

Recent history

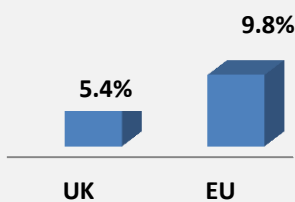
In recent decades, British politics has undergone repeated transformations. The election of a centre-right Conservative Government led by Margaret Thatcher in 1979 started a process of reform marked by the **privatisation** of many state industries and the rapid decline of the trade union movement.

After 18 years of Conservative power, a centre-left Labour government, led by Tony Blair, was elected in 1997. Labour came to power pledging reform of public services and closer relations with the European Union.

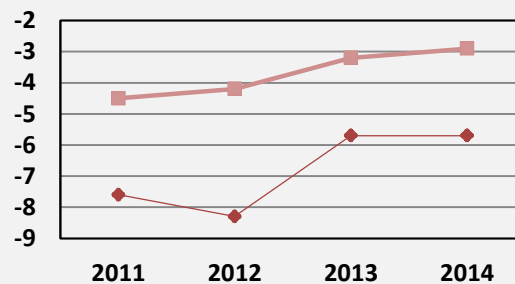
Following 13 years of Labour government, the general election in May 2010 resulted in a coalition government between the Conservative and Liberal Democrat Parties, led by Conservative Party Leader David Cameron. It was the first coalition government to lead the UK since 1945.

The most recent general election, held in May 2015, resulted in an unexpected majority for the Conservative Party. Prime Minister David Cameron has pledged to hold an in/out referendum on Britain's EU membership by the end of 2017. Before that time, he intends to renegotiate Britain's membership terms; his renegotiation demands include restricting the ability of EU migrants to claim benefits in the UK, and reducing legislation for businesses.

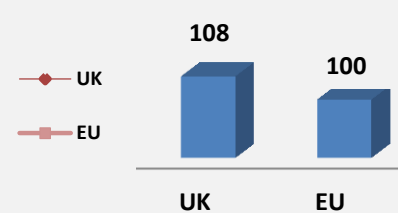
Unemployment rate (2015)



Public budget deficit/surplus



GDP per capita in PPS (2013)



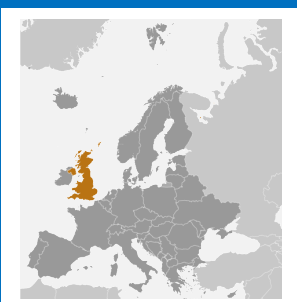
Government structure

The UK is a parliamentary constitutional monarchy, meaning that a monarch acts as the Head of State while the ability to make and pass legislation resides with an elected Parliament. The British Parliament has two chambers; the House of Commons, which is directly elected through a First Past the Post system, and the House of Lords, which is appointed. First Past the Post means that the candidate with the most amount of votes in their constituency wins, and the party with the most Members of Parliament (MPs) gains power and provides the Prime Minister.

The Head of State is the Monarch, currently Queen Elizabeth II. While her political powers are largely symbolic, she meets the Prime Minister confidentially on a regular basis, in an advisory capacity.

Since 1999 there has been a separate **devolved** Parliament in Scotland and National Assemblies in Wales and Northern Ireland. London also has a regional assembly, and local government is divided between County Councils and District or Borough Councils which are elected.

United Kingdom: key facts



❖ Capital	London
❖ Population	64 million (2014)
❖ % of total EU population	12.7%
❖ Official language	English
❖ Year of EU accession	1973
❖ Currency	Pound sterling GBP
❖ Schengen Area member	No
❖ Seats in European Parliament	73

The United Kingdom and the EU

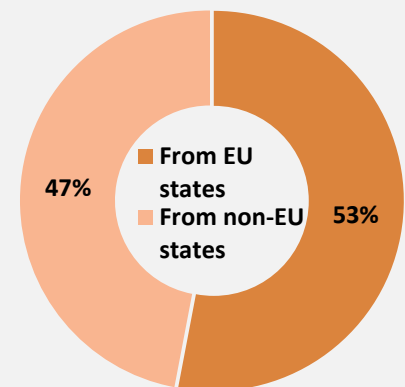
The United Kingdom joined the European Community in 1973, following two unsuccessful applications for membership. Since joining, the UK has often had a strained relationship with the rest of the EU, particularly under Prime Ministers Margaret Thatcher and John Major. Having joined the European Community in 1973 under Conservative Prime Minister Edward Heath, the question was put to a referendum in 1975 by the incoming Labour government. The British people voted to stay in the European Community. However, when Margaret Thatcher and the Conservative Party returned to power in 1979, they took a more sceptical attitude toward UK membership. This reached a showdown in 1985, when the Prime Minister demanded the repayment of part of the UK's budget contribution.

Having won this battle, the British government played a more constructive role in developing the European project. It was the British Commissioner, Lord Cockfield, who pushed forward the reforming Single European Act (1986). In 1992, Europe erupted as a pressing political issue when the UK was forced to leave the Exchange Rate Mechanism (ERM). A fierce debate also raged about the Maastricht Treaty (1992). The divisions over Europe were so powerful that they nearly caused the collapse of the Conservative Government.

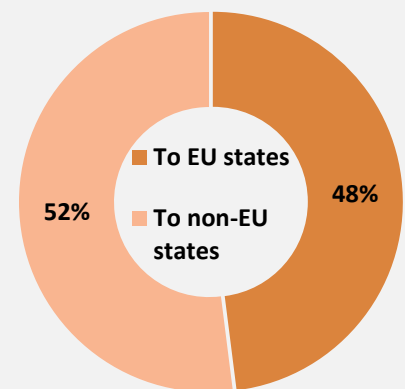
When Tony Blair came to power in 1997, he proposed a friendlier attitude toward the EU. Although the UK showed more willingness to accept EU legislation, the decision was soon taken that it would not adopt the Euro as its currency. The Labour government promised a referendum on the issue, but never held one, and when the coalition government came to power it said it had no plans to join the Euro in the foreseeable future.

There was controversy in 2008 when the government refused to hold a referendum on the Lisbon Treaty, which was due to come into force in 2009. Despite criticism that the Lisbon Treaty is very similar to the failed EU Constitution - which the government did promise a referendum on - a referendum was denied and the British Parliament ratified the Treaty in July 2008. The European Union Act, passed by Parliament in 2011, promises a referendum on any future EU Treaty change that requires a shift in power from the UK to the EU.

UK imports (2014)



UK exports (2014)



Facts and figures

- ❖ The UK exists of England, Northern Ireland, Scotland and Wales and also has several Crown dependencies and overseas territories, including Gibraltar and the Falkland Islands
- ❖ The UK is the world's fifth largest economy and a world leader in services, which account for almost 80% of GDP
- ❖ The UK is a highly popular tourist destination, attracting 34.4 million tourists in 2014
- ❖ The UK has a permanent seat on the UN Security Council

Technical Terms

- ❖ **Privatisation:** the transfer of companies from state ownership to private control
- ❖ **Devolution:** the transfer of decision-making power from national to regional government
- ❖ **PPS:** GDP per head is expressed in Purchasing Power Standards (PPS) to eliminate the differences in price levels between countries allowing meaningful volume comparisons of GDP between countries

Links

- ❖ <http://www.number10.gov.uk/>
- ❖ <http://www.royal.gov.uk/output/Page6.asp>
- ❖ <http://ec.europa.eu/eurostat>