

## POLITICAL AND ECONOMIC CHANGE

Political change in Britain has always been characterized by its gradual nature. **Gradualism** in turn established strong traditions. This process helps to explain the transition in policymaking power from the king to Parliament. That transition may be traced to the days shortly after William the Conqueror defeated Harold II at the Battle of Hastings in 1066. In order to ensure his claims to English lands, William (a Norman) gathered support from the nobility by promising to consult them before he taxed them. This arrangement led to a gradual acceptance of a “House of Lords,” and as commercialism created towns and a new middle class, eventually the establishment of a “House of Commons.” Both were created through evolution, not revolution. Of course, there are important “marker events” that demonstrate the growing power of Parliament – the signing of the Magna Carta, the English Civil War, and the Glorious Revolution – but the process was gradual and set strong traditions as it developed.

Despite the overall pattern of gradualism, Britain’s political system has had to adjust to internal economic changes, as well as international crises. Some sources of change have been the Industrial Revolution, imperialistic aspirations, the two world wars of the 20<sup>th</sup> century, and the economic crisis of the 1970s. These events have had significant consequences for Britain’s political system.

## ADJUSTING TO THE INDUSTRIAL REVOLUTION

The Industrial Revolution that began in England during the late 18<sup>th</sup> century created two new social classes that were not accommodated under the parliamentary system: the middle class and laborers. At first, Parliament resisted including them, thinking that it might lead to disaster, perhaps even a revolution like the one that France had in 1789. However, the tradition of gradualism guided the decision to incorporate the new elements into the political system. The decision is a reflection of *noblesse oblige*, an extension of elite obligations to the rest of the population. Starting in 1832, the franchise gradually broadened:

### EXTENSION OF VOTING RIGHTS

- **Great Reform Act of 1832** – About 300,000 more men gained the right to vote, and the House of Commons gained more power in relation to the House of Lords.
- **Reform Act of 1867** – The electorate reached 3,000,000, as many working-class people were allowed the right to vote.
- **Representation of the People Act of 1884** – The electorate was further expanded so that the majority of the voters were working class.
- **Women’s suffrage** – All women over the age of 28 and all men over 21 were granted the right to vote in 1918. By 1928, all women over the age of 21 were allowed to vote.

The gradual inclusion of the people in the political process meant that Marxism did not take root as it did in many other European countries, where the middle and lower classes had few political rights..

## 19TH CENTURY WORK AND WELFARE REFORMS

During the 19<sup>th</sup> century, labor unions formed to protect workers' rights on the job. By the end of the 19<sup>th</sup> century, some basic provisions were made for social services. For example, in 1870, mandatory elementary education was put into law. From 1906 until 1914, laws were enacted providing for old age pensions.

## POLITICAL EFFECTS OF THE EXTENSION OF RIGHTS TO THE "COMMON MAN"

The balance of power between the House of Commons and the House of Lords changed slowly but surely, as the new commercial elites became Members of Parliament. By 1911, the House of Lords was left with only one significant power – to delay legislation. The House of Commons was clearly the dominant legislative house by the early 20<sup>th</sup> century. By then political party membership was determined largely by class lines. The **Labour Party** was created in 1906 to represent the rights of the newly-enfranchised working man, and the Conservative Party drew most of its members from middle-class merchants and businessmen.

With the enfranchisement of the working class, a demand for welfare measures put pressure on the political system to change. Reform measures were passed by Parliament, including legislation for public education, housing, jobs, and medical care. With these demands came a new party – Labour. By the end of World War I, Labour had pushed the Liberals into third place where they have remained ever since. Labour was never Marxist, but it combined militant trade unionism with intellectual social democracy to create a pragmatic, gradualist ideology that sought to level class differences in Britain. The **Trade Union Council** emerged as a coalition of trade unions that has been a major force in British politics since. The British labor movement has always been tough, resentful of being treated like inferiors. That militancy carries through to today, only to be softened in very recent years by party leaders Neil Kinnock, John Smith, Tony Blair, and Gordon Brown.

## EFFECTS OF WORLD WAR II

### Reacting to the Loss of Imperialist Powers

In contrast to World War I, when physical destruction was limited to the front lines around the trenches on the Continent, the nature of warfare during World War II brought much more widespread damage to Britain. German bombing raids had decimated roads, bridges, public buildings, and homes, and Britain had many war debts. Although the economic aid provided by the United States' Marshall Plan eventually led to economic recovery in Britain, an important price that the country paid was the loss of many of its colonies in Africa and Asia. In most cases, Britain helped the colonies to prepare for their independence, and as a result retained economic and political bonds to them, which contributed to Britain's eventual economic recovery. However, because other European powers were also letting their colonies go because they could no longer afford to maintain them, World War II marks the collapse of the old imperialist order and the beginning of the global hegemony of the United States and the Soviet Union. Britain, then, had to adjust to its new place in world politics, and since then, has had to balance its relationship with the United States against a history-ridden relationship with the European continent. This new reality has shaped British foreign policy right through to the present.

### Collective Consensus

Britain united behind the World War II effort under the leadership of Winston Churchill. Churchill emphasized the importance of putting class conflicts aside for the duration of the war. Although he gained

the prime minister's post as leader of the Conservative Party, he headed an all-party coalition government with ministers from both major parties. The primary objective was to win the war. After the war was over, the spirit of **collective consensus** continued until well into the 1960s, with both Labour and Conservative Parties supporting the development of a modern welfare system. Before the war was over, both parties accepted the **Beveridge Report**, which provided for a social insurance program that made all citizens eligible for health, unemployment, pension, and other benefits. One goal of the Beveridge Report was to guarantee a subsistence income to every British citizen. In 1948, the **National Health Service** was created under the leadership of the Labour Party. Even when Conservatives regained control in 1950, the reforms were not repealed. Although the electorate was divided largely by social class, with 70% of working class voting Labour and even larger percentages of middle class voting Conservative, both parties shared a broad consensus on the necessity of the welfare state. As a result, the foundations were laid for a **mixed economy**, with the government directing the economy and nationalizing major industries without giving up basic principles of capitalism, such as private ownership of property.

## CHALLENGES TO THE COLLECTIVE CONSENSUS SINCE 1970

During the late 20<sup>th</sup> and early 21<sup>st</sup> centuries, Britain has experienced considerable economic and political turmoil. The era began with a serious decline in the economy, followed by a growing divide between the Labour and Conservative Parties. Labour took a sharp turn to the left, endorsing a socialist economy and serving as a mouthpiece for labor union demands. The Conservatives answered with a sharp turn to the right, advocating denationalization of industries and support for a pure market economy. During the 1990s, both parties moderated their stances, and the economy showed some signs of recovery.

### ECONOMIC CRISIS OF THE 1970s

The collective consensus began to break apart with social and economic problems beginning in the late 1960s. Britain's economic problems included declining industrial production and international influence, which were exaggerated by the loss of colonies and the shrinking of the old empire. The impact of **OPEC** (Organization for Petroleum Exporting Countries) was devastating. The quadrupling of oil prices and the oil embargo by oil producing countries caused recession, high unemployment rates, a drop in the GNP, and inflation.

The economic problems led labor unions to demand higher wages, and crippling strikes – such as the coal strike of 1972-73 – plagued the nation. The Labour Party lost membership, and many voters turned to the Liberals, the Conservatives, or the various nationalist parties. Many middle-class voters reacted against Labour, and the Conservatives selected Margaret Thatcher as their leader. Her very conservative stance on political issues was appealing enough to sweep the Conservatives to power in 1979.

### THATCHERISM

**Margaret Thatcher** blamed the weakened economy on the socialist policies set in place by the government after World War II. Her policies were further influenced by a distinct movement left by the Labour Party that gave a great deal of power to labor unions. In response, she privatized business and industry, cut back on social welfare programs, strengthened national defense, got tough with the labor unions, and returned to market force controls on the economy. Her policies reflect the influence of **neoliberalism**, a term that describes the revival of class liberal values (p. 16) that support low levels of government regulation, taxation, and social expenditures and the protection of individual property rights. She was prime minister for eleven years. Her supporters believed her to be the capable and firm "**Iron Lady**", but her critics felt that her policies made

economic problems worse and that her personality further divided the country. Thatcher resigned office in 1990 when other Conservative Party leaders challenged her authority. Despite the controversial nature of her leadership, her policies redirected Britain's path to the welfare state, and although her successors moderated her stances, privatization and downsizing of government have remained important trends in policymaking.

### TONY BLAIR'S THIRD WAY

After the jolts of the economic crisis of the 1970s and Margaret Thatcher's firm redirection of the political system to the right, moderation again became characteristic of political change in Britain. Thatcher's hand-picked successor, **John Major**, at first followed her policies, but later abolished Thatcher's poll tax, reconciled with the European Union, and slowed social cutbacks and privatization. The Conservative Party retained the majority in the 1993 parliamentary elections, but only by a very slim margin. Then, in 1997, Labour's gradual return to the center was rewarded with the election of **Tony Blair**, who promised to create a "New Labour" Party and rule in a "**third way**" – a centrist alternative to the old Labour Party on the left and the Conservative Party on the right. Tony Blair's popularity slipped sharply after he supported the United States in its Iraq War in 2003. By sending troops and publicly committing his support to U.S. President George Bush, he not only alienated other European leaders, but much of the British public as well. In 2007 Blair stepped down from his post to be replaced by long-time cabinet member **Gordon Brown**, who despite his attempts to step out from the shadow of his controversial predecessor, had a great deal of trouble convincing the British public to remain loyal to the Labour Party. The economic recession of 2008 hit Britain particularly hard, making it even more difficult for Brown to maintain control of the government. By 2009, Tony Blair's "third way" was in trouble, and challenges to Labour control of government were abundant.