

'Waffle' Politics

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British politics has become a strange place. Politicians making pronouncements on issues, but policies they implement achieving outcomes and conditions somewhat different has, under the Johnson government, been taken to an altogether different level.

Cynics would describe this as hypocrisy and, in most other professions, viewed negatively.

Politics is different.

As long as there's some sort of justification that will keep the media happy for, it seems, that day, this suffices. The news agenda moves fast meaning any opprobrium is temporary and forgotten tomorrow. Besides, it seems in recent years, people's memories are so short as to mean that by the time the next election occurs, they're not that bothered by broken promises.

We had a large degree of this in Wednesday's Autumn Budget and Spending delivered by Chancellor Rishi Sunak. He was delivering a message we're all going to be better. On the basis of what we heard on Wednesday, it's hard to see.

Sunak, undoubtedly aware of the need to keep his boss, Boris Johnson, happy, ensured his speech contained plenty of the 'boosterish' rhetoric about how the new economic model this government believes possible by leaving the European Union (EU) will benefit the population. Indeed, he parroted the narrative that a high wage, high productivity economy is possible.

Such unsubstantiated optimism plays well; proven by Boris Johnson who's spent his life peddling a mixture of subterfuge and unbridled optimism.

An article concerned with Johnson's character, published in mid-June 2019, just before members of the Conservative Party voted for him to become leader of their party because he'd promised he would deliver Brexit, even if it meant doing so without a deal, told us all we needed to know. Written by Johnson's former boss at The Telegraph, Sir Max Hastings, and arguably the most trenchant criticism of a potential PM ever published, it pulls no punches (2019).

What's utterly fascinating about what Hastings' thoughts from two years ago is how accurate he was in his summation of the man who's led this country through Brexit by imposing trade arrangements with the EU that, little better than no-deal, are resulting in considerable disruption for business.

As Hastings warned with a degree of prescience that's turned out to be unerringly accurate, "while he is a brilliant entertainer who made a popular *maître d'* for London as its mayor, he is unfit for national office, because it seems he cares for no interest save his own fame and gratification" (ibid).

Two years on, having achieved the Brexit promised possible in the December 2019 general election through his 'oven ready deal', including the Northern Ireland Protocol, we are, as the expression goes, "where we are".

Ostensibly, Wednesday's budget was about providing clarity about the way in which, following the economic damage caused by the need to deal with a pandemic we only become aware of in January 2020, recovery will be achieved.

Significantly, unsurprisingly for someone who supported the UK's departure from the EU, Sunak used every opportunity on Wednesday to emphasise the benefits possible by leaving one of the world's most influential trading blocs in the world. As website, Europa.eu, states, "in 2019, it was the

second largest exporter and importer of goods in the world, as extra-EU trade accounted for 15.9 % of global exports and 14.0 % of global imports.”

Four years ago, in an article originally appearing in The Telegraph on 7th August 2017 as a jointly authored opinion piece, Sunak explicitly extolled the “five key areas” that would provide advantage to the UK by its departure from the EU (Conservatives, 2021). These were being free of the EU’s customs union, “a say on how low-skill immigration is managed”, an end to what was regarded as regulation through “European collectivism”, opportunity is economic innovation and, finally, “a chance to revitalise our democracy.”

All very well as speculation but, some four years on, having finally left the EU last year and ‘transition’ having ended on 1st January this year, we can start to see what the economic consequences of Brexit have been. As respected body, OBR (Office for Budget Responsibility), the so called ‘fiscal watchdog’ of the government’s management of the economy have carried out, as they are required to do, the UK’s departure from the EU have made our economic situation worse.

The OBR’s view is the result of being outside of the EU is likely to reduce the size of the economy, as measured by GDP (gross domestic product), by around 4%. For comparison, the OBR believe the hit to the UK economy of dealing with the pandemic, resulting in unprecedented borrowing by the government which has swelled public debt to over £2.2 trillion, was half (about 2%).

Though Brexiters may prefer to pretend that problems are not occurring, the evidence of the impact of Brexit, particularly in terms of the arrangements with the EU this country has negotiated under the ‘free trade deal’, mount daily. Writing in Thursday’s Financial Times, Valentina Romei described the fact that businesses in this country are “struggling to attract overseas markets following Brexit and as the pandemic eases” (2021).

If there are Brexit dividends, they certainly are being manifested yet. The argument that it’s going to take many years to adapt to the new circumstances of being an independent nation outside the EU, is frequently proffered as a reason for what are claimed to be “teething problems”. However, tell that to those who are struggling to make ends meet.

Independent thinktank, The Institute for Fiscal Studies (IFS), in their analysis of the budget presentation on Thursday morning were pretty scathing about the impact that it will have on hard-pressed families. IFS’s director, Paul Johnson, stated his belief that the real-terms damage to household incomes was not only unprecedented in modern history, but that weaker economic growth and higher inflation which we’re already experiencing will leave many worse off.

Notably, the IFS claim, the “two-decade” hit to earnings will mean that the average household’s disposable income will be 42% lower than had wages increased at the pre-2008 financial crisis rates. What this means, according to the IFS, is that by 2026 average household earnings are likely to be £30,800 rather than £43,700.

Clearly this is a very significant difference and, as the vast majority of people will already be aware, our spending power is being reduced by increases in cost for, energy, fuel and food. If, as many speculate, because of rising inflation, interest rates go up, those with mortgages will be further squeezed.

With resonance to the adage that bad news comes in threes, The Resolution Foundation, another independent thinktank which campaigns to improve standards of living for low- and middle-income families, have examined the statement made on the budget by Rishi Sunak and are also dismissive of his assertions of better times ahead.

Rather, The Resolution Foundation argue, the “high-tax, big-state economy” which they believe is characteristic of this government’s approach, will, according to their analysis, mean that by 2027, the average amount of tax paid by each household will increase by £3,000.

Torsten Bell, chief executive of the Resolution Foundation, stresses that though there’s a need for the population to accept that there is likely to be a greater burden to deal with what is an ageing population with associated costs of health and social care, the proportion of taxes paid by those who are already struggling should not be such as to make their plight even worse.

Rishi Sunak, who has the good fortune to be married to the daughter of a billionaire does not know what it’s like to struggle. We’ve heard many stories claiming his boss, the PM, finds it a difficult to get by on what he’s paid to run the country. Some suggest that, should he win the next general election, he may step down as PM so he can then earn “serious money”.

Should there be a contest for the leadership of the Conservative Party, Rishi Sunak who many suggest has ‘risen without trace’ would hope to be one of the favourites to take over. In that sense, Wednesday’s budget was one riddled with compromise and contradictions.

Sunak wished to claim many things that will play well with those who are likely to vote for his party, particularly those in ‘red wall’ seats who switched from Labour in December 2021.

However, given that the latest point at which the next general election will take place is May or June 2024 (and possibly sooner), there is limited time for any benefits from the Conservative strategy to ‘level up’ in seats where support for the ‘Get Brexit Done’ party was influential in giving Johnson his 80-seat majority.

As Sunak should be aware, though the British electorate have, thus far, demonstrated incredible levels of tolerance of Boris Johnson and his ability to make statements then do something different, a trait Max Hastings warned us about in June 2019. Inevitably, there’ll come a point at which many ask whether the financial pain being suffered is worth it.

Though surveys suggest that a large proportion of those who voted to leave the EU still believe it was correct, a growing number recognise it is not going to, certainly for the very foreseeable future, deliver any economic advantage; quite the contrary.

That many Brexiters claim any financial pain endured is a price worth paying to achieve ‘freedom’ from the EU, this argument may start to wear thin.

There may be a backlash against those who were instrumental in bringing about Brexit and, in the case of Johnson, the unnecessarily harsh terms.

Johnson is, of course, a master at attempting to avoid blame for his action. Former chief political advisor Dominic Cummings has made this plain and, whenever possible, stresses his belief that he is a weak person driven by his own sense of importance.

If Sunak wishes to replace Johnson as leader of the Conservative Party, he should be aware that engaging in ‘waffle’ politics, a skill Johnson has spent virtually his entire adult life perfecting, can become a liability. Like any gambler, Johnson must instinctively know his luck, and forgiveness of voters, will eventually run out.

If Wednesday’s budget is anything to go by, Sunak wishes to emulate the characteristics of the man he answers to.

Perhaps he should realise that, if the public turn against Johnson and his lack of honesty, they will wish to see someone whose honesty and integrity shines like a beacon.

Telling the truth and admitting Brexit is not going as well as planned would be a good start for Rishi Sunak.

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