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# England

Obituary for a  
great country

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## **“This sceptred isle”**

The Hungarian-British journalist György “George” Mikes came up with the initially somewhat strange insight that whenever England is mentioned, sometimes Great Britain is meant, sometimes the United Kingdom and sometimes the British Isles - never but England. Mikes noted this in a footnote to his humorous guidebook “*How to be an alien*,” published in 1946, in which he described a foreigner’s view of England, i.e. his view.

Over sixty years later, the truth of Mikes’ observation has not changed. England is a country that can, in principle, be defined geographically as the part of Great Britain that lies south of Scotland and east of Wales. However, in the perception of England across the Strait of Dover, these boundaries are often blurred. There, British is all too often and too carelessly confused with English, as if the largest British island was not actually home to three nations – England, Scotland and Wales.

One might think this is excusable, as England is clearly the dominant part of Great Britain and, if Northern Ireland is also taken into account, of the United Kingdom. In England, especially in London, the political, cultural and economic threads come together. England is also by far the most populous part of the United Kingdom; five out of six Brits live there.

But despite having such a strong position within the kingdom, England today has to contend with something of an inferiority complex. Scots may suffer if they are once again mistaken for English abroad . But at least the Scots know who they really are and what being Scottish means. When in doubt, just haggis, bagpipes, whiskey and the desire for independence. For an Englishman, however, the question of one's own identity would be much more difficult to answer. Because what does it mean anymore: being English? What does England stand for beyond its geographical location as part of a small island in the North Atlantic?

These questions would probably have been easier to answer a few hundred years ago, or even a few decades ago. In any case, England was far from an identity crisis in Shakespeare's time when the poet had the Duke of Lancaster say in the second act of Richard II:

This royal throne of kings, this sceptred isle  
This earth of majesty, this seat of Mars,  
This other Eden, demi-paradise,  
This fortress built by Nature for herself  
Against infection and the hand of war,  
This happy breed of men, this little world,  
This precious stone set in the silver sea,  
Which serves it in the office of a wall  
Or as a moat defense to a house,  
Against the envy of less happier lands,—  
This blessed plot, this earth, this realm, this England.

These lines express several characteristics that previous generations of English people associated with their country: an

island cut off from the rest of the world by a stroke of luck - a fortress, as Shakespeare calls it - that has little to do with the restless rest of Europe has to do and wants to have even less to do. A small world in itself, inhabited by happy people who - could be sure of the envy of other peoples of their quasi-paradise England.

Green and Pleasant Land “ in his famous poem “Jerusalem” . If you visit English villages, for example in the Cotswolds in central England , then you know what this means. There, time seems to have stood still somewhere between Shakespeare and Blake. It is indeed green and pleasant there, almost idyllic, with thatched limestone houses, rustic pubs and centuries-old churches. If there is another Eden, as suggested by Shakespeare, then it is undoubtedly in England.

But the English of earlier times had even more reasons to be proud of themselves and their nation. In its long history, England has often been ahead of mainland Europe: culturally, politically, scientifically and, not least, militarily. After the Norman conquest in 1066, a political system developed in England in which citizens gradually won more and more freedoms against the crown. An advanced legal system, the common law, was one consequence of this civil desire for freedom; the other was the birth of modern parliamentarism . All of this came about at a time when the princes and kings on the continent still viewed society as their own property. Such absolutist tendencies ultimately cost the English King Charles I his head, more than a century before the French Revolution.

Modern parliamentary democracy would be unthinkable without English constitutional history with its milestones of the Magna Carta (1215), the Petition of Right (1628) and the Bill of Rights (1689). In England, the change from a medieval society

to a modern society took place long before mainland Europe and the rest of the world. You were way ahead of your time and you knew it.

England also played a pioneering role economically and technologically for a long time. Serfdom and guilds had been abolished centuries before the Prussian emancipation of the peasants . In addition, English taxes were low and a modern banking system had developed, supplying capital to the economy. It is therefore no coincidence that the invention of the steam engine, the electric loom, the railway and thus the Industrial Revolution as a whole began in England. English society was inherently open to technical and economic innovations, and so industrial production in England was able to develop at a rate that continental Europe lagged behind for a long time.

The cities of England also grew significantly faster than cities on the continent. Until the early 17th century, England, like all other nations with the exception of the Netherlands, was a very agricultural country. But this changed dramatically over the next three centuries - and much faster than anywhere else in the world. London had been a city of millions since 1800, and by the end of the 19th century over three quarters of the English population lived in cities.

England was the benchmark of productivity and progress by which the rest of the world was measured. “Made in England “ stood for quality and the latest technology. It was the time of engineers like Isambard Kingdom Brunel, who built the Great Western railway line, which is still considered an engineering masterpiece thanks to its spectacular viaducts, stations and tunnels . The England of this time combined entrepreneurial

spirit, technical knowledge and an almost unshakable belief in progress.

The quality of life in England in the 19th and early 20th centuries was comparatively good. Comparatively because one must not lose sight of the relevant scale. It would be inappropriate to compare living conditions then with today. But for the time - and in comparison with their continental European neighbors - the English had achieved a remarkable level of prosperity, which manifested itself in a variety of ways.

For example in education. Compulsory education was only introduced in England in 1880, and the first state-run, fee-free schools opened in 1891. But the English were already a comparatively well-educated people long before that. By the middle of the 19th century, a private school system had developed, which ensured that practically all children received a basic education. Some of the schools were run by the church, others were financed through school fees paid by parents. As early as the late 1830s, research showed that even the majority of workers could read and write. The widespread circulation of newspapers and magazines from this period that were specifically aimed at the working class is evidence of this.

The English were also far ahead of their time and their neighbors in their healthcare system. The era of large hospitals began in England in the 18th century. However, they were run neither by the state nor the church, but by wealthy citizens. Philanthropy was widespread, and the benefactors included rich businessmen as well as famous artists and musicians such as George Frideric Handel. In the 19th century, England experienced a boom in new hospitals, which were often founded and operated by private individuals. Many of them enjoyed a global reputation, and yet ordinary English people were still

able to afford health care by, for example, organizing themselves into “friendly societies” whose members supported each other in the hardships of life. It was a type of privately organized social insurance to which several million English people belonged at the end of the 19th century.

The economic development of England in the 19th century is undoubtedly one of the most impressive growth processes the world has ever seen. At the beginning of the century, England was still an exhausted, exhausted country after more than two decades of wars against Napoleon’s France. National debt and tax burdens had reached dizzying heights as a result of military spending at the time. In addition, there were hundreds of tariffs that were intended to generate revenue on the one hand and to protect English manufacturers on the other. All of this meant that ordinary English people could hardly afford everyday items. Tea, sugar and butter had become luxury goods. Tens of thousands of smugglers supplied the population with goods that were either forbidden or simply unaffordable in England. In Hastings, southern England, you can still see how well organized the black market was in the smugglers’ caves.

But within a few years, England had not only recovered from these burdens, but had also developed into the world’s leading economic nation. This can be seen from a few key figures. At the beginning of the 19th century, the British national product was around 230 million pounds sterling. A hundred years later it was over 1.6 billion pounds, and this - it should also be noted - with consumer prices stable, even slightly declining. While the English population increased from 8 million to 30 million in the 19th century, economic output grew more than twice as fast, enabling larger sections of the population to grow in prosperity. This was made possible by a

liberal economic policy inspired by the teachings of the (Scottish) philosopher Adam Smith, which was characterized above all by low taxes and free trade. As a result, the state share of British economic output fell from 22 to 11.8 percent during the 19th century. If ever there was an economy in which widespread laissez-faire was practiced, it was the English one of the time.

England was not only the leading nation in the world politically, technologically and economically, but also militarily. Since 1066, the country had successfully defied all attempts at invasion. It had defeated the Spanish Armada as well as Napoleon; Colonies in America, Africa, Asia and Australia had been conquered and subjugated. At the height of its colonial expansion, London ran an empire on which the sun never set. A quarter of the earth's land area belonged to it, and the world's oceans were controlled by the Royal Navy. "Britannia rules the waves ," says the unofficial national anthem, and Britannia was primarily England, not Wales or Scotland.

The economist John Maynard Keynes aptly summed up England's central place in the globalized economy of the late 19th and early 20th centuries when he wrote about it in the immediate aftermath of the First World War: "The Londoner could use the telephone while still in bed Drinking morning tea, ordering all the different goods from across the planet, in exactly the quantities he wanted. And he could expect them to be delivered to his doorstep. ... But the most important thing was that he considered this condition to be completely normal, safe and permanent, except that the most he could have imagined was further improvement."

For a long period of history, England was the center of the world and London the control center of world politics and trade. If you visit Whitehall today , the center of British government, you can still see the self-image of the English people back then. Massive buildings testify to the demands of their builders. No small island nation should be ruled here; world history was written here.

England was the epitome of the modern world at least until the First World War. It was the country that first industrialized; the land of the first railways and subways, the land of warships with gigantic firepower (dreadnought). England was the pre-war economic wonderland, the superstar of the first real world - economy. But it was more than that.

During the period of its magnificent rise, England had also developed into a country that was characterized by a basic social attitude that differed significantly from the continent in many respects. It was probably one of the most, if not the most, liberal of European countries. The order of English society was therefore not based on state regulations, not on bureaucratic regulations, but to a large extent on what can only inadequately be translated into German as “common sense”. The English called it “ common sense”. It is the unwritten trust in the individual’s reason that was thought to be widespread. At the same time, this assumption made it unnecessary for the government to intervene in detail in the lives of citizens. After all, you had more important things to do. Instead of looking after the interests of Anglesey and Ipswich, they preferred to manage Australia and India. For the English cities, this was the time when they could manage their own affairs largely independently of the central government in London. People were proud of their municipal independence, which was

reflected in the magnificent town halls of the time. Manchester “Town Hall”, for example, almost seems like a small copy of the London Houses of Parliament .

All this was England, “ good old England “. It was the country that still saw itself as the “ green and pleasant land” , even though it was industrialized and urbanized like no other. It was the country that had subjugated the world but didn’t really need a government to run its affairs at home. But above all, it was a country that could be sure that it was something special, a pioneer in many ways. The English were where others first wanted to go; they had long since found their place in the sun. There was no reason for self-doubt, and if anything could change England’s situation, it would only be for the better. “To be born English,” as Cecil Rhodes once put it, “is to have won first prize in the lottery of life.” The British Prime Minister Lord Palmerston (1784-1865) has an anecdote that a French statesman once tried to ingratiate himself with him by saying that if he were not French, he would wish he were English. Palmerston’s cool answer to this was: “And if I weren’t English, then I would want to be English.”

People were used to progress, power and prosperity, and could there be a better country on this earth than England?

### **The expulsion from paradise**

A tremendous optimism can be read from the description of the mood in England before the First World War, as we find it in John Maynard Keynes. Things were going well for the English, and change was only conceivable in the form of improvements.

When Tony Blair campaigned almost a century later, a pop song was played at his appearances with a superficially similar title: “ Things can only get better “ (ironically, Blair had the same song played again when he was ten). Years later he had to leave office in humiliation). But this “things can only get better” has a completely different ring today than it did in Keynes’ time. The English may be materially much wealthier than their ancestors, but the optimism, the self-confidence and even the clear idea of their own identity have evaporated. If the 19th century could with some justification be called the English century, the 20th century was, all in all, a *centennium horribilis for the English* . It marked the decline of the superstar of industrialization and world politics, of which in the end all that was left was a small, rainy island in the North Atlantic that no longer had much in common with the old England.

The English are aware of this. They notice how their country is changing more and more, how it is in danger of losing its core identity. If proof of this were needed, a walk into any English bookstore would suffice. Bookstores are often the seismographs of the zeitgeist because, through their selection of titles, they show us what concerns people at the end of the day and what worries them.

A current bestseller in English bookstores is entitled “*Fantasy Island* ,” a reckoning with recent British history written by two journalists from the left-liberal *Guardian* , which concludes with the following assessment: “We fantasize that we are able to Living permanently on credit, getting high-paying jobs for which we are not qualified, exercising military power that we no longer have, and yet at the same time believing that we are economically and politically ahead of the rest of the world: we live in cloud cuckoo land. “

Former MP George Walden goes even further in his book “*Time to emigrate ?*” In it he presents his readers with a letter to a (fictional) son who is considering leaving England and making a new start elsewhere. He goes through the list point by point that could cause him to emigrate. The neglect of some parts of the city, the high house prices that young families can no longer afford, the decline of schools - and gives his son the thinly veiled recommendation to pack his things. It was foreseeable that Walden’s book would be a great commercial success because it is aimed at an ever-growing target group. The emigration of young English people has reached record levels in recent years.

The general uncertainty about English identity is also addressed by BBC journalist Jeremy Paxman , who dared to portray his nation in “*The English*” . Significantly, it begins with a chapter on “The land of lost content.”

That’s how dominant English crisis literature is on the bookshelves of *Waterstone’s* , *Foyles* and *Books etc.* , that there is now a counter-movement that comes in the form of a small book with the beautiful title “ *This little Britain – How one small country built the modern world* “ . But even this patriotic pride in this radiant work cannot avoid the following introduction: “Who are we? For us Brits this is a strangely difficult question. Although our national self-image usually has some positive characteristics (we are inventive and tolerant - and at least we are not French), there is a whole catalog of negative characteristics . Our society is fragmented, depraved and irresponsible. Our children are bullies, our workers are poorly trained, our managers are greedy and incompetent. We hate our weather. Our public service is profoundly bad. Our society is indecent and unfriendly. We drink too much and in

the wrong way. Our house prices are crazy, our politicians are shabby, our streets are congested, our national football team is a disaster.” The author doesn’t even make an effort to put this self-accusation into perspective, but instead limits himself in the rest of the book to reflecting on his positive achievements and merits country to remember. Unfortunately, these are all in the distant past, and they are the very things that made England and Great Britain once great and powerful: technology, law, economics, science. It is all the more painful that England today is so far removed from its former glory.

To the foreign observer - and this book is written by one - today’s England appears to be a very strange country. It is torn between the memory of a glorious past and the reality of a less attractive present. It indulges in ideas of meaning, tradition and influence, yet knows that to some extent this is just a well-cultivated illusion. This country would love to feel superior to the rest of the world as much as it actually was superior. But that was too long ago. When you try to buy British, it becomes clear that this country no longer has much to offer the world. Consumer electronics come from either America or Japan, and anyone who is self-respecting drives a German car. When it comes to holiday time, most English people would never think that they could spend the most beautiful days of the year in their own country.

England today is a contradictory, torn country, a country that hides a number of “ dirty little secrets ,” as the long-time London correspondent of a major German daily newspaper once put it. Just as the magnificent government buildings in Whitehall still give the impression of imperial grandeur when only a small country is being administered, visitors to England are deceived by their idea of the “ good old England “ about the

real state of the country. Because the “ good old England “ no longer exists. It disappeared over the course of the 20th century, almost unnoticed by the rest of the world. In its place has come a new country that perhaps still has the name, form of government and language in common with the old England - and even in the latter case this only applies to a limited extent. The old England, however, only lives in history books and continental European prejudices, or, to put it a little less genteelly in the words of a *Sunday Times* columnist : “ The country is fucked up beyond recognition “.

, readers of the *Times* see it very similarly. After hearing from those close to the Prime Minister that he was looking for a slogan or motto for his country, the newspaper asked for suggestions on its website. They were all unflattering. So how did readers sum up the feeling of life on the island? A selection :

“Pride comes before a fall”

“We strive for valiant defeat”

“Past my sell by date”

“We apologize for the inconvenience”

“Well, we screwed this up”

“Government thinks it knows best”

“Third World nation, First World prices”

“World’s largest industrial heritage park”

“Someone get me outta here!”

What has happened in the last few decades that could explain this shift from a country bursting with strength and confidence to a people in identity crisis? And what kind of country is England today?

The following chapters are intended to find possible answers to these questions. No political, economic or historical

analysis is attempted, as this is not an academic treatise. It's just an essay by an Anglophile wondering about the state of this once great country today. It is an obituary for the idea of a better England.

## The Westminster Crisis

Democracy is not a British invention, but – as the name suggests – a Greek one. The association of people ( *demos* ) and rulers ( *kratos* ) already existed in Athens at a time when today's Westminster was still a floodplain landscape. And yet people in England are convinced that the world owes the modern form of parliamentary democracy primarily to the English. It is the most important contribution of the island people to the political culture of modern times. It is said that no other country today can look back on such a long and rich tradition of parliamentarism. And in no other country have concessions been wrested from the rulers and rights of co-determination wrested from them so early on. In general, the development of the idea of a power-sharing democracy is - primarily due to the brilliant example of England, to which the European continent could only look up with admiration for a long time, not to mention the rest of the world.

There is much truth in this account, although England may not be quite as unique in its early constitutional history as one might think. But it cannot be denied that England can indeed - look back on a long and largely unbroken state tradition in which democracy and parliamentarism developed in parallel. The foundation for this is often seen in the Magna Carta, in which in 1215 King John Without Land had to undertake, among other things, not to raise any taxes without the consent

of a royal council, from which the parliament developed over time .

But the participation of the governed in England can be traced back even further than Magna Carta. It goes back even further than the Norman Conquest in 1066. As early as the 7th century, the King of Wessex passed laws that showed that they had come about after consultation with the bishops and representatives of the people. A consultative element can already be seen in this - if you will, this was the embryonic stage of English democracy.

When you look at the history of England, a common thread running through it is the idea that those in power take advice from the people (or at least parts of the people) and not only take note of this advice, but also do so often enough must follow. But even if this may seem like a quintessentially English view to us today, one should not overlook the fact that similar structures were also forming in the rest of Europe, at the same time as England. In the German feudal system, for example, it was also common for the feudal lords to be dependent on the vote and support of their feudal tenants. Citizens in cities such as Bremen, Regensburg and Basel also managed to break away from the power of their secular and spiritual rulers and organize themselves in a quasi-cooperative manner. The desire for freedom of an emerging and aspiring middle class, especially in the cities, is therefore not a development limited to England.

But in contrast to the English Magna Carta, which is now seen as a milestone in the history of democracy, similar medieval treaties on the continent are now only known to a small circle of historians. However, the Magna Carta has - become something of an icon in world constitutional history. At

auction recently, one of the few remaining copies fetched over \$20 million.

This can best be explained by the fact that today's continental European nation states are still quite young compared to England, while England's constitutional history now extends over almost a millennium. It is due to this fact that the Magna Carta was able to become a cornerstone of the English constitution over time, which was probably not to be expected when it was wrested from King John Ohneland by his subjects.

Perhaps the Magna Carta would have been forgotten long ago if the king had managed to revoke it back then. He had already had the Pope release him from his oath on the document when he died shortly afterwards. So the Magna Carta remained in force and became the foundation of the English constitution - a constitution made up of written and unwritten elements. In the period that followed, a parliament was created that initially met irregularly, but within a few decades became a powerful counterweight to the crown.

The formation of representatives of the lower nobility, the clergy and the cities was in principle nothing that did not exist in another form on the continent. There were also conflicts between kings and their subjects, and parliament-like structures helped to resolve these conflicts. But the English Parliament quickly gained a momentum and self-confidence that markedly distinguished it from other chambers on the continent. Modern legislation is a British invention. The "Statute Law" was introduced by Edward I in the 13th century and meant that new laws were recorded in writing and had to be confirmed by the representatives of the subjects to be valid - this was the decisive innovation. Soon nothing could be done without the English

Parliament, especially when it came to collecting taxes. Even the king was no longer safe from him, as Edward II found out in 1327. He was deposed by the House of Commons .

In this respect, one can say that the origins of English - democracy certainly have parallels on the continent, but that parliamentarism was able to gain a foothold on the island much more quickly and consistently. This was impressively confirmed by developments over the following centuries. King Charles I had Parliament dissolved several times, but was unable to prevail against it in the long term. On the contrary. A series of tax increases was only granted to him by granting Parliament the Petition of Right in 1628 , which weakened the position of the Crown vis-à-vis Parliament and the people. The fact that the king no longer felt bound to this after a while ended in civil war and was fatal for Charles I. Even after that, English parliaments repeatedly exploited the crown's weaknesses to gain additional rights, such as the Habeas Corpus Act of 1679 and the famous Bill of Rights of 1689. What happened in this way gradually, as if in an evolutionary manner, was the concept of constitutional monarchy and with it the idea of parliamentary democracy. Both can be considered “ made in England “ in this respect .

English democracy therefore stands on a long, eventful and quite proud tradition. The Parliament of Westminster is considered by political scientists to be the mother of parliaments , and when you walk through the Palace of Westminster today, where the Houses of Commons and House of Lords are located, the breath of history can be felt at every corner. The palace is still very young by English constitutional standards, because after a fire destroyed large parts of the original parliament

complex, the Houses of Parliament that can be admired today were only completed in the middle of the 19th century.

It is both the external appearance and the institutions that reveal the special element of Westminster democracy. There is the dualism between the lower house, the House of Commons , and the upper house, the House of Lords . There is still the formality in the way parliamentarians interact with each other, which is best expressed in speeches in the third person, supplemented in the upper house by a few polite phrases that are otherwise rarely used. There is the way in which the opposition between Crown and Parliament lives on in symbols , for example when the Queen presents the government program in the House of Lords once a year , but the Commons traditionally initially refuses to attend this speech. The parliamentary servant who asks the MPs to take part in the House of Lords first has the door slammed in his face before he then goes to the other side of the Palace of Westminster.

If these external appearances were anything to go by, one might get the impression that everything was fine with English democracy. One would think that not only the oldest but also the most self-confident parliament in the world met here. And isn't it a parliament that has existed for over 700 years? That has deprived itself of all its rights against the crown? That is seen worldwide as the ultimate model of democracy? Isn't this the epitome of modern, parliamentary democracy ?

The German political scientist Peter Graf von Kielmansegg even spoke of Westminster democracy as the "prototype of a democratic constitutional order". Prototype describes it very well, because it means an advance copy that will then be produced in series. In fact, parliaments have emerged around the world based on the model of the British Parliament, namely

with two chambers and the built-in opposition to the executive branch. Many of these parliaments, namely those of the Commonwealth, were even created by acts of the British Parliament. The English model of parliamentary democracy has thus perpetuated itself; Westminster democracy has become a British export success. Westminster democracy is the model, prototype and mother of parliamentarism worldwide.

But as much as the term Westminster has become almost synonymous with democracy and parliamentarism around the globe, its reputation within the United Kingdom has suffered some damage in recent years and decades. The English no longer see the admirable example of popular rule embodied when they think of their Parliament or watch television reports from the Commons or Lords.

Criticism of democracy and its imperfections is of course not new. It was Winston Churchill who suggested that democracy was the worst of all forms of government, barring all others. But in British parliamentary democracy in particular, some problem areas can be identified that question its suitability for the model of today's Westminster democracy. However, the causes for this are very deep and cannot only be found in day-to-day politics.

Referring to Germany, former Federal President Richard von Weizsäcker once asked whether the country was in good shape despite its good condition. For English and British democracy, the question should be whether it is not in bad shape precisely because of its constitution.

## **Question without an answer: The West Lothian Question**

One of the constitutional problems that has become more acute in recent decades and is likely to become more acute is the relationship between the British Parliament and the various parts of the country. The Westminster Parliament is, strictly speaking, the parliament of the United Kingdom of Great Britain and Northern Ireland, and has been since 1801. At that time, it united the previously separate parliaments of Great Britain and Ireland as a result of the merger of the kingdoms of Great Britain and Ireland. The English and Scottish Parliaments had previously been united in 1707. Wales, in turn, had sent representatives to the English Parliament since 1535. In this respect, the parliament in the form in which it meets today is an amalgam of several parliaments.

This would not in itself be problematic if legislative powers had not been transferred to the British regions of Scotland, Northern Ireland and Wales through the process of devolution. In Scotland there is once again a Scottish Parliament, in Wales there is the National Assembly for Wales and in Northern Ireland there is the Northern Ireland Assembly. Only the largest country in the United Kingdom, England, lacks its own parliamentary representation. There is no English Parliament, just a British Parliament that deals with English affairs. This is where countless complications, inconsistencies and paradoxes begin.

The question of the English Parliament is usually referred to on the island as the West Lothian Question. West Lothian was a constituency in Scotland until the 1983 general election, when it was abolished, and you can see that the issue surrounding this constituency is several decades old. Of course,

it has not yet been answered to this day. It is telling that one of the most pressing issues in British politics bears the name of a constituency that has not existed for over two decades. The obscurity of English constitutional reality extends into the terms with which it is disputed.

The West Lothian Question was triggered by a parliamentary debate in 1977 about the transfer of legislative powers from the British Parliament to Scotland and Wales. The then Labor MP for West Lothian asked how long the English would accept a situation in which MPs from Scotland, Wales and Northern Ireland were allowed to decide on English matters while they themselves had no vote on it in their own homeland. because these have been delegated to a new parliament.

The question sounded quite theoretical at the time, because it was not yet clear where the process of devolution, i.e. the transfer of authority to the parts of the country, would lead in practice. In addition, the theory did not become practice at the time because the introduction of Scottish and Welsh representation in referendums initially failed.

But the fundamental question has remained in British politics. What's more: it is more acute than ever, because there are now actually parliaments in other parts of the country, namely in Scotland since 1999, in Wales and in Northern Ireland since 1998. This means that what was only vaguely warned about decades before has happened.

As a result of devolution, Scotland received most of its legislative powers and can now make its own decisions, for example in the areas of education, health and home affairs, in which the British Parliament no longer has a say. At the same time, however, there are Scottish MPs in the Westminster

Parliament who are allowed to vote on English education, health and home affairs policy.

This would perhaps be even easier to accept if the additional votes from Scotland, Wales and Northern Ireland did not change the political majority in Westminster, but this is not the case. In fact, the parts of the country that have been given their own powers have a very one-sided party political representation in the British Parliament. After the last general election in 2005, Scotland sent 59 MPs to Westminster, 41 of whom belong to the Labor Party. There are also 11 Liberal Democrats, 6 Scottish Nationalists and just one Conservative. The situation is similarly one-sided in favor of the Labor Party in Wales, while Northern Ireland's party landscape is completely different from that of Great Britain.

The result is a Westminster Parliament in which Labor has a comfortable majority of seats, even when it comes to English-only matters. In England itself, however, the Labor majority would be significantly smaller, because the opposition Tories have won the vast majority of their constituencies there.

In practical terms, the West Lothian Question means that English questions can be decided against the English majority. Hospitals in England can be closed, new curricula introduced and tuition fees raised without necessarily a majority of English MPs voting for this. In British constitutional reality, the English are no longer masters of their own house.

It's just a minor annoyance that not only is the political majority distorted by Scotland, Wales and Northern Ireland, but the distribution of seats in the Westminster Parliament is already to England's disadvantage. England represents 83.7 percent of the British population, but only 80.7 percent of the members of the British Parliament. In Westminster, decisions

are not only made over the heads of the English, but the English are also underrepresented.

All in all, the democratic legitimacy of the Westminster Parliament is not fundamentally called into question, but at least impaired. The English have fallen behind, particularly compared to the Scots, who have fought for more freedom of their own in their ongoing quest for independence. In addition, many English people have the feeling that Scotland is already favored in the distribution of public money, so that there are a number of public services available for free north of the border that have to be paid extra for south of the border.

All of these complications could actually only be resolved cleanly and satisfactorily through one measure: England would also have its own parliament and tax sovereignty would be distributed accordingly among the parts of the country. Such proposals have been made again and again in the past. But each time they were rejected just as quickly, albeit usually by the “political class”, i.e. the leadership of the largest parties. It is feared that an English parliament would mean the end of the United Kingdom for English affairs. The argument goes that since England is so dominant due to its size, it would break the union with the other parts of the country by establishing its own representative body.

So no one really dares to answer the West Lothian Question, because none of the possible answers is politically acceptable: a separate English Parliament, an English subcommittee of the British Parliament, the reversal of devolution, the end of the United Kingdom or even just the reduction of Scottish influence in Westminster by reducing the number of Scottish MPs. None of these options would be desired by the majority and at the same time feasible. But as long as the West Lothian Question remains

unresolved, there is, at least according to the former Lord Chancellor Lord Irvine of Lairg , only one way to deal with it: simply stop asking it.

The problems resulting from devolution are not only a nuisance in terms of democratic theory, but also, in practical terms, a constant humiliation of the English nation. The very country that was the first to achieve democratic and parliamentary rights and is seen as a global role model is proving unable to provide its own citizens with adequate representation within the British Union . This frustrates the English, leads to continuous tensions with the other parts of the country and in no way does justice to the claims of English democracy.

### **Voting rights and voter fatigue**

But this is by no means the only symptom of the crisis in Westminster democracy. Another problem area concerns the gradual decline of the government's legitimacy. From a continental perspective, the United Kingdom is often envied for its stable government. From the perspective of a German observer who today finds himself in a confusing multi-party system with uncertain coalition options, the British situation must seem almost fantastically clear. In recent decades there has been no need for coalitions on the island; instead, British governments have had clear majorities in the Westminster Parliament.

For government activity, this means that cross-party compromises are unnecessary and you always know exactly who is in government and who is the opposition. According to the Basic Law, a German Chancellor may have the authority to

make directives; In day-to-day politics, however, their power is limited by the coalition partners and the Federal Council. The British Prime Minister, on the other hand, once elected, can implement his program without having to pay much attention. Who too? With the clear parliamentary majorities enjoyed by Margaret Thatcher, John Major, Tony Blair and now Gordon Brown in the past, dozens of MPs from their own party can refuse to support their government without this questioning their ability to govern. Furthermore, there is no Federal Council or constitutional court that could lodge an objection. In international comparison, there is probably hardly a government that is stronger internally than the British one - with the exception of dictatorships.

But the coin of clear and stable governance has an unfortunate downside, and that is the ever-widening democratic deficit.

As is well known, the United Kingdom has an electoral system that operates on a “first past the post” system. This means that the candidate who receives the most votes is elected for each constituency. It is irrelevant whether he has an absolute majority or only a relative majority, and all votes cast for other candidates will not be taken into account. Such a procedure puts the smaller parties at a disadvantage because they have very little chance of sending representatives to parliament. “First past the post” often tends to lead to a two-party system. In Great Britain this has now become a kind of two-and-a-half party system, because alongside the two main parties Labor and Conservatives, the Liberal Democrats have established themselves in the party landscape. Other parties play almost no role.

In addition to the disadvantage of the smaller parties, it must also be noted that the British majority voting system also goes hand in hand with a constituency layout that currently clearly favors one party in particular, namely the Labor Party. The parties' voters are not evenly distributed across the country, but are concentrated in strongholds, which means that individual votes have different weight depending on their location.

The effects of the combination of voting rights and constituency design were seen at the last general election in 2005. Across the UK, Labor won 35.2 percent of the vote but 55.0 percent of the parliamentary seats. The Conservatives, on the other hand, with their 32.4 percent, only received 30.6 percent of the seats. Only the situation was worse for the Liberal Democrats. They managed a vote share of 22.0 percent, which, however, only secured them 9.6 percent of the representatives.

There is another way to express these numbers: 96,540 voters were needed for every Liberal Democrat MP, 44,268 voters for every Conservative MP, while there are 26,908 voters for every Labor MP.

While the strongest party in the entire kingdom still received the most seats, the right to vote completely turned the political situation in England upside down. If the votes were anything to go by, the Conservatives would have to have the strongest group of English MPs. Your party received 65,000 more votes than Labor across England. In fact, there are 286 English Labor MPs in the Westminster Parliament and just 194 Conservatives. Not only was the will of the voters not clearly reflected, but the result was actually reversed into its opposite.

This system is particularly disadvantageous for the opposition conservatives, because they know that even if they received the most votes, they would not automatically be strong enough to govern in parliament. On some sites on the Internet you can calculate the number of votes from which the respective parties had a majority capable of governing. The *Daily Telegraph*, for example, offers a so-called “swingometer” that comes to the following conclusion: Only when the Conservatives have a lead over Labor of 11 percentage points (39 to 28 percent) with the Liberal Democrats about the same strength as the last In the general election (22 percent), there would be a wafer-thin parliamentary majority for the Tories. And even if the Conservatives had a five percentage point lead over Labor, Labor would still be stronger than the Conservatives in the House of Commons.

The British electoral system now leads to a situation in which the will of the majority of the population hardly plays any role in the composition of Parliament. Basically, it only comes down to a few constituencies in which the majority is so narrow that a few thousand or even just a few hundred votes decide who gets into parliament. At least that’s what Prime Minister Tony Blair predicted before his last general election in 2005 and was ultimately right. These few hundred or a few thousand votes ultimately secured him a third term in office (even if he was not allowed to serve as head of government until the end).

For the Conservative and Liberal Democrat opposition, voting rights and constituency design are understandably an annoyance, but for British democracy it is ultimately more than that. It is probably their biggest threat in the long term. The voters know very well that, with the exception of a few

constituencies, their individual vote no longer matters because it has practically no influence on the final result. As a result, fewer and fewer of them are going to the general elections at all - a trend that has become increasingly pronounced in recent decades. While voter turnout in the United Kingdom was 83.9 percent in the 1950 general election, by the last election in 2005 it had fallen to just 61.4 percent. Almost four out of ten eligible voters preferred not to make use of their basic democratic right. There are likely to be a number of motives for this, for example general dissatisfaction with the parties and politics, but a very important reason is the certainty that voting is largely irrelevant to the outcome.

As a result, this voter apathy meant that the current British government, despite having a parliamentary majority of over 60 seats, was only elected by a paltry 21.6 percent of eligible voters. In other words, almost four out of five voters did not vote for the incumbent government. It can therefore hardly claim any truly convincing legitimacy. Although it has a parliamentary majority, *demos* and *kratos* are only conceptually united in English democracy. Between the people and their government lies the abyss of suffrage, and this applies to the United Kingdom as a whole, but to England in particular. If it is problematic enough that the government can only rely on a good fifth of the population, one must ask who would still describe as democratic a country in which real majority relationships are reversed into their exact opposite due to the design of constituencies? And not to forget that laws are made by representatives in whose own constituencies they do not apply? The country that claims to have invented modern democracy has essentially stopped practicing it in any meaningful way.

## **Parliament overwhelmed**

If things are already not going well for British democracy, the Parliament in Westminster itself is no longer the beacon of parliamentarism for which it was once known and valued. This is surprising in that it is precisely the “first past the post” principle that is supposed to guarantee that individual representatives have a certain degree of personal independence, since they owe their mandate to a direct election. This distinguishes British parliamentarians from about half of their colleagues in the German Bundestag, who only got their seats via their parties’ state lists and are therefore particularly dependent on their party organizations.

According to the theory, these strong dependencies should not exist in the British system at all. Each member of the House of Commons is a small winner who can claim to have won the trust of the voters - his voters - primarily because of his own election campaign, his own personality and his own charisma. One might think that such a parliamentarian must have a very special degree of independence in parliamentary operations. As long as he convinces his local association to nominate him again for the next election, nothing can happen to him. But even if he is not nominated, he could still run for re-election as an independent candidate.

But this is just the theory. In practice, it can be seen that a type of politician has long since become established in the United Kingdom that is urgently dependent on the parties. It is the type of career politician.

Just a few decades ago, career politicians were much less common in Britain. Back then there were still politicians for

whom there was a life before and after politics. Before their election to the House of Commons, for example, they had made a name for themselves in science, business or journalism. Who were successful lawyers or doctors before they hit the green benches of the House of Commons. That was precisely why they could be sure that Parliament had an exit for them that would not lead them to a social sideline, but rather back to the job in which they were previously successful. Just an exit, not an emergency exit.

But these times are coming to an end. While politics used to be a part of life for most politicians, today politics is life for the typical parliamentarian. It is a life that is characterized by the urge to enter Parliament as early as possible, to stay there as long as possible, to hold the highest possible government positions in between, and to spend the last years of a politician's life on the red cushions of the House of Lords . It is therefore hardly surprising that the average membership in parliament is now around two decades.

You come across such career plans in abundance in Westminster, and it is astonishing how little the résumés of these politicians differ from one another. They typically start with a combined degree in political science, philosophy and economics at Oxford. You then work for a while either for a member of parliament, in a party-affiliated think tank or as a parliamentary correspondent for a newspaper. This is followed by a period as a personal advisor to a minister or a position in his party's apparatus, while at the same time looking for vacant constituencies. Where these constituencies are located is secondary. A personal, biographical relationship with the voters you represent is desirable, but not an exclusion criterion. If in doubt, it is enough to find a great-granduncle by marriage in

your family tree who once vacationed in the area. So you then try to present yourself as the ideal, almost natural candidate for this particular constituency. However, if, for whatever reason, your candidacy doesn't work out there or - even worse - you are not elected as a candidate in the general election, then you move on to the next constituency. And of course you are a natural candidate for this too.

One should not initially expect any particular connection to the constituency from these MPs. It's something that, if you're lucky, happens after the fact. But for most MPs, the constituency is first and foremost a means to an end. The real loyalty is to one's own career and therefore to the party. And this explains why, despite the "first past the post" system, MPs are not a bit more independent than their colleagues in countries with proportional representation. Anyone who sees their professional future within the political system simply cannot afford to oppose their party.

MPs are given a clear understanding of what voting behavior is expected of them if they want to become something. Before each week of meetings, the parliamentary group management informs the parliamentarians which topics will be debated and which debates require attendance. The tradition is to emphasize the urgency by underlining the invitation to attend the meeting, which also includes the expectation of voting with the party. Underlining the agenda item three times (the so-called "three line whip") means that there is absolute group pressure. Anyone who dares to oppose this as a member of parliament will have their parliamentary career almost over. In any case, this applies to holders of government, party or parliamentary group positions who are expected to resign after voting against the party line. So the free MP, responsible only to his

conscience and accountable to the voters of his constituency, is now just a fiction that can no longer be found in the House of Commons. In fact, the parties determine parliamentary events.

In purely practical terms, individual MPs would have little opportunity to influence the progress of the legislative process. There are several reasons for this. For example, there is the (true) story of a former minister from the cabinets of Margaret Thatcher and John Major, who entered the House of Commons with enthusiasm and the best intentions at the beginning of his MP career . He had decided to at least take note of all the laws on which he was to vote in the chamber and therefore gave the parliamentary administration a standing order to supply them with the relevant printed matter. But when, after just a few weeks, the piles of paper piled up in his small office, he gave up, ordered the printed matter and disposed of the mountains of waste paper. Since then, over 20 years have passed. However, the MP in question still sits in the House of Commons, and one can therefore be sure that he has resorted to routinely voting - like all of his parliamentary colleagues - on things that he has no idea about in over 95 percent of the cases , what is actually intended, let alone achieved.

Since MPs have practically no chance of keeping track of the mass of legislation, they are now informed on their pagers not only when they have to go to parliament to vote, but also whether they have to vote “ Aye “ or “ No “. Anyone who has ever had the pleasure of meeting with MPs from different parties for a background discussion over lunch or dinner on a meeting day knows the buzzing of the pagers between the starter and the main course and the panic-like rush to the votes that follows. When they return to dessert, none of the parliamentarians present can usually explain what they just

voted for or against. He could probably only assure you that he voted with his party, and that is ultimately what matters above all else.

But even if the parties largely determine the course of parliamentary business, they still only partially dominate it. As the issues become more complex, the influence of the executive branch has grown continuously over the past decades. Behind this is a government apparatus that employs tens of thousands of people in London alone. This alone gives the government an enormous advantage over parliament in general and the opposition in particular. Parliament, on the other hand, has been gradually marginalized by this process.

This powerlessness of the House of Commons becomes clearest in a moment that should be one of the finest moments of any parliament. On the continent it has become common practice to speak of budget law as the royal law of parliament. What this means is that approving taxes and spending is the central and most important function of parliament. After all, without the budget there would be no state schools, no hospitals, no universities and no army. There wouldn't even be a parliament itself, let alone a prime minister, if public money hadn't been allocated for it beforehand.

As already mentioned, the British Parliament had historically gained its influence not least as an approval body for the Crown's tax plans. But there is hardly anything left of it today. The budget reaches MPs today like a coup from the Ministry of Finance. For weeks and months, individual budget plans are drawn up, taxes are estimated, new spending plans are calculated and tax increases are discussed - all of this, mind you, without Parliament or even a committee having been involved. MPs can therefore only try to guess what the

Chancellor of the Exchequer will announce in his budget. In contrast to other countries where the budget preparation process is largely transparent, the British budget process resembles a secret state operation. There is no telling what might be in the Chancellor's famous red briefcase as he drives from 11 Downing Street to Parliament on the morning of the Budget debate. When he's in the House of Commons explains its budget in a long speech, then Parliament is presented with a fait accompli. This goes so far that the government can announce tax increases for alcohol and mineral oil in the budget speech, for example, which will come into force that same night. There is no effective say for Parliament. In terms of financial policy, the government has virtually disempowered it. In any case, there is no talk of a royal right of Parliament in connection with the budget on the island, on the contrary. The budget is the hour of the executive branch.

But at least when reading the budget it becomes clear how much the importance of Parliament has been marginalized. For the majority of executive actions, the actual decisions in Parliament are no longer even mentioned. This is because the government has delegated a number of tasks to so-called quangos. Quangos stands for Quasi-Non - Governmental - Organizations . The name is opaque like these organizations themselves, because they are indeed government institutions that, however, have a certain degree of autonomy. But of course they are financed from tax revenues, which is why they should actually be controlled by the taxpayer, i.e. Parliament. But with over 500 such quangos, this is hardly possible effectively. Incidentally, the range extends from the British Potato Council to the Criminal Injuries Compensation Appeals Panel to the Football Licensing Authority. The average MP is unlikely to

have even heard of these quasi-authorities, but in total these quangos have an annual budget of more than £170 billion. However, neither the management nor the results of the institutions are effectively supervised by Parliament. For the government, quangos are a convenient opportunity to eliminate parliament as a control body and to rule as it sees fit.

The strong position of the executive vis-à-vis Parliament is also made clear by another British peculiarity, namely the question of legislative periods. They can last a maximum of five years, but the Prime Minister can dissolve Parliament at will and call new elections without giving reasons. Parliament does not have a say, so in this case it is completely dependent on the government. This gives them the opportunity to choose an election date in such a way that their chances of remaining in office are preserved.

### **Anachronism and repair shop: the House of Lords**

If there is a place in the UK where parliamentary and democratic politics are best preserved, it is one where you would least expect either. This place is very close to the House of Commons and is even connected to it by a direct corridor.

We are talking about the upper house, the House of Lords . Even on the island, it is considered a strange anachronism that doesn't seem to fit into our current times. It begins with the use of language in the House of Lords that is characterized by such gentlemanly restraint that one might expect it in a fine debating society, but not in a parliament. The content of the debates is definitely down to business, even if the arguments are handled with kid gloves and wrapped in cotton wool. If the Lords have different opinions, it can sound something like this: “ My Lords,

I always try to make the noble Lord, Lord Bradshaw, happy and him satisfy with my responses, although I know that I do not always achieve that point of perfection.” Or like this: “ My Lords, I thank my noble friend for that reply, which I am afraid was as predictable as it was disappointing.”

In the House of Lords people discuss things without it becoming personal or even hurtful. Party politics also play a much smaller role than in the place that the Lords only call “ the other place “. Of course this means the House of Commons. It must take a while for former Commons MPs who have been made Lords to get used to the new etiquette. But they can rely on being helped. If a new lord were to use the wrong form of address as “ my honorable friend ,” he can be sure that the entire house would immediately correct him. Because as honorable as the Lords are, the correct salutation there is still “ my noble friend “. If the “noble friend”, i.e. the colleague in the parliamentary group, is also a lawyer or judge, then a “ my noble and learned friend “ is due. If, on the other hand, he is a member of the military, then it is quite correct to say “ my noble and gallant friend “. And if you are simply friends across party lines, which happens more often in the House of Lords than in the Commons , then “ my old but not my noble friend “ can occasionally be heard.

Things are stylish in the House of Lords , which is in principle a completely undemocratic institution. Of all the other countries in the world, only the small African state of Lesotho appears to have a second chamber, which is also made up of members who are either appointed or have inherited their seats. In Lesotho these are the tribal chiefs; in Lesotho-on- Thames they call themselves Earls, Dukes and Viscounts. But the principle is the same. You cannot be elected to the House of

Lords ; You can only get there as a bishop of the Anglican Church, at the suggestion of the Prime Minister and after being appointed by the Queen, or as a member of the hereditary nobility. And yet there is a democratic magic there.

In contrast to the House of Commons, whose democratic legitimacy is still significantly higher (despite everything that speaks against it), the House of Lords cannot claim any other quality for itself than that of its members. But this is also its biggest advantage. Anyone who sits in the upper house can usually look back on a long career. This may be a scientific or political, cultural or diplomatic, military or legal career, but in any case a life in which the Lord or Baroness has achieved merit and experience. This concentrated experience and competence is the strength with which the upper house can prosper. Whatever is being debated, chances are good that the two or three best experts on the subject will be members of the Lords. If it is about the next pension reform, for example, you will find managers of pension funds, trade unionists and former social ministers who will bring their combined expertise to the legislative process. In this way, it is often possible to identify and eliminate technical errors before they come into force. The House of Lords has become a highly efficient repair shop. The lack of legitimacy does not stand in the way of this, because no political decisions are made.

There are two things that are particularly astonishing about this process. Firstly, the Lords are hardly paid for their work. The allowances for expenses are so meager that even during the semester break, students are likely to earn more than members of the upper house. Secondly, the company functions with much less party politics, but with even more personal independence on the part of the Lords. This is hardly surprising, since after all

you are appointed to the House of Lords for life and can therefore allow yourself a level of stubbornness that members of the House of Commons can only dream of.

If you compare the lower and upper houses, then you are dealing with two completely different chambers. On the one hand, a professional parliament influenced by party politics, on the other, an almost voluntary committee of experts. In this combination, the Lords do a solid job.

The corrective function that the upper house fulfills in the parliamentary process is, however, a rarely appreciated achievement. Instead, public opinion on the island is dominated by the feeling that it is an undemocratic and outdated institution. The scandal surrounding membership in the upper house that parties allegedly sold in exchange for donations also damaged his reputation. A reform of the British two-chamber system is discussed again and again, even if it is unclear when and whether it will ever come.

However, it would be a shame if the proposal that met with widespread support in the House of Commons some time ago, namely the abolition of the House of Lords in favor of the introduction of a new second chamber, which would be entirely democratically elected, were actually implemented. Instead of the traditional House of Lords , there would then be a parliamentary chamber with the meaningless name “ The Reformed Chamber “ would be deceptive. And instead of the often excellent quality debates that characterize today’s upper house, there would also be party political power games in the second chamber. The fact that the fine balance between the lower and upper houses would have to be completely readjusted after such a reform is a further difficulty. It would probably only be after such a total constitutional operation that the British

would understand what they had in the House of Lords . It would be another piece of good parliamentary tradition that they would be giving up without necessity and without a viable alternative if it were abolished.

### **The crisis of English parliamentary democracy**

England can rightly be proud of a history that once made it a pioneer of democracy and parliamentarism. It had gained a good reputation not least because it acted worldwide as a mediator and advocate of democratic values and parliamentary traditions. No other people can claim to have promoted the idea of parliamentary democracy as much as the English. The fact that they managed to do this within a monarchical system may seem irritating at first glance, but the contrast between monarchy and parliament was precisely the reason why the Parliament of Westminster had to fight for its strong position in the state and defended it all the more vigilantly against attacks.

It is precisely against this background that it is sad to consider the current state of the United Kingdom Parliament. Even from a purely formal point of view, it is tainted with a number of flaws that are in open contradiction to democratic ideas. Devolution that has not been consistently thought through and the imbalances within the British electoral system ensure that the results only have an indirect connection with the voters' actual expressed will. The fact that more and more Britons are turning away from politics and their elections in frustration is understandable, but it is exacerbating the legitimacy problem.

But even in the daily work of parliament, the principles of representing the people and their participation in government have been undermined several times by the influence of the

parties, the government and the administration. However, instead of remedying the democratic and parliamentary deficits of the House of Commons, public constitutional reform debates prefer to focus on the House of Lords, even though this of the two chambers is actually doing the best work.

The Westminster Parliament is therefore in a simultaneous crisis of legitimacy and effectiveness. Trust in the political process can hardly be created, and so it is no wonder that outside Westminster cynicism and contempt predominate when people talk about Parliament.

The country that once gave the world modern parliamentary democracy has allowed it to degenerate into a miserable shadow of its former self. As former minister Frank Field put it, the British are in danger of losing their democratic habits. Not good prospects for the motherland of democracy.

## **Business according to plan**

Numerous prejudices about England's economic system persist on the European mainland. It is characterized by capitalism, thoroughly liberal and organized in a market economy. The English are thought to be great individualists who did not trust the state and believed in the freedom and personal responsibility of the individual. As a result, the state has largely withdrawn from the economy, while the market can operate uncontrolled.

This view is not new, it just refers to an England that has not existed for a long time. In the 19th century, the term Manchester capitalism was established for the English economic system in Germany. At the time, this was associated, on the one hand, with modern and efficient factories with smoking chimneys, but on the other hand with the abject poverty among the workers who were allegedly exploited there. Such descriptions of Great Britain were spread primarily by the political left, who needed the horror scenario of unleashed capitalism for their propaganda. This is how, for example, Friedrich Engels' book "The Condition of the Working Class in England", which he published in 1845, was created. English capitalism also had a major influence on the writings of Karl Marx, who himself lived in London from 1849 until his death in 1883, where he is buried in Highgate cemetery. England was

liberal enough to offer an exile with a library connection even to a socialist who was no longer well-liked on the continent.

The term “Manchesterism”, in turn, comes from the German socialist leader Ferdinand Lassalle and was used to brand and despise English production and working conditions. In passing, it should be noted that in England there was also polemic against the industrialists from Manchester, albeit from a conservative side (and a few decades before Lassalle). The entrepreneurs’ commitment to free trade was opposed by conservatives such as Benjamin Disraeli during the dispute over the abolition of the protectionist Corn Laws because they saw this as a threat to large landowners.

The idea that England is a “turbo-capitalist” country is a 19th century idea, although even at that time the horror and impoverishment scenarios spread about England were unjustified. While it is true that working conditions in the factories of Manchester and the Midlands were anything but pleasant, a closer look reveals that the Industrial Revolution was clearly more of a blessing than a curse for England. It enabled millions of workers to escape hunger and poverty in the countryside, as Nobel Prize-winning economist Friedrich August von Hayek noted. In fact, the English population almost doubled between 1770 and 1830. Hayek argued that these people would hardly have survived without capitalism, but at the same time the general demands and expectations of life had increased immensely as a result of technical and economic progress. This may explain why a negative image of the Industrial Revolution and Manchesterism was able to spread and consolidate.

A completely different, much more positive picture of the English economy in the 18th and 19th centuries would actually

be appropriate. It was England that had achieved a magnificent economic rise. This economic miracle owed primarily to a chain of favorable circumstances, all of which can be summarized under the heading of the English Enlightenment. After the Glorious Revolution of 1688, the state was limited in its options for action because of the opposition between parliament and the king, and there were entrepreneurs and inventors who used the resulting freedom to develop and spread new production processes. This was facilitated by scientific advances associated with names such as Isaac Newton, William Herschel, James Watt and Erasmus Darwin.

At the same time, the prevailing opinion in English jurisprudence was that individual freedom was the linchpin of the social order. In his famous *Commentaries on the Laws of England* in 1765, William Blackstone stated that the primary purpose of law is to secure natural liberty and to restrict it only where it conflicts with the liberties of others. Such a formulation may seem almost self-evident to us today, but for the time - especially compared to the continent - it was revolutionary and progressive. It was a legal conception that placed the individual and his freedom at the center, while elsewhere either the prerogatives of the nobility or the priority of a common good, which was hardly ever defined in more detail, were emphasized.

In England, the courts had repeatedly resisted late medieval economic regulations since the early 17th century. They declared privileges granted by the crown invalid and restricted the influence of the guilds. The protection of individual liberties and their defense against the state was characteristic of the English jurists of the time, some of whom achieved fame such as Lord Mansfield and Sir Edward Coke.

Liberal ideas also developed outside of law. Although it would take until Adam Smith's *Wealth of Nations* of 1776 for a comprehensive economic theory of economic freedom to be presented, long before Smith, liberal and free-market ideas spread in England, for example in the writings of Edward Misselden, Bernard de Mandeville and John Locke.

Through all of these circumstances, England became the first European country to develop from a mercantilist interventionist state into a society based on the liberal values of the Enlightenment. This in turn was the basis for the beginning of industrialization, as it enabled an economy that was independent of state guidelines and instructions.

Liberalism found many supporters, especially within the growing middle class. "The English were convinced that the free market economy was the path to prosperity," writes legal - historian Patrick Selim Atiyah. It was a mentality that was widespread not only among economists, but also among lawyers, which was probably also due to the fact that there was a lively exchange between the two professions. Economic competition was demanded by economists and protected by lawyers by refusing to intervene in the markets to regulate them. Instead, they limited themselves to protecting property rights and enforcing contracts.

In its entirety, English society was a society of trade, markets and progress, and in this respect it was no coincidence that the Industrial Revolution began its triumphal march from England. The cotton weaver and inventor of the fine spinning machine (" Spinning Jenny") James Hargreaves could hardly have helped his idea achieve a breakthrough in pre-revolutionary France or in Frederick the Great's Prussia. In England, on the other hand, there was an economic boom in the

middle of the 18th century that eagerly adopted such innovations, further improved them and ensured their rapid spread.

It wasn't just the textile industry in which England was ahead of the rest of the world. Improved technology, but above all the possibility of division of labor as a result of functioning product markets, meant that at the beginning of the 19th century British agriculture was twice as productive as that of the Netherlands, and about three times as productive as the agriculture of France, Germany or Italy even four times more productive than that of Spain. In the middle of the 19th century, just over a fifth of the British population still worked in agriculture - in Germany it was more than half at the same time. This released exactly the workforce that was needed for the industrial revolution.

The United Kingdom was also a pioneer of liberalism when it came to its international trade relations. While high customs barriers still existed on the continent (a reminder of earlier mercantilism), the British had gradually eliminated their last import tariffs by the end of the 19th century. England traded with the whole world, exporting and importing goods and capital. Before the outbreak of the First World War, over 40 percent of global foreign investment came from Great Britain.

If you look at the British economic system and economic performance in the two centuries before the First World War, you can only be amazed. This small island nation had become a pioneer in all sorts of new technologies (textiles, coal, railways, steel, agriculture, finance); it had not only kept a dramatically growing population alive but increasingly well-fed; it had also become the absolutely dominant force in world trade. England

had achieved an economic miracle the likes of which had never been seen before in human history.

In view of this success story, it is hardly understandable that theories of impoverishment are repeatedly linked to the English economic boom, especially in the 19th century, which do not at all do justice to what was actually achieved at the time. But the critics of the English situation are right on one point: it was in fact the most consistent experiment to date with a liberal, capitalist economic order. If ever there was a country in which a classical liberal economic concept was put into practice, it was England at that time.

### **The gradual farewell to the market economy**

Even today, many foreign observers still see England as the epitome of a market economy country. Significantly, this is an idea shared by both left and right, liberals and socialists alike. But although the fact that a belief is shared by otherwise very different groups is usually an indication of its correctness, in this case one unfortunately has to admit that the proponents of this thesis have made a mistake. Yes, England was once an extremely liberal country in which the state only defined the framework within which the economy could develop freely. But those days are long gone. The image of a free, highly capitalist England has been outdated by reality for several decades, if not almost a century. It only lives on in the prejudices that are cultivated, especially on the continent.

There is little data to prove that England and the United Kingdom can no longer be counted among the beacons of the liberal economic order. The easiest way is certainly to examine the development of the size of the state in relation to the

country's economic power. In a study for the London Institute of Economic Affairs, economics professor David B. Smith came to the conclusion that this so-called state quota for the United Kingdom was just 9.4 percent in 1870. By the outbreak of the First World War it had risen slightly, to 12.7 percent. After that, the growth of the British state accelerated rapidly. The quota was already 26.2 percent in 1920, rose to 32.2 percent by 1960 and reached a value of 45.1 percent in 2005, the last year in Smith's study, almost on a par with the German state quota (more recent studies even show that the British government quota has now overtaken the German one). From an economy that was 90 percent market, in just over a century the United Kingdom has transformed into one in which almost every second pound goes through the hands of the state.

You could also cite other statistics, for example the tax burden on citizens or the level of regulation, but the picture would always be the same. The British economic order today has much more in common with the mixed economies of the European continent than with England, which was seen in the 19th century as a hotbed of Manchester-style turbo-capitalism.

The question arises as to how this change can be explained. What causes a country to abandon an economic order to which it once owed prosperity, growth and progress? There are probably no conclusive and all-explanatory answers. But at least there is a plausible explanation for this.

, the American economist Robert Higgs put forward the thesis that the growth of the US state can be attributed primarily to crisis situations. Whenever the state was particularly challenged in such a situation (for example by a war or an economic crisis), it expanded its sphere of power. After the crisis ended, however, he did not return his activities to the level

before the crisis. Higgs published his study under the title “Crisis and Leviathan ,” and the title of course refers to the Hobbesian figure of Leviathan, the monster that is synonymous with state power.

The dramatic expansion of England’s state activity can probably also be interpreted with a “Crisis and Leviathan” hypothesis. The role that the two world wars played in the development of the English state can hardly be overestimated. It changed the English understanding of the state - and did so in a lasting way with effects that continue to the present.

The First World War already led to a departure from the previously prevailing market economy credo. Social scientist Derek Fraser summarized this in his brief history of the British welfare state: “The First World War was a major catalyst for a massive expansion of the role of the state, and while some measures were clearly wartime emergency measures, there was some softening. At the end of the World War there was no return to an individualistic laissez-faire philosophy. The Defense of the Kingdom Act of 1914 gave the government draconian powers to control people and materials. Conscription was introduced in 1915, and to mobilize resources for all-out war, the government took on new and far-reaching powers.”

The great era of free trade came to an end with the First World War, as all imports were now controlled by the government in London. The government also created a Ministry of Food with extensive powers, while the Ministry of Armaments alone directly and indirectly employed over three million people. Of course these were war measures, but they were not completely withdrawn after the war was over. Leviathan had grown through the crisis, and the war left a significantly larger share of the state, which had to be financed

with higher taxes. It should also not be forgotten that the war was financed through debt, which put a long-term burden on the budget. This also meant that the pound could no longer be tied to the gold standard. Although a return to gold backing was briefly achieved in the mid-1920s, this had to be abandoned again in the global economic crisis of 1931. This also marked the end of the long period of price stability that Britain had enjoyed in previous centuries. While the price level had only doubled in the 200 years before the First World War, today's price level is over 35 times higher than at the end of the First World War.

The immediate consequences of the war were dramatic enough, but the political leaders of the time were also concerned about the rise of Bolshevism within the English working class. For this reason, a reconstruction ministry was founded in 1917, which, after the end of the war, particularly promoted social housing construction in order to take the wind out of the sails of socialist efforts.

The English economy had been destabilized by the war and was only able to flourish for a short period immediately after the end of the war. But in the period that followed, up until the outbreak of the Second World War, it was never able to regain the prosperity and dynamism of the pre-war years. Unemployment became a sad permanent phenomenon and the governments of the interwar period proved unable to deal with the crisis. In the end, social spending alone amounted to 11.8 percent of the gross domestic product and was therefore higher than the total state share at the end of the 19th century.

With the First World War, the period of high liberalism in England ended, while the state had significantly expanded in size and tasks. But even if confidence in market forces was

shaken, there was still no alternative coordinate system to replace it. There was a lack of social consensus about how the country should be run under the now changed conditions. Such a radical reorientation only came about as a result of the Second World War.

### **The great plan of prosperity**

For today's England, the Second World War has become, in many ways, the key event in its history. On the one hand, it represents the definitive end of Britain's leadership role in the world. The Americans now claimed this both economically and geopolitically. Great Britain had finally been replaced as a world power, and the days of the Empire were also numbered. On the other hand, the Second World War marked an even more drastic turning point for the economic and social order than the First World War had previously been. If the First World War brought with it a turn away from liberalism, the Second World War was followed by the sometimes enthusiastic turn to collectivism.

Both developments – the exclusion from the world stage and the collectivist reorientation of society – are linked to each other on different levels. One could argue that pre-war England saw its role first and foremost in the world, as a trading nation and as a colonial power. Internally, however, this England was a country of *laissez-faire* and, moreover, subsidiarity. There were hardly any ambitious national policy proposals, but there was a high degree of local self-government. Is it therefore a coincidence that England became more and more inwardly oriented after its decline from world politics? In any case, it should be noted that the roles of Westminster and Whitehall, of

Parliament and government, changed gradually. While international affairs declined in importance, the degree of centralization of British politics increased. However, the increasing centralism was also necessary because a new model and a new ambition for national politics developed after the Second World War.

After the turmoil of the interwar period and the years of privation and sacrifice that the Second World War had brought to England, the victorious soldiers returned in 1945 to a country hungry for a new beginning. The war had been won, but now peace should also be won. There was a widespread feeling that all the effort of the war would only be worth it if it resulted in a better, wealthier and fairer England than it had experienced before the war. The zeitgeist favored big plans for big goals; In comparison, sticking to traditional individualistic or liberal values would have seemed petty and inappropriate.

England prepared to build the “New Jerusalem”. This is what the Labor Party leader Clement Attlee called it in the rallies before the 1945 general election. He was referring to William Blake’s poem “Jerusalem”, which ends with the following verse:

I will not cease from mental fight,  
Nor shall my sword sleep in my hand  
Till we have built Jerusalem  
In England’s green and pleasant land.

England as the “New Jerusalem” was the quasi-religious vision of the immediate post-war period. It was an idea based on the belief that a better England could not be achieved by itself but could only be brought about through rigorous

planning. And hadn't the war shown what could be achieved with planning and rationing under the control of the state? If even Hitler's Germany could be defeated through these measures, why shouldn't it also be possible to build a completely new country and a new society? Anything seemed possible if you just focused your efforts on it.

Clement Attlee, against all expectations, became the new Prime Minister with a landslide victory. He prevailed against Churchill, who was a celebrated war prime minister, but whose warnings about the introduction of a socialist social system, based on Friedrich August von Hayek, were not listened to. The belief in the ability to plan became a defining element of the post-war order.

The planning permeated all areas of government activity. In monetary and economic policy, it was linked to the teachings of John Maynard Keynes, who argued that the state should intervene in the economic cycle via the demand side in order to guarantee growth and full employment. In industrial policy, the commitment to planning also included the willingness not only to supervise entire sectors of industry, but also to nationalize them completely. Coal, iron and steel, aviation and railways, telecommunications and shipbuilding, gas and electricity supply and even the traditional Bank of England: all were brought into state ownership. These companies should no longer work for the profits of anonymous shareholders, but rather for the benefit of society and the building of the New Jerusalem. To support this, the unions were also involved, whose position was strengthened.

Ultimately, the new beginning of the British economic order after the end of the Second World War also marked the birth of the modern welfare state. Already in the last years of

the war, the Beveridge Report had developed a concept for the development of a comprehensive welfare state, which included, among other things, the creation of a tax-financed national health service. This has now been put into practice under Attlee's Labor government.

The Second World War had changed Britain, it was the catalyst for economic and political change. As BBC journalist Andrew Marr writes in his history of modern Britain: "Without the war there would have been no Attlee government as we remember it. With the war, however, some social reforms had become inevitable. ...If a postwar British government had tried to shake off the hopes for a brave new world shared by so many...what damage would this have done to Britain's political system? There was no going back to the thirties. ... People of widely differing political persuasions believed that the centrally managed economy was indispensable." Marr concludes that a "quiet revolution" with a significant expansion of state activity was the necessary consequence of the war. Once again the crisis became Leviathan's hour.

After the immediate post-war period, which was characterized above all by the poor supply situation, an enormous state financial crisis and shortages in all possible areas, the 1950s were a time of increasing prosperity. Although the Conservatives returned to power under Winston Churchill in 1951, this did not change the new economic consensus. On the contrary. Efforts to create the new England were particularly intensified in social housing. England also took part in the general reconstruction boom in Western Europe, so that Prime Minister Harold Macmillan was able to state smugly in a famous speech in 1957: "Most of our people have never had it so good." The strong role of the state seemed to work and the

country enjoyed a lasting upswing grant; a return to the lasting, eternal prosperity of times long past seemed possible.

## **Paralysis and decline**

What was overlooked, despite all the optimism of this time, were the warning signs that were already there at the time, indicating that the upswing would not last. English productivity development lagged behind its main competitors in Europe, the US and Japan; the pound had to be devalued several times; per capita income fell significantly behind the US comparable figures.

Gradually, the strong state control over the economy led to symptoms of paralysis. If you consider the means by which the English economy was managed back then, this is hardly surprising. The country was run under the assumption that markets could not be trusted and that, when in doubt, the government would have a better handle on what should and should not be done. The saying “ The man in Whitehall knows best “ comes from the post-war period , and that was not just a saying, but a program. A former minister in Ted Heath’s government in the early 1970s recalled decades later how cabinet meetings determined the prices plumbers could charge for fixing taps. Wages and prices were determined centrally from London, and foreign currencies were subject to strict import and export restrictions. Anyone who traveled abroad received a stamp in their passport noting the extent to which they had exhausted their foreign currency export quota for the year.

The absurd effects of the planning frenzy of economic politicians are exemplified by industrial and regional policy.

During the war, a commission was set up to deal with the question of where and which industries in England should be located. The idea behind it was simple. If companies could decide for themselves where to establish themselves, then the costs that arise for society from these location decisions would not be taken into account. So it was suggested that an authority should approve new factories. A minority of the commission had called for even stricter steering measures, with which the government could not only approve locations but also specify them directly.

Immediately after the war, these proposals were actually implemented and a law on the distribution of industry (Distribution of Industry Act 1945) was introduced. From now on, every new production facility and every factory expansion required official approval, and in the early 1950s over 20 percent of industrial investments were actually not approved in this way. Not because they didn't comply with any requirements or regulations, mind you, but simply because a bureaucracy decided that they were in the wrong place. Soon, such approvals were also needed for office buildings, because the government also wanted to have a say in the location of services.

The damage this practice caused to the English economy is difficult to estimate, but there are many examples of companies being forced to locate in regions that proved unsuitable for long-term production. They were either too far away from the sales markets or there was simply a lack of qualified workers in the area. In an examination of British regional policy, the economic historian Tim Leunig and the geographer James Swaffield come to the conclusion that for every job that was successfully transferred to another region through the

Distribution of Industry Act , at least four times as many jobs were destroyed: investment fell smaller than originally intended, some didn't do it at all, others preferred to go abroad straight away rather than have to deal with the English bureaucracy.

The policy of regulatory industrial expansion permits was probably the most arbitrary, inefficient and nonsensical regulation that a British government has ever introduced. But it lasted from 1945 to 1979 and was far from the only massive state intervention England experienced during that time. Labor and the Conservatives proved equally unable and overwhelmed to manage the British economy. When the coal miners went on strike, the lights literally went out in Great Britain. The oil crises did the rest, and by the mid-1970s it was no longer possible to deny that the former economic superpower England had become the sick man of Europe.

It was a decline that had been in the offing for a long time, but which took on ever more dramatic forms. English companies were no longer competitive with their products on world markets, while the country had to rely on support loans from the International Monetary Fund - a humiliation. Inflation and unemployment had become permanent problems and defeatism had become widespread. *The Guardian* newspaper seriously discussed the question of whether England would be the first industrialized country to become a developing country. An American futurologist even dared to predict that the two countries with the lowest living standards in Europe in the year 2000 would be Albania and Great Britain.

The British crisis was homemade. They wanted to build the New Jerusalem, but in the end there was almost total economic

collapse. The attempt to establish a British planned economy resulted in decline.

What is remarkable about the economic catastrophe that occurred in England in the 1960s and 1970s is not only the dimensions it reached, but also the fact that it happened to the English people of all people. Of all the people who, through their history, seemed to be more focused on individualism and a market economy than any other. It had previously been assumed that the English had a certain degree of economic liberality innate to them. The French Emperor Napoleon had even slightly contemptuously described England as a nation of shopkeepers (“ L’Angleterre est une nation de boutiquiers “). It was thought that an economy could be made with these English, but not a state.

But none of this was noticeable in the post-war period, quite the opposite. It is an irony of history that at the same time that the English were preparing to try out socialism on British soil, the (West) Germans, who were seen as loving and believing in the state, were lifting price controls and introducing the social market economy.

But perhaps this is not irony after all, but represents the different conclusions that were drawn from the Second World War on both sides of the English Channel. At least that is how the former British Chancellor of the Exchequer, Lord Nigel Lawson, interpreted it in his memoirs. An entire generation of Brits perceived the Second World War as “ Britain’s finest hour “. At the same time, however, the war was the time in which the state acquired the greatest possible control over the economy and the labor power of its citizens. This was right and sensible in times of war given the obvious threat, but “the fascination with the apparent charity, rationality and justice of this planned

economy outlived the war world to which it belonged.” The Federal Republic of Germany was the perfect counterpoint to this. In Germany, too, one saw the connection between state power and war, but it was not the benevolent despotism of Winston Churchill, but rather the evil tyranny of Hitler. “The economic lesson,” writes Lawson, “that the Germans learned from the war was about the evil and not the benevolence of state power . “ This explains, at least in part, the different developments that England and the Federal Republic experienced in the post-war period.

The English, who emerged victorious from the two world wars, were the real losers of the wars. Not because they had to hand over their international leadership role to the Americans. Nor because it resulted in the end of the Empire. And not because the material effects of the wars were felt long afterward and each resulted in a phase of economic weakness. The real loss that England suffered in the wars was the abandonment of its basic liberal orientation - the very mixture of the rule of law, market economy and free trade that had been responsible for much of England’s success story up to 1914.

Seen from this point of view, the turn to the state that England experienced after 1918 and even more strongly after 1945 was a completely un-English reaction to the crises of the wars. However, it becomes understandable when you realize that England was existentially threatened from outside twice within a short period of time. Both times this threat could only be averted through great collective efforts. The state, from which a Georgian or Victorian Englishman would never have expected much and expected even less, proved capable of overcoming enormous challenges in these exceptional situations. But he could only succeed in this by gaining more

power and reining in the previously individualistic society. In the struggle for its external freedom, Britain had lost the sense of its internal freedom. This is the irony and tragedy of English war and post-war history.

Beyond the immediate economic consequences that this increased state influence had, one should not underestimate its long-term consequences for the mentality of the English people. “Winning the peace”, “Let us build the New Jerusalem” and “The man in Whitehall knows best” are slogans that remain in the consciousness longer than posters stick to the wall. They continue to have an effect, often subconsciously. In their day, they suggested that it was possible to solve problems through collective efforts and the well-intentioned leadership of the state and its government. This view gradually replaced trust in the creativity and personal responsibility of the individual as well as in the abilities of anonymous markets that are not controlled by any central authority. Even though this collectivist approach proved fatal by the 1970s at the latest, it remained an idea for the English. You can get rid of industrial expansion permits, but not the idea that some degree of control might be better than leaving everything to the unpredictable market. The two world wars probably did not turn the English into instinctive collectivists, but they are certainly no longer liberal individualists either.

### **Thatcher’s new beginning**

But there was still a rebellion in old England against the Leviathan, which had become all-powerful, and it is probably thanks to this rebellion that the darkest predictions about the future of the country did not come to pass. Great Britain is not

playing in the same league as Albania today; the sick man of Europe managed at least a partial recovery.

The credit for saving England from relegation to the third division goes to Margaret Thatcher. It was she who, after early parliamentary elections in 1979, became Prime Minister of an insecure and economically devastated country. There was already consensus at the time that things could no longer go on as before. But how exactly things should continue instead was much less clear. But at least Margaret Thatcher had clear ideas about how she wanted to reform Britain.

At first it sounded so harmless and almost harmonious what she had to tell the assembled television crews when she moved into 10 Downing Street. “May we bring unity where there is discord,” she quoted from a prayer by St. Francis of Assisi. If you see the images from that time again today in television documentaries, then it has become common practice to associate this line with footage of striking miners or the violent demonstrations against Thatcher’s poll tax. This is intended to make it clear that Mrs. Thatcher did not stand for a government of peaceful harmony, but rather of radical and often controversial reorientation. But you might as well have known that on that day in May 1979 when she entered Downing Street, because Assisi’s prayer continues as follows: “May we bring truth where error reigns. And may we bring hope where despair reigns.” No doubt: Margaret Thatcher had a clear program in her handbag. She was what is now referred to in England as a “conviction politician”.

Margaret Thatcher’s beliefs were clear-cut long before she was elected Prime Minister. She was one of a small group of young conservative MPs who no longer wanted to accept or support the post-war consensus. But even if it seemed like a

return to the values of the old, liberal England, Thatcher and her colleagues owed a large part of their arguments to a native Austrian, the economist and 1974 Nobel Prize winner Friedrich August von Hayek.

being appointed as a lecturer at the London School of Economics in the early 1930s , where he taught until 1950, during which time he also took on British citizenship. Hayek then left England, primarily for personal reasons, to conduct research at the universities of Chicago and then Freiburg.

Hayek's influence on post-war British politics was great, even if it may not be apparent at first glance. He had seen the triumph of collectivism coming after the war and tried to stop it with a clear warning against socialism and totalitarianism in his book "*The Road to Serfdom*," published in 1944 , which he significantly dedicated to "the socialists in all parties." However, the warning went largely unheeded, although a short version of the work was even widely distributed as a *Readers' Digest* special edition. But Hayek's liberal ideas did not fit at all into the emerging "New Jerusalem" euphoria. Churchill, who had read Hayek and was not afraid to quote *The Road to Serfdom* at his election rallies, received the reward for this in the 1945 general election. In post-war England there was no time for uncomfortable warnings and liberal misgivings.

However, there were a few English people who shared Hayek's analysis and wanted to maintain the idea of a free social and economic order. One of them was Antony Fisher, a Royal Air Force pilot who had just returned from the war. After reading *The Road to Serfdom* , he asked to speak to Hayek in his office at the London School of Economics . Fisher had intended to enter politics to advocate for a liberal alternative as a member of the House of Commons. He expected advice and

encouragement from Hayek, but he didn't think much of Fisher's plans. It would be much more effective if he - Fisher - worked outside parliament to spread liberal ideas. He should found an institute in which the unthinkable would be thought of and alternatives to the zeitgeist would be developed.

A few years later, Antony Fisher, who had now become a successful and wealthy agricultural entrepreneur, put Hayek's idea into practice and founded the Institute of Economic Affairs (IEA) , a small think tank based in Westminster. At the beginning it employed just two people, the young conservative Ralph Harris and Arthur Seldon, who had studied under Hayek at the London School of Economics . Harris and Seldon set to work, publishing paper after paper attacking the "collectivist-Keynesian consensus," as Harris used to call it.

Over time, the IEA became the focal point for Conservative MPs who no longer agreed with the policy of wage and price controls, as implemented by the Conservative government under Ted Heath. Among them was Margaret Thatcher, who herself had read Hayek's *"Road to Serfdom"* as a chemistry student at Oxford in 1945. Thatcher found her political philosophy in the writings of Hayek and the outlines of her future government program in the IEA reports. There is an anecdote about Margaret Thatcher that in the mid-1970s she visited the program department of her Conservative Party, threw Hayek's book *"The Constitution of Freedom"* on the conference table and announced "This is what we believe in".

Margaret Thatcher brought a clear free-market conviction back to the top of the government. She set out to fundamentally change the British post-war order. Hayek's plan to spread liberal ideas worked and he moved into Downing Street with Margaret Thatcher in 1979. That same year she made Ralph

Harris, one of the two founding fathers of the IEA, Lord Harris of High Cross, giving him a seat in the House of Lords. Thatcher later said at an IEA event that her government could not have achieved anything without the Institute's preparation. The IEA is "without a doubt the most influential think tank in modern British history," BBC journalist Andrew Marr recently noted.

Thatcher's reforms were radical. The unions, which had been a significant force, were disempowered and industries that had been in the hands of the state for decades were privatized. In macroeconomics, Thatcher broke with old Keynesian recipes and instead introduced monetarism, which went back to the Chicago economist and Nobel Prize winner Milton Friedman, which envisaged strict control of the money supply in order to bring inflation under control. Margaret Thatcher also reduced taxes, especially income tax. While the top tax rate was no less than 83 percent when Thatcher took office, after eleven years of Thatcherism it was only 40 percent.

These were all reforms whose implementation was controversial and whose effects were dramatic. But perhaps the biggest long-term effect of the Thatcher revolution was the so-called "Big Bang" it envisaged for the City of London. English finance was no longer internationally competitive because it was considered over-regulated and outdated. It was a system derided as "three-six-three banking": all deposits earned three percent interest, all loans six percent, and bank managers had time to play golf from three in the afternoon. After Thatcher's deregulation of London's financial world, this came to an end. It was the starting signal for London's development into the world's leading financial center.

The Thatcher revolution not only saved England from impending collapse, but also sustainably revived its economy. However, the adjustment process that Thatcher forced the country to undergo was painful, and Thatcher herself became increasingly unpopular over the years in office until she was eventually forced out of office by her own party.

If you look back on the Thatcher era today, you might get the impression that “English values” that had previously been buried returned. Didn’t Thatcher stand for a return to the old English principles of individualism, personal responsibility and freedom? Undoubtedly, because these were the declared goals that Thatcher had aggressively advocated for from the start and that she wanted to achieve with her reforms. The choice of economists Hayek and Friedman, if perhaps not as formal advisers but at least as inspirers of her policies, was a clear sign of the priorities underlying her government’s work.

Thatcher’s free-market reforms are all the more impressive given that no even remotely comparable reform policy was taking place on the continent at the same time. In Germany, for example, it would take another two decades before Gerhard Schröder’s “Agenda 2010” dared to transform the welfare state; The major privatizations of Deutsche Telekom, Deutsche Lufthansa and Deutsche Bahn only took place when British Telecom, British Airways and British Rail were no longer state-owned. On the other hand, the economic problems that Germany faced were nowhere near as dramatic as those of England.

But with all due respect for what has been achieved under Thatcher, one should not make the mistake of overestimating her reforms . For despite all they achieved for England, Thatcher could not turn back the wheel of time. The Thatcherite

reforms did not represent a return to the pre-war period, and certainly not to the Victorian era. Entire areas of the post-war planning element of the English economy were not touched at all by Margaret Thatcher, including the National Health Service (NHS), which was the centerpiece of Clement Attlee's welfare state, or the draconian town planning system introduced in 1947 and which will be returned to later. In general, Margaret Thatcher's welfare state was not affected, even if this prejudice has persisted outside of Great Britain to this day. At the end of Margaret Thatcher's term in office, British social spending was significantly higher than when she took office. It was also only able to stabilize the tax rate, the share of taxes in the national product, but not reduce it. The same applies to the state share, which was still at a level of 42.2 percent even after eleven years of Thatcherism - and therefore exactly ten percentage points above the value in 1960.

Margaret Thatcher's liberal rhetoric should therefore not obscure the fact that even after Thatcherism, England was still not a "turbo-capitalist" country, just no longer a socialist one. It can probably best be summarized as follows: Margaret Thatcher had led England roughly to what the Federal Republic had already been as a "social market economy", namely a "mixed economy" with a coexistence of a market economy and extensive state elements.

None of this is intended to downplay Margaret Thatcher's achievements, as no one could have achieved more than her in such a short time. But that Thatcher led the English people back to their liberal roots would be one claim too many. Apart from that, it became clear in the post-Thatcher period under Prime Ministers John Major, Tony Blair and Gordon Brown that the British did not want a continuation of Thatcher-style radical

economic reforms. Yes, they wanted to maintain the economic successes that Thatcher had made possible, but there should be no further reforms that would offend anyone or require victims. There was a demand for “Thatcherism with a human face,” as was attributed to Thatcher’s immediate successor John Major and also to Labor Prime Minister Tony Blair.

Basically, people had basically become friends with a large state apparatus, and the National Health Service in particular still enjoyed the reputation of a social achievement that the rest of the world supposedly envied England. No wonder that even Margaret Thatcher didn’t dare to change anything. It would have been political suicide if she had tried to abolish or privatize the NHS. This in particular shows how strongly elements of collectivism and egalitarianism (which in the case of the NHS means that everyone is treated equally badly) had taken root in the English psyche.

## **England after Thatcher**

When Thatcher was forced out of office by her party in the autumn of 1990, despite her economic successes, despite the victorious Falklands War and despite negotiating more favorable concessions for her country’s membership in the EC, she was one of the most unpopular politicians ever the UK had ever seen. Within the conservatives, she had fallen out with influential colleagues who saw themselves being marginalized by her. Thatcher’s uncompromising course in European policy was particularly controversial within her own party. In turn, it was Thatcher’s plan to reform the English financial system that caused great unrest among the population. Demonstrators fought street battles with the police in London’s Trafalgar

Square. Margaret Thatcher was adored, even loved, by her remaining supporters, but equally hated by her opponents. There was no neutral attitude towards her. To call them polarizing would be an understatement.

It was a turbulent and highly emotional political situation in which the change at the top of the British government took place. Thatcher's successor was John Major, who, despite several years as finance and foreign secretary, was largely an unknown quantity in her cabinet. In newspaper cartoons he was often depicted wearing a suit and glasses. He was considered a man with a certain nothingness. This description is probably doing John Major an injustice, because when you talk to people who know him closely, he is described as competent, friendly and - what would probably surprise many outside observers most - quick-witted and humorous. But not even his closest friends would deny that he had nowhere near the charisma, or even the charisma, of Margaret Thatcher.

But perhaps that was his great advantage. After the turbulent, strenuous and exhausting Thatcher years, which had been a kind of permanent liberal counter-revolution from above, Britain was longing for a return to calmer waters, and John Major, with his bank clerk mentality on display, was exactly the person who could do this best was trusted. "The country needed a breathing space," former Conservative MP and journalist Matthew Parris recalled a few years later.

In his first statement as the new prime minister, Major announced that he wanted to help build a country that was at peace with itself. It sounded a bit like Margaret Thatcher's Prayer of Francis of Assisi eleven years earlier, but with John Major this policy of "reconciliation rather than division" was actually the program. In the official short biography that the

British government provides on its website for all former prime ministers, one can read a compliment about John Major that is, above all, a barely concealed criticism of Margaret Thatcher: “Major’s style was radically different from that of his predecessor . His unpretentious and down-to-earth manner was seen as a welcome innovation and stood in stark contrast to Margaret Thatcher’s force.”

In terms of economic policy, Major was a man of balance and not a Thatcherite radical reformer. For him, who came from a poor background and had already left school at the age of 16, the permeability of society was important, and a classless society was the goal. However, far more than Thatcher, he saw the state as having a duty to achieve this goal. The focus of his policy was on improving the services that the state should provide to its citizens, for which John Major specifically introduced the concept of a “Citizens’ Charter”. It should guarantee the population better offers in the areas of health care, education and the police, among other things. At the same time, this charter also represented the realignment of politics after Thatcher, who had never shown much interest and even less sympathy for the public service.

All of this had already earned Major great approval among the population. When he had won special rights for Great Britain in negotiations with the EC, announced tax cuts for low earners and fought his election campaign with a megaphone in his hand on a soapbox , the gray mouse John Major had momentarily become a political superstar, who gave his party a fantastic election victory in 1992. In fact, no party before or since had received as many votes as John Major’s Conservatives in this general election. But this was partly due to fears that the opposition Labor Party could take Britain back to

the 1970s with high inflation, high taxes, weak economic growth and mass unemployment.

The 1992 election made it clear that there was no going back to the British corporatism of the pre-Thatcher era. But at the same time, John Major, as Prime Minister, no longer stood for an economically liberal reform program, but for a decidedly social market economy . The core of the Thatcherite reforms were thus preserved, but at the same time they were essentially ended. As far as its economic system was concerned, England had become a country that hardly differed from its continental European neighbors.

However, John Major's government went spectacularly downhill in the remaining five years of his term after the election victory. Confidence in the Conservatives' economic competence was permanently damaged by the pound's forced withdrawal from the European Monetary System in the fall of 1992, which temporarily sent the country into recession. Falling house prices and sharply rising interest rates drove hundreds of thousands of homeowners into financial ruin. At the same time, Major's ruling party, which had been in power for a decade and a half, was showing signs of decay and wear and tear. To make matters worse, Major failed to unite his party on the European issue.

So it was little surprise that Major's government was voted out of office in 1997 just as dramatically as it had been confirmed in 1992. If you look at the election of Tony Blair as John Major's successor in terms of what it meant for the economic system in Great Britain, then you will have to come to the conclusion that it hardly changed anything fundamentally. In many ways John Major was the first "Blairist". He stood for greater integration of the United Kingdom into the European

Union, for a strengthening of the public sector, and for a classless society and was therefore significantly closer to the positions of his successor Tony Blair than those of his predecessor Margaret Thatcher.

It has become common practice in Britain to see John Major as a kind of “sandwich prime minister” between Thatcher and Blair, managing a transition between these two era-defining politicians. But in principle that doesn’t really do him justice, because, on the one hand, Major was in office for seven years - not a short time for the 20th century, which saw a total of 19 different heads of government. On the other hand, his primary role was to preserve the legacy of Thatcher’s reforms, which would probably have been called into question in the event of a Labor government.

When Major left office, he not only left Tony Blair a bottle of champagne in the fridge at 10 Downing Street so that he could toast his new office. No, above all, he left Tony Blair an economic order that the new government under Tony Blair and Chancellor of the Exchequer Gordon Brown practically no longer had to change because it corresponded almost exactly to the ideas of the Labor Party, which has since been relabeled “New Labour”. Even then, there were no longer any major ideological differences between the two major parties. Just as Conservatives could be found singing the praises of the NHS and public service, Blair and Brown rarely missed an opportunity to publicly commit to open markets and competition as the cornerstone of their economic policy.

With John Major and Tony Blair, Britain had entered a remarkably non-ideological age in which there no longer seemed to be any major differences between political parties. That’s how you could put it if you wanted to put it positively.

However, one could also say that with Major and Blair a new type of social democratic consensus had dawned in Great Britain. It was not the old “collectivist-Keynesian consensus” that had once driven Ralph Harris and his colleagues around the IEA, but the new consensus also did not correspond to the free-market ideas with which Margaret Thatcher took office in 1979.

The similarities between New Labor and the Tories were so great that from the voters’ point of view it was more a matter of which parties they wanted to place more personal trust in. After eighteen years in power, the Conservatives looked worn out, in contrast to the youthful-looking Tony Blair, who spoke so much about hope and optimism. This is the best explanation for the fantastic election victory that Blair was able to achieve against Major, because Major’s economic performance at the end of his term in office was quite impressive. The unemployment rate had fallen to 7.0 percent, inflation had been reduced to 2.8 percent and thus brought under control, the economy was growing at 2.5 percent and interest rates were well below their peaks in the early 1990s. Years later, at an event at the London School of Economics , John Major joked that he was still waiting to receive a letter of thanks from Gordon Brown for handing over such a well-ordered economy to him. The letter was probably lost in the mail. “We should have privatized Royal Mail,” said the former prime minister.

The new government of Tony Blair and his treasurer, - Chancellor Gordon Brown, faced a problem from the start, despite the wave of euphoria and optimism that swept them to the levers of power in Downing Street. Parts of the population, and even more so in some newspapers, did not believe that New Labor was actually a “new” Labor party that was consistent with the old habits of the British stone age socialists (too close

to the trade unions, high taxes, massive spending programs). The first task for the new Chancellor of the Exchequer was therefore to counteract the prejudices against the new center-left government. He managed to do this with two measures in the first years of the new government. The Bank of England was given responsibility for interest rate policy , previously made in the Treasury, immediately after the 1997 election. In addition, Labor initially imposed a very restrictive spending policy, so that the budget between 1999 and 2002 even showed significant surpluses.

It was this originally rather conservative economic policy that seemed to allay fears that the government's finances would get out of hand with Labor. But the initial fiscal discipline was not expected to last long. Towards the end of its first term, Labor embarked on a program of dramatic increases in spending on the public sector, while also overlaying it with ludicrous lists of targets. The number of employees in the public sector rose by around 800,000 employees in ten years. In this way, the government deficit rose sharply, while the British government share is now even higher than before Margaret Thatcher took office (and higher than the German government share). For example, billions of pounds flowed into the state-run National Health Service, but were unable to prevent its productivity from continuing to decline and the infamous waiting lists for patients even lengthening again.

The original promises not to increase taxes were also quietly withdrawn. Quietly silent because in recent years the Ministry of Finance has made an art of hiding tax increases in such a way that they cannot be seen at first glance. By removing exceptions, taxing pension funds or delaying the adjustment of allowances, the tax burden could be increased significantly

without much fuss, but all the more effectively. According to OECD calculations, nowhere in the Western world do average earners pay as much tax as in Great Britain. In a study, the auditing firm Ernst & Young even came to the conclusion that the tax burden on Britons is higher today than it was in the 1970s. Almost 40 percent of Britain's total gross domestic product ends up as tax in the treasury.

Overall, the British economic order has shifted towards a larger state under Prime Minister Tony Blair, who was succeeded by his long-time Chancellor of the Exchequer Gordon Brown in 2007 after ten years in office. The fact that the economy was still able to boast comparatively respectable growth rates until recently is, on the one hand, due to the strong, debt-financed growth in government spending. On the other hand, private households have also become increasingly indebted, but this was only possible to a large extent because a massive bubble had formed on the English real estate market. But both will hardly be sustainable in the long term, and there is widespread concern among the English about what will happen when the party on credit that they have been celebrating in recent years comes to an end.

### **An Anglo-Saxon economic model?**

If you look back at the history of the English economic constitution, it is remarkable how serious changes and changes in direction it has made in the last few decades. Until the beginning of the First World War, England was in fact the epitome of the liberal market economy, a country of *laissez-faire* practice. Overall, one will also come to the conclusion that

this was the time when England was at its most prosperous relative to other countries.

But as a result of two world wars, the English increasingly moved away from the model of a largely free market economy. After 1945, England became the country that flirted most heavily with socialism of all Western economies. This period saw the expansion of the welfare state, but also the nationalization of other sectors of industry. It was accompanied by a relative decline in the British economy compared to other countries, which resulted in a dramatic economic crisis in which England was seen as the sick man of Europe.

It was only through Margaret Thatcher that this development was stopped and partially reversed. However, under their successors, especially under the Labor governments of Tony Blair and Gordon Brown, Great Britain once again became a country characterized by a high proportion of government, high taxes and high public deficits.

England today has moved very far away from the economic order that characterized the country until 1914. It is therefore all the more remarkable that the idea that a form of pure capitalism is still being practiced in England has persisted. Nothing like this can actually be found in today's England. Strictly speaking, the British economic system only differs from the German one in nuances. Yes, the German labor market is much more regulated than the British one, but Great Britain has an almost completely nationalized healthcare system. Yes, Germany's taxes are high and complicated, but so are they on the island. And while people in Germany are still outraged by the regulatory fallacy of introducing a minimum wage in the postal industry, a general statutory minimum wage was already established in Great Britain in 1999.

All in all, England is now a much more “European” economy than (continental) Europeans think and some Brits might like to realize. And this has nothing to do with, as some conservative commentators on the island sometimes claim, that Britain’s membership of the European Union prevents it from pursuing economic policy on its own terms. They could very well reform their welfare state, privatize the Royal Mail and Channel 4, streamline planning law and simplify their tax law if they only wanted to; no Brussels bureaucrat would stop them. But the fact that this doesn’t happen shows how much the British have moved away from their originally very liberal understanding of the state and economy over time.

England once had an economic system that could with some justification be described as an “Anglo-Saxon model”. But there is hardly anything left of it. It’s another part of old England that can only be found in history books today.

## **From Made in England to**

### **Bullshit Economics**

If you want to know what makes England tick, you should climb the clock tower of the Palace of Westminster. However, this is not that easy as it is not open to the public most of the year for security reasons. Big Ben is not only the country's best-known trademark, but also part of the parliament complex and as such can usually only be entered by selected parliamentary staff.

In order to prevent angry protests from Anglophile bean counters, pardon: bean counters: "Big Ben" is of course only the nickname of the bell and not the name of the tower, because it is simply called "The Clock Tower", and Big Ben is officially called just "The Great Bell." If only everything in England were so simple and uncomplicated.

But back to Big Ben, the bell. Strictly speaking, it is Big Ben II, because originally they wanted to hang an even larger and heavier Glock. Unfortunately, the alloy cracked the first time a clapper hit it. At least they had tried it out on the ground before hoisting it to a height of over fifty meters. So the bell was melted down and recast, but this time a lot smaller than before. And that is Big Ben, as it has been hanging high up in the Clock Tower since 1859, ringing the bell for Londoners.

There were also problems with this bell in the future because the clapper struck it too hard and damaged it. But this was of course noticed after just a few decades. At that time, however, it was decided that repairing the bell would be far too complicated, after all, it hangs at a lofty height and weighs over thirteen tons. So they simply turned the bell ninety degrees and reduced the force with which the clapper struck it from then on. The problem was solved for now. The next decades will also have to contend with the rotation.

The fact that Big Ben is also known far beyond London is largely due to the BBC World Service, the British broadcaster's foreign service. Since New Year's Eve 1923, the famous chime from the Clock Tower has been played regularly on the radio every hour and broadcast all over the world. This is not a recording, as one might expect, but there are four microphones above the glockenspiel that capture the sound and transmit it to the radio station.

But if not only London, but the entire world learns the time from Big Ben, then you have to be able to rely on this time exactly. Big Ben's clockwork has a reputation for exceptional reliability, but when you look at how that reputation comes about, you're somewhat puzzled. Twice a day, the Westminster tower and bell keepers receive an exact time signal from outside, which was transmitted by telegraph from the Royal Observatory in Greenwich until 1940. This signal is used to compare the time displayed by the clockwork. The correction when the clock goes ahead or behind is a mixture of English precision mechanics and the art of improvisation. There are some old English penny coins on the pendulum. "Old pennies are important," says the guard, "the new ones just don't have the right weight." By adding or removing coins, the swing of

the pendulum can be changed and the time can be adjusted. A penny more or less accounts for almost half a second per day.

In this way, and to this day, England sets the pace for the world, even if it can only be done with a few old pennies. And the tourists who stream past Big Ben every day, blocking the path of Londoners in their admiration for this striking tower, diligently take photos of the clock face on the hour, as if they could hear the chime in their pictures later at home.

In a way, the story of Big Ben is a parable of England and its relationship to quality, because nothing is as it seems. If you were to ask listeners of the BBC World Service in Sydney, Timbuktu or Buenos Aires how the British ensure that Big Ben strikes exactly on the hour, most would probably guess an atomic clock rather than on a few old coins. It is also typical that Big Ben I didn't work at first and that Big Ben II was already badly damaged before a solution was thought of. The only thing that is atypical for today's England is that Big Ben and the clockwork are still working. But that may also be because the clock comes from the mid-19th century - like so many things that still work reasonably well in England today, come from the 19th century and with difficulty, and sometimes just a few old copper coins, is kept running. In this respect, Big Ben is absolutely typical of England and a worthy landmark.

The country lives from what was created long ago, if you want to put it positively. But one could also meanly say that it uses up more of its substance. Anyone who lives in England will never be able to completely shake the feeling of having lost their way into a large open-air museum. But people actually live and work there and perhaps even consider this to be completely normal. Unless you have already been abroad.

Nowhere, apart from Big Ben, is this more clear than on the London Underground. When the first line went into operation in 1863, it was a sensation. Never before had railways been laid underground; other cities followed decades later. Paris, for example, only got its metro in 1900, the Berlin subway started in 1902 and New York didn't have the subway until 1904.

As with so many technologies, England was once again way ahead of the rest of the world and its time. The first steam engines had been built, the first locomotives had been designed, and now both were moved underground in order to cope with London's traffic chaos. And that was sorely needed, because the city, with around three million inhabitants, was the largest metropolis in the world at that time. But an innovative traffic solution was not only urgently needed, but also possible in England, where the technical know-how to be able to build long tunnels existed since the tunnel boring shield developed by Sir Marc Isambard Brunel and Thomas Cochrane. The Thames had already been crossed in this way in the 1840s.

Even in the decades after the London Underground opened, it remained one of the fastest growing and most modern forms of transport in the world. As early as 1884, the city center was surrounded by a subway ring, and thanks to ever-improving technology, the tunnels could soon be buried up to thirty meters deep underground. London also had the first underground system in the world to begin electrifying its lines. It is difficult to overestimate the progress that was made back then. In the 1920s, the Tube network, as the railway is also called because of its tubular shape, had almost reached its current extent.

If you look at the London Underground today, you can clearly see how old it is. Especially when compared to subways in other countries, it certainly has an antiquarian charm, but it

also comes with a number of inconveniences for travelers. It has still not been possible to develop a functioning cooling system for the trains. It's a good thing that only people take the subway, because the temperatures measured on some lines from late spring are beyond the limits that the European Union just allows for the transport of livestock. On the other hand, this doesn't seem to bother the mice and rats at some of the stations. The subway is also reaching its capacity limits every day in a London whose population has more than doubled since the 1860s.

As if all this wasn't unpleasant enough, the track is in such a condition that it creates a deafening noise in the carriages as the tube jerks its way through the underground tubes. That is, if it is running and a broken signal, a flooded station, warped rails, a failure of the control system, a sudden shortage of staff, unexpected unavailability of trains or unforeseeable emergency repair work on the route do not bring operations to a complete standstill. And of course only if the London Underground workers have not yet found a reason to strike. Otherwise you'll end up standing in vain at the train stations, which still look like they do in the yellowed photos in the London Transport Museum. Why do you actually need a museum if there are also stops? Some even have stalactites growing from the ceiling.

When Londoners go to Hong Kong, until recently an English crown colony, they see that there is another way. The MTR runs there largely without delays; the trains are spacious, clean, modern and air-conditioned. You can even make mobile phone calls in them, although it is certainly debatable whether this is an advantage. Or New York: The subway there runs 24 hours a day, while the London subway takes a five-hour break every night for maintenance work. If you're lucky, these will

end on time before the morning rush hour, otherwise they will result in long delays. However, tickets for the London Tube cost three times as much as for the New York subway. Sometimes even taking a taxi is cheaper in London.

But anyone who believes that the ongoing problem with the London Underground has led to urgent work on improvements will be disappointed. So far we have not progressed beyond individual, selective progress. For decades, for example, there has been discussion about whether a deep east-west connection should be built through the capital in order to relieve the existing network and improve the connection between Heathrow Airport and the city center. But this major project, known as Crossrail, had been repeatedly delayed (the first plans were by Brunel in the 1840s!) and had only been seriously discussed since the 1980s. If there are no further problems, the first trains could currently run from 2017.

Unfortunately, such delays in major infrastructure projects are not the exception in England today, but the absolute rule. A good example is the Thameslink 2000 program, which was intended to expand London's railway network. It was launched in 1990 and, as the name suggests, all work was expected to be completed by the beginning of the new millennium. The project is now simply called Thameslink, and no one can say with absolute certainty when it will ever be completed. Apparently it will happen in 2015. But although the English are a people who like to bet and have bet money on the return of Elvis and Diana, no one has been crazy enough to place a bet on the imminent end of the Thameslink saga.

Things don't look any better on England's roads either. For decades, the English economy has complained that the country's road network is one of the worst in the Western

world. If you just look at a few statistics, you can understand this well. There is no other country in the world where there are so few roads per capita. There are a total of six meters for every Briton. Even in the more densely populated Netherlands it is seven meters, not to mention Germany, France or Austria. The UK's motorway network is poorly developed and covers just 3,600 kilometers. For comparison: the two German federal states of Lower Saxony and North Rhine-Westphalia alone have that much combined. It's no wonder that England's roads often only allow stop-and-go driving. As a result, England are world leaders in only one category: traffic jams.

It's no secret why England's roads and railways aren't making progress. The Ministry of Transport itself made the statement in a report some time ago: "The majority of our rail network was built well over a hundred years ago. Most of our highways were built 30 or 40 years ago. However, governments of the past have allocated too little money to improve and modernize the transport network, while at the same time the volume of traffic on roads and rail has reached levels that were never foreseen when they were built. You can do it too to put it more succinctly: once again the country is living off the substance it provided generations ago. It's the same principle as the London Underground.

However, the lowest point in terms of English infrastructure is likely to be its airports. Anyone who has ever landed in Heathrow, Gatwick or Manchester knows how time travelers must feel. You have just left the 21st century when you started from Amsterdam, Düsseldorf or Zurich, but as soon as you set foot on English soil after the usual three waiting times, you are back in the 1960s. In any case, the airport furnishings date from this time, a mixture of linoleum, concrete

and even strangely patterned carpet, against which even fresh vomit would not stand out. You get a lot of time to marvel at all this while you wait for your suitcase at the antiquated luggage carousels and hope that it didn't get lost. At no other airport in the world does as much luggage disappear as at Heathrow. Arriving at English airports is even better than departing, because they are certainly not designed for modern security checks. It can happen that you have to wait an hour before you can show your passport. Luckily, the plane usually hasn't taken off by then due to the usual delays.

The problem with airports is the same as with subways, railways and roads: Built at least half a century ago, they have hardly been expanded since that time, while air traffic has grown significantly. But there was either a lack of money, political will or both for expansion. This is how London's Heathrow, after all Europe's largest airport, "works" with just two runways, which almost every German provincial airport now has. But there are no take-offs and landings every 60 seconds. All this with a capacity that was designed for 45 million passengers, but last year had to be enough for almost 70 million. To make things better in the future, a new terminal building has now been opened. There's a small catch: planning and construction took almost thirty years, it won't be fully functional for a few years, and the airport temporarily collapsed when it opened.

England has therefore made a bad habit of using its infrastructure to the limit and beyond, but hardly putting any money into maintaining it, let alone expanding it. It's like Big Ben, where a few copper coins make it work somehow in the end, even if you don't know exactly why. But business travelers from China and India are now wondering when they arrive in

London which country is actually the developing country. England once had an infrastructure that the world envied and that it could be proud of. But those days are long gone.

### **“What are the English actually good at?”**

If you take a close look at England, you’ll notice that it’s not nearly as modern, hip and cool as it likes to be. But they like to let the rest of the world believe it, and that’s the answer to the question of what the English are really good at: self-promotion. What else should you be good at? Almost nothing is produced anymore.

Jeremy Clarkson, the presenter of the BBC motoring show *Top Gear* and a columnist for the *Sunday Times*, wrote some time ago that it was precisely this question from his young daughter that left him in dire need of explanation: “What are the English actually good at?” The question itself would be bad enough, but having to answer it over lunch on the beach in St. Tropez was probably too much of a challenge for Papa Clarkson. All that spontaneously came to mind were the English mass murderers of the last few years, even though he believed that Belgium could still be ahead in this category. So he gave the full answer in his *Sunday Times* column, which became a typical Clarkson tirade.

Then you could read about how the warship HMS *Invincible* (sic!) only runs with one of its two engines because the Royal Navy is saving money on fuel. It was further learned that Britain’s sewers date back to the 1850s. But out of a total of 186,000 miles, only 241 miles have been repaired or even replaced since then. For Clarkson, these are phenomena of a

fundamental problem: “Below the surface, everything is in disorder.”

This is followed by a razor-sharp observation from Clarkson that he made during his travels in airports around the world. Every major airport now has a souvenir shop that sells souvenirs that are particularly typical of the country. In Detroit, travelers are offered car posters and model cars, in Iceland there are cute sweaters and books about waterfalls, while in Barbados bottles of hot sauce are available.

And in England? The souvenir shops there present air travelers with an England that consists practically entirely of the past. Models of old London taxis, teddy bears in former police uniforms, perhaps pictures of the Queen on teacups and - absolutely inevitable - Union Jack flags. But none of this actually represents present-day England; all of these are less souvenirs than remnants of a bygone, lost England. But it would also be difficult to find something that would represent today’s England in a way that would be compatible with a souvenir shop. Even Jeremy Clarkson couldn’t think of anything better other than coffee mugs with pictures of mass murderers.

There is a simple reason why Jeremy Clarkson, who is otherwise at a loss for an answer, was able to throw the question about English qualities into such disarray. They are becoming increasingly difficult to find. The country, which was once the market leader in new technologies and conducted brisk trade with the world, has now largely abandoned the manufacturing economy. In any case, many once big names in English business have disappeared. In addition to general economic policy, which played its part, quality and productivity problems were key factors.

The productivity of the English economy has been one of the location's main problems over the last few decades, although the country has recently been able to catch up somewhat. But British productivity is still around 20 to 30 percent behind the USA, France or Germany. It is also fitting that expenditure on research and development in Great Britain is significantly below the level of other industrialized countries. As a result, there are far fewer patent applications registered in the UK than elsewhere: in 2005 there were around 28,000 of them in the UK (of which around a third were granted). But in the same period there were 45,000 applications in France, 135,000 in Germany and as many as 435,000 in the United States.

It is an irony of history that English goods are on the decline, as they once enjoyed an excellent reputation. The reputation of the products was so good that they wanted to protect them from imitators and, in a law from 1887, suppliers of German goods were given the designation of origin "Made in Germany". In the long term, however, this proved to be a boomerang, as "Made in Germany" increasingly replaced "Made in England" as a sign of special quality. It's no wonder that Audi's famous slogan "Vorsprung durch Technik" is also used in German in England, although correct pronunciation sometimes proves difficult. The reputation of German products in England is now so good that even the French car manufacturer Citroën is quoted there with the line "Unmistakeably German. Made in France. "Does advertising.

But where is "Made in England" today? Journalists from the left-liberal *Guardian* might not normally have much in common with the conservative Jeremy Clarkson, but Larry Elliott and Dan Atkinson see the problems of the English

economy in much the same way as he does. In their general reckoning with today's Great Britain, "*Fantasy Island*," they list what other countries can do well. As a result, the Germans build the most efficient washing machines and the best shiny chrome cars, the Japanese make the most modern electronics, the French have an excellent food industry, the Scandinavians produce the best cell phones, the Americans make computers, airplanes and movies, and the Italians have a leading one Designer fashion industry. "Where does the UK fit into this world of changing economic geography, where, following David Ricardo's dictum, nations increasingly focus on what they do best?" ask Elliott and Atkinson. They give the answer immediately afterwards: "We count the money and we do the *bullshit* . . . This is a country that tries to make a living by *talk, talk and more talk* ."

This is all certainly somewhat exaggerated, and the two authors themselves admit that there is still a pharmaceutical and armaments industry in England. But their hypothesis of bullshit economics still tends to be correct. If you look at the British trade balance, you can easily see that the manufacturing sector in England is not doing well. Apart from wartime, Britain never had a goods trade deficit until 1983. At the end of the 1990s, however, it was already 7 billion pounds, and in 2006 it finally reached a value of 59 billion pounds. This means that the British imported significantly more goods than they could sell abroad. The deficit corresponded to around five percent of gross domestic product. The fact that the British trade balance only showed a deficit of four percent overall was only due to a slight export surplus in services.

When it comes to the number of employees, one can easily understand the loss of importance of British industry over the

past decades. At the end of the 1970s, around 27 percent of employees worked in the manufacturing industry (when they weren't on strike), but recently it has only fallen to around 18 percent. Of course, other industrialized countries have also experienced a sectoral change from an industrial to a service - society , but England deindustrialized much more dramatically and much faster than them. This is shown by a comparison with other European countries of similar size. In France, a quarter of employees still work in manufacturing, and in Italy and Germany around a third. The differences are correspondingly large when it comes to the share of goods exports in gross domestic product. While it is just a meager 19 percent for the United Kingdom, it is 28 percent in France, 29 percent in Italy and even 51 percent for world export champion Germany. First of all, these are statistics that do not contain any value judgment, but they at least show how one-sided the British economy is now focused on services and how little it is still involved in world trade. The British trade deficit can therefore be explained by the fact that the British are avid consumers, but at the same time they are becoming less and less visible as producers on the world's markets.

In this way, if you will, the English economy became one of the first postmodern economies. Some observers also see England as the model of the "creative economy," as if it were not creative to produce good cars, functioning cell phones or fast computers, but only media, advertising, banking and management consulting were truly creative processes.

But the English reorientation towards an almost pure service society has actually caused several imbalances in the economy. First of all, there is the fact that the highly praised and celebrated service society is primarily a London

phenomenon, because only there do services actually cluster into a large cluster. In other parts of the country, however, jobs in industry have essentially disappeared without being compensated for in the service sector. Although there are certainly successful cities outside of Greater London, overall the center of English economic activity has shifted significantly to the southeast over the last century. This can also be seen in the very different state shares in the English regions. According to a recent study by the Center for Economics and Business Research, the north of England is dependent on the richer south. While the state share in the southeast is just over a third, in the northern regions it is over half. In other words: The successful financial center of London subsidizes those regions that have de-industrialized in the past without being able to gain a new economic base at the same time. This applies to the north of England, but even more so to Scotland, Wales and Northern Ireland. In the latter, the state share is so high at 76 percent that it almost makes the GDR seem like a capitalist oasis. The *United Kingdom* is therefore really a unified country in name only. But the name “United Soviet Republics of Great Britain and Northern Ireland” would describe the situation better anyway. So far, however, no one has come up with the idea of charging an explicit solidarity surcharge for the parts of the country in need. So far.

Another problem with the one-sided shift of the economic focus to the area of financial services is the dependency that has arisen as a result. The banking and insurance sector accounts for around 6.5 percent of total economic value creation in Great Britain, while the figure on the European continent is just over 4 percent. This may not sound like a big difference at first, but in practice the financial sector has been one of the driving forces

of British economic growth in recent years, also because many other services have grown up around it. In the City of London alone, around 10,000 highly qualified and well-paid jobs were created every year in the first years of the 21st century. In particular, the exorbitant bonus payments that accrued to many bankers boosted the London economy and the real estate market, which ultimately also had an impact on other parts of the country. The influence of the financial sector can therefore be estimated to be significantly higher than its share in value creation would initially suggest. However, the fact that this was all based on a fragile business foundation became clear as a result of the credit crisis, which also spread to England in the summer of 2007. It is generally expected that bonus payments in the City will decline in the next few years and that bankers could be laid off for the first time. Metaphorically speaking, there is a risk that the country will catch a cold if London starts coughing. Unlike Germany, for example, which has a broad middle class and a strong manufacturing sector, each of which particularly benefits from the demand for capital goods in the emerging countries, there is hardly a sector in England that could compensate for a temporary weakness in the financial sector. People have gradually withdrawn from the productive real economy over the last few decades.

### **The mother of all bubbles: the real estate market**

While one could still argue about whether it is justified to speak of the English economy as a whole as a bullshit economy, just because one focuses primarily on services such as auditing, investment banking, consulting services and the so-called “creative economy” (Advertising , culture, media), there is an

area that has become completely disconnected from reality. We are talking about the real estate industry, or as it is called in English: *real estate* . Hardly anything about the real estate market is *real* and many things are not as they seem.

When it comes to housing construction and urban planning, you can understand the entire post-war English economic history *in a nutshell* . Like no other sector, the property market shows what went wrong in post-war England and how English people are suffering because of it today - even if many of them still believe that it is actually one big success story.

There is no avoiding the topic of real estate in England. In the past, at afternoon tea and cocktail parties, people had mainly talked about the weather and perhaps also about cricket and similar trivialities. But that changed at the latest when television began to have prime time with shows like *Location Location Location* , *A place in the sun* , *Homes under the Hammer* , *Come buy with me* , *House Doctor* , *Grand Designs* or *Relocation Relocation* to fill. They all have just one topic: your own four walls, namely how to find them, what to pay for them and how to make the most money with them. These programs have become so successful over time that the *Collins English Dictionary* , a kind of English dictionary, has now introduced a generic term for them: *property porn* – real estate porn. The name is well chosen, because the property market has become a cross-class obsession that has probably long since left sex behind in today's England. The English have always had a strange relationship with physical love (“No sex please, we're British!”), and now they prefer to go straight to the real estate agent. “ Touch me, feel me, renovate me ,” mocked the *New Statesman* .

the way, Collins defines *property porn* like this: “A genre of escapist TV programs, magazine features, etc. showing desirable properties for sale, especially those in idyllic locations, or in need of renovation, or both.” That is perhaps a bit dry in dictionary terms, so it’s described a little more vividly here, using one of the real classics of English real estate porn: *Location Location Location*, the *deep throat* of the TV housing industry, so to speak.

*Location Location Location* usually supports young couples and families who are looking for a new home. They receive support from the two real estate experts Kirstie Allsopp and Phil Spencer. It always starts with the dream of a spacious, affordable and conveniently located house or at least a condominium. But it usually doesn’t take long for Kirstie and Phil to explain to their customers that it won’t work for now. No matter what budget the would-be buyers have, it is never enough. It always quickly turns out that houses have become unaffordable, and potential buyers would have waited far too long, because last year they would have been 15 percent cheaper; five years ago they would have paid less than half. The series has been running on English television since 2001, but the growth rates have always been the same. So it doesn’t matter when you buy, because you’ll always be late. That’s the first lesson that the loyal viewers of *Location Location Location* has long been internalized.

The second lesson is no less bitter. There are no longer any houses in England where everything is somehow right, and you don’t even need to apply continental standards to quality. It goes without saying that they don’t have a basement. But the fact that they are usually small and cluttered, have tiny kitchens and are painted in the most tasteless colors - a different one in

every room and on the facade - that had to be the case. So far, every couple has yet to learn from Kirstie and Phil. When it comes to the condition of the properties, new lows are constantly being measured on the quality scale, which is open to the bottom. But leaky and single-glazed sliding windows, which, by the way, require painful contortions to clean, at least have the advantage that you can save yourself the trouble of ventilation in English apartments. However, you cannot heat them for this purpose either.

But then comes the third lesson, because in the end the couple decides on a property that is not perfect, but that they can just about afford. It may take you up to your ears in debt, but Kirstie and Phil know how to provide comfort in such a situation. You could invest a little work in the renovation and then sell it again after a few years. Kirstie and Phil like to call it “adding value.” In five years the prices will have risen by more than half again, and then the whole thing would have been worth it somehow. Maybe next time you can actually afford a nicer house, if you’re lucky even with a garden and not right next to a busy highway again.

House buyers really don’t have it easy in England, but neither do house builders. In another property porn series, *Grand Designs*, host Kevin McCloud accompanies couples who wish to live in an architecturally sophisticated home, double glazing, underfloor heating, insulation and smart home technology included. All things that are not normally found in a typical English house, where you are happy if the walls are straight and not damp. However, the construction work always proves to be difficult. It’s not that the couples lack imagination or money - they are mostly well-off upper middle class families. No, the main problem is, strangely enough, the procurement of

materials. Building materials that can be found in almost every hardware store around the corner on the continent first have to be imported into England. Sometimes the bathroom fittings come from France, the roof insulation from Austria or a specially treated wood from Finland. And often enough, the English construction workers who are provided with these materials are initially overwhelmed by them. They've never seen anything like this before.

So far there has only been one episode of *Grand Designs* , which has had a permanent place on English television since 1999 , in which almost everything ran flawlessly and according to plan right from the start. However, this episode was about an older couple who had ordered a custom-made luxury prefabricated house - from a German construction company. The only delays that occurred involved the English suppliers who were responsible for the concrete of the floor slab and provided a large crane. They arrived late while the over-punctual German construction workers waited impatiently at the construction site. Kevin McCloud, who usually fills his broadcast with descriptions of everything that can go wrong in construction, had plenty of time to praise the outstanding quality and efficiency of the project - and to blame the Germans for the inconvenience caused by the English work ethic excuse.

Regular consumers of English property porn will agree with the analysis that this genre should actually be classified as sadomasochistic films. Innocent home buyers and home builders are shown by real estate experts how they despair of the pitfalls of the English housing market. Botched construction, trouble with building inspectors and city planners, sudden cost increases, broken mortgage commitments and the whole thing always on the verge of personal financial ruin and

nervous breakdown - there is something for every taste. But as Shakespeare says in Hamlet: "Though this be madness, yet there is method in it." for your money, and nowhere else does the quality of housing on offer leave as much to be desired as in England. If you want to understand why this is the case, you have to go back a long way. Until 1947, to be exact. Because there the cause of England's crazy property market lies in a law that was part of Prime Minister Clement Attlee's efforts to create a New Jerusalem: *The Town and Country Planning Act* .

The name of the law said it all: towns and cities were to be planned with it so that a better England would emerge in the end. As early as the 1930s there had been a large migration from the north of England to the south-east, which meant that a lot of building was being done in the south, but this was happening in a rather disorderly manner, especially along the main transport routes. At the same time, there was concern that the North could bleed dry in the long term if this migration continued unchecked.

To change all this, the Attlee government introduced legislation that had a lasting impact on urban development in England. We had already gotten to know the *Distribution of Industry Act* with its industrial expansion permits. A second law was the *New Towns Act* of 1946, which sought to build entire new towns where the government felt they had previously been lacking. This is how the city of Milton Keynes came into being, for example. A year later, the *Town and Country Planning Act* was introduced, which placed the entire country under planning control.

The *Town and Country Planning Act* was a product of its time. It fits seamlessly into all other attempts in the immediate post-war years to build a better country through rigorous

planning. Like food stamps and clothing permits, urban planning was just another step toward the great socialist future.

The law essentially nationalized the right to decide on the use of land. From now on, the owners no longer had much say when it came to the development and construction of their land, but rather the government and the associated planning authorities. Of course, the pioneers of the time had foreseen that this was not always popular. But where there is planning, there are chips, and where there is planning, sacrifices have to be made. Speeches like this are recorded from a conference of urban planners that took place in 1944: “Planning means control. You have to go to people and tell them where they have to live. And if someone wants to build a factory, you have to be able to tell them that it’s not possible in Tottenham and that they have to go to so-and-so. ...Russia, Germany and Italy all have planned economies.” This was of course undeniable, but Russia was also ruled communist at the time, Germany national socialist and Italy fascist. Nevertheless, these were apparently the shining examples for more control and more planning in the new England. Objections raised by economists counted for nothing. Sir Patrick Abercrombie, the leading English urban planner of the time, made fun of economists. They are just “confused people who only ramble about the laws of supply and demand and the freedom of the individual”.

One of the first measures introduced by the *Town and Country Planning Act* was the creation of large green belts around English towns. The name is a bit misleading because it is not necessarily the case that these areas are really green. Actually, it would have been better to call them non-development zones, because their primary aim was not to protect nature or even create local recreation areas, but rather to

limit the growth of cities. Never again should they grow as uncontrollably as they did in the 1930s, and anyway: Why should London, for example, grow when Liverpool and Manchester, in the opinion of city planners, need it much more?

An area of over 5,000 square kilometers around London - more than three times the size of the city itself - became a no-go area for developers. In their immeasurable decision, the city planners had decided that London was large enough to cope with the post-war housing demand without new building space. Further population growth was not planned for London, and population migration was now to be directed back to the English north.

As we know, planning is the replacement of chance with error, and so of course things turned out completely differently. London's population continued to grow, while northern factories laid off people rather than attracting new workers from other parts of the country. In addition, household sizes became smaller and smaller as the era of large families came to an end, while more and more single households emerged. Overall, there was much greater demand for housing than the planners had predicted. But changing the plans would have been an admission that you can't organize a country from the top down. So everything stayed the same. If anything, the plans became more strict, because now that London was full, plans had to be made to ensure that no one moved there anymore. Over time, a system emerged that had one main goal, namely to reduce construction activity to an absolute minimum. The planning system, which was originally intended to "build" a better country, now became primarily a system to prevent construction.

London was probably the most extreme case of planning misprediction, but by no means the only one. Green belts were also built around other English cities to prevent them from “fraying”. Of course, they were a little less strict with those cities where growth was most desired. But no one wanted to move there anyway.

For the supposedly confused economists who only talked about market laws and freedoms, what happened in the English property market over the next few decades was entirely predictable. The Scottish historian Thomas Carlyle once ironically pointed out that all you had to do to get a new economist was to get a parrot to constantly repeat the words “supply” and “demand”. That’s probably a slight exaggeration; At least no parrot is known to have ever won the Nobel Prize in Economics. But in fact, the laws of supply and demand can explain quite a lot, including the English housing market. What the urban planning system created above all was a systematic limitation of the supply of land. But since at the same time the demand for land continued to rise, this had one main long-term consequence: land became more and more expensive in England and with it everything that stands on land and uses land.

Prices have something to do with supply and demand, even if Sir Patrick Abercrombie and entire generations of his fellow planners didn’t want to admit it. To this day, English city planners always react with a bit of embarrassment when asked about the connection between prices, supply and demand. As recently as the 1990s, a city planner in southern England said that he saw no reason at all to look at price data for building land. “We plan and the market has to follow it,” was his defiant answer.

Incidentally, the fact that land in England became more and more expensive was not because England is only part of a small island on which space is gradually running out. In fact, less than ten percent of the land is developed. But over 55 percent of the land area is explicitly protected from development: as a green belt (12.9 percent), as an area of particular scientific importance (8.2 percent), as a nature reserve (6.2 percent), as a landscape - protection area (15, 6 percent), as a national park (7.6 percent) or as a special protection area (4.7 percent). The cities, which make up just 8.3 percent of the area, are hardly significant.

But if you ask the English how much of their land is cultivated, you get the impression that most of them haven't been home for a long time. According to a representative opinion survey, 54 percent believe that more than half of the country is already built on. Just 13 percent guessed the correct answer that it was less than a quarter. These results are no coincidence, as city planners had convinced the English since the end of the war that construction activity should be strictly controlled and limited. The English therefore believed that land on their island had become scarce. But only the city planners themselves actually made it close.

Since the end of the Second World War, too little has been systematically built in this way. While in the first few decades there were sometimes significantly more than 400,000 units completed per year, almost 200,000 new buildings are now being celebrated as a great success. However, since households are becoming smaller and smaller while the population is aging and growing slightly, this is not enough to meet demand. Especially no houses can be demolished, even if they are in a state of disrepair: they are still needed. Government adviser Kate Barker concluded that at current levels of construction,

houses will have to last 1,300 years before they can be replaced - something that shouldn't be expected given the quality of English houses' construction.

But the catastrophe that is unfolding on the English housing market has a number of other consequences. Since many English people can hardly afford spacious houses, the newly built units are becoming smaller and smaller. Today they are just 76 square meters in size on average, making them the smallest new buildings in the Western world. But there is simply no more for the average Englishman, because house prices are beyond good and bad. Since 1970, they have risen by more than 400 percent after adjusting for inflation. For small old apartments in ordinary London suburbs you can now expect prices of over 300,000 pounds. Even in the English countryside, prices are paid for average real estate that can compete with large European cities.

And real estate madness has another consequence, because the quality of the few new buildings is often extremely poor. An independent government commission recently concluded that the quality of over a third of new buildings is so poor that they should never have been approved. But even such houses find their buyers, because you have practically no choice on the housing market and you have to be content with what is currently on offer and is still reasonably affordable. Kirstie and Phil from *Location Location Location* can tell you a thing or two about it.

All of this would be unpleasant enough, as it ultimately means that ordinary English people can no longer afford the kind of houses that their parents and grandparents took for granted. "An Englishman's home is his castle," it used to be said. Today, Alan W. Evans, a regional economist at the

University of Reading, describes England's housing supply as "rabbit hutches on postage stamps ." But things get even worse, because the high and constantly rising house prices have also caused enormous damage to the English economy, in several ways.

For example, high land prices have contributed to companies that need a lot of land for their factories leaving England. They went where it was cheaper to produce. Of course, English companies also passed on land prices directly to their customers. The result is the high English price level, which the British like to complain about ("rip-off Britain"). In international price comparisons, England repeatedly turns out to be the most expensive place in the world. In addition, due to the high price increases on the real estate market, the English central bank is forced to keep interest rates higher than on the continent in order to prevent overheating. But high interest rates are poison for the rest of the economy, which means they can invest less. Urban planning may have played its part in England becoming more and more deindustrialized.

Finally, the high house prices have also had a dramatic social effect, as the English are now more indebted than ever before in their history. In order to be able to afford homeownership, many home buyers have been forced to take out ever larger mortgages, sometimes with minimal or even no equity at all. Overall, English household debt is now £1.4 trillion. Many home buyers had become heavily indebted because they feared that they would no longer be able to afford property if they waited too long. And hadn't past house price increases shown that buying an apartment is always a worthwhile investment?

But even property owners who had long since paid off their mortgages were seduced into recklessness by the ever-increasing house prices. At the end of the 1990s, they began to take out large-scale mortgages on their houses in order to use the freed up money to finance cars, electronics and long-distance travel - or to invest it in other properties in the hope of even higher price increases. Some families made more money from the annual house price increases than they earned in their main jobs. The economy became increasingly dependent on new money from the housing market, so that even stable house prices have now become a serious threat to the economy. Because constant house prices mean fewer loans, less money in circulation, less private consumption and therefore less economic growth. Overall, England has been transformed into one big casino over the last few decades. You could also say that the English housing market became the biggest pyramid scheme of all time. It's just a shame that despite this supposed real estate wealth, it's difficult to afford residential property that could compete in size and quality with real estate on the continent.

All of these are the unintended consequences of a town planning system introduced by the socialists after the Second World War to build a better England. This system has been able to survive all governments of different shades in recent decades because there was no longer any public doubt about its fundamental necessity. In addition, the English always felt richer when house prices rose again. The ultimate irony was achieved when five-year plans for housing construction were introduced under Margaret Thatcher's government (while communist planned economies elsewhere were collapsing). Today, the individual English regions are still assigned house

building targets from London, which they then have to meet in the coming years.

The Soviet Union may have collapsed, but its spirit still lives on today in English urban planning. But who would have believed in 1945 that Prime Minister Clement Attlee and his chief planner Sir Patrick Abercrombie had laid the foundation for the new genre of property porn?

### **Indebted, deindustrialized and at the limit of capacity**

England was once a country famous for its technology. It was the country whose “Made in England” had become a globally recognized mark of quality. It was a country of progress and optimism. A country that showed the world how to build railways and subways. A country that was able to offer its population increasing prosperity and an increasing quality of life.

If you compare this England from the history books with today’s England, there are hardly any similarities between the two. Not many of the once great and traditional brands of the English economy are left, and some of them are probably not particularly bad. British Leyland, for example, the producer of rightly forgotten cars like the Austin Princess or the Triumph Dolomite, was forced out of the market the moment the Japanese showed the British that they could also produce affordable cars that didn’t drive a little faster the doors fall off straight away.

The English economy as it stands today depends primarily on two factors: financial services and artificially inflated and ever-increasing property prices. However, it is doubtful whether this will be enough to enable England to achieve sustained

positive economic development. In addition, there are serious problems with the country's infrastructure, which no longer meets today's requirements, especially when compared to its competitors on the continent.

Apart from these problems, which can hardly be denied, the housing situation has become a serious burden on the quality of life in England. Many young English people today are forced to live with their parents in their early 30s because they can no longer afford their own apartment. It has also become common practice for even successful "young professionals" to spend a few years in shared apartments before they can get their first apartment of their own. When the time comes, high debts are unavoidable, even if it often only comes with small properties of poor quality.

So it shouldn't be surprising that, according to the OECD, hardly any other country loses as many well-qualified young people to foreign countries as Great Britain. Emigration has reached record levels because young Brits no longer see a future in this England. They are fleeing the high prices, the daily traffic chaos and the ridiculously high house prices and are hoping for a better future in Canada, America, Australia or New Zealand.

Recently, the South Australian state government advertised in London newspapers with a series of advertisements. Under headings such as 'Screw working in Staines', 'Stuff London traffic', 'Sod London house prices' or 'Bugger it, I'm off to Adelaide', Londoners could read what awaited them if they emigrated to South Australia, namely: "Fine weather, fine wine, fine houses, fine jobs, fine beaches and fine universities, fine weather, fine food, fine houses, oh, and did I mention fine weather and fine wine. Adelaide, South Australia. The world's

finest blend .” It seems as if the problems with England’s quality of life have now spread far and wide, all the way to the other side of the world.

No wonder that in a survey of readers of the *Times of London* about the biggest mistake in English history, one answer was ranked high: they deported their convicts to Australia and stayed in England themselves.

## Enoch Powell's Curse

In most countries there are political taboos, i.e. things that you shouldn't say in public life if you want to continue to participate in it. In Germany, this category includes trivializations of or just misleading statements about National Socialism. Such things have cost prominent politicians their jobs more than once.

In England, too, there is an easy way to make yourself a pariah in public debate with a single sentence. The sentence reads: "Enoch Powell was right."

Very few people across the English Channel have ever heard of Enoch Powell, but in England almost everyone knows him, the former top politician who died in 1998. *Daily Telegraph* columnist Simon Heffer even considers him to be the most influential politician of the post-war period.

Powell, born in Birmingham in 1912, was an exceptional intellectual talent. At the age of 25 he was appointed professor of Greek at the University of Sydney. He fought in Africa during the Second World War and, after the end of the war, began his political career in the Conservative Party. In 1950 he became a member of the British House of Commons, where he remained a member until 1987.

Powell subsequently held a number of positions: under Prime Minister Harold Macmillan he was Secretary of State for Finance and Minister of Health, and later, while in opposition, his party's transport and defense policy spokesman. In none of

these roles did he shy away from controversy, but his enduring fame to this day owes to a speech he gave to his Birmingham local chapter in April 1968. In fact, he spoke on April 20, Hitler's birthday, which Powell later claimed he was not aware of at the time, but which gave the speech additional fuel.

Powell's speech began relatively innocently. "The most important task of statecraft," he said, "is to avoid future dangers. But in attempting this, one encounters obstacles that are deeply rooted in human nature. ... Above all, people tend to confuse predicting problems with causing or even anticipating problems. They like to think that if we just didn't talk about it, then it probably wouldn't happen."

However, Powell, a master of provocation and polemic, had no intention of silently sweeping anything under the carpet and turned to the actual topic of his speech, British immigration and integration policy. And he did this, quite cleverly, by quoting the people from his constituency with whom he had to deal. There is the industrial worker who told him a few weeks ago that if he only had enough money, he would leave the country and also pay for his three children to leave the country. The reason: In fifteen or twenty years the whites in England would be living under the rule of the blacks, according to the worker ("In this country in 15 or 20 years' time the black man will have the whip hand over the white man .").

Of course, Powell knew that by repeating this statement he would be treading into mined territory. But, he noted, as a member of parliament he has a duty to take seriously the concerns of the citizens he represents. Above all, such voices are being heard more and more frequently. He received hundreds of letters expressing the feeling that he had become a "persecuted minority" in his own country.

To illustrate the danger of increasing segregation, he used the government's forecasts of expected population development at the time. By the turn of the millennium, there are likely to be between five and seven million migrants living in Great Britain, although they would not be evenly distributed across the country, but would be concentrated in certain cities and districts. The problem that Powell sees, however, is that this would reduce the inclination and willingness to integrate into English society. He literally said: "We are now seeing the growth of forces against integration, of interest groups for the preservation and exacerbation of racial and religious differences with the aim of de facto dominance, first over fellow immigrants and later over the rest of the population."

From this analysis of the dangers of failed integration due to uncontrolled immigration, Powell derived the demand to limit the influx of foreigners. Should this not succeed, he saw, following the Roman writer Virgil, "the Tiber foaming with blood" ("As I look ahead, I am filled with foreboding; like the Roman, I seem to see "the River Tiber foaming with much blood. ").

One can imagine the outcry that Enoch Powell's speech caused at the time. He was accused of open racism and outright xenophobia. The then opposition leader Ted Heath did not hesitate for a moment and dismissed Enoch Powell from the shadow cabinet. However, he retained his parliamentary seat, and not only that: in the next general election he was even able to further increase his share of the vote. What he said in his speech was obviously widely supported by the population. According to a poll at the time, almost three quarters agreed with the content of his speech.

Powell remained a member of the British Parliament for almost two decades, although he never held public or even party office again. A single speech ended his political career.

It is highly debatable whether it is even justified to call Enoch Powell a racist. Didn't he himself, as *Telegraph* columnist and Powell biographer Simon Heffer reminds us, advocate for the Kenyan Mau Mau prisoners? Hadn't he dreamed of becoming Viceroy of India and had even learned Urdu to perfection to achieve this? Wasn't it the same Enoch Powell who, as health minister, had recruited nurses and doctors from the Caribbean on a large scale?

No, from what we know of him, this Enoch Powell was probably not a racist. But what he could certainly be blamed for was his language. Ted Heath explained at the time: "The reason I removed Mr. Powell from the shadow cabinet was not his political views, but the way he expressed them." The *Times's* commentary chief, Daniel *Finkelstein*, also said: shared this assessment forty years after the *Rivers of Blood Speech*. He wrote: "This was hardly a sober or responsible way to talk about these sensitive matters." Indeed, Powell's words were not well chosen. At most, they could be excused by the fact that the classical philologist Powell had lost himself in his analogy with the end of the Roman Empire and no longer noticed where he had overstretched the bow. The Thames isn't the Tiber, and Enoch Powell wouldn't have wanted to be Virgil.

Enoch Powell's political career was basically over with this speech, but that would probably have been manageable for England. Incidentally, it was Enoch Powell himself who once remarked that all political careers, unless they end by a stroke of luck, end in failure. But the real tragedy of Powell's speech was that it made it impossible for years, if not decades, to openly

discuss the issues of immigration and integration in England. Hovering over everything was the “*Rivers of Blood Speech*” episode with its completely opposite conclusions. While some only dared to whisper “Enoch was right” behind closed doors, others condemned every remark critical of immigration as racism in the style of Enoch Powell. In a sense, Enoch Powell, who wanted to spark a major social debate with his speech, ended it for a long time. A climate had emerged in which openly addressing the issue of immigration policy was only reserved for the nationalist right, such as the far-right *British National Party* . But politicians and journalists who wanted to continue to be counted among the respectable middle of society did well to give this minefield a wide berth. After all, they didn’t want to suffer the fate of Enoch Powell.

For a long time, England lacked an honest assessment of immigration, even if the dimensions that it had reached alone would have required this. Only in recent years have tentative efforts been made to bring the issue back onto the political agenda. But dialogue about it continues to be difficult. When opposition leader William Hague began talking about immigration during the 2001 election campaign, he was accused of using xenophobic arguments. Even his own party’s supporters were unwilling to follow him on this point. Election campaign times are rarely the best opportunity to discuss such topics anyway.

*Times* journalist Anthony Browne also found that immigration had become a taboo topic. After writing a few articles for his newspaper in which he questioned whether there might be economic and social arguments against mass - immigration, he was insulted and vilified in Parliament by the

then Home Secretary David Blunkett. Browne's comments, Blunkett said, bordered on fascism.

Even the mention of Enoch Powell's name always causes controversy. This is what the Conservative parliamentary candidate and former editor-in-chief of the *Birmingham Post* Nigel Hastilow found out in 2007. Nearly four decades after Powell's speech, he wrote in a newspaper article that Powell had predicted that immigration would irrevocably change the country. Enoch Powell was right because the country has changed dramatically since then. This statement alone was reason enough for the Conservative party leadership to remove Nigel Hastilow as a parliamentary candidate. The other parties were quick to condemn Hastilow's comments. They clearly showed the racist resentment that existed among the conservatives.

But if you ignore the admittedly inflammatory rhetoric of Enoch Powell's speech for a moment, is it really so far-fetched to agree with him on some points? On the one hand, he predicted that by the year 2000 the number of immigrants and their descendants would be five to seven million. Comparing the results of the 2001 British census with this prediction, Powell was spot on, with a total of 5.6 million people having at least one parent born abroad. 4.6 million people in Great Britain belong to ethnic minorities. On this point Enoch Powell was right.

Enoch Powell also predicted in his speech that immigrants would not be evenly distributed across the country, but would be particularly concentrated in certain cities. This also happened. According to research from the University of Manchester, Leicester will become the first British city with a white minority population in just a few years. Today, 35

English cities already have at least one district with a non-white majority. In this respect too, Powell was not wrong in his assessment.

Finally, in his speech, Powell warned of the tensions that would arise from a lack of integration of immigrants. Their large numbers reduce the pressure to adapt to the English host society. Increasing segregation will be the result, and violence will also become possible as a result.

It is not easy to answer whether Enoch Powell was correct with this prediction. On the one hand, one could very well argue that in today's England - and especially in London - people of - different origins, nationalities and religious affiliations live predominantly peacefully side by side. Whether they actually live together is another question. But even the staunchest supporters of a less restrictive immigration policy will hardly deny that there have been increasing tensions in the coexistence of the various groups in the recent past. The attackers who carried out attacks on London's public transport system on July 7, 2005 did not come from abroad, but had grown up in England as second-generation immigrants. Nevertheless, in their hatred of society, they tried to kill as many of their fellow citizens as possible with homemade bombs. If proof was needed that there were failings in English integration policy, then it was provided.

Without wanting to excuse, let alone justify, the terrorist violence, one must also ask whether there were failures on the part of English society in dealing with its immigrants that facilitated this act of violence. If you look at British immigration and integration policy in the post-war period, you will have to come to the conclusion that for a long time - and actually until today - it lacked a viable concept and a guiding principle.

There have always been waves of immigration in English history. Whether Romans, Danes or Normans: they all left their mark in England. Even after William the Conqueror captured England at the Battle of Hastings in 1066, there were always larger groups of immigrants who settled in England. At the end of the 17th century, the country welcomed around 50,000 Huguenots who were persecuted in France, and between the 16th and 20th centuries around 150,000 Jews came to England. But although these were certainly significant for the times, the earlier waves of immigration differed significantly in several respects from those that England experienced after the Second World War. On the one hand, earlier immigrants came primarily from the European cultural area, but on the other hand, immigration was not the decisive driver of English population growth. In this way, England stood in contrast to classic immigration countries such as the United States or Australia, which were first populated through immigration. However, the ethnic composition of England in 1945 was almost the same as that of late medieval England.

This would change dramatically after the Second World War, when the United Kingdom radically realigned its immigration policy almost overnight. It was a law passed by the Labor government under Clement Attlee that was responsible for this, namely the *British Nationality Act* of 1948. It stipulated that from then on all Commonwealth citizens had the right to settle richly in the United Kingdom - around 800 million People. But this was only considered a theoretical possibility because, on the one hand, the member states of the Commonwealth were far away and travel was expensive; On the other hand, it was believed that hardly anyone wanted to

voluntarily move to an England that was still struggling with the consequences of the war.

Things turned out completely differently than expected. In fact, in the first few years after the new law came into force, only a few thousand immigrants found their way to England each year. But by 1958 there were already 210,000 Commonwealth people living in Britain. Over half of them (115,000) came from the Caribbean, 55,000 were Indian or Pakistani, 25,000 were African and about 10,000 were from Cyprus. By far the largest number of immigrants settled in England and not in the other parts of Wales, Scotland and Northern Ireland. It has remained that way to this day. British immigration is almost exclusively immigration to England.

This was a development that England had never experienced before, and the pace of immigration continued to accelerate. In 1961 alone, over 130,000 immigrants came to Great Britain. The door that had been thrown wide open by the 1948 law was now hastily attempted to be closed again. But this only met with moderate success. Immigration continued, although slightly reduced. In the 1960s and 1970s, just over 70,000 people arrived in England every year. Most of them came from other Commonwealth countries. Although further immigration temporarily slowed somewhat in the 1980s and 1990s, it reached new highs under the Labor governments of Tony Blair and Gordon Brown. In 2007 alone, 710,000 migrants found their way to the United Kingdom - 2,000 per week. Minus the emigrants, this still left a population increase of well over 200,000 people in one year.

However, all of these figures should be viewed with caution, primarily for two reasons. Firstly, the statistics obviously do not include illegal immigrants, and secondly, it

has been shown time and again in the past that official immigration statistics are not particularly reliable. The government recently had to revise its own estimate of the number of immigrants upwards twice within 24 hours, by a total of no less than 700,000. The only time the government is even worse than counting immigrants is when it comes to predicting future immigration. When Poland joined the European Union, the United Kingdom was one of the few countries to fully open its labor market to new EU citizens. Officially, Polish immigration was expected to be in the lower five-digit range. In fact, there were probably almost a million Poles who found their way across the English Channel. Incidentally, they are very valued there as highly motivated and well-trained craftsmen. Especially in London, people now wish they could turn to a Polish plumber when the heating isn't working or the tap is dripping.

### **Irritation about one's own identity**

Although the numbers are an important part of the British immigration debate, they are not even the most important aspect. In public perception, the cultural and social changes that have resulted from the presence of large groups of immigrants are probably more important than the raw statistics. However, thanks to Enoch Powell, the challenge that this poses has not been discussed for a long time. Instead, the fiction was that Indians, Pakistanis, Chinese, Africans and West Indians would somehow fit into British society on their own. But this was a - serious mistake.

The irritation about the cultural consequences of immigration begins with tiny little things. If you go to

Hammersmith Town Hall, for example, you will be welcomed on a board in no fewer than sixteen languages, nine of which do not even use the Latin alphabet. English local governments have also moved to making documents and brochures available in dozens of languages. “You speak Swahili and don’t understand the pictograms on the recycling containers? Please don’t hesitate to contact us. The translation service of English authorities has probably long since rivaled that of the United Nations. But leaving aside the costs of explaining the finer points of English local taxation in Hindi, Arabic and Bantu, it is, above all, a signal to immigrant groups: “If you want to speak English, all well and good, but It’s not absolutely necessary – and we don’t even ask you to do it.”

While immigrants are apparently not even expected to show a minimum level of willingness to integrate, the expectations of the majority population are actually sanctioned by law. No form of discrimination whatsoever is permitted, and this is protected by the strictest and oldest anti-discrimination laws in Europe. Incitement to racial hatred has been a criminal offense under the *Race Relations Act* since 1965 . At the same time, any form of discrimination in public places was banned. A few years later, in the *Race Relations Act* of 1976, all discrimination in the private sector was banned. Whether it was about renting an apartment or an employment contract: according to the will of the legislature, no distinction should be made between members of different population groups .

Later, the law was tightened to such an extent that not only were no differences allowed to be made, but on the contrary, public institutions had to make efforts to promote so-called “diversity”. Of course, this is the opposite of a policy of non-

existent distinction, because here there is a distinction, but systematically in favor of the minority population.

that such a policy is hardly capable of triggering storms of enthusiasm among the majority of the population. Especially when the media repeatedly reports cases of positive discrimination that can only be described as absurd.

For example, there is the small town of Corby in the north of Northamptonshire, about a hundred kilometers north of London, and there is an ethnic problem: Corby is too white and too British. 98.3 percent of the residents are white, and the almost twenty percent of the white population are Scottish and do not create the right multicultural feeling. The lack of immigrant background was to be Corby's downfall, as the state prison authority announced that it would relocate 80 of its employees from Corby to Leicester. This should make it possible to recruit non-white employees for the authority, according to the Interior Ministry. They apparently believed that non-whites could not be expected to work in a city like Corby. But after an outcry from the local population over this justification, which ultimately only followed the recommendations of a Ministry of Labor study, they quickly backtracked and tried to save the decision to move to Leicester with other arguments. After all, Leicester also has better infrastructure, the authority's current building in Corby stands - in the way of a city renewal project, and so on. The possibility of hiring more non-white staff was only "secondary," said a spokesman for the prison authority - but was still an argument in favor of Leicester and against Corby. The boundaries between efforts to promote non-discrimination and diversity on the one hand and pure British self-hatred on the other are

blurred. How else could one explain that being predominantly white and British now seems to count against a city?

London Mayor Ken Livingstone is also known for making cases of a lack of diversity a top priority. When he discovered that only five percent of London taxi drivers were from an ethnic minority, he quickly set up a support program to ensure greater levels of diversity in the famous black cabs. The costs for this are of course borne by the London taxpayer, who in case of doubt should not care who drives him through the city.

18-year-old Abigail Howarth found out that things could get even more absurd. She had seen a job advert from the Bedfordshire Environment Agency which stated that certain population groups were encouraged to apply because they were under-represented among the Environment Agency's workforce. Among other things, one would be happy to hear from Asians, Indians, Africans, Welsh, Scots and Northern Irish - but there was no mention of white English people like Ms. Howarth. She then asked whether she had any chance at all in the application process and was informed that the position was in fact only advertised for ethnic minorities. However, this would have nothing to do with their skin color, as white Welsh, Scottish and Northern Irish people could ultimately have applied as members of "ethnic minorities".

The practice of positive discrimination in England is ultimately a nuisance for both the majority population and immigrants. While it is suggested to white English people that they are suddenly second-class citizens because they are (still) the majority in their country, no opportunity is missed to remind the ethnic minorities that they are not completely this includes. Because if they were so well integrated and accepted, why would there be a need for constant preferential treatment? As an

“Indian” or “Pakistani” born in England, you can attend the same schools and go to the same universities as white English people, but when it comes to finding a job, you are put back into an ethnic drawer. This is how the English “integration” practice manages to trigger dissatisfaction in both groups, although of course with the best of intentions.

The fundamental problem, however, is that there is no idea of what successful integration could even look like. Is it enough if Indian bus drivers and police officers are allowed to wear a turban while on duty? Do immigrants have to master the language or should they be accommodated through official translations, as is currently the case? Should English laws apply equally to all population groups or should there be special rights for individual ethnic groups and religions? And how tolerant can England be towards those immigrants who don't know what to do with the original English concept of tolerance? These are the questions that remain unanswered in England to this day.

Partly this is because the English do not know what they are and what they want to be. In contrast, members of minorities often have a much more clearly defined self-confidence and significantly fewer problems defining their own identity. Integration becomes all the more unattractive precisely because the host society proves to be incapable or unwilling to provide them with a similarly clearly developed self-image. Who wants to join a group that doesn't know what they want?

The confusion surrounding English and British identity is palpable and is evident, for example, in the uncertainty about dealing with national traditions. The English Christmas, for example, was once associated with *Christmas carols*, nativity plays and the Queen's Christmas speech. People also sent each

other Christmas greeting cards and decorated the streets with festive lighting.

But people have increasingly moved away from all of these traditions in recent years. According to surveys, three quarters of all British employers are now giving up Christmas - decorations in their offices because they don't want to offend their non-Christian employees. The television station *Channel 4* had its "alternative Christmas address" spoken by a fully veiled Muslim woman. At a primary school in Bournemouth in the south of England, the children were only invited to a "winter party" because the migrant children were not expected to spend Christmas, while in Birmingham the entire former Christmas program is now only run under the heading "Winterval". The fact that Christian motifs are no longer depicted on Christmas - cards and people no longer wish for a "Merry Christmas" but rather a "Happy Season" completes the picture of the disappearing English Christmas.

It shouldn't be surprising that a think tank close to the Labor government has suggested that it would be best to almost completely abolish Christmas in the future. After all, other religions also have festivals to celebrate, and the Christian Christmas dominates the calendar far too much. But the protests against these ideas were too loud - and no one was more harsh in condemning these ideas than Sayeeda Warsi, the conservative spokeswoman for integration policy, herself a Muslim. One cannot ensure social cohesion by denying the history and tradition of the country in which Christianity has played and continues to play a decisive role, she said.

But today's England now has a problem not only with Christian tradition, but also with very secular customs. For example, there are the famous promenade concerts organized by

the BBC every year. The “Proms” always end with a final - concert in London’s Royal Albert Hall, the famous “ Last Night of the Proms “. *Union Jacks* are waved and Edward Elgar’s famous “Pomp and Circumstance March” is played to celebrate the “ Land of Hope and Glory ,” as the unofficial British national anthem says. But even with this, the representatives of the left-liberal intelligentsia apparently have problems. In any case, the Minister of Education Margaret Hodge recently complained that the “Proms” were not “inclusive” enough because people with migration backgrounds could not see themselves in them. One wonders what Mrs Hodge would want instead of the Proms: a festival of world music? African drummers accompanying Indian sitar players? Mrs. Hodge should have noticed that the “Proms” have long since become an event that is not only attended by members of ethnic minorities, but also attracts numerous tourists to London. None of them seem to feel marginalized or harassed by British patriotism.

An even more radical proposal for how to deal with identity and integration in contemporary Britain came from, of all places, the Anglican Church. Their spiritual leader, the Archbishop of Canterbury Dr. Rowan Williams, suggested in a radio interview and later in a longer speech that other legal systems should be applied in Great Britain in addition to English law. The British, he said, would finally have to get used to the fact that some of their fellow citizens don’t know what to do with English law. The principle of “one right for all” is “a bit of a danger,” said the archbishop literally. In general, the introduction of Islamic law would be “not only inevitable, but also desirable”. These statements triggered major protests and calls for the archbishop’s resignation were also heard . But what

was overlooked was that Dr. Williams only demanded something that is already partly practiced in England today. In fact, there are already regulations in social law, for example, according to which Muslim men married to several wives can receive social benefits for all of their wives. Polygamy is therefore fundamentally recognized . Muslim women are also allowed to fully veil in public and even in court. A judge who refused to decide a case because he could not establish beyond doubt the identities of the veiled defendants was removed from office.

All of these episodes from the reality of English integration clearly show that there is a lack of willingness to define clear standards for coexistence in Great Britain and then to enforce them. In return, it can be seen that parts of the Muslim minority in particular are becoming radicalized and see themselves less and less as part of English society. Channel 4, for example, published the results of a survey of British Muslims. This showed that almost a quarter believed that the London attacks on July 7, 2005 were a plot by the British government to create sentiment against Muslims in Great Britain. The *Sunday Telegraph* found in another survey that 40 percent of British Muslims wanted Sharia law to be introduced in predominantly Muslim parts of Britain, while 41 percent opposed it. The alienation between British Muslims and the rest of society was also reflected in other surveys reported by The *Times of London* : 68 percent of Muslims trusted English-language television programs aimed at Muslims when reporting on the Middle East, but only 58 percent trusted the BBC. But perhaps the most shocking result: suicide attacks in Great Britain were supported by at least 7 percent of British Muslims. The idea that there are now tens of thousands of people in England who are prepared to

murder their fellow citizens would probably exceed even the worst fears of Enoch Powell. Given such opinions, the integration of the Muslim minority in Great Britain can hardly be described as a success.

The failure of the English integration policy has several interconnected reasons. On the one hand, there is the failure of politicians to control and shape immigration policy. Looking back, it is hard to see any concept that has ever effectively managed immigration to Great Britain. Secondly, no government has yet been willing and able to enter into a dialogue with the population about the desirable extent, advantages and disadvantages of immigration. At the latest after Enoch Powell's speech in 1968, the topic became taboo and remained so for decades. And thirdly, the historically unprecedented immigration hit the British at a moment when they themselves were unsure of their identity. The period after the Second World War was in every respect a time of great social, economic and political upheaval. It was also a time of relative British decline. In this situation, asking the British to convey to a stream of immigrants a positive, optimistic self-image that would make integration seem desirable to them proved impossible.

The fact that England was once in its history able to accept and integrate immigrants was of course also because this was easier given their cultural background. But back then there was at least a British identity that could serve as a guide for immigrants. As the British lost this identity, integrating foreigners became increasingly difficult. The result is a fragmented society that the chairman of the Commission for Racial Equality, Sir Trevor Phillips, warns is sleepwalking into

segregation. This is the result of decades of failure to address the issues of immigration and integration.

## **“There’ll always be an England”**

What is England? A few generations ago this question would have been easier to answer than it is today. England was a country that differed fundamentally from the rest of the world in several ways. A parliamentary democracy was established in England earlier and much more consistently than other countries, from which even kings were not safe. Earlier than anywhere else, England had a legal system that focused primarily on defending individual civil liberties. England had also shown the world how a market economy and division of labor worked. It was ahead of its time in every way. This was also what made it easy to give an answer to the question of English identity. Not only was it different from other countries, it was simply better: freer, more progressive, more optimistic.

Whether before the First World War or immediately after the Second World War, an Englishman looking across the Channel would have come to the conclusion that he was on the right side after all. While other countries in Europe liked to start wars that they couldn't win, and while they were just beginning to have their first experiences with parliaments and democracies, England was perhaps not an island of pure bliss, but it was still a country that was aware of itself was well aware of its uniqueness. “Splendid isolation” was not just a term used in foreign policy, but also reflected the attitude towards life of the English people.

Compared to those times, England has lost some of its appeal. One could argue that this is not so much the fault of England, but more the rest of the world. It is not England that has changed, but the continent - just as some English newspapers dryly commented on the opening of the tunnel to France with the words “ the continent is no longer isolated” . In a way, that’s true, because what once made England seem so unique has been exported, if not all over the world, at least to large parts of it: democracy, the rule of law, a free press, a market economy - all of this is found Today there are variations in many other European countries and beyond. In some respects things may still be a little different in this or that area in England than in Germany, France or Italy, for example, but one can hardly detect any fundamental systematic difference anymore. The British model of success has thus been exported, and it is not England that has become more European, but rather the continent has become more English.

If that were the case, then there would be no need to worry about England. The English would finally be generous enough to share their historical achievements with other countries. England would have lost its distinction, but it would not have changed. It would only have caused an impulse of progress to be sent from England into the world.

But unfortunately this is only half the truth. It is probably true that other countries were impressed and influenced by England’s special achievements. But unfortunately it is also the case that these achievements are not only in the distant past, but that England has gradually moved away from them. Yes, the rest of the world has become more English in some ways and it has done well for it. But at the same time England has become more and more un-English, much to its detriment.

The overarching principle that had sustained England's history for centuries was the principle of freedom. England was the epitome of a free country. While the patriotic songs of many other nations often invoke a special strength or superiority of some kind, England's patriotic songs often enough testify to a stubborn freedom. "There'll always be an England, and England shall be free. If England means as much to you as England means to me," sang the English soldiers during World War II. And in the most patriotic of all songs, "Land of Hope and Glory," it says, "Thine equal laws, gained by freedom, have ruled thee well and long. By Freedom gained, by truth maintained, thine Empire may be strong. Land of Hope and Glory, Mother of the Free." There are undoubtedly more unpleasant forms of nationalism and chauvinism than invoking freedom, truth and the rule of law, even if this does not seem compatible enough with migrants to today's ministers.

If one wants to sum up the loss of England's uniqueness, then it is its gradual departure from the principle of freedom. It can be seen in practical terms in the type and scope of state activity, which has expanded massively over the last century. The English people of earlier times would not have accepted without complaint that the British state today demands around half of their income as tax, even from average earners. They would also have been at least irritated by the way in which the state intervenes in the affairs of its citizens, and not just in economic terms. According to a study by the Center for Policy Studies, there are now 266 ways for state authorities to gain access to private homes. One would hardly expect that law enforcement authorities in England are allowed to detain citizens for 28 days without the need for a court order in the country that once invented the principle of habeas corpus. One

would even less expect that the government would even try to extend this deadline to 42 days.

So this England has gradually given up what once made it such a special country: its unique love of freedom. The freedom that runs like a red thread through English history: from Magna Carta to Habeas Corpus, from Blackstone's *Commentaries* to the Bill of Rights, from John Locke to David Ricardo.

Of course, England is still a predominantly free country today when compared to other nations. But considering its history, it has clearly moved away from the ideals of earlier times. Not only has it lost relative prosperity and quality of life, but above all it has also lost the optimism of the previous generation. The English today no longer think, as John Maynard Keynes described, that everything could only get better.

It would be nice for them. Because England, to whom the world owes so much, deserved better herself. You just have to have the courage to become a little more English again.