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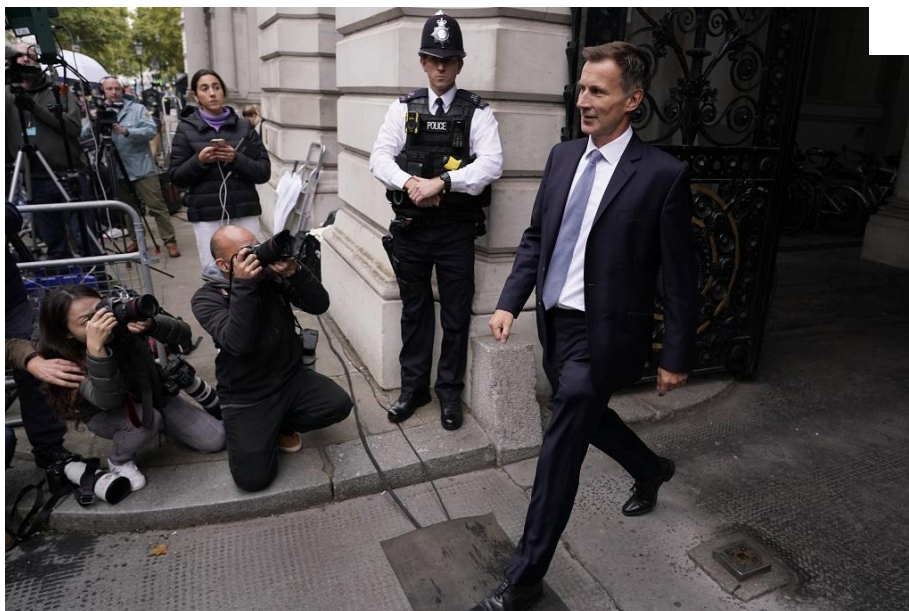
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Britain's Tragic Collapse

The problem is not failed leadership but a failed ideology.

BY SHERA AVI-YONAH OCTOBER 18, 2022



ALBERTO PEZZALI/AP PHOTO

Britain's new Chancellor of the Exchequer Jeremy Hunt arrives in Downing Street to see Prime Minister Liz Truss, in London, October 14, 2022.





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Britain's government, led by Conservative Prime Minister Liz Truss, is hastening the demise of its own economy. The proximate cause is a proposed "mini-budget" featuring £45 billion in tax cuts, which sent the pound plummeting and imperiled the country's pension funds after its September 23 release. Truss's Cabinet reversed much of that budget Monday, and fired Kwasi Kwarteng, the head of the economic team responsible. But the damage it wrought will last.

Truss herself may be the next victim of her government's undoing. Several Conservative members of Parliament have said she has lost their confidence, and a British tabloid is running an experiment to see if her tenure can last beyond the shelf life of a head of lettuce. Jeremy Hunt, named Chancellor of the Exchequer on Friday, is all but running the country.

The debacle is novel in the sense that Truss's government has accelerated her party's Laffer Curve-style economic policy, which advocates growth via slashing taxes on the rich and whittling down the budget—tanking the economy as a sacrifice at the altar of Margaret Thatcher.

But Truss's strategy marks a change in pace rather than in kind. Since 2016, the Tories have attempted to mix supply-side economics with the disastrous decision to leave the EU. The six years since have proved that no amount of stirring will emulsify the two.

To modify a quote often misattributed to Talleyrand, it's worse than a crime, it's a tragedy, the logical end of which has been a long time coming.

More from Shera Avi-Yonah



Even before Kwarteng and Truss released the mini-budget, called a “growth plan” in typical Tory parlance, the U.K. economy had stagnated after 12 years of Conservative leadership. Over the summer, the Bank of England forecast a 15-month recession, citing rising energy costs, inflation, and a severe labor shortage. The Tories have long argued that cutting public spending and lowering taxes on the rich—policies Truss took to the extreme—would jump-start the country’s economy. The fact that those policies have failed didn’t move the Tories during a historic pandemic and it hasn’t moved them now.

Since 2016, the Conservatives have embraced both Thatchernomics and the slow-motion crash of Brexit. Leaving the EU has diverted foreign investment, worsened the country’s existing skills crisis, and forced it into costly and unnecessary new trade deals. Billions in funds aimed at training workers for in-demand jobs in engineering and robotics have gone unspent because local universities can’t find faculty who will teach for unlivable wages. U.K. physicians, especially general practitioners and junior doctors, are among the lowest-paid among OECD countries, even setting cost of living aside.

Yet in a book co-authored with several other prominent Conservative MPs, Truss wrote that what the country needed was not more immigration but rather for British workers to stop being so lazy.

Because of the country’s economic collapse and the Tories’ attendant polling plunge, very few Conservative politicians have an appetite for calling a general election, which under a law passed by the Tories earlier this year doesn’t have to be held until January 2025. Between now and then, the party may continue going through its benches in search of a competent leader.



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Current candidates include Hunt; Rishi Sunak, himself a former Chancellor; Penny Mordaunt, the leader of the House of Commons; and Ben Wallace, the current defense secretary. While they would all improve upon some aspects of Truss's shambolic leadership, none inspire confidence.

But to view the Conservatives' failure as a personnel problem misses the point. It's policy that's gotten them here.

Over the next few months, U.K. citizens can expect brutal spending cuts, strikes in several key sectors, potential rolling blackouts, and hospitals straining to provide care without sufficient funding. Despite external challenges like the war in Ukraine and global inflationary pressures, at their core these problems have been inflicted on the country by its own ruling class. Rarely do ruling parties get the chance to self-destruct undisturbed, but that's what the Tories get now, for as many months as they can stomach it.

Whether the next election is in six months or in more than two years, polling suggests the Labour Party will make historic gains. More than 50 percent of British voters would back Labour today, compared to roughly 20 percent for the Conservatives. One recent poll showed that the Tories wouldn't even register enough support to become the official opposition, supplanted by the Scottish National Party.

Under leader Keir Starmer, the Labour Party's strategy



has been to stand and point at the mess its opponents are creating. But once elected, Labour's leaders will have hard work ahead.

Starmer, a lawyer who entered the job in 2020, has been able to spend the past two years gaining political ground without laying out a clear policy agenda. Despite its name and origins, his party hasn't been full-throated in supporting rail workers' and nurses' fights for wage increases or clear about the damage Brexit will continue to inflict. Nor has it, until recently, openly advocated renationalizing rail and energy services.

Ambiguity has its benefits, especially when your opponents are self-destructing. But over the next two years, Starmer could stand to learn a lesson from the Conservatives. Riding on vibes, however politically sound, is no substitute for a coherent and effective agenda.

As with the rotating Conservative Cabinet, Starmer's personality is somewhat beside the point. The next two years, tough as they may be, provide a chance for Labour to look at its own structural failures, including its inability to directly address Brexit's shortcomings.

If Starmer wants to use the power this crisis will grant him, he'll have to be more than palatable. Against the cautious political instincts he's displayed, he and Labour will have to present a forthright agenda, including braving the consequences of unpopular economic deals with the continent—ones that will assuredly come with worse terms than the U.K.'s pre-referendum agreement.

Someday, a British government will have to tell its citizens the country must reunite with Europe or accept permanent economic hemorrhage. That may not be as appealing as Boris Johnson's isolationist fantasies, but it will remake Britain into the functioning county its people deserve

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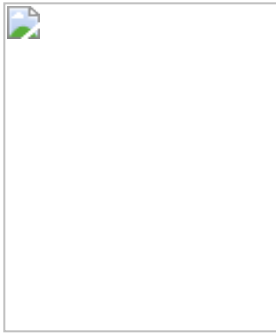
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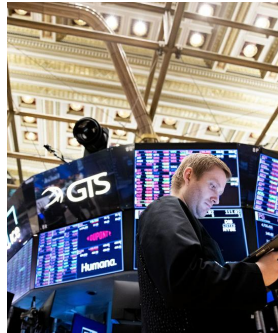
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