such as R&D spending as a percentage of GDP as a measure of innovation), the country’s performance must be ranked in the lower half of the OECD countries and toward the bottom of the G-7 economies. Other measures – which are unsurprisingly those most often cited by officials (such as information and communications technology (ICT) investment) – paint a much more positive picture. Moreover, innovation in services has been seen as a priority for government action since the publication of a report on this issue in August 2008.

With the service and creative economy (and particularly the financial services in industry) playing such an important role in the UK today, trademark developments and the protection of intellectual property rights are more important than the patent applications of yore. Enterprises in the United Kingdom have been actively supported and promoted by government policy in this area, a drive which can thus be regarded as quite successful.

Skills development, especially in manufacturing, has long been recognized as a problem area in the United Kingdom. But with the country having largely moved to a service economy, this is now seen as a less pressing problem. In the last two years, various initiatives to address the skills gaps identified in the 2006 Leitch report have been taken, but problems clearly remain. A new Commission for Employment and Skills became operational in the spring of 2008, and a Skills Funding Agency became fully operational in 2010. It is also noteworthy that in the 2008 National Reform Program prepared as the UK’s response to the Lisbon strategy, enhancement of skills is given high prominence.

Citation:
Taxes

Tax policy under the New Labour government aimed at fiscal stability, including the use of borrowing exclusively for investment purposes (rather than for current spending) over the economic cycle – the so-called “golden rule” – and locking in the net debt at 40% of GDP. But taxation policy has also been used for achieving goals such as income redistribution, often much more substantively than the public was aware of. The incidence of tax by income deciles is reasonably progressive in terms of vertical equity. Instruments such as tax credits have helped substantially in redistributing income from the top to the bottom quintile.

As economic conditions became more difficult and fiscal policy more lax in the early 2000s, definitions of the economic cycle were adjusted in order to ensure compliance with the golden rule, inviting accusations that the government was fiddling with the numbers for political purposes. Tax loopholes for very wealthy foreigners have also come under criticism.

Although companies complain about tax burdens, internationally comparative data indicate that the tax regime in the UK supports rather than hinders their competitiveness. The financial market crisis triggered a very active tax policy response as part of the government’s mitigation attempts. VAT was cut temporarily to help provide an economic stimulus, while restrictions were imposed for the allowances of high incomes, and a higher rate of income tax of 50% was announced going into effect as of April 2011. A number of other tax increases (alcohol, tobacco, and fuel duties) were also introduced, partially neutralizing the VAT stimulus effect.

In spite of these measures, UK tax policy is struggling to contain the massive government budget deficit that has arisen largely due to increased spending, but also in part because of the sudden decline in tax revenues from the financial sector, which has contributed over £250 billion to government coffers in the form of corporation taxes, income taxes and national insurance contributions since the beginning of the decade. Nevertheless, the UK has a balance between direct and indirect taxation that reconciles competitive and equity objectives, and has generally been able to fund government spending. Tax revenues in 2009 and 2010 fell short of public spending and were affected by the decline in corporate profits. But the higher deficit was a deliberate policy decision. It is too early to say whether the UK system can successfully finance its public spending
over the long term. The system does not impose especially high social charges, which has tended to be helpful in boosting employment.

Budgets

With the United Kingdom being a highly centralized state, the government is in a much better position to exert control over budgetary policy than is the case in more decentralized countries, as most spending is directly or indirectly controlled from Whitehall. On the other hand, this also offers little hope of escaping blame if budget deficits get out of control.

Under the Labour government, public sector spending increased significantly, and the number of people employed in the public sector rose by around 15%. From the beginning of the second term onward, the government substantially increased spending on the National Health Service (NHS), as well as for education, transport, police and prisons. This has contributed to a persistent budget deficit of around 3% of GDP since 2000, in spite of the era's strong economic growth. The financial crisis beginning in 2007 hit the United Kingdom doubly: On the one hand, the fiscal downturn started from a point of already-substantial deficit; on the other, the country's necessary expenditure on bank bailouts and capital injections was higher than in other countries due to the high level of financial sector exposure.

In the 2009 – 2010 fiscal year (the UK's tax year runs for historical reasons from April 6 to the following April 5), total tax revenues declined by 3.6% in cash terms, with personal income tax revenue falling by 5.1% and corporation tax by 16.5%. This drop in revenue contributed to a projected budget deficit of £164 billion (11.8% of GDP) when the outgoing government's final budget was announced in March 2010. However, this figure was subsequently revised downward to £156 billion (and was shown in the June 2010 budget as being reduced to 11% of GDP – see HM Treasury, 2010). While obviously still a high and alarming deficit, that is significantly lower than the 12.6% that had been projected as recently as November 2009 in the chancellor's Pre-Budget Report.

Fiscal consolidation is both highly necessary and will be very difficult to manage in such a way as to avoid choking off the economic recovery under way. The government will have to make delicate judgments as to the timing of consolidation measures. The new government elected at the general election of May 6 will thus face a huge challenge, necessitating measures that will likely be very
unpopular. However, there is little doubt that the new government will be able to take the steps necessary, and in its June 2010 budget, it set out a credible trajectory for doing so.

Citation:

B Social affairs

Health care

The National Health Service (NHS), the cornerstone of the United Kingdom’s welfare state, has survived a number of privatization attempts in the past. It remains very popular in the country in spite of many criticisms raised in detail about its performance. It is of totemic importance in the national psyche and often appears to be untouchable as a political priority, with every government over the 60 years since the program’s introduction having substantially increased real spending. Combining universal coverage with central management and control, it has in the past enabled the United Kingdom to achieve a good performance (as measured by several health indicators) at a cost considerably below that of the EU average. In 2000, when Tony Blair announced the ambition to increase health spending so as to converge rapidly on the EU-14 (i.e., excluding the UK) average of about 9% of GDP, UK health care spending accounted for 6.6% of GDP, of which 5.4% was publicly funded. Policy under the Labour government focused on increasing spending levels in order to improve service quality, while shortening or eliminating waiting lists that in the past had existed even for essential operations. In real terms, public spending on health continued to rise over the period 2008 – 2010, with an annual average real increase for the decade as a whole of 6.56% (Appleby, Crawford and Emmerson, 2009). Aggregate spending reached 8.2% of GDP in 2009 – 2010, on track to meet the government’s commitment. In their 2010 election manifestos, all the main parties committed themselves to exempting health spending from the public expenditure cuts that would have to begin in 2010.

Massive increases in spending have improved performance, although debates persist as to what proportion has gone into cost inflation in the face of labor market constraints for health professionals, especially doctors. Although the NHS’s 1.3 million staff members
make it the world’s third-largest employer, problems remain in the staffing and delivery of front-line welfare services. Efficiency and responsiveness reforms focused on improving patient outcomes have proven difficult to evaluate because of the complex environment and the multiple incentives actors face in this area. Some critics argue that an excessive reliance on targets has distorted resource allocation, and has unnecessarily resulted in managers more concerned with monitoring and massaging targets than with delivering patient care. One consequence is that the effects of the reforms remain a matter of debate between government and opposition parties. It has also become clear that patients’ expectations have risen in line with improvements in the system, and bearing in mind the rising real cost of health provision brought about by technological advances, patient satisfaction has not increased in line with spending.

The creation of a health database covering all citizens has also been a subject of political dispute, because of cost overruns (typical of many large information technology projects in the UK) and growing concerns about the security of information.

Citation:

Social inclusion

To combat the high degree of inequality in the country – the United Kingdom developed into one of the most unequal countries in Europe during the 1980s and early 1990s – was one of the overriding aims of the New Labour government in 1997. In particular, the reduction of child poverty (which affected 33% of all children in 1996) through measures such as tax credits and benefit reforms for families with children was central to the new government’s mission. While some successes were achieved in raising the income of the poorest, inequality more generally remained very high in the United Kingdom, not least because the government also actively encouraged growth at the top end of the income distribution. The ratio between the earnings of those at the 90th percentile and those at the median reached an all-time high of 2.0 in 2003. Taking the Gini coefficient as a measure of inequality, the United Kingdom is close to the bottom of the European distribution, and is almost on a par with the United States.

The Brown government appointed a Social Exclusion Task Force to coordinate the government’s policy against social exclusion and
improve cross-departmental delivery for the most disadvantaged members of society. A special focus was put on people who faced a combination of linked and mutually reinforcing problems such as unemployment, discrimination, poor skills, low income, poor housing, high crime and family breakdown. In 2007, Public Services Agreement No. 16 tried to ensure that the most socially excluded adults were offered the chance to get back on the path to separate accommodation, employment, education and training. It focuses specifically on four groups considered particularly vulnerable: young people leaving care, offenders under probation supervision, people receiving secondary mental health services and people with moderate to severe learning disabilities.

Welfare to work has remained the core principle driving social inclusion policy. An important objective announced by the government in December 2008, and since elaborated, was the goal of tackling the high level of inactivity (as opposed to unemployment) through reform of incapacity benefit eligibility rules. The crisis has interfered with this plan, but it can be expected to remain a central objective. An associated target, first announced as an “aspiration” in 2005 by the Department of Work and Pensions, is to raise the employment rate to 80%, well above the 70% level (defined a little differently) in the EU’s Lisbon strategy, and now recalibrated for the Europe 2020 strategy.

Families

The Labour government was strongly focused on improving women’s ability to combining parenting with participation in the labor market. A number of programs were designed to help improve the situation in this specific area, including the Working Families Tax Credit and the “New Deal for Lone Parents.” The provision of much more extensive childcare facilities, the substantial extension of maternity leave and the introduction of a paternity leave (though limited, certainly compared with arrangements in Nordic countries) have all been measures contributing to this goal, and as a consequence spending on family policy now ranks highly among overall social expenditure programs.

Although female labor force participation is high in the United Kingdom, specific areas remain problematic. The share of jobless (unemployed or inactive) one-parent households with dependent children (44% in 2002), has declined substantially as employment rates for single parents have increased, but remains a focus of attention. In December 2009, the Office of National Statistics reported
that the employment rate among single parents was 58%, some 16% below the rate for all people; but this also represented a near-halving of the gap since the late 1990s. Improvements in child benefits have also been used as part of the government’s post-crisis fiscal stimulus package, and the same is true of tax measures and tax credits designed to help working families with children.

**Pensions**

Public pensions in the United Kingdom, which average just 41% of preretirement net earnings, are the lowest in the OECD area (where the average is 70%). However, as the UK has a much greater reliance than other EU countries on occupational (2nd pillar) and private (3rd pillar) pensions, it is evident that the public-pension figure does not tell the whole story. Preventing poverty among pensioners – especially among those who retired before the occupational pension boom – is nevertheless still a challenge for British pension policy, because 20% of pensioners live below the poverty line. While improvements have been achieved compared to the situation a decade ago (when the corresponding ratio was 27%), much remains to be done.

A “minimum income guarantee” with above-inflation increases and a commitment to let disbursement levels increase in line with earnings rather than prices has been one of the government’s instruments for improving pensioners’ situation at the lower end of the earnings scale. One-off payments such as the “winter fuel allowance” and free TV licenses have also been introduced, and several of these have in fact become permanent. But entitlements often go unclaimed by eligible pensioners because of the bureaucracy surrounding the new benefits; as a result, policy in this area is less effective than it could be.

In terms of fiscal sustainability, policy has been relatively successful. The UK is one of the few OECD countries which did not cut pension entitlements in recent years, and has even been able to extend them. By encouraging private investment in pension plans as well as emphasizing fiscal sustainability, this policy area is also quite effective in terms of intergenerational equity. In the recent financial market crisis, pension policy profited from the 2009 stimulus package, in which the government gave payments of £60 to all pensioners, thus effectively doubling that year’s increase in the basic state pension. In 2010, a further 2.5% increase in the basic state pension will take place.
Integration

With a large share of immigrants as part of its colonial and Commonwealth history, integration issues have long played an important role in British policy-making. The 1998 Human Rights Act and the 2000 Race Relations (Amendment) Act gave all public authorities the general duty to promote race equality, and was a major attempt to end discrimination. The Commission for Racial Equality saw its role and powers extended, and the production of statistics was much increased in order to be able to monitor and assess the prevalence of racial inequality in public life.

But the integration of migrants into British society remains an ongoing task, as the recent riots in places like Bradford, Oldham, Burnley, Leeds and Stoke have shown.

With the post-financial crisis economic difficulties hitting the labor market hard, worries about immigration have increased since 2008, and the British National Party (BNP) has sought to capitalize on this in local elections.

In terms of representation in bodies such as the House of Commons, commitments by both the Labour Party and the Conservative Party to increase diversity among their officeholders and MPs have been successful over the last decade. As a result, public life in the United Kingdom now reflects the diversity of its population much better than in the mid-1990s.

C Security

External security

The United Kingdom’s historical heritage has resulted in ongoing active participation in world politics, and in institutions (such as the United Nations Security Council) that it helped shape in the past. The country is firmly integrated into the NATO security framework, and places a particular emphasis on very close cooperation and partnership with the United States in foreign policy. However, the new security challenges of the last decade, such as its military missions in Iraq and Afghanistan, have led to domestic controversy. With public support low and questions about the effectiveness of these missions being asked, a reassessment of military policy is being planned in the upcoming years in the form of a Strategic Defense Review.
Defense spending has been consistently above the EU average, although there are loud criticisms of the frequent procurement budget overruns and delayed deliveries. Criticisms have also centered on the inadequate provisioning of equipment for troops in Afghanistan (especially helicopter lift capacity and vehicles with sufficient armor to counter the threat of improvised explosive devices). The manner of the UK forces’ exit from Iraq also attracted negative comment.

**Internal security**

Internal security in the United Kingdom has in recent years been perceived to be as much under threat from terrorism as from conventional crime. Before the former appeared on the scene in its current Islamist form (it should be recalled that Irish republican threats had had a major security headache for a quarter century, up to the mid-1990s), the latter had already been a focus of policy, symbolized in the Labour Party slogan “tough on crime, tough on the causes of crime.” As measured by the British Crime Survey, significant success has been achieved through reduction in the numbers of burglaries and crimes such as car theft since the mid-1990s. However, perceptions of the threat of crime have not come down in parallel with these figures, and the issue therefore remains very much in the public spotlight. Police powers have been increased in many areas, and many crimes and misdemeanors have been added to the penal code. A substantial policy emphasis has been put on technical solutions such as closed-circuit television cameras (CCTV) and the National DNA Database, eliciting concerns over an erosion of civil liberties and the pervasiveness of snooping.

The persistently high number of crimes such as burglaries and robberies is also related to the persistent problem of inequality in the United Kingdom, and can therefore not be fought through the use of policing and law enforcement tools alone. New devices such as “Anti-Social Behavior Orders” (ASBOs) have had unclear results, and have drawn strong criticism from a human rights perspective.

After the terrorist attacks in London in March 2005, the police and intelligence services have managed to avert further such incidents. Whether this is really due to new powers of detention and the widely perceived loosening of the rule of law can only be the subject of speculation. A particular dilemma for the security services has been how to deal with individuals strongly suspected of being associated with Al-Qaeda, but not formally charged or convicted, and there have been several high-profile cases in which the judiciary has overturned
ad hoc measures such as internment without trial or orders that restricted these individuals' freedom of movement.

D Resources

Environment

The United Kingdom has long had a very active environmental movement, though this has not been reflected by the emergence of a Green Party in Parliament, as has been the case in many other European countries. This is mostly due to an electoral system which disadvantages smaller parties without regionally concentrated support.

Sustainable development and environmental concerns have been the motive force for high-profile policies over the last decade, with the Brown government emphasizing in particular the international aspects of the former. At home, a number of “New Environmental Policy Instruments” (NEPIs) have been designed and implemented as part of a more general market-oriented approach to regulation. However, assessment of their implementation remains difficult, since successes in terms of environmental outcome indicators may have to do more with Britain’s relatively advanced deindustrialization and shift to a service economy than with environmental policy measures per se. A Sustainable Development Commission designed to monitor and promote environmental policies was established in 2003, and has since published a number of papers and proposals, although it does not have much of a media profile.

A relatively strict planning system has so far been very successful at protecting “green belts” around major conurbations, although this has meant costs in other areas (such as, but not limited to, the dysfunctional housing market and associated price gyrations). It remains to be seen whether recent policy initiatives such as personal carbon budgets, a carbon tax on flying and the construction of new “eco-towns” will survive the change in government and the present economic downturn.

The UK lags behind other countries with respect to its share of renewable energy sources in electricity generation, as was shown when targets were set by the EU in December 2008 for the Energy Policy for Europe. However, the UK is supportive of EU targets in this domain. It has also attracted censure from the EU for doing too little to
ensure clean beaches, with water companies (responsible for sewage) appearing to be treated too leniently when they fail to meet obligations. Some progress has been made on recycling of domestic waste, although many policies tried or proposed by local authorities (such as bin taxes or less-frequent waste collections) have attracted hostile comment from segments of the press.

**Research and innovation**

Comparative indicators of economic competitiveness such as the World Economic Forum’s “Global Competitiveness Index” rank the United Kingdom highly, and emphasize its strength particularly in financial markets, where efficiency is high and its innovation capacity is among the world’s leaders. But this innovation is only indirectly helped by government policy, through a light touch regulation which is highly market-oriented. Attempts at slowing down the pace of deindustrialization through more progress in research and development have been numerous over the last few decades, but have not been very successful. The comparative advantage of the British economy does not seem to lie in high-skill, high-wage, high-productivity specialization in the manufacturing sector, spurred on by a network of world-class applied research institutions such as the Max Planck or Fraunhofer institutes, as is the case in Germany. But the United Kingdom is home to a number of world-class universities and business schools, and close links exist between them and the business community. Many of these higher education institutions specialize in science and technology, and they as well as their alumni profit from the financial markets’ ability and willingness to provide funding for start-up companies.

An important distinction has to be made between the comparatively pedestrian British performance on R&D, which lags behind the EU average, and the much better standing on innovation indicators, where the UK is in the top five in the EU according to the government’s 2010 annual innovation report. The “Skills for Growth” strategy launched in November 2009 represents a further boost to skills development aimed at nurturing innovation, although the inevitable criticism is that past deficiencies in these policies lie behind the UK’s relatively low standing on some indicators. A rather more positive assessment of these recent initiatives would argue that the latest policy developments take the UK in the right direction.
Education policy

Low skill levels and a relatively low proportion of students staying in education after the age of 16 were among the core problems facing education policy in the United Kingdom for many years, and fixing these was among the Labour government’s primary avowed goals upon taking the reins of government in 1997 (“education, education, education”). While there is no doubt that the United Kingdom has excellent schools (both for boarding and day students) in the private sector, many of which attract pupils from wealthy parents abroad, the problem was diagnosed to lie mainly in the public sector, and particularly in economically deprived inner-city areas and secondary schools. A number of policy initiatives (such as “city academies”) have been implemented over the last decade, but their results have been ambiguous. The underlying problem of societal inequality cannot be fundamentally addressed by education policy alone, especially since middle-class parents are eager to remain in control of their children’s schooling.

After a decade of policy initiatives, the OECD Economic Policy Report 2007 still points out that a high proportion of the population in England has low skill levels, and that many students leave school before the completion of upper-secondary education without specific competence in a professional field. Some specific problems recently identified include severe underperformance by boys of Afro-Caribbean ethnic origin, and to a lesser extent, by children of Pakistani origin. Although school performance as measured by the proportion of pupils attaining the highest exam grades at ages 16 and 18 has improved, there have been allegations that exams are simply being graded more generously. Disparity in school performance is an issue that continues to justify criticism of education policy and has recently sparked debate as to whether the private sector and parents should have a greater say in running schools, rather than allowing local authorities to remain solely in charge.

In higher education, the introduction of university fees has met with protests by students, but so far there is little indication that it has endangered the goal of increasing the proportion of each age cohort to attend tertiary education to 50%. The steady rise in this proportion over the last decade has been noteworthy. The improved level of funding for the university sector and recognition of the country’s high standards has also attracted many students from abroad, turning higher education into a valuable source of income for the British
The highly centralized allocation of higher education funding to institutions such as the Higher Education Funding Council for England (HEFCE) also means that cuts in funding can be decreed relatively easily in the present economic crisis. Massive cuts of about 5% annually over four years have been announced, forcing universities in the UK to implement drastic budget measures. This may lead to a slight fall in availability of student places, although the government is pushing hard to prevent any reduction, demanding instead that universities improve productivity. At a time when a comparatively high number of young people are unable to obtain jobs because of the recession, this is a potential cause for concern. Cuts may also undermine the competitive position of the United Kingdom on the international market for higher education.
Management Index

I. Executive Capacity

A Steering capability

Strategic capacity

Compared to his predecessor, Prime Minister Gordon Brown spoke far less about a coherent strategy, partly because he wanted to distance himself from Tony Blair’s legacy as embodied in the “New Labour” brand (and against whose market-driven reforms he had often provided internal opposition), but also because he felt that the British people had tired of the grand designs to which they had often been subjected in the past.

Although the United Kingdom’s political system is one of the most centralized in the world, resources directly at the disposal of the prime minister are relatively few, as there is no prime minister’s department. The Prime Minister’s Office was reorganized in 2001, and that organization was not affected by the change in government from Blair to Brown. Direct support for the prime minister comes from the Number 10 Policy Unit, which under Brown comprised 10 hand-picked advisers (several of whom had previously advised Brown at the Treasury); further support is concentrated in the Cabinet Office, which houses the prime minister’s Strategy Unit.

Manifestly, the last two years have been dominated by the need to manage the crises in the financial sector and in the real economy. In these circumstances, the government did not display the same strategic outlook as in the preceding period.

When planning strategically in the past, the prime minister had to take into account the considerable resources of the most important department, namely the Treasury (which combines narrow finance-ministry functions with a significant policy steering capacity). However, Prime Minister Brown faced no such competition. This goes to show that institutional capacity (considerable) and actual use of strategic planning (relatively high under Blair; somewhat less so
under Brown) are two different things.

In 2007, on the day before Gordon Brown took over as prime minister, a report by the House of Commons Public Administration Select Committee on “Governing the Future” was published, setting out government thinking about strategic planning in the core executive. That document has served as a blueprint ever since.

Non-governmental experts from academic and business backgrounds have played an important role in conducting independent reviews of central government policy and strategy in recent years. Examples include the Review of the Economics of Climate Change conducted by Sir Nicholas Stern (Stern was a civil servant at the time he conducted the review, although he is from an academic background), the Pensions Commission under the chairmanship of Lord Turner and the Review of Health Trends headed by Sir Derek Wanless. As is evident from the titles, such reviews are often delegated to well-established public figures who may or may not also have an academic background. They tend to draw freely on academic expertise and thought. Scholarly advice is obtained through a variety of channels, but tends to fluctuate depending on the direction given by individual ministers and the vagaries of individual appointments. From time to time, senior academics are seconded or appointed to high-profile advisory posts in government. All government departments make use of external consultants to carry out studies. These contracts are usually offered through competitive bid, and are sometimes by academics, sometimes by different sorts of consulting firms. In addition, many ministers or civil servants tend to seek informal advice from selected academics recognized to be specialists in a particular area of interest. In addition, there are examples of academics being selected to lead commissions of inquiry, such as the London School of Economics’ John Hills, who conducted a review of social housing. Finally, several leading academics have been appointed to the House of Lords.

The influence wielded by think tanks such as the Fabian Society or the Institute for Public Policy Research has been declining in the last two years, for the reasons set out above, but also because the hectic pace of dealing with the consequences of the financial market crisis has left little room for strategic long-term policy thinking. However, other think tanks such as Policy Network have increased their influence in the last two years, building on connections to powerful ministers, and a number of right-of-center think-tanks have clearly played a part in influencing the incoming government, particularly on
the issue of social policy.

Inter-ministerial coordination

The Cabinet Office is in effect the central coordinating agency in government. It has high-quality civil servants who are responsible for different policy areas and support cabinet committees. Closer to the prime minister is the prime minister’s Strategy Unit (PMSU), which besides thinking about long-term issues, has also become involved in policy work. It is the tool of choice to “provide policy advice in accordance with the prime minister’s policy priorities,” as the first of its three functions states. The Number 10 Policy Unit evaluates ministerial draft bills and deals with the more day-to-day issues in coordinating policy. It is mainly staffed by policy experts drawn from outside government, but also includes some civil servants.

Special advisers appointed by ministers but paid from public funds fulfill a more political function. Although their role sometimes causes conflict with that of civil servants, they can often help (notably in working with ministerial private offices) in striking deals and coordinating strategy. Their capacity to do so often depends on the skill of the individuals and the standing of their ministers as much as their formal positions.

The Cabinet Secretariat prepares the early program for cabinet meetings, which then must be approved by the prime minister. This puts him or her in a very strong position to control the cabinet agenda. The Secretariat may contact ministers’ offices to request that the secretary of state make a presentation, present a paper or raise an issue during cabinet discussions. The provision of a written agenda for cabinet meetings and/or written information material for ministers attending takes place at the discretion of the prime minister, further enhancing his power. Special advisers to ministers also play a role in this respect.

Prime ministers’ conventions for line ministries to clear their plans with the core executive vary with the political strength of the prime minister, and with the existence of powerful rivals within the cabinet. Since the prime minister controls the cabinet’s agenda, important policy initiatives and legislative proposals always require consultation with the core executive before they are developed in any detail. This trend has been further strengthened in recent years through an emphasis on “joined-up” government across Whitehall, which aims to subject individual policy decisions to evaluation in the light of long-term strategy. There is also a long-standing convention of cabinet collective responsibility, which requires that the line minister
persuade the rest of the cabinet or the relevant cabinet committee of the desirability of his or her policies. Ministers’ private offices, nearly always staffed by rising stars in the civil service, help to assure coordination.

A special role is played by the Treasury, the most important ministry in overseeing initiatives that involve substantial public expenditure. This became very evident during handling of the recent banking crisis, the handling of which saw Treasury take an absolutely central role. Given its institutional and strategic coherence, as well as the breadth of its oversight (derived in large part from its annual budget negotiations with other ministries), it is a very powerful force within central government. Luckily for Prime Minister Brown, he had no determined adversary at the Treasury’s helm during the crisis – a fact that certainly helped in the handling of the most substantial challenge for central government in several decades.

Cabinet committees exist at the discretion of the prime minister, and it is the prime minister who decides on their composition. In the past, the existence and composition of cabinet committees was secret, and decision-making by them was used to bypass opposition in the full cabinet; more recently, decision-making in cabinet committees has been part of a general move to more informal forms of government with a strong prime minister at the center. At present, some 45 cabinet committees exist, and their purposes and composition are publicly known. Cabinet committees thus play an important role in the United Kingdom. What is decided by an influential cabinet committee will tend to be agreed to (sometimes with little or no discussion) by the full cabinet.

Under the leadership of the cabinet secretary (who is also the head of the home civil service), the Cabinet Secretariat prepares cabinet meetings in close consultation with the prime minister, who gives directions and decides upon the agenda. There is a Cabinet Office board that oversees the organization, as well as several groups (such as the domestic policy group, several intelligence-related groups, an IT-focused group and the communications group) that provide specialized services for the preparation of cabinet meetings. The top officials in each ministry (known as permanent undersecretaries in the UK) also constitute a key network, members of which regularly meet formally and informally.

Line Ministry civil servants coordinate their policy proposals in a number of ways. One is through project teams that cut across departments and aim to enhance policy coordination – the so-called task forces. They operate to enhance “joined-up” government, an idea which has recently regained some attention, although the problem of the lack of coordination within Whitehall was identified as
early as the 1970 White Paper on the reorganization of central government. Interaction between line ministries and the two overseeing departments (the Cabinet Office and Treasury) is a key part of the system, although a ministry can advance proposals a certain extent before they are opened up to wider influence.

The creation of departmental strategy units, different in size and shape though they are, has helped to make departments more aware of long-term perspectives. In addition, a central “Foresight Center,” led by the government’s chief scientific adviser and located in the Department of Business Innovation and Skills, is specifically tasked with coordination between departments, and uses small teams of individually picked civil servants to fulfill its role.

Informal coordination occurs through a wide variety of mechanisms, including the whips’ office in Parliament, the proximity between ministers and MPs and members of the House of Lords in Parliament, meetings between governing party MPs, and networks involving special advisers. Under Tony Blair, the government had developed an increasingly informal style of decision-making. Judging from the Blair government record, the informal coordination procedures worked quite well, but critics saw these as detrimental to cabinet government.

Under Prime Minister Brown, the roles of the cabinet and of cabinet discussions were meant to be enhanced again, and a wider formalization of political decision-making was hinted at. There was talk (though nothing came of it) of a written constitution following an all-party convention, and the new prime minister guaranteed that the House of Commons would be able to vote before the UK engaged in any future war.

However, the financial crisis of 2007 demonstrated that in an emergency, the core executive is very effective at developing informal coordination and decision-making mechanisms, such as the one that brought together the Treasury, the Financial Services Authority and the Bank of England to deal with the crisis triggered by the Northern Rock bank.

RIA

The Better Regulation Executive (BRE), originally part of the Cabinet Office, has now moved to the Department for Business Innovation and Skills (BIS), previously known as the Department for Business, Enterprise and Regulatory Reform (BERR). Seemingly somewhat downgraded in importance, the group’s key goal is now to improve regulation, mainly by reference to a set of principles: All regulations should be transparent, accountable, proportionate, consistent and
targeted. The department’s goal is to reduce the costs of regulation to businesses in Britain by 25% by 2010. There is no longer any mention of regulatory impact assessments (RIAs) in their annual report.

While many RIAs are still being produced in Britain (as the Treasury website shows, for example), academic research suggests that their results are not systematically integrated into civil service decision-making procedures, and may just be a sign of the “hypermmodernity” characteristic of the British regulatory state – a discursive element rather than an instrument for steering change. The degree to which RIA shapes the final legislation is probably impossible to estimate with any precision.

Citation:

The manual for regulatory impact assessments, authored by the “Better Regulation Executive,” states with respect to needs analysis: “Define your objective clearly so that it sets out the outcome you are aiming for. Make this clear, concise and specific.”

The manual provided by the “Better Regulation Executive” explicitly states that users should analyze “a wide range of options, including the do-nothing option,” and provides a detailed quantified analysis of the costs and benefits of different alternatives to regulatory impact analysis itself.

**Societal consultation**

Formalized influence on the policy-making process by institutions such as trade unions and employers’ associations was for a long time unpopular in the United Kingdom, because of bad experiences in the 1960s and 1970s. There is a widespread view that government alone should make decisions and consequently be held accountable for them. The Blair government managed to change that perception, and succeeded in making the policy-making process more collaborative, albeit in a more informal way than is the case in many continental European countries. The “stakeholder” approach has been very popular, and the government has established a number of committees in which actors from the private sector and the third sector of voluntary bodies and charities are members, and are thus able to provide input to government consultation exercises and receive documents associated with the issues at hand.

However, this form of enhanced participation remains largely at the
discretion of the government, although it has also been partially institutionalized through mechanisms such as the regulatory impact assessment movement. Perceiving its role as one of ultimate responsibility, the government has tried to keep control of the decision-making process throughout, which has repeatedly led to criticism by other stakeholders.

The government has established quasi-autonomous non-governmental organizations (known as quangos) in a wide range of areas, whose work has influence on the decision-making process. In some cases, their stance can be controversial; for example, there has been dissent (and resignations from the board) within the Equal Opportunities Commission over the last two years. The expertise in the House of Lords (many of the members of which are crossbenchers selected for their eminence rather than for party-political roles) can also provide a sounding-board for government. However, the government can take or leave any such advice, and rarely feels obliged to seek a social consensus, as might happen in countries where civil society has a more formalized governance function.

Policy communication

Central control of government communication has been one of the defining characteristics of the New Labour government. Tony Blair’s first director of communications, Alastair Campbell, was a controversial press officer with a high political profile who controlled government communication centrally and tightly. In 2001, a Strategic Communications Unit was created to deal with longer-term media and presentation issues.

The dominance of a centrally controlled government “message,” and the preparedness to take on even institutions such as the BBC in defense of the government’s communications position, became unpopular over time, and was decried by critics as “spinning.” Prime Minister Brown actively sought to distance himself from this approach, but suffered the opposite problem of failing to connect successfully with the British electorate. This communications failure is often attributed to personal characteristics of the prime minister. Collective responsibility in the cabinet underpins the coherence of messages, though leaks can undermine this, and the mere fact that ministries have their own press offices, sometimes operating under pressure, can lead to contradictory statements. A recent television comedy series, “The Thick of It” has parodied the government’s
approach to communication and was adjudged by many to be viciously accurate – replicating the success of the, “Yes Minister” series from the 1980s.

B Policy implementation

Effective implementation

In the highly centralized political system of the United Kingdom, there are no discernible “veto players” who could effectively keep the central government from achieving its own policy objectives. Although devolution has changed the political landscape in the United Kingdom over the last decade or so, the country has not developed into a federal system where subunits have influence on central state decision-making. Furthermore, there is no written constitution and no Constitutional Court to act as counters to the government. The central bank, while independent in the implementation of monetary policy, has an inflation target set by the chancellor of the exchequer that it must adhere to, and is formally required to write an explanatory letter if the inflation rate falls outside the target range (currently plus or minus one percentage point around the inflation target of 2%). During the acute phase of the financial market crisis, after the collapse of Lehman Brothers in the autumn of 2008, the government’s response demonstrated its ability both to come up with a viable solution and to implement it effectively.

In the usual circumstances of a single-party government with a working majority in the House of Commons, party whipping ensures that governments nearly always win votes. On the rare occasions where a vote is lost, it tends to be because the merits of the government case are widely questioned within the governing party. The House of Lords can hold up but not ultimately stop a bill, unless it runs out of parliamentary time. There is a convention that the Lords will not block a bill that is part of the governing party’s electoral program commitment. Most often, the government will recognize that amendments are needed and offer compromises; however, the government can still be defeated, as was the case in October 2008 over proposals to extend to 42 days the period a suspect could be held before being charged.

The British prime minister has sole power to appoint politicians to ministerial positions at the junior or cabinet levels, and thus has a great power of patronage. Unless the prime minister is considered politically weakened almost beyond recovery, trying to oppose him is
politically very dangerous, as he or she can make or break political careers ("A good prime minister has to be a good butcher," said Harold Macmillan). Ministerial compliance thus largely depends on the political strength of the prime minister of the day. In the case of Gordon Brown, an initial period of strength in the second half of 2007 turned into weakness after he decided not to hold a general election in the autumn of 2007. As his poll ratings declined, there were several attempts by cabinet ministers to unseat him; however, none of these gained sufficient support in the cabinet or among MPs to be successful. At the same time, it must be considered a sign of the prime minister’s political weakness that he failed to retaliate effectively against the organizers of these attempted coups.

There is also an established doctrine of collective responsibility which means that once a position is agreed upon, ministers either have to agree with it, or if they wish to object publicly, resign. Such resignations of principle are rare, although one cabinet minister who did resign in the hope of precipitating a change of leadership was James Purnell (June 2009). In practice, selective leaks ("briefing") to journalists, usually on the understanding that no attribution will be made, are the more typical means of expressing opposition to government policies.

Tight integration between the Prime Minister’s Office (PMO) and the Cabinet Office make it possible for a British prime minister to be effective in determining the government’s strategic direction. However, the organizational discontinuities and name changes that this office has experienced (Central Policy Review Staff; No. 10 Policy Unit; No. 10 Policy Directorate; No. 10 Policy Unit), demonstrate that views about the best way of organizing direction and control through the core executive depend very much on the personal views of the serving prime minister, as well as that organizational and administrative fashions change over time.

More important is the role of the Treasury, which is not just a ministry of finance, but also sees itself as responsible for oversight of line ministries’ policy implementation. The degree to which the Treasury exercises oversight depends partly on the political strength of the chancellor of the exchequer. This strength was considerable under the tacit division of responsibilities between Tony Blair and Gordon Brown up to Blair’s departure in 2007. In the two years under review here, the Treasury perhaps lost a little power (though its energy has also been consumed by crisis management). However, the framework put in place by Brown – notably governed by public
service agreements that are, in effect, contracts with line ministries – still mean that the Treasury has a strong influence.

Since the early 1990s, most of the increasing number of government agencies were removed from direct departmental control under the “Next Steps” program. This move was designed to streamline administrative procedures and allow agencies to concentrate on their specific tasks. More than 75% of civil servants now work in agencies. The conscious separation of policy-making from implementation has fragmented ministries’ lines of control, which has from time to time created problems in monitoring agency actions in detail. Nevertheless, ministers remain accountable both to Parliament and to public opinion for the agencies under their jurisdiction. This means that even though ministers may be somewhat insulated from cases of poor administration, they can still face severe criticism and may be obliged to resign or force the resignation of senior agency figures if an agency is shown to be performing poorly, as happened with the head of the tax collection agency late in 2007 following the revelation that taxpayer data had been mislaid. The intensity of oversight will often depend on the caliber of the minister and his or her immediate advisers, but the incentives for ministers to exert some care are manifestly in place.

There are two categories of subnational government in the UK that make it difficult to provide a unified answer in this section. Three of the four countries of the UK (Scotland, Wales and Northern Ireland) have devolved governments and responsibility for major areas of public services, such as health and education. However, there is no government of England per se. Moreover, there are local authorities that in England are linked directly to central government departments, while in the other countries, the link is to the respective devolved government.

In spite of devolution in Scotland and Wales, the United Kingdom is still a very centralized state when it comes to the funding of public tasks. The allocation of public funds from the general account of the Exchequer is subject to political and administrative negotiations, as there is no other constitutional mechanism able to govern the process. While some stability of funding is provided in certain areas through agreements such as the “Barnett formula” for Scotland, Wales and England (but not Northern Ireland), the allocation of funds takes place in principle at the discretion of the central government. Especially in times of fiscal problems, sometimes severe budget constraints will simply be imposed on the recipients by the central government. English local authorities obtain block grants that constitute the bulk of their direct central-government funding, and
raise additional revenue from a property-linked “council tax.” Local authorities in the other three UK countries deal directly with their respective devolved administrations, which obtain their own block grants from the central government. A result is that the mix of public services may differ – for example, the terms on which care for the elderly is provided differ in England and Scotland because of a political choice made by the Scottish government to be more generous with free care – a fact that engenders some resentment south of the border.

Central government does impose tasks on local government which the latter is apt to complain are unfunded, but the reality is that there is not a direct link between funding and tasks, and it is the responsibility of the local government to make choices based on its block grant with respect to balancing the priorities and tasks assigned to it.

While local authorities were given more independence and assigned new tasks in the early stages of the New Labour government, and were required to work together with other local institutions in order to meet targets and performance indicators set by the central government, this “new localism” was only patchily implemented. Since local authorities possess no constitutional rights, any increased autonomy for them relies on the discretion of the central government. Even though devolution in Scotland and Wales is strictly speaking not a constitutional matter either, the general consensus is that the devolution acts cannot be repealed by the British Parliament against the devolved governments’ wishes. Moreover, the rights granted to the subnational entities vary, in that the Scottish Parliament has the power to vary the basic income tax rate by 3% in either direction (although it has not done so). The Welsh Assembly has no such power.

On the whole, the central government makes no attempt to dictate to the country governments (i.e., Scotland, Wales and Northern Ireland) how they use their discretionary powers, but can be more prescriptive towards English local authorities. The decision not to impose university fees in Scotland has led to controversy, as they are imposed in England, and this has resulted in Scotland asking English students to pay, but not those from other European countries.

The New Labour government has used the idea of setting targets to achieve national public service standards in many areas, including for local authorities and the National Health Service. However, the plethora of targets under strict central government oversight, resulting in audits and inspections, has drawn criticisms of Soviet-
style administration practices. There is some evidence that this model has encouraged tactical behavior in the public sector.

In practice, what are known as “post-code lotteries” exist with respect to health care standards and school quality, generally because of differences in local areas’ social mixes and managerial styles. The central government push toward equal standards is thus often confronted by differences in implementation.

Citation:

C Institutional learning

Adaptability

Ministry organization is a prerogative of the prime minister, and ministries are very often merged into single organizational units or divided into several organizational units, in such a way as to reflect the specific interests of the government and/or the officeholder. A recent example of this is offered by the Department of Trade and Industry, which Prime Minister Gordon Brown divided into the Department for Business, Enterprise and Regulatory Reform and the Department for Innovation, Universities and Skills in June 2007. The two new departments were rejoined in June 2009 (when Lord Mandelson joined the government), but the name was changed again to the Department for Business, Innovation and Skills.

There is a Europe Minister within the Foreign and Commonwealth Office (i.e., the ministry of foreign affairs) and a secretariat within the Cabinet Office that deals with European issues, as well as a designated coordinator for the EU’s Lisbon Strategy. However, the structure of government in the UK is for the most part shaped by domestic imperatives. At the parliamentary level, changes have been introduced to procedures to allow the British Parliament to intervene in the early stages of European policy formulation.

A National Reform Program (NRP), elaborated in the autumn of 2008 and required as part of the UK’s commitments under the Lisbon Strategy, was produced and did take account of recommendations to the UK government from the European Commission. In particular, the
program included proposals to deal with the skills gaps that had been highlighted by the commission. However, the NRP has no visibility in UK political and policy discourse, and it would be hard to show that either the policy focus or the structures of governance in the UK had changed much as a result of the NRP’s production. On the other hand, some responsiveness to wider trends such as “green” issues can be discerned in the recent restructuring of environment and energy ministries, with the latter having been assigned explicit responsibility for dealing with climate change.

In line with its active stance on international commitments, the UK has long played a leading role in coordinating international initiatives. This has also been the case on the EU level, even if the United Kingdom has been perceived by many as a reluctant and obstructive European. In reality, in areas such as structural reform or climate change, the UK has been fairly influential. Other initiatives in recent years have included the active promotion of efforts to eradicate poverty in Africa, as well as support for cooperative international security policies (e.g., over Iran’s nuclear program).

In the recent financial market crisis, the UK government under Prime Minister Brown also played a very active role in finding solutions to systemic problems in the financial sector, and in promoting a new regulatory framework for the financial system within the context of the G-20 and the European Union. The government used the United Kingdom’s chairmanship of the G-20 to initiate a November 2008 pledge by member countries to enhance their efforts at global cooperation. Since the United Kingdom, which often has pursued policies consonant with the interests of the City of London, had often been an obstacle to such cooperation on regulatory reform in the past, this was a noteworthy change of course.

### Organizational reform capacity

The British government’s high degree of decision-making flexibility and centralization, both with respect to policy and institutional organization, does carry with it the disadvantage of relatively little procedural structure. This has been criticized by observers as “sofa government” – certainly under the Blair government – and some who take a position of “British government in crisis” have advocated the implementation of stricter rules of procedure for decision-making in the core executive. However, binding the hands of the core executive would run counter to the very flexibility that is so characteristic of prime ministerial government in the United Kingdom.

Reorganizations take place from time to time (as described above), and monitoring exercises are routinely conducted, but whether any...
government in the future will want to bind its own hands despite the absence of discernible positive political effect must remain doubtful.

There are nevertheless diverse checks and balances and processes of monitoring, including published public service agreements between the Treasury and line ministries, the scrutiny of programs by the Cabinet Office, and the need for the government to anticipate intense and effective media scrutiny. Collectively, these prompt the government to try to anticipate potential problems. Periodic reconfigurations of ministerial responsibilities do occur, but they tend to be more because the prime minister (especially a new one) decides that change is warranted, possibly for political reasons, than due to any systematic self-monitoring.

Citation:
Christopher Foster: British Government in Crisis, Oxford: Hart 2005

Institutional reform
Score: 8

Flexibility in the organization of the core executive and the ministries is very much at the heart of British prime ministerial government. Under Prime Minister Blair, a clear trend towards more centralization of decision-making and the strengthening of the institutional capacity of the Prime Minister’s Office was discernible. The Policy Unit and the Private Office were merged into a new Policy Directorate, a decision that was reversed after Prime Minister Gordon Brown took office.

However, the Strategy Unit, originally established in 2001 to work on long-term policies, continues to exist, although staffing in the unit was shifted in order to bring in confidantes of the new prime minister.

Cabinet collective responsibility remains important, but it is difficult to judge whether the periodic changes in government structures reduce or increase strategic capacity.

II. Executive accountability

D Citizens

Knowledge of government policy

The British government very actively tries to inform citizens of government policies, mainly through very detailed websites both on the core executive and ministerial level. Nevertheless, most citizens
gain their knowledge of government initiatives and policies from the printed and electronic mass media rather than directly from government websites. Opinion poll data indicates that, with respect to widely touted “e-government” initiatives, citizens above all expect increased accountability on the part of the government (28%), better cost effectiveness (19%) and only then better information for themselves (18%).

It can be argued that the way the information is made available is somewhat passive – that is, it is there for anyone who wants to access it, but government is not inclined to reach out to inform citizens more actively, except at election times.

Citation:
Topline Data Poll for the Council for Excellence in Government, April 2003

E Legislature

Legislative accountability

Parliamentary committees have the right to ask for government documents, which in the normal course of business will already be made available to them. However, there are occasional disputes with government over the provision of specific information, and committees will then have to order the production of government documents. Their rights are thus not formally limited, but there is sometimes a political struggle between the committee and the government, although the struggle is usually mediated by the fact that the government party also has the majority on the committee, and party political motives rarely come into play.

Ministers can be summoned to parliamentary committee hearings, but they cannot be forced to attend, because ministers have to be members of Parliament, and MPs cannot be forced to attend any meeting. However, ministers will usually accept an invitation to a hearing in a select committee. Whether they then give full answers to the committee or are allowed to stonewall will often depend on the caliber of the committee members.

Parliamentary committees may summon expert witnesses, who will usually provide any evidence willingly. Should they decline to do so, committees then have the power to order a witness to attend.

It is also important to stress that committees may summon actors
involved in an issue being investigated by a committee. A good example was the examination by the Treasury Committee (in February 2009) of the deposed chairmen and chief executives of the Royal Bank of Scotland and HBOS following the public bailout of their banks.

Every government department is shadowed by a committee in the House of Commons (at the time of writing, there were 19 of these committees). The remit and number of committees changes to reflect changes in the makeup of the government. Recent changes have included the creation of the Energy and Climate Change Committee, which examines the performance of the new Department of Energy and Climate Change, as well as the Business Innovation and Skills Committee, and the Science and Technology Committee in October 2009. House of Lords select committees are less directly matched to departmental task areas, but cover important broad areas – one example being the European Union Select Committee, which in turn has subcommittees that cover distinctive topics such as economic and financial affairs or the environment from an EU perspective.

However, the capacity of committees to monitor effectively is limited due to a lack of resources and limited continuity in membership (House of Lords rules oblige members to be rotated off a committee after four years, for example). This disjunction between full coincidence and effectiveness of scrutiny somewhat diminishes this variable.

The National Audit Office is independent of government. Its head, the comptroller and auditor general, is by statute an officer of the House of Commons. The office scrutinizes public spending on behalf of Parliament and is accountable to the Committee of Public Accounts (PAC). The PAC, in turn, often has a strong impact on public debate.

The British Parliament has a Parliamentary and Health Service Ombudsman, which looks into complaints if “government departments, their agencies and some other public bodies in the UK – and the NHS in England – have not acted properly or fairly or have provided poor services.” Besides the parliamentary ombudsman (which also has offices in the Scottish Parliament, the Welsh National Assembly and other government institutions), there are several other ombuds services in the UK, including Energywatch, the Financial Ombudsman Service, the Local Government Ombudsman, the UK Pensions Ombudsman and several others. Several of these ombuds services, such as the Local Government Ombudsman, have been accused of bias and mere rubberstamping of the decisions of the institutions they are meant to oversee.
F Intermediary organizations

Media

The main TV and radio stations in the United Kingdom, especially those that run under a public charter such as the BBC, provide an extensive array of high-quality news services. Government decisions feature prominently in this programming, and information about and analysis of government decisions is both extensive and held to a high standard. There is substantial competition for viewers, in particular between the BBC, SKY and Channel 4, and in addition to news programs, all provide in-depth analysis programs on politics and policy in a variety of formats. The “Today” program on BBC Radio 4 is well-known for its highbrow political analysis and scrutiny, and often sets the tone for political debates. However, there are also news and magazine shows on other more popular radio channels.

The style of interview on these programs is often explicitly nondeferential, and sometimes even confrontational, which is justified by the need to hold politicians and especially government ministers to account.

Parties and interest associations

The UK is traditionally a two-party system in which the manifestoes of the two leading parties are credible and coherent, and that of the third party is generally also plausible. Smaller fringe parties are more often focused on a single issue (the UK Independence Party, for example, which is focused on withdrawal from the EU, or the nationalist parties in Scotland and Wales). Given that only two (or now three) parties are likely to be in government, a high score for this question is justified. Even when a hung parliament became likely in the run-up to the May 2010 general election, the programs of the three major parties retained plausibility, and the assumption was (as the events after the election confirmed) that any necessary horse-trading among the parties would mean that the more ideological proposals would be dropped.

A strong tradition of energetic public debate on issues of policy and politics exists in the United Kingdom, and is reflected both in citizens’ and media attitudes towards politicians and their proposals. Especially during the comparatively brief and very intense periods of
general election campaigns, party manifestoes are scrutinized in detail by journalists. Since manifesto commitments enjoy the constitutional privilege of not being able to be vetoed by the House of Lords (under the Salisbury Convention), they are considered to be very important, and consequently parties strive for consistency and viability in them.

The absence of coalition government in the United Kingdom in recent decades has meant that parties in government usually have no excuse not to implement their manifesto commitments, which is a further incentive not to fill them with daydreams.

The major business associations propose practical policy solutions, rooted in a realistic assessment of the circumstances they will be carried out in. Since polarization between the major parties has been reduced substantially over the last two decades (especially in the field of socioeconomic policy matters), there is little incentive for business associations to engage in wishful thinking if they want to be taken seriously in the national policy discourse. However, some economic interests do propose relatively more provocative ideas.

The United Kingdom has a tradition of close scrutiny of policy proposals. While a “loony fringe” of interest associations (and parties – see the Monster Raving Loony Party) and policy proposals certainly exists, it can generally be said that the quality and realism of policy proposals determines the degree to which any interest group is taken seriously in the country’s national political discourse.

However, the abundance of NGOs with often-narrow policy agendas does mean that these groups can overlook the wider ramifications of the pursuit of their issue. By the same token, the diversity of such bodies allows a wide range of proposals to obtain a hearing.
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