

Crossbow

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BROKEN BRITAIN or a United Kingdom?

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The
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Chairman's message



By Ben Harris-Quinney
Chairman of
the Bow Group

Most often the Chairman's message of this magazine has been focussed on the issues of the day at time of publication, and as has frequently been the case in the past, in this edition we find ourselves seemingly facing the most perilous and existential questions of our party and nation.

Issues of the day are however of passing intrigue, the issues and challenges that are fundamental; those of economy, society and Great Britain's place in the world will endure and recur. Only the considered thought of the longevous organisation can sate their rapacious appetite for ideas and policy, and so rather than passing comment directly to today's news agenda I want to focus on the Bow Group in its 60th year.

It is an organisation which has served for nearly two thirds of a century as a fierce battlefield of political ideas, but has endured like no other to tell the tale, an organisation which will certainly have some contribution in engaging with the issues of today and tomorrow.

I hope that the contribution the Bow Group makes to the United Kingdom in the 21st century will be more significant than even its illustrious contribution to the policy making and development of young politicians it has offered to the 20th century. To do so the Bow Group must draw heavily from its past, but adapt significantly for its future.

I am delighted to announce officially to our members in marking our 60th year the appointment of The Rt Hon Sir John Major as our new President, and the appointments of The Rt Hon Lord Howe, The Rt

Hon Lord Howard,
The Rt Hon Lord Heseltine
and The Rt Hon Lord Lamont as our Senior Patrons. I am sure that no finer board has ever been assembled anywhere, but the task to take the Bow Group forward into a new era will be one of challenge and excite to any political scientist of even the highest seniority.

It is a task we have begun in the groups 60th year already in earnest, and yet one which we hope will never end. In doing so we make several assumptions; that the Bow Group must always be a broad church of conservatism with no corporate view; that it must always be the destination for young conservative intellectuals; and that it must always compete and strive to hold the Conservative Party to account in asking and answering the leading policy questions of the day. The final and most important assumption we make is that the Bow Group must always be here, at the heart of the conservative family, of great strength and relevance, as it ever was.

As long as this is true, we will always be able to debate and answer the issues of the day, however severe.

Ben Harris-Quinney
Chairman

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Editor's letter



By Richard Mabey
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In November 2007, on a customarily wet day in Edinburgh, I hosted a dinner with Michael Ancram at the Royal Scots Club. The diners, largely made up of English Tories, had gathered to celebrate the 300th anniversary of the Act of Union, but by the time that Michael Ancram took to the lectern, the majority of diners had been drinking large amounts of whisky in order to keep warm and serious policy matters were not necessarily at the forefront of their minds.

Ancram, however, meant business. He was there to talk about an issue of immediate concern to the nation: the seemingly unstoppable rise of Scottish nationalism. The SNP, which had recently taken power in the Scottish Parliament, posed, he argued, a substantial threat to the stability of the country; the Conservative Party had, as a matter of urgency, to put forward the Unionist case. Like most speeches delivered on the subject at the time, his speech was met with quiet agreement, but few thought the threat would ever materialize.

Six years earlier, William Hague delivered a speech at the Social Market Foundation in London to an audience, almost as disinterested as the half-cut undergraduates in Edinburgh. There, he made an impassioned plea: "the British Conservative Party believes that Britain's economic interests are best served by keeping the Pound". Hague's campaign to save the pound was dismissed by many as jingoistic nonsense and, were it not for its unlikely proponent, Gordon Brown, the Conservatives' argument would likely have been lost shortly thereafter.

With the SNP now commanding an overall majority at Holyrood, and a referendum on sovereignty now promised in Scotland, few would allege that Michael Ancram was being alarmist in 2008. Indeed, as the

Euro continues to struggle in a currency union void of effective political union, and government debts of Eurozone countries are revealed to have risen to levels of which Keynes himself would be ashamed, in today's world one would be hard pressed to argue that Hague was wrong.

Is it what you say or the way you say it? The interplay of what is right and what is digestible will forever be a bi-product of a free media. However, is the dichotomy absolute or can you have both? I do not think that it is unreasonable for a voter to expect skilled politicians to both say what they (or their party) truly believe is right and to successfully persuade the electorate of that belief; cleverly branding policy ideas without compromising the political ideas that underlie them - something of a 'Fourth Way', if you will. As his first term progresses, the key challenge for David Cameron will be to make sure not that he is a product of his environment, but that his environment is a product of him.

The Prime Minister is one of the most impressive political strategists of his generation: a media man living in a media age. I believe that he has the capacity to be truly great. But being media savvy is not sufficient for leadership. The election of Boris Johnson, as Mayor of London, shows, aside from anything else, that nicely spun, slick operators are not as useful in electoral terms as many strategists think. Far more desirable qualities in the eyes of a voter are conviction, rhetoric and star quality: combine these traits with properly-branded policy and there you have a two or three term government made.

Showing leadership is more important now than ever. Just as the Diamond Jubilee showed us that the country can pull together, questions around the Union, Europe and

constitutional reform have showed us exactly the opposite. Britain is changing on structural and economic lines but it is also changing along social lines. Marriage, family, childhood, social mobility, morality itself: the absolute fundamentals of society are being questioned. Many Conservatives will be torn by the question of whether these creeping changes signify societal disintegration or meaningful progress. I very much hope that we see the latter.

In any case, it is difficult to deny that we are seeing a radical Government, in one form or another, and the debate as to what a Conservative society should look like has begun in earnest. As an increasingly right-leaning 2010 intake of Tory MPs (including 5 former Bow Group officers) begins to make its mark and the grassroots of the Conservative Party show their teeth online, even the idea of what it means to be a Conservative has been called into question.

Rab Butler said of the Bow Group, "the Bow Group is the hive from which the Party draws honey and the occasional sting". For one fifth of the time that the United Kingdom has been in existence, the Group has been tackling policy issues, whether favourable or unfavourable to the Government, whether media-friendly or straightforwardly unpalatable. We continue today to deliver both honey and stings, but always what we believe to be right.

Crossbow is a mouthpiece for members and friends of the Bow Group to tell the nation

what they truly believe, and this edition, launched in the Group's 60th anniversary year, intends to lead the debate on what Conservatism should mean. Ruth Davidson offers her manifesto to counter Scottish nationalism; Andrew Lilico and Charles Tannock present differing views on the future of Europe; Graham Brady gives the view from the backbenches; and, in true Bow Group style, we look also at a wide range of policy topics and viewpoints, from energy policy to bovine tuberculosis, from youth unemployment to party politics.

In this Leveson age where the media all but dictates the political agenda, the old-fashioned principle of making policy on objective grounds seems to have lost its way. Not worrying too much about what people think of you in the short term, however, is a principle on which the Bow Group has its foundation and it is a lesson which any forward-looking Government will do well to learn.

I am grateful for the hard work put in to this edition and the re-launch of Crossbow by my Deputy Editor, Luke Springthorpe, and I very much hope you enjoy reading it.

Richard Mabey

Editor

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Join us!

Sign up at
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Joining The Bow Group is a great way to get involved with the formulation of Conservative ideas. You must hold Conservative views, and would be expected to resign if you cease to support the Conservative viewpoint.

Visit www.bowgroup.org to download a membership form in PDF format. Fill it out and send it to us at the address on the form. If you have any questions, please contact the Membership Secretary at membership@thebowgroup.org.

Membership of The Bow Group costs £40, with a concessionary rate of £20 for those in full time education, unemployed or under 25.

Message from Bow Group Patrons



The Bow Group at 60

Those of us who began the Bow Group 60 years ago did so without any conception that it would form such an integral part of the Conservative family. It served for us initially simply as a sanctuary from the predominantly left leaning national student body - and which grew into something greater than ourselves.

It was our quarry and our podium for thought and policy. A form and function we handed on to successive generations, who continue to serve the Bow Group as we once did.

Change must be a constant part of the Bow Group's evolution, as it continues to compete in the modern battle of ideas. The Group's resilience and adaptability over the last 6 decades has been a considerable part of its strength. But it must always retain its core principles, of being open to all strands of conservative thought, of being a place where the ideas and abilities of young politicians are tested and galvanised. And an organisation never afraid to hold the Conservative Party to account or to ask, and try to answer, the great questions of the day.

As yet another generation of the Bow Group rises, I wish them and the organisation the greatest success for a long and fruitful future ahead.

Rt Hon Lord Howe of Aberavon CH QC
(Member, 1951 to present day)



Leadership from the Bow Group

My involvement with the Bow Group has spanned virtually the entirety of my political life, from my joining in 1964 as a keen student of politics to my recent acceptance of the role of Senior Patron.

Throughout this time it has been for me a fiercely competitive battlefield of ideas, of internal and external politics, a resource, and not least a significant source of friends and colleagues.

The Group has and continues to provide fertile ground, though never shelter, for those in the party who wish to engage in intellectual political thought and policy debate; this is as necessary now as it ever was.

The Conservative Party would be undoubtedly a lesser place without the last 60 years of the Bow Group, and my life in politics a lesser experience.

Much has changed in Westminster politics since the foundation of the organisation, and so the Bow Group must continue to change with its environment. I look forward to being part again of one of the Conservative families' most vibrant and exciting institutions as it evolves into the future of our party, our nation, and its politics.

Rt Hon Lord Howard of Lympne CH QC
(Member, 1964 to present day)



How is the Eurozone crisis likely to be resolved?



By Dr Andrew Lilico

Managing Principal
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Shadow Monetary
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ConservativeHome.com


At the time of writing, we are in the run-up to a second Greek election mired in uncertainty. It appears likely that either there will be a government that will declare a moratorium on the repayment of debts to international creditors (including the UK) or no stable government at all and so no-one to agree to the further spending cuts demanded by the European Union as a condition of continued financial assistance. A Greek exit from the euro appears only a matter of time – perhaps as early as September.

A Greek euro exit would almost certainly imply a Cypriot exit, also, because of the deep economic, financial and cultural linkages between the two countries. That could be a matter of greater geopolitical significance than is often appreciated. Tensions with Turkey over Cyprus remain. Cyprus is a sea neighbour of Syria and Russian arms shipments to the Syrian government have stopped in Cyprus. The Israelis have courted the Cypriots as new Eastern Mediterranean allies since the Gaza flotilla debacle and consequent breakdown in Israeli-Turkish relations. Cyprus, Israel and Greece have established an Exclusive Economic Zone for the exploration and exploitation of potentially huge gas deposits off the coast of Cyprus. This is one of the world's major geopolitical flash-points, and the consequences of a loss of the EU umbrella at this time are difficult to fathom.

Let us suppose that Greece and Cyprus do leave the euro, and perhaps also the EU. Who else might leave? It is often suggested (not least by Greek leftist politicians who favour a debt moratorium) that a Greek departure would bring down the euro. There are three potential mechanisms for this that one could imagine. First, a Greek euro exit

would mean the redenomination of all Greek debt, including company debts, into new drachmae, a currency that would then be devalued by perhaps 50 or more per cent. This would effectively force Greek companies to default on half the value of their debts to foreign investors. One could imagine this creating a domino effect, whereby those investors that lost money went bust in turn themselves, as a consequence, putting their own creditors into distress and so on, with a ripple effect across the Eurozone. I am doubtful about the significance of such a mechanism, because I would expect much of the effect to be priced in already. If we consider, for example, the March bond-swap involved the Greek government defaulting on 78.5 per cent of the value of its debt and triggered sovereign credit default swaps. That did not create a significant domino effect. Furthermore, it is unclear why even a widespread default domino would mean the euro ending.

A second mechanism could be that a Greek euro exit might mean depositors in Portugal, Spain, or other potential euro exiters might fear their country would be next, and so withdraw funds from their banks – a series of bank runs. Again, I am doubtful in that slow bank runs are already underway in Portugal and Spain – would a Greek euro exit really make that much difference? And why should bank runs mean euro exit? Why shouldn't it just mean the banks going bust?

The mechanism I think is most important is this. If Greece exits the euro and then, six months later, Greece is growing strongly (say, at a 4 per cent per year rate), then even if the process of exit has cost the Greeks an enormous amount (even if they were 50 per cent poorer than just before exit) the headline figures would still be growth. 



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The citizens of Spain, Portugal, and Italy might struggle to see through the headline figures to the impoverished reality beneath, and feel that euro exit and devaluation constituted an easy route to prosperity. That could create enormous pressure for euro exit from the voters of Spain, Portugal and Italy. The euro can in principle survive Greek exit with relatively little problem. By contrast, there is no euro without Italy.

Furthermore, even if it were the case that Italy itself would benefit from euro exit (a matter many of us would dispute), such a gain would certainly come at the expense of losses to others. For Italian euro exit would entail default by most businesses in an economy similar in size to the UK, and default by a government that has the world's third largest debts. That would be an event likely to bankrupt much of the Western banking sector, plunging the UK

into a recession perhaps twice as deep as the recession of 2008-9.

Much discussion of how to avoid such a scenario is deeply misconceived. Almost every proposal (Eurobonds, a 2– 3 trillion stability fund “bazooka”, unlimited purchases of sovereign bonds by the ECB) is based on the concept that the Germans should accept responsibility for the debts of Italy, Spain and others. This notion is both immoral and suicidal. It would be immoral to impose upon prudent German taxpayers, who made their own sacrifices for many years from the late 1980s to the mid-2000s to get their own economy in order, the burden of paying off trillions of euros of debts of Italians accumulated before the euro even existed. There is no reason whatsoever why, to function successfully, a currency area must involve the pooling of responsibility for legacy debts from before the currency area existed.

When I (as others) argued, in the 1990s, that to succeed the euro would require fiscal and political union, I did not mean that there had to be responsibility for legacy debts. There is all the difference in the world between issuing new pooled debt and accepting pooled responsibility for past debts. If Germany did accept debt pooling, I believe that would make the death of the euro near-certain. The Germans are absolutely correct on this point. It is quite astonishing how many British commentators appear to find it difficult to grasp the principle that if you lend someone money, for which you get paid interest, and she doesn't pay you back, then you ought to lose some of the money you lent. I also note that if the British and Americans are so keen that someone else should pay trillions in Italian debts, then why don't they volunteer to do it? Let's see how keen British and American taxpayers would be about that idea, before we start criticising

the taxpayers of Germany for being reluctant to do it.

If the euro can't be saved by debt pooling, how? First, we need to rationalise the membership to just those members we would be prepared to apply the rest of the scheme below to. That certainly means Greece (and hence Cyprus) not being in. It might mean Portugal not being in, though that is less clear. It might also mean countries such as Slovakia or perhaps Finland not being in, as they may well be unwilling to provide the transfers of funds implied by what follows below.

Second, we need to comprehend which bits of the problem are euro-related and which related to other things. The problems in Ireland and Spain are not truly sovereign debt issues in origin. They are, instead, problems with the banking sector. For (nonsensical, immoral and ill-conceived) reasons we need not go into here, the Irish government decided to bankrupt the Irish state by backing up a banking sector it could not afford to support. After some umm-ing and ahh-ing the Spanish government, at the time of writing, appears intent on the same suicidal idiocy. This is by no means necessary. The Basel Committee, the European Commission, the UK government and others have established a procedure for the resolution of distressed banks, the centrepiece of which is that they fall into the hands of their creditors, much as if you lend money to a chip-shop and it goes bust, you will own it. The bondholders (and, if necessary, larger depositors) of bust banks should have their loans converted into equity stakes, recapitalising the bank.

That leaves the problematic cases of Italy and Portugal. The issue in these countries is that growth, in the period of the euro, has been so

slow that if that continues they will struggle to service their debts. In the case of Italy, as matters stand, the debts should still be fairly comfortably serviceable, but they could become unmanageable if there were to be another serious phase of recession. In Portugal the Government's debts and deficit are probably already unsustainable and it will probably be driven into default.

The key, for these countries, is to raise their growth rates just enough that they can service their own debts

The key, for these countries, is to raise their growth rates just enough that they can service their own debts. The European Union has always had mechanisms for fiscal transfers to raise the growth rates of low-growth regions. These are called Structural and Cohesion funds, and there are currently a little under €60 billion per year of these spent within the EU. In some Member States (e.g. Greece up to 2008) structural funds injected as much as 4 per cent of GDP. Adding 1 per cent to the GDP of Italy and Portugal would cost under €20 billion per year. Given that the economies of Portugal and Italy have barely grown over the past decade, an injection of an additional 1 per cent of GDP would be highly non-trivial.

There need to be special Eurozone-only structural funds that direct spending to low-growth Eurozone regions. These will eventually need to be funded by Eurozone-specific taxes. Once that establishes a steady income stream to a Eurozone treasury to manage the funds, the Eurozone treasury could consider issuing its own sovereign debt (backed by the ECB). Call that

"Eurobonds" if you like, but it will not involve any responsibility for legacy debts and so will not constitute the pooling of past debt.

That will entail a huge leap forward in fiscal and political integration within the Eurozone. People will become much less reluctant to name the Eurozone as the Single European State it has long been.

One post-script to this. It appears likely that there will be two major referendums in the UK in the next few years. One on EU membership for the UK. One on UK membership for Scotland. If Scotland leaves the UK there is little, if any, guarantee that the UK government would be willing to establish a currency union with Scotland, not least because a key lesson of the Eurozone crisis is that currency unions require political and fiscal union, and significant regional transfers, if they are to be successful and by leaving the UK Scotland would be abandoning just that. If the Scots wished to continue to use the pound, much as Montenegro uses the euro or Ecuador uses the US dollar, there is little that could be done to stop them. It seems most unlikely that the Scots would wish to establish their own currency (though there is no special reason they should not), and indeed the policy of the SNP used to be to join the euro. It should be clear that if Scotland were to be joining the euro it would be joining the Single European State.

The practical choices for Scotland are thus most unlikely to be membership of the Union versus independence. In truth, its practical choices are likely to be membership of the UK or membership of the Single European State. I wonder how the Scots would vote if that were the question put to them?



In Europe but not run by it?



Building a lasting peace has been wildly successful in Europe. It began with France and Germany thinking the unthinkable – pooling their coal and steel production, and allowing neighbouring countries to supervise it. Coal and steel were Germany's fuel in wartime – now they were to be symbols of co-operation and reconciliation.

Fast forward to today, and that model of coordination has grown exponentially to cover twenty-seven European Union member states and just over five hundred million citizens. Today's EU is the fruit of the courageous decision by post-war politicians to work together. Previously, sovereignty was an absolute concept associated with nation-states. Now, in many policy fields, sovereignty is shared among EU member states. We understand that we have a common interest, not only in preventing war but also in seeking economic prosperity, in protecting the

environment, in fighting organised crime and terrorism, preventing climate change – all of which have no respect for national borders – and promoting our democratic values in the world, in celebrating both our common culture and also our great diversity as Europeans.

For some people, any idea of sharing sovereignty is anathema. I personally support Britain's membership of the European Union and I believe the EU, in spite of all its faults and need for reform, to be generally a force for good. I believe that not only because we live in a time of unparalleled and long-lasting peace – but because in today's globalised world, characterised by emerging economic giants like Brazil, Russia, India and China, smaller European countries that form lasting alliances are bound to have more influence united than when they are alone or divided.

That's not to say that I am an uncritical supporter of the European Union. I want to see the EU move away from the doctrine of ever closer union and towards a looser, more flexible structure in which some countries wanting more political or economic integration are allowed to do so, and yet others like the UK who want to repatriate certain powers, such as control of our employment policy, should equally be able to do so. We are probably about to witness that for the Eurozone countries who will have to move towards greater fiscal union, as agreed in the recent Treaty of 25, if the single currency has a chance of surviving and prospering for the 17 Eurozone countries. The current Greek political situation makes survival of the Euro of 17 less likely by the day.

I want to see the EU spend less of our money by capping the EU budget and better scrutinising EU spending. I also want the EU to spend less money on things like supporting farmers' incomes and more on things like supporting scientific research and development and large scale infrastructure projects like better high speed rail links across Europe.

The question is whether the UK can achieve that vision by being in the EU – engaged proactively as an engaged leading force – or on the margins, as a half-hearted player. In my view it is clear that we have a lot more

influence if we are leading the debate rather than responding churlishly to it. I feel Britain has been influential in shaping much of the EU's political development. Thankfully that process is continuing. Prime Minister David Cameron has made it clear that he does not favour withdrawal from the EU. He is interested in a pragmatic rather than a dogmatic way in getting the best deal for Britain from the EU with a policy of constructive but hard-headed engagement in the British national interest.

Recent polls have shown that there is a strong and vocal minority in the UK that disagrees and wishes for withdrawal, but I see this as against national interests. When I travel to emerging economic powers like India, their governments marvel at the way the EU works. Many in south Asia would like to see more economic integration through SARCC and SAFTA. This is something I would also support to improve on the economic prosperity and fundamental human rights of that region and prevent future outbreaks of war between say Pakistan and India over Kashmir, and bring stability to Afghanistan after NATO forces leave in 2014.

I believe that some of the antipathy towards the EU can be attributed to the unremittingly hostile approach of many national daily newspapers. It is somewhat ironic that Rupert Murdoch, an Australian-born US citizen, feels so passionately about Britain's strategic orientation. Nevertheless, the Murdoch papers and others love to denigrate the EU through peddling stories, many of which bear scant relation to the truth. It's also regrettable that fewer and fewer national newspapers retain a full-time staff correspondent in Brussels to report EU affairs objectively.

Part of the hostility in the UK towards the EU also comes from a sense of denial about the EU's role and importance in our nation's political and economic global affairs. Some Eurosceptics have a visceral dislike of all things EU-related, which makes them dismiss the institution of the directly elected European Parliament as a hotbed of dangerous federalists wanting more powers to the EU. In the past the low turnouts in Britain - around 35% to Euro-elections - led

to accusations by them of no democratic legitimacy. However the recent local elections with a turnout of 31% have put a dampener on that and even the Boris victory in London was achieved on a very similar turnout to the 2009 Euroelection. This decrease across all elections should alarm all democrats.

Others denounce the European Parliament as an irrelevant talking shop. This is because they don't know, or prefer to deny, that up to two-thirds of UK domestic legislation originates in Brussels. Also, they'd rather not think about the fact that 95 per cent of proposed EU legislation is, post the Lisbon Treaty, subject to amendment, approval or rejection by the European Parliament.

I do think it's time our politicians, the public and the media took MEPs and the European Parliament more seriously. On any objective measure there is no doubting that the political responsibility of MEPs has increased markedly in the past 20 years since the Maastricht treaty that created the European Union and granted co-decision to the Parliament.

For some people, any idea of sharing sovereignty is anathema

The biggest development in the past two years in the EU has been the Lisbon treaty, which adopted many of the features of the rejected EU proposed Constitution. Conservatives rightly opposed it but we have had to live with the legacy of the Brown government and engage objectively with its consequences. The Lisbon treaty has expanded the EU's powers in various policy areas, changed the way the EU works by creating a permanent President of the European Council and High Representative for Foreign Affairs and it has created a new External Action (or Diplomatic) Service to project the EU's policies in the wider world and support the High Rep. I am now fighting to get value for money and budget neutrality from this service, which has yet to prove its worth.

Whatever you think of the Lisbon treaty, it has increased the legislative powers of MEPs considerably. The European Parliament ➡



By Dr Charles Tannock MEP
Vice-Chair DNAT
Delegation for relations with the NATO Parliamentary Assembly & Member of the Committee on Foreign Affairs and Human Rights

It is now a co-legislator along with the Council of Ministers – made up of representatives of the governments of the 27 member states – in almost all policy areas that are dealt with at EU level.

The big change ushered in by the Lisbon treaty relates to trade and agriculture, both of which are managed through common EU policies. Previously the governments of the member states set out the policies in these fields. Now MEPs have an equal say.

There are, however, two policy areas in particular that remain the exclusive domain of national governments, and these are foreign policy and defence.

Some say the EU is undermining Britain's sovereign right to exercise its own independent foreign policy. In fact, this is a myth: Britain retains a total veto on foreign policy issues.

Nevertheless, the exclusivity that member state governments have on foreign policy does not mean the European Parliament

has no influence whatsoever in this sector. In fact, MEPs have considerable influence, given that they cover all 27 member states and all conceivable shades of political opinion. The Foreign Affairs Committee on which I sit is packed with influential former Foreign Ministers and even Prime Ministers from the EU member states.

I am constantly being lobbied by Ministers, Ambassadors, think-tank experts and pressure-group campaigners, all arguing for their respective countries and causes. They know that through its parliamentary resolutions, its committee work, its parliamentary delegations and other mechanisms such as debates and parliamentary questions, the European Parliament has a powerful voice. This is not only the case in direct matters of foreign policy but also the closely intertwined areas of aid and trade policy (where we have legislative powers), human rights, security and defence.

After 13 years as an MEP, this job remains an interesting and challenging one.

The fallacy of composition: fiscal policy in the Euro Area



By Dr Brian Ardy
Research Fellow at the
European Institute,
London South Bank
University

The Euro Area (EA) is a monetary union, with a centralised monetary policy, a decentralised fiscal policy with some coordination and no fiscal transfers. The incompleteness of the fiscal union has contributed significantly to the continuing EA sovereign (government) debt crisis. This accounts for the paradox that despite the EA's government debt/deficit problem being less serious than that of the UK and the USA, it is the EA that is in crisis.

Fiscal policy in the EA is determined by national governments constrained by the Stability and Growth Pact (SGP) and the Fiscal Compact. The SGP requires governments to keep their deficits below 3% of GDP and their

debt below 60% of GDP. Under the Fiscal Compact the cyclically adjusted government balance has to be a surplus of 0.5% of GDP or more. The problem with the SGP is not just that countries did not meet its requirements before the financial crisis, but crucially that it ignores the aggregate impact and the interactions of fiscal policy within the EA.

The SGP results in no clear overall stance for EA, fiscal policy is simply the sum of individual nationally determined fiscal positions, constrained by the SGP. This places more strain on monetary policy to achieve an appropriate macroeconomic policy for the EA, a particular problem when monetary policy becomes less effective, as at present.

But, more importantly, national income relationships mean that the government deficit/surplus is identically equal to the Balance of Payments Current Account (BOPCA) balance (exports less imports) minus net private savings (aggregate private savings minus aggregate private investment). For the EA, this means a reduction in a country's government deficit will only be possible if there is an increase in net private saving or an improvement in the BOPCA. Since the PIIGS (Portugal, Ireland, Italy, Greece and Spain) are in recession, private net savings are unlikely to rise, so improvements in government finances must be accompanied by improvements in the BOPCA.

In the EA, national BOPCA balances are roughly symmetrical – the surpluses and deficits offset one another – so improving the PIIGS government finances is likely to require a deterioration in the core EA's BOPCA, which in turn will require the sum of net private saving and the net government fiscal position to be reduced. So, if net private saving is not reduced, then the governments' fiscal positions in the core EA have to deteriorate for the PIIGS to reduce their government deficits. Or to put it more simply, for Greece's government deficit to be reduced, the German government deficit has to increase.

The PIIGS are seeking to reduce their governments' deficits and debts with austerity programmes. The problem is that for these programmes to be effective they need economic growth, to reduce nominal deficits by increasing taxation and lowering government expenditure, and to reduce the relative deficit and debt by increasing the size of the denominator, GDP. To grow these countries must sell more goods and services. However, austerity constrains domestic consumption, investment and government expenditure, it is

only increased exports and import substitution that offer the potential to expand sales.

For the PIIGS's, BOPCA deficits to be reduced, the surpluses of the rest of the EA must be reduced. With nominal exchange rates fixed and changes in real exchange rates achievable only in the long term, and with private net savings unlikely to change very much, the only way to reduce BOPCA surpluses in the core EA is for governments to spend more and/or to tax less.

In terms of savings and financial flows, the PIIGS have negative net savings with large government deficits exceeding low private saving. In contrast, the core EA has positive net savings with high private saving more than offsetting government deficits. The net savings in the core EA financed lending to the PIIGS. Thus while the conventional wisdom of the current crisis is that it is the result of excessive profligacy in the PIIGS, it could be argued that abstemiousness in the core EA has also been crucial, thus the problem is symmetrical.

With hindsight it can be seen as a mistake that the EA initially failed to capitalise on its scale by issuing EA bonds, but more importantly dividing national debt into blue EA bonds and red national bonds would have signalled more clearly to the markets the risk of the red debt. In addition, if countries ran into debt problems writing off red debt would have been more straightforward.

At the moment, far from core EA government deficits rising, the whole EA is locked into a process of generalised austerity. Thus the EA is in recession, with a GDP forecast to contract -0.3% in 2012. Thus, internally the SGP and the Fiscal Compact commit the EA into a sharp deflation which is worsening the situation in the PIIGS.

The SGP's external effects have also been largely ignored, for the EA as a whole the total of government deficit/surplus plus net private savings equals the BOPCA balance with the rest of the world. EA net private saving are positive, this was the case even in the profligate period from 1995-2005, when they averaged 2.3% of GDP. If the government budget had been in surplus by 0.5% of GDP as required by the fiscal compact, this would imply a current account surplus for the EU over this period of 2.8% of GDP much larger than the 0.6% actually achieved. Since the EA is so large, in 2010 a surplus of this size would have been 10% larger than China's surplus that year. It is not clear which countries in the rest of the world are going to absorb such a surplus.

The fallacy of composition is that fiscal policy in the EA is based on the idea that what is good for one member state is good for the union as a whole; this analysis suggests that this is not the case. The EA does not have a mechanism to determine the overall fiscal stance, which reduces the effectiveness of macroeconomic policy. The SGP is asymmetric only reducing government deficits that are too high, whereas a symmetric policy which can also require increases in government deficits/reductions in surpluses when necessary. These failings have had very serious implications for the EA, contributing to the divergences of economic performance that are integral to the crisis, and making the resolution of the crisis even more difficult. The countries that have created the EA must have courage in their convictions and accept further restrictions on national fiscal policy, in order for the euro to survive.



To save the UK the Conservatives must win over Scotland



By Ruth Davidson MSP

Leader of the Scottish
Conservative Party

Elections throughout history have been won by putting forward a convincing, positive vision of the future to the electorate; in a language which engages them. Finding this vision is even more vital now as Scotland has come to the most important crossroads it has faced in 300 years.

Let there be no doubt, that for Alex Salmond and the SNP, they do not want a better Scotland, just a separate Scotland. In Scotland, we can rightly be proud of a shared past within Britain - a 'social union' far beyond the meagre association which Alex Salmond envisages between our people, and a polity in which Scottish identity has flourished.

But it is by concentrating on our future rather than our past that we will win over the undecided voters, who will play an essential role in

any referendum on our place in the United Kingdom. We have to articulate to the Scottish people the endless advantages of being part of one of the most successful economic unions in the world.

As a whole, the UK remains greater than the sums of its parts.

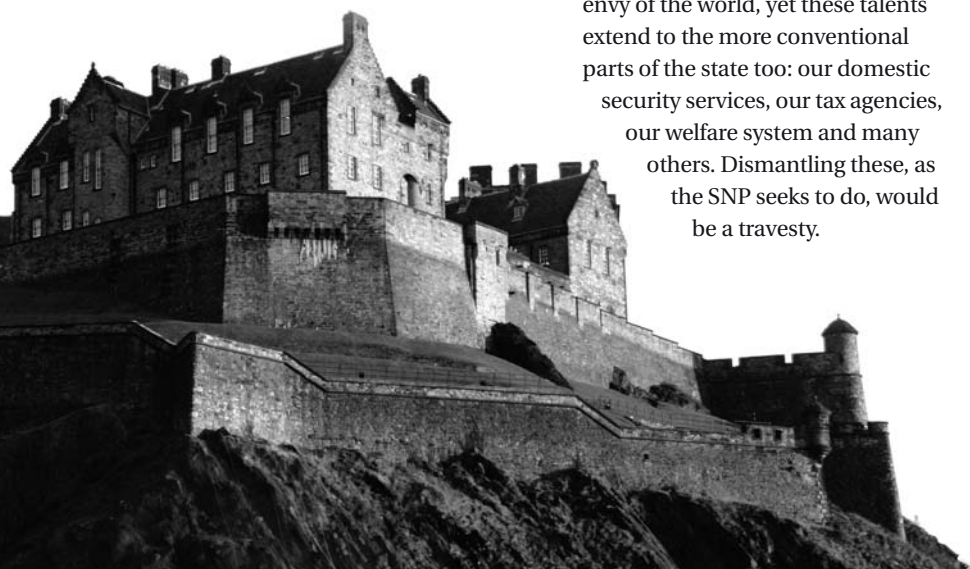
It is a unique partnership and one where Scotland's presence serves to strengthen it, which is something that should be celebrated and prized, not derided. In an ever shrinking world, the recent financial crisis has shown the massive advantages of Scotland being part of a stable and strong monetary union.

As part of the UK, our public services gain from economies of scale as well as considerable existing expertise. There is little doubt that our armed forces are the envy of the world, yet these talents extend to the more conventional parts of the state too: our domestic security services, our tax agencies, our welfare system and many others. Dismantling these, as the SNP seeks to do, would be a travesty.

People in England should also bear in mind that Alex Salmond does not simply seek control of Scottish domestic public services, but a proportion of reserved ones too – whether by splitting up integrated organisations like HMRC or the Border Agency, or expecting financial compensation running into billions for moving Trident or decommissioning our oil rigs.

As politicians, we must keep in mind that policies which we see as self-evidently good do not necessarily translate automatically to the priorities of the electorate. Instead of emphasising Britain's influence abroad, for example, we must be prepared to show clearly how this improves the lives of our people, whether it is by opening up new markets to Scottish businesses or having a diplomatic presence around the world.

More than that, of course, Britain must continue to be seen as a force for good across the globe. Scotland should play a key role, within the UK, in continuing to foster this reputation abroad – we already punch above our weight in terms of influence with seats at the top tables in the UN Security Council, Nato and the G8. With devolution rather than separation we have the flexibility to have powers exercised at their most effective level, to pool resources and to maintain talents.



When powers can be better placed, they can be placed with proper consideration and scrutiny, as we have seen with the Calman Commission process leading to the successful passage of the Scotland Act 2012 in April. This has seen the biggest transfer of fiscal powers in 300 years, which will see a doubling of the portion of funds the Scottish Parliament raises.

Part of articulating a positive vision to the Scottish people is focusing our attention on using existing powers – and new powers on the way such as responsibility for stamp duty – to build a better Scotland. While we have yet to hear from the SNP how they would best use these powers, as Conservatives, our view is clear – to lower the tax burden for individuals and businesses.

In addition to putting this positive message across to undecided voters, we must reach out to the many pro-Union Scots, who may be slow to realise the gravity of the situation before them. In order to build our campaign at the grassroots, we must mobilise these voters and activists – to realise that the future of our union is under threat and that a referendum on separation is almost certain to happen. When Nationalists speak of arguments against their cause as being arguments against Scotland or talking the country down, they are entirely wrong – and it is down to us to demonstrate this.

Whether in the Conservatives, Labour or the Liberal Democrats, the pro-union MSPs in Holyrood are as passionate about Scotland's success as those on the SNP benches. We must speak – sometimes together, sometimes separately – with that passion for our future. To find a common national confidence need not undermine our different positions on policy.

To this end, the continual assertions made by Alex Salmond and the SNP must be challenged so the electorate can go into the referendum fully informed of what a separate Scotland would look like; it is the very least they deserve.

As a whole, the UK remains greater than the sums of its parts.

The vast weight of expert opinion indicates that a separate Scotland would not automatically be part of the European Union. As the SNP's economic policy is wedded entirely to becoming a member-state, it is perfectly reasonable to be wary of the consequences of a freshly negotiated entry and the delays it would bring.

It has to be assumed that Scotland would have to adopt the Euro, and whether an independent Scotland would be in any position to obtain Britain's wide range of opt-outs is extremely questionable. To suggest that under separation, the SNP could deliver on their wish list of concessions – such as removing Scotland from the common fisheries policy or eliminating the requirement to educate EU students for free – is beyond fanciful.

Similar assertions arise in relation to defence, whether Scotland would inherit the UK's prized Triple 'A' credit rating, and a future economy at the mercy of fluctuating energy prices. Instead of acting to assuage these concerns, or listening to the huge sums of expert evidence where their position is acknowledged to be extremely weak, the SNP has chosen to shout down and attack its perceived critics.

Pro-union politicians must never be afraid of tackling the Scottish

Government head-on and ensuring the public know that their post-referendum plans may as well have been composed on the back of an envelope. That the SNP's plans are fraught with risks is not to say that a Scotland outside of the UK is impossible. Merely, that a prosperous and optimistic Scotland is no threat to the union, but rather a reaffirmation that Scotland can continue to lead the world from within the UK.

An effective pro-union campaign will depend on being able to manage these competing objectives: inspiring our core vote whilst reaching out beyond them; working with other parties whilst not losing our Conservative identity and promoting a positive case for the union without shying away from highlighting the failings in the argument against it.

For the Scottish Conservatives, the focus will be our Conservative Friends of the Union campaign, combined with a significant contribution to the forthcoming pro-Union umbrella campaign organisation. In the forthcoming months, I will be campaigning around Scotland, bringing our pro-union message to those who are proud to be both Scottish and British, while also mobilising our core support.

I can guarantee that the Scottish Conservatives will be at the forefront of maintaining our United Kingdom, and it will be the Union case which will be the most attractive, engaging and forward-looking as we approach Scotland's biggest decision in three hundred years. Creating a more progressive and fairer Scotland is dependent on our continued partnership within our family of nations, and I will strain every fibre to maintain this successful Union with one simple message – Scotland is better off in the UK.



The Endgame for



By Andrew R. T. Davies AM

Leader of the Opposition and Welsh Conservative Group in the National Assembly for Wales

It is just over a year since the 2011 Referendum and its result that conferred further legislative powers upon the National Assembly for Wales. In that time, murmurs amongst commentators and politicians alike have raised the issue of where devolution goes from here. That devolution is here to stay is not in dispute; with a majority of 2:1 voting 'Yes' in last year's poll. Arguably, this was more a recognition of the imperfect system that currently governs Wales than a renewed vigour given to further devolution itself.

Devolution for Welsh Conservatives is about developing a political system within a strong United Kingdom that is capable of delivering for the citizens of Wales. It is a process not a project; a journey not an end point. The referendum suggested a growing acceptance amongst the Welsh electorate for the National Assembly for Wales, but not, it must be said, a resounding endorsement. This lies at the heart of what devolution must be about if it is to secure buy-in from the people of Wales.

Perhaps the National Assembly for Wales, through the process of devolution is best placed to achieve the necessary flexibility needed to meet the ever changing demands of today's British democracy.

More than a decade on from the beginning of devolution, Wales continues to face an upward battle to improve its historical poor performance in areas such as health, education and the economy. One in three children is growing up in poverty in Wales. Wales ranks below former Soviet countries like Estonia in its educational attainment. One in five Welsh citizens lives in a household in which no one works. Productivity has fallen and unemployment is higher in Wales than in other parts of the United Kingdom. Overall, Wales remains the poorest part of the United Kingdom.

Whilst there may be greater acceptance of the National Assembly as an institution, affection for its members is far from in abundance. This may be a hangover from the Westminster expenses scandal of three years ago, but may in all truth emanate from a lack of clarity that remains about what the National Assembly and more precisely the Welsh Government are actually responsible for. This confusion is further exacerbated by the incessant blame game culture coming from the current Welsh Government about cuts being made to the block grant it receives. And so, we come to the crux of the next challenge for devolution – achieving fiscal accountability.

In the current Welsh context, the Welsh Government is responsible for spending money it plays no part in raising

In the current Welsh context, the Welsh Government is responsible for spending money it plays no part in raising. This creates a fiscal vacuum whereby Government Ministers can negate their lack of progress by shifting the blame firmly to what it sees as its Westminster paymasters. The trouble is that this only serves to further undermine the very objectives that devolution set out to achieve.

This is precisely why the Secretary of State for Wales has established the Silk Commission to look into how the National Assembly for Wales can be made more accountable to the people it represents for the money it spends. It has been widely acknowledged that the level of debate and discussion in Wales about what public services should be prioritised would be greatly enhanced if the people of Wales knew that there was a choice

Welsh Devolution

about paying more or less tax for more or less service.

Presently, debate in the Chamber of the National Assembly consistently reverts back to a default question of whether there is enough money to go around. Public spending is higher per head in Wales than in most other parts of the United Kingdom, meaning the debate really should focus on how money is spent and whether it is spent effectively.

Moreover, the fact that the performance of the Welsh economy has no impact on the devolved budget highlights the inherent weakness in the current funding regime. There is currently little incentive for the Welsh Government to implement policies that will enhance economic development in Wales and this feature of the existing fiscal arrangements compounds the reluctance of the Welsh Labour Government to engage with business and wealth creators in Wales.

The timing of the implementation of any recommendations emanating from the Silk Commission will be crucial. No one underestimates the task of the UK Government in rebalancing the British economy by committing to eliminating the bulk of the structural deficit within this Parliament.

However following last year's referendum in Wales, there is a strong case that the National Assembly and the Welsh Government should set about consolidating and making full use of the powers it already has. It is a damning indictment of the Welsh Government's inaction that after one year of the new legislative powers, the Government brought forward precisely one bill.

One critical element that is often left out of the devolution debate is the role played



by the fourth estate in Wales. With the vast majority of people in Wales getting their daily news from a London-based news source and with Welsh newspaper circulation in perpetual decline, there remains a very real threat that the objective scrutiny and consideration of Welsh politics will be consigned at best, to the hands of a small group of left-leaning individuals or at worst, entirely to the past. An independent media in Wales is vital to ensuring a healthy and vibrant Welsh democracy.

For Welsh Conservatives, devolution is all about empowering local people to make local decisions that improve their local communities. It is a mechanism whereby politics can reflect the changing needs of those it governs. That's not to say that devolution is a one way street, with powers going one way down the M4 motorway to Cardiff Bay. On the contrary, devolution should be about what is best for the people of Wales and not political anoraks. That's why the next decade will be a crucial one for the National Assembly of Wales if it is to firmly cement its legitimacy. It must deliver on its promises or else the true potential of devolution will remain unfulfilled.



Conservatives and Unionism



By Henry Hill

Conservative blogger and Editor of Open Unionism, a discussion forum on the future of the Union

The 1984 Brighton Bombing marked the end of an era for the Conservative and Unionist Party. Speaking to the party conference the next day, a tired-looking Mrs Thatcher announced that the UK would be entering into negotiations to hand the province of Northern Ireland to the Republic.

This marked a seismic change in policy for the party once defined by a vigorous commitment to the Union, but there were many supporting murmurs from the wider party. After all, since 1974 Ulster had not returned any MPs who took the Conservative whip, and the cost of the troubles was enormous – why should they continue risking life and limb for so ungrateful and expensive a part of the country?

Of course, none of that happened. In 1984 the suggestion that Mrs Thatcher or her party would countenance the partition of their country over something as trite as a terrorist outrage was unthinkable. For the Conservative and Unionist Party, the notion of the break-up of the UK was met with universal horror.

Since the late Nineteenth Century unionism had been a defining part of what it meant to be a Conservative, and the party's iron commitment to the union had played a major role in shaping the nation. Just as Margaret Thatcher's unflinching resistance to the IRA helped to get them to the table during the Major-Blair peace process, the vigorous defence of the northern Unionists by the Conservatives and their allies in the early 20th Century secured Northern Ireland's exclusion from Home Rule and her place in the UK.

Unionism first became a defining political issue during the long struggle against Gladstone and the Home Rule Bill in the 1880s. It was during this period that Joseph Chamberlain's Liberal Unionists split from the Liberal Party and started cooperating with the Conservatives, lending our party strength in Scotland and big cities like Birmingham which the narrower appeal of the 'English' Tories had not delivered.

Subsequently, the coalition of Conservative, Liberal Unionist and Irish Unionist MPs that gave Lord Salisbury his majorities led to his governments simply being described as 'unionist'. By 1912 the Union had become the pre-eminent dividing line between the Liberals and Ulster-raised Bonar Law's unionists, to the extent that, according to the Conservatives' official historian Alistair Lexden, when the Tories merged with the Liberal Unionists in 1912 it was only strong protests on the very day of the merger that saved the name 'Conservative' at all.

Throughout the 20th Century, the Conservative position on the Union has remained strong. The Official Unionists served as the party's Northern Irish branch until 1974 (through a period when Harold Wilson was considering cutting and running from the province) and when they finally pulled out of the party completely in 1985, we had established an independent branch there in time to come close to capturing North Down in the 1992 election.

Aside from their attempt on Thatcher's life, nationalists murdered Airey Neave in 1979, killed Sir Anthony Berry MP in 1984, and went on to murder Ian Gow in 1990. Yet none of these led to any wavering on the

Tory commitment to be a party of the whole UK.

The question then is why a point of political principle that has survived assassinations, insurrections and terrorist campaigns is fracturing in the face of a nationalist threat confined solely to the ballot box?

After all, the Scots didn't murder any Conservative MPs. They simply voted them out of office. It wasn't even a nationalist landslide that carried them away: they voted en masse for Labour, as did the rest of the country. Losing an 11,600 majority in Eastwood was certainly embarrassing, but it is hardly cause to wish away the northern portion of our nation.

Devolution certainly hasn't helped. Prior to its enactment under the Blair government, the Conservatives had maintained a policy of principled opposition to national-level devolution, and campaigned against it both in Scotland and in Wales (where they came within a whisker of carrying the day). Even in Northern Ireland, our candidates in 1992 stood in part on an equal rights/integrationist ticket.

The passage of devolution thus did two things to damage Conservative prospects outside England. First, being alone on the losing side of the two referendums allowed supporters of devolution to cast our party as being on the wrong side of an inevitable and inexorable road to devolution. Second, it created insular 'national conversations' in those nations with devolution in which our diminished party was side-lined.

UK politics up until then was almost entirely a Tory versus Labour struggle: our clashes defined the political landscape, and thus our policies and our representatives mattered to people.

Devolution, as intended, locked us out of Scotland because while we were wobbling between third and fourth in the polls, Labour and the Nationalists became the compelling two-party story. Unlike the Liberal Democrats, we had to defend a governmental record that was being demonised by both of Scotland's major parties.

This failure outside England was exacerbated by – and exacerbated further in turn – the vicious pruning back of our representation and talent to southern England following the 1997 election.

Few issues transcend class more than honest, principled patriotism

The result was a vicious circle. The Scottish Conservatives, struggling to make an impact as a third party, found their one advantage – pan-UK relevance – turned into an Achilles heel by a national party almost totally alien to Scotland. In turn, the national party did not get any new Scottish members who might have allowed it to reconnect. Unlike in Wales, the single MPs elected since 2001 have not signalled any resurgence.

Somewhere in the party psyche a shift took place to make a virtue of necessity. Attention shifted from our deficit in Scotland to our strength in England, with our 'English mandate' wielded to try to de-legitimise Labour legislation. While a natural outworking of Tony Blair's asymmetrical devolution settlement (although hotly denied at the time), this has led to some members abandoning the party's old pan-UK focus altogether. "If we're strong in England",

the theory runs, "then let us govern England!"

Yet focusing on England only reinforces the current trend towards what the Spectator has dubbed 'Tricolour Britain', where the Tories are hemmed into certain areas of the country and locked out of others. If party strategists aren't trying to build a message that encompasses Scotland, it is surely an almost religious act to expect a revival there.

In the face of repeated defeat, some have found it comforting to act as if we don't really care about Scotland anyway. It is sad that courage in the face of violence seems easier to maintain than good grace in the face of rejection. But those seeking a message to carry the Tory standard into low-income, urban seats would do well to remember, especially in light of the public response to the Jubilee, that few issues transcend class more than honest, principled patriotism.

When time and time again pollsters find that the albatross around the neck of the Conservative Party is a perception that we are fundamentally in politics for ourselves, the suspicion that we wish to break this country up to win elections will do nothing to dispel that illusion.

Instead, we should seize the opportunity posed by the upcoming referendum to recast our image and demonstrate, not just to Scotland but to everybody, that we are the party that puts the country first. That Tory or not, Scots are our valued countrymen and we want them to stay that way.

That's a message we can take into the cities, into the North, into Wales, and even into Scotland.



Silicon Roundabout: W11 meets E1



By Jonathan Algar
Equity Analyst and
Executive Member of
Bright Blue

Hop off the Overground at Shoreditch High Street. Take a right. As you wonder up the A1202 you'll be struck by much of what captures the millennial spirit of 'East London hip' – young gentlemen with the Hoxton Fin haircut, coffee shops selling as much contemporary art as caffeine and dark-rimmed spectacles decorating heads everywhere you look.

The alternative creative arts industry has thrived in Shoreditch since the turn of the 17th Century. Historically, this was in large part due to its proximity just outside the City of London, where Elizabethan theatre was subject to strict censorship and decency laws. Following the second world war, the postmodern movement lay the ideological foundation for the avant-garde creative and advertising industries that have become so synonymous with the area today.

Continue up the A1202 and peak into the coffee shops - groups sitting clustered around laptops deep in conversation dominate the trendy interiors. Of interest to readers of Crossbow, the Shoreditch of the 21st Century is a lens on some of the most exciting economic growth policy themes of Cameron's premiership. The 'Silicon Roundabout' area, as it is so affectionately known, today plays host to some 774 technology SMEs in addition to the established creative industries. The ecosystem has grown so fast since the original 15 start-ups set up shop in 2008 that the community organisation, Tech City, hasn't yet calculated a combined equity valuation.

Charlotte Leslie MP, a former editor of Crossbow, has argued that the Big Society does not just operate on an organisation-to-individual level. Google's recently opened 'enterprise incubator campus' demonstrates

how titans of the tech industry are partnering with budding start-ups in the area - adding real value through provision of cheap desk space and mentoring. Academic institutions are keen to get a slice of the action too - UCL has paired up with Imperial College to craft plans for a 'Research and Innovation Centre' to serve as a hub for connecting cutting-edge academic research from the West to idea hungry entrepreneurs in the East.

A misguided critique of the coalition coming from the Labour benches is that the 'UK has no state-backed investment institution'. They should visit E1. It demonstrates the best in growth thinking – how combining public and private capital, for the right projects, can be a potent combination. The £1.3bn Enterprise Loan Guarantee Scheme has provided working capital and investment financing for some of the most innovative and fastest growing names on the roundabout. As located in the shadow of the gates to one of the primary custodians of world's capital markets, The City, the global investor community is beginning to pay attention to the potential. Indeed, California's Silicon Valley Bank has recently opened an office on the Roundabout, offering a full suite of products tailored to innovation businesses.

Perhaps the most exciting and 'Cameroonian' aspect of Silicon Roundabout is the community spirit and supporting social infrastructure that binds the businesses together. When planning priorities for the year ahead, Tech City organised a 'town hall' session to get real-time feedback from members. Key conclusions were that, although Silicon Valley Bank is a step in the right direction, the London tech cluster still lags significantly behind her Tel Aviv and San Francisco counterparts for both attracting and retaining international equity investment to early stage companies. The Government is playing a key role in building the strong bilateral trade relations with growth markets on which future foreign direct investment depends, but whether this will achieve meaningful results is yet to be seen.

With the London Olympics now just around the corner, and the Park's geographical proximity just up the road, the Magic Roundabout will be on the world's stage. New money will be watching.

A year on, where are we with women?



By Charlotte Vere

Founder and Director
of Women On.

In 2010 she was the
Conservatives' PPC for
Brighton Pavilion

This time last year, the media noticed that the Conservatives were losing the support of female voters. There was much brow-beating and gnashing of teeth and everyone seemed to have ideas about how we could 'win them back'. So where are we now?

So far, the biggest focus of time and energy has been on the percentage of female FTSE100 directors. An entirely elitist concern for a group of people who are currently being exposed as the most over-paid individuals in the country – lining their nests whilst their employees are struggling to make ends meet. This obsession with the gender balance of boards is utterly out of touch with the concerns of millions of women. How does Mrs Andrews who works in a Vodafone shop feel about women on boards? Ambivalent at best. She is ten management layers below her plc board and she doesn't really know who they are, or what they do – they have little or no impact on her or her life.

There have also been mutterings about other 'women's issues' – female genital mutilation, body image and forced marriage. No-one would dispute that these issues need to be highlighted, but it has added to the perception that we have a Conservative-led Government continuing the Labour Party's preoccupation with women at the margins, at the expense of the millions of women in the middle.

The Government should be focussing on the challenges facing millions and millions of working women, helping them make ends meet, supporting them and keeping them in the workplace. This is essential for improving the financial resilience of the family unit

and boosting our flagging economy. And we must dismiss the sadly all-too-common Conservative response that women should be at home looking after the children. We must realise that this view really has had its day, particularly when women under 29 earn on average more than men, and more importantly, even if they wanted to stay at home, the vast majority of parents simply can't afford this luxury.

So, where next for some easy wins? Shared parental leave looked promising, but it is on the edge of the long grass. An unlikely coalition of unions, businesses and mothers' groups seem intent on keeping women in the home, and keeping fathers out of the lives of their children. They are wrong. Ensuring the introduction of truly shared parental leave would be the biggest boost to the family unit for a generation, helping the family finances and supporting fathers in their roles as parents. Secondly, childcare is a major concern for millions and changes could result in a massive boost to the economy. And yet there is very little interest in the issue from senior politicians: there are no searing op-eds in the broadsheets, no challenging interviews on Today, just a few lone voice working very hard.

But there is still time. Time to shift the focus away from the concerns of the elite and the extremes and towards the issues which impact millions of female voters every day of their lives. But who will grasp these issues and make them their own?



Rebalancing the Economy: The Importance of the North West



By David Rutley MP

MP for Macclesfield and Parliamentary Private Secretary to Damian Green. He was previously a Special Advisor to the Treasury

Much has been said about the important role of the North West, the port of Liverpool and the industry of Manchester, in shaping the Industrial Revolution. Yet in recent decades, the need to rebalance the region's economy has been just as clear. The current economic climate has made this an even greater priority.

Great cities like Liverpool and Manchester and counties from Cheshire to Cumbria need to play their part in reshaping the economy. It is essential for the future of communities in the North West and for the national economy alike.

Sadly, the previous Government took the wrong approach in seeking to address the challenge. Instead of enabling the private sector to create a new, sustainable economic foundation at a time of unprecedented global boom, they took the soft option: public sector led job creation. From 1999 to 2010, the number of people employed in the public sector in the North West grew by 100,000, a staggering 17%, while the private sector only saw an increase of 24,000 jobs, just 4%, over the same period.

This approach led to a sharp increase in the public sector's contribution to Gross Value Added (GVA) in the North West – rising from 17.9% to 22.2% from 1997 to 2009. Public sector fuelled growth also led to private firms being priced out of the market. Businesses in the North West could not attract the best talent for similar roles, further compounding

the situation. During this same period, the region's Gross Value Added as a percentage of national GVA fell from 10.3% in 1997 to 9.5% in 2010 – a decline that needed to be stopped.

The Coalition Government has taken a fundamentally different approach, which is much needed. It has rightly recognised that the private sector must play the leading role in rebalancing the nation's economic geography and in reshaping the economic drivers in the North West.

In the "Plan for Growth", the Government set out a strategic framework for action. It aims to create pathways for success in a number of growth sectors, including advanced manufacturing, life sciences and creative industries. This will help the North West play to its historic strengths and create new opportunities, instead of relying on public sector led economic growth.

In the North West, we are fortunate to still have an industrial base with manufacturing close to its heart. Manufacturing represents 14% of its economy against 3% in London and 9% in the South East. Macclesfield, the constituency I represent, was for some time the world's biggest producer of finished silk. Since those days, there has continued to be an entrepreneurial and manufacturing thread running through the town's economic development. Today, Macclesfield is home of one of the largest manufacturing sites of AstraZeneca, the global pharmaceutical company, a business which accounts for 3% of UK exports.

The Government's Life Sciences Strategy, launched in December, is a positive move for the pharmaceutical sector. Its proposals will lead to a dramatic cut in the time taken to deliver clinical trials for new medicines and help underpin the UK's, and the North West's, leadership in a sector which is facing into major global challenges.

The aerospace and automotive sectors are also pivotal, with major employers such as Bentley, Jaguar Land Rover and BAE Systems being based in the North West. There are also opportunities to grow in new sectors. Media City, in Salford Quays, provides a new hub for creative industries

putting the North West at the forefront of UK media development.

Clearly, rebalancing the North West's economy will take time. However, it is encouraging to see signs of progress, with major businesses investing in the region. In the automotive sector, Jaguar Land Rover is adding 1,000 jobs at Halewood, Merseyside, to create a 24-hour production line, one of the few in Europe. Bentley, based in Crewe, Cheshire, has secured £3 million from the Regional Growth Fund to create 500 new jobs and fund new engine research and development projects, which will help its expansion plans into overseas markets.

The Government cannot - and would be unwise to try - to rebalance the economy on its own

In the aerospace sector, BAE Systems has been named the key contractor for the F-35 Joint Strike Fighter bringing around £30 billion to the British economy and safeguarding 25,000 jobs, many based in the North West. These investments would not have been made, if the companies involved did not have confidence in the highly skilled workforce, with its experience in manufacturing and engineering.

The Government is not only working to create the optimal conditions for growth in vital industrial sectors, it is also taking action at the sub-regional level to further improve the prospects for growth in key locations. The creation of Enterprise Zones at Manchester Airport, Mersey Waters and Warton & Salmesbury in Lancashire will mean that businesses will be able to benefit from 100% Business Rate discounts, radically simplified approaches to planning and support in the roll out of super fast broadband. These zones will create highly connected and competitive clusters, ready to welcome more cutting edge investment into the area.

Rebalancing the economy also requires a new focus on the region's infrastructure. The Government is investing in the infrastructure the North West needs to be



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better connected with growth opportunities. The Mersey Gateway Project will build a new bridge between Runcorn and Widnes. Backed by £470 million of Government funding, the Gateway will be the catalyst that creates 4,000 jobs and helps regenerate the local area.

In the 2012 Budget, the Government announced an investment of £130 million in Manchester's Northern Hub rail project and also selected Manchester to become a super-connected city giving it access to ultrafast broadband. These initiatives will help provide the infrastructure needed for the North West to compete in the 21st century.

Clearly, the Government cannot – and would be unwise to try – to rebalance the economy on its own. It is working hard to create the conditions for the private sector to build on traditional skills and invest in new ventures across the region. But, ultimately, businesses and entrepreneurs will play the pivotal role in bringing about essential change. It will be through their innovation, energy and commitment that a sustainable economy will be reshaped in the region and the North West can write its own chapter on how to successfully rebalance the economy. The opportunities are there to be seized.

Why is youth unemployment rising in the UK and how do we reduce it?



By Theodora Clarke

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which helps young
people become
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For the first time in nearly a year, recent ONS figures for youth unemployment reveal a positive trend. The number of 16 to 24 year olds unemployed dropped by 9,000 in March to just over 1 million. This is good news but clearly the issue persists. Youth unemployment is a very real problem and more ought to be done to prevent lasting damage to our economy and to our society.

The side-effects of youth unemployment are both economic and social. In terms of the economy, youth unemployment impacts in much the same way all unemployment does: increased benefit payments paired with lost income tax revenues result in a massive black hole for government finances. This year alone, high youth unemployment will cost the Government £4.8bn in lost tax revenues and unemployment benefits, and cost the economy £10.7bn in lost output.

Society is paying the price as well. The riots of last August are still fresh in our minds as a timely reminder of the devastating effects of a lack of opportunities for our young people. A disillusioned generation are entering the worst jobs market in a generation.

It is worth then considering the causes. With an economy dipping in and out of recession, there is always going to be cyclical unemployment.

Put simply, there is not enough demand in the economy to provide jobs for all those who want to work. This represents a macroeconomic challenge for the Government given there is no quick fix solution. The problem is made worse for the Coalition, which has inherited an economy with unprecedented levels of debt. Under Labour, for every £4 spent by government, £1 was borrowed. Our UK debt had got so big that we were spending £120 million every day just paying the interest – and that bill is getting bigger.

The Government therefore simply does not have money to spend to tackle the issue the way previous governments have had; an expansionary fiscal policy is no longer an option.

The Government has, however, committed £1 billion to the Youth Contract. The initiative is their version of Labour's Future Jobs Fund and seeks to address the low level of demand for young people's labour. Essentially the scheme gives the private sector wage incentives of up to £2,275 to "hire a hoody," with a view to employers taking on an extra 160,000 workers. This is in conjunction with Work Experience initiative – similar to Labour's 3-week "Work Trial" programme – which offers 2-8 week placements that can be taken while claiming job seekers allowance. Last year's Budget provided an extra £180m of funding to allow for an additional 50,000 19+

Apprenticeships across the next four years. An important step taken by the Department for Work and Pensions was also to support jobseekers by allowing them to undertake work experience for up to eight weeks while still claiming out-of-work benefits. This crucially allows young people to build their skills and removed a financial barrier.

All of these initiatives from the Government demonstrate that they are taking the right steps to tackle the long-term consequences of people being NEET. Yet still more can be done. It may be helpful to look at how other countries are tackling the problem. Across Europe, youth unemployment figures are staggering, Spain's youth unemployment rate eclipsed 51 per cent in March. It was the same level in Greece and Portugal and Italy's rates are roughly 36 per cent. For the Eurozone as a whole, youth unemployment sits at 22 per cent. Yet one country stands out from its neighbours by bucking the trend; Germany has managed to keep youth unemployment at the relatively impressive rate of 10 per cent.

So, how has Germany managed to maintain this feat? One answer lies in Germany's dual education system. In Germany, more than half of each age-group graduate from dual training programs in which they simultaneously earn academic credentials along with gaining work experience, rather than attending just classes like in many other countries. The system trains 1.5 million people annually with 90 per cent successfully completing the course. It benefits future job applicants in that it brings them closer to the jobs market and teaches them the practical skills that cannot be gained by simply sitting in a classroom. As a result, employers have less risk when taking on young workers.

It would be foolish to suggest that simply replicating Germany's model will solve our employment problems. However, I do believe that aspects of the German model can be taken and replicated here in the UK. Academic achievements are no longer enough to guarantee employment. With employers already nervous about taking on unskilled workers, practical on-the-job experience is a necessity. This is applicable to university graduates and NEETS alike. In



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this sense, the Youth Contract could prove to be very successful.

Of course, youth unemployment is directly linked to the bigger problem of an economy in the midst of a recession. A country that is growing needs workers to fuel growth. Unfortunately, we are not experiencing such high levels of growth. But there are small signs that things are picking up. Youth employment – albeit very slightly – is up, and we need to build on these positive signs. The burden does not lie only with government, businesses or individuals. Tackling youth unemployment is a collective effort.

The Government has to keep supporting businesses to take on young workers; businesses themselves need to take a risk training young workers, while young workers need to reward such businesses with hard work and a positive attitude.

In order to help the next generation we need to ensure they have the skills they need to compete in a global economy and give them access to good education and training. We also need to encourage employers in both the public and private sectors to offer more work experience, internships and opportunities to young people. Time is running out for “the lost generation,” and while the issues at hand are neither straightforward nor easy to deal with, the time to act is now.





Can the UK's energy policy be left to the market?

The UK's energy market has performed well in the twenty years since privatisation. The lights have stayed on and our prices have been among the lowest in Europe. However we now face a rather different challenge ahead: in the next decade, around one fifth of our existing generation assets will be retired and the Government estimates we need £110bn of investment in new capacity. This comes at a time of increasing global demand for energy and volatility in the price of fossil fuels. We must also meet the Committee on Climate Change's very challenging but essential target to virtually decarbonise our electricity generation industry by 2030.

As a Conservative I have long believed that markets are the best driver of investment but unfortunately our current setup does not have the capacity to deliver what the UK now needs – secure and clean energy that is as affordable as possible – without considerable support. Charles Hendry neatly summed it up at the recent launch of the Draft Energy Bill which proposes to reform the market significantly: “the market did a good job keeping down prices to the lowest in Europe, but it did not bring forward enough new investment. If we are going to keep the lights on in an affordable way, this is not a luxury – it's absolutely essential.”

First and foremost we need a proper price for carbon. I very firmly believe that countries which have worked hard to decarbonise their electricity generation, buildings and transport infrastructure will enjoy a great competitive advantage going into the 2020s. A high carbon price by 2030 is likely and therefore short term investment in unabated gas and coal generation is not in the UK's long term interest.

To get a high and sustainable carbon price I would of course prefer the use of market mechanisms such as carbon trading schemes over carbon taxes. Carbon taxes are a fairly blunt instrument – we cannot be sure of the elasticity of the market, whilst cap and trade systems ensure the reduction of emissions as well as best focusing low carbon investment. The EU Emissions Trading System does have problems but I do not consider the Carbon Price Floor to be the best way to solve them. Decreasing the cap or even increasing set asides is a better way forward to provide appropriate price signals for low carbon investment.

The UK needs a diverse energy mix which is secure and low carbon at the lowest cost

Work on energy efficiency, renewables and nuclear production are all more sustainable solutions than fossil fuel based generation but are capital intensive with longer payback periods. The Government needs therefore to play a role in supporting such measures. The Government's plan to rely on the private sector to build new nuclear power stations is pioneering; but given the importance of obtaining new nuclear plants in the UK a stronger Government guarantee in this area may be necessary.

We need to incentivise a range of technologies but providing support is difficult to get right. Most importantly we need our incentive regime to be stable and provide certainty

(unlike the recent solar PV debacle). In the early stages of a new technology it is difficult to cover costs and scaling up their production reduces these. A small stimulus to certain technologies in the short term could produce large opportunities for the UK – early support to offshore wind has paid dividends in Denmark. Furthermore costs are coming down, with the recent trajectory of solar PV the best example of this.

So the UK needs a diverse energy mix which is secure and low carbon at the lowest cost and hopefully Government reform of the energy market will provide this. Its Electricity Market Reform package will introduce a Feed-in Tariff with Contracts for Difference to help guarantee a price for low carbon electricity and a capacity mechanism to ensure security of supply. We are not yet sure how the counterparty arrangement for CfDs will work. What is clear though that if the Government did sign up to be the counterparty this would reduce the credit risk of investments and therefore the cost of capital, which in turn would have a favourable impact on consumer bills. An appropriate strike price will be determined for each type of low-carbon technology and my Committee has previously recommended this be set by auction as competitive price setting is also in the consumer's best interests. My Committee will now be performing Pre-Legislative Scrutiny on the Draft Energy Bill and will report before the Summer Recess.

Investment decisions in the energy sector are long term and investors need confidence in our policy regime. In turn, the UK needs low carbon energy investment and quickly to insulate itself from the rising costs of imported fossil fuels and meet its carbon emission reduction targets. As the Secretary of State commented at the launch of the Draft Energy Bill, "leaving the electricity market as it is would not be in the national interest". The new Energy Bill will have a far-reaching impact, moving our system from a largely deregulated to a semi-regulated one but this is a necessary transformation to ensure the UK moves to a low carbon economy.



By Tim Yeo MP

MP for South Suffolk and Chairman of the Energy and Climate Change Select Committee. Former Minister of State for the Countryside and the Environment

How the Government can Support our Fishing Communities



By Amber Rudd MP
Conservative MP for
Hastings & Rye

During these difficult economic times, it is more important than ever that we support our fishermen, especially those in the small scale fishing community. Sadly, the small scale fishing community has been utterly decimated over the past two decades. In my constituency of Hastings, for example, the number of small fishing boats going out to sea on a daily basis has sharply declined over this period.

So why has this pattern been occurring up and down this country? Well, it arises from Domestic and European policy. On a European level, the Common Fisheries Policy (CFP) is a major problem. The CFP's micromanaging of fishing rules right across the European Union gives little consideration to the needs of local fishermen. It is, of course, welcome that the CFP attempts to address the environmental problems created by overfishing. Everyone agrees that we need sustainable fishing stocks for the future. However, unlike the current situation, solutions to the CFP need to be regional in nature, catering to the needs of local fishermen and the local environment.

There are undoubtedly significant roadblocks to reform of the CFP. Spain and France are likely to be resistant to any

changes, and the relatively recent expansion of the EU makes reform even trickier. However Richard Benyon, the Fisheries Minister, and the EU Commissioner for Fisheries Maria Damanaki are both strong advocates for reform. The first CFP reform discussions for ten years are currently on-going, and I sincerely hope that we get improvements for our local fishermen.

Everyone agrees that we need sustainable fishing stocks for the future

The second, and perhaps more critical, reason for the decimation of the small scale fishing community is the distribution of the quota. The big, industrial sized fishery Producer Organisations (POs) have traditionally controlled a disproportionate amount of the quota, leaving the U-10m fishing community with only 4% of the quota to survive on. Commendably, the Government has tried to address this issue by allocating the U-10m community a one off re-allocation of the quota. However, the U-10m fishing community accounts for



75% of the England and Wales active fleet, and this re-allocation is simply inadequate. To many people's amazement, even this minimal quota re-allocation has caused problems, with the POs taking the Government to judicial review. One PO leader even equated this to someone stealing a farmer's hedges. This just emphasises the challenge the Government is facing.

The status quo for the U-10m community is simply unacceptable. The Marine Management Organisation currently manages the quota for small scale fishermen, which leaves the U-10m boat community spectators of their own destiny. As a matter of urgency the Government must create an "in-shore PO" that will manage a specific quota for fishermen using U-10m boats, truly representing the interests of the small scale fishing community. Only then can the U-10m community be assured they will receive a fair hearing.

It is good news that the scandalous bad management of our fisheries has come to the public's attention through the campaign against discards. One of the consequences of strict quota enforcement is that fish inadvertently caught, when the fishermen have no quota allowance, have to be thrown back

into the sea. This is a particular problem in a mixed fisheries, which we have in the UK.

In Hastings problems occur if, for example, the fishermen have run out of cod quota but still have some sole quota left. As fishermen legitimately catch sole, the cod may also be caught. But they are not allowed to land it. So fresh, nutritious cod is thrown away, or discarded. This not only infuriates the public, who are rightly indignant at the waste of good food, but also infuriates fishermen, who want to land what they fish. Discards are the public manifestation of the failure of the fishing policy, and ending this practice is one of the motivators for change. The new CFP is committing to end discards and will be a welcome improvement to the current failed regime.

Small scale fishermen have undoubtedly been getting a raw deal. It is clear that Ministers must lobby for reform of the CFP, while also standing firm against the litigious tactics of the POs. Only then can we ensure that our small scale fishermen get adequate and deserved protection, which they have been deprived of for far too long.



Kill or Cure

Why the Government should scrap its plans for badger culling



By Graham Godwin-Pearson
Online Editor for the Bow Group. In March 2012 he authored a Bow Group paper on the subject of Bovine Tuberculosis.

There aren't many occasions when policy decisions fly in the face of scientific findings. Such is the case, however, with Defra's proposals to resume badger culling trials in England in autumn 2012.

The culls would be an attempt to control the spread of bovine tuberculosis (bTB), which, in 2010-11, cost the taxpayer £91m (approx 3% of gross output of GB cattle enterprise). However, the last Government commissioned extensive trials, which demonstrated projected efficiency in reducing bTB in cattle of just 12-16% over 9 years. There's no doubt that bTB is a huge problem. It results in tens of thousands of cattle being slaughtered each year, but experiments conducted by Defra itself and others point to the fact that culling badgers is not only fruitless, but could even worsen the problem.

The problems with culling

Defra's proposals anticipate farmers forming their own collectives for 'free shooting' of badgers in areas where cattle are affected by bTB. It's clear though that 12-16% over 9 years is a pitiful efficiency. Lord Krebs, the architect of the original Randomised Badger Culling Trial (RBCT), is himself a fierce opponent on the grounds that after the trials, with millions of pounds spent, 85% of the problem will remain.

Also to be considered is perturbation, an effect of culling whereby badger social groups are fractured and migration occurs – increasing the risk of bTB outside the area of the cull.

81% of people are opposed to badger culling, according to market research commissioned by the Bow Group in Feb 2012

Underlying levels of bTB in badgers are low - according to studies, just 15% carry bTB and some scientists believe that badgers actually have a negligible effect on bTB in cattle. It's even disputed whether or not badgers contribute at all, with some experts believing that badgers catch bTB from cattle by digging for insects underneath dung. It's hard to imagine badgers coughing and sneezing in the direction of cattle and spreading the disease to livestock.

Culling badgers comes with other problems. Empty setts are attractive to foxes and studies have shown that fox populations swell in areas where badger numbers are down. Foxes cause problems for farmers and impact adversely on a many species,

including hares, a UK BAP species in decline and endangered ground-nesting seabirds.

There's also the cost – despite the superficial appearance of cost effectiveness, culling is likely to be very expensive to the taxpayer, when licensing, extra policing and legal challenges are taken into account.

The Welsh Assembly Government abandoned its plans for culling in February, citing science and the law (badgers are a protected species) as reasons to scrap the trials in favour of badger vaccination.

“Badger culling is unlikely to contribute usefully to the control of cattle TB in Britain, and [we] recommend that TB control efforts focus on measures other than badger culling.”

The Independent Scientific Group on Cattle TB

Would vaccination work?

The WAG is planning to trap and immunise badgers against TB, which it believes will help to reduce levels of the disease in cattle. Trials of BadgerBCG in the wild have shown to reduce the incidence of positive serological TB test results by almost 74%, although the knock-on effect to cattle has yet to be trialled properly.

If vaccination doesn't work and bTB continues to spread in Wales, then there are two possible explanations, the most likely of which is that badgers do not spread TB to cattle after all and tackling the disease in the wild population via any route isn't effective.

If the vaccination trials do work, however, then those in the pro-immunisation camp will be celebrating, since a safe, legal method to protect our herds will have been proven, without the need for culling.

Biosecurity

One of the most obvious questions is how bTB has spread quite so much in the last two decades,

since undisturbed badgers move around very rarely.

Most scientists agree that cattle-to-cattle infection is the most important factor in the spread of the disease and there is evidence that a small number of landowners have been illegally re-tagging and transporting infected cattle. One way to eliminate this method of transmission would be to link compensation payouts for bTB breakdowns to biosecurity best practice.

Political impact

Many issues relating to the British countryside and its wildlife become very divisive politically and studies suggest that badger culling is no exception.

Measures to preserve wild habitats, green spaces, establish Marine Conservation Zones and restore Britain's rivers and lakes are no doubt political currency for those who decided to 'Vote Blue and Go Green' in 2010, but all that hard work could be undone through a single, ill-conceived and unpopular policy decision.

At the time of writing, a judicial review on the badger cull is underway.



Is the Party Over?

As is well known, there has been a steady decline in party membership and activism in Britain over the years. But the country is far from being unique in this respect. In a paper published last year, Ingrid Van Biezen from the University of Leiden and her colleagues showed that party membership has declined in some 17 out of 23 European democracies since the late 1990s. This has happened in countries like Germany, Switzerland and Sweden, as

well as in Britain. According to her estimates party membership in Britain has declined from about 840,000 in 1998 to 535,000 in 2008 - a drop of more than 36%.

Intriguingly it appears that southern European countries like Spain and Italy have avoided this problem experiencing an increase in party membership over these years; so it is a widespread but not universal trend. Of course it is one thing to identify what is happening to grassroots party organisations and another to explain why it is happening. There is one obvious factor, namely that ex-communist countries such as the Czech Republic, Slovenia and Poland have seen a marked decline in party memberships. Communism left a legacy of mistrust and low levels of volunteering in these countries, so that after an initial burst of enthusiasm for democratic politics many of their citizens have subsequently turned away from political activity. But this argument does not apply to countries like Germany and Britain. So what could be happening there?

One clue is a development which has occurred in many countries. That is a growing relationship between the state and the mainstream political parties over time. Because parties are so important to the working of democratic states, making effective government impossible without them, they have received growing support from the state.

As one researcher put it they have become a bit like public utilities, such as the power company or the internet service provider. They are so essential to modern society that they get state subsidies and support of various kinds. These take the form of direct payments, assistance in campaigning, legal privileges, and tax exemptions of various kinds. One group of researchers argue that mainstream parties in many countries have become cartels in which the participants compete with each other around a narrowly defined set of issues, but they co-operate closely when it comes to extracting state subsidies. In this way politics becomes largely devoid of ideological divisions, while at the same time parties are able to create significant barriers to entry for competitors.



In a recent paper published in the academic journal *Party Politics*, I examine the decline of party membership and activism across the democratic world and test two hypotheses which might account for this trend. One is called the 'state capture' thesis and the other the 'rival participation' hypotheses. The first of these argues that voluntary activity is being undermined by this growing relationship with the state. State subsidies to political parties come with a price, namely greater regulation to ensure legal requirements are met and financial probity maintained. Consequently, as parties become increasingly close to the state, the increased regulation and control which accompanies this can turn key activists, in effect, into unpaid state bureaucrats. This is something which any activist who has been persuaded to take on the job of the local constituency party secretary, treasurer or election agent will readily recognize.

Party membership in Britain has declined from about 840,000 in 1998 to 535,000 in 2008 - a drop of more than 36%

This makes it much less attractive to take on these important tasks, and if a party cannot fill these roles it risks becoming moribund. The other side of the same coin is that if parties can rely on the state for funding their activities, then they have little incentive to recruit or retain members for financial reasons. Thus, the idea is that the state may be smothering voluntary party activity.

The second hypothesis argues that political parties are losing their activists and members because of the rise of relatively new forms of political participation, having their origins in wider social and technological changes. One consequence of growing affluence is that in many countries consumer participation has become an increasingly important feature of politics. This refers to activities like buying or boycotting goods for political or ethical reasons. This type of participation

is much easier to do than traditional forms like campaigning for or joining a political party.

A similar point can be made about internet participation consisting of such things as online petitions, blogs, chatrooms, Twitter and Facebook. If many people see the new social media as being more effective vehicles for participating than more traditional activities, this might help to explain the observed trends in party membership.

In fact, the evidence from thirty-six countries suggests that there is support for the 'state capture' hypothesis, but not for the 'rival participation' hypothesis. In other words, party membership has declined more in countries where political parties are heavily regulated compared with countries where they are not. Over-regulation undermines voluntary activity.

There is another factor at work as well. Italy and Spain are examples of countries which have devolved considerable powers to their regions and to local government over the last forty years. Their politics are far more local than they used to be with significant taxing and spending powers being exercised at the local level. This in turn helps to explain why these countries are gaining party members rather than losing them. When there is a lot at stake in local politics, we might expect more people to get involved, partly because of a desire to make a difference but also because there is a lot to lose if people don't stand up for their own interests.

Tip O'Neil, the former speaker of the US House of Representative once said 'all politics is local'. This captures an important truth. Britain has a highly centralised political system by European standards, despite devolution to Scotland and Wales. As a consequence local people have little incentive to get involved when their politics is dominated by Whitehall. If we really want to revive our political parties we should decentralise British politics and reign in some of the regulation.



By Professor Paul Whiteley

Professor of Politics
at the Department for
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University of Essex

View from the Backbenches

Luke Springthorpe talks to
Graham Brady MP



By Luke Springthorpe
Deputy Editor

When seeking an idea of what the true feeling amongst the Party's 'rank and file' MPs is, you can always do a lot worse than discuss the matter with the Chairman of the Party's 1922 Committee.

It was against a backdrop of poor local election results, the party trailing heavily against Labour in the polls, and a rise in the popularity of the United Kingdom Independence Party that I met with Graham Brady MP, the Chair of the 1922 committee.

To begin with, I was keen to find out what he considers to be the most important tenet of modern Conservatism. He wastes little time in informing me that "aspirational Conservatism is why I joined."

There's no doubt about his conviction on this matter, and that a Conservative vision of education is a major plank to this. As someone who stood down from a Shadow Cabinet position over the leadership's refusal to support grammar schools, it's clear that this isn't a principle he's prepared to compromise on.

"I believe that selective education is a crucial component of what we call 'aspirational Conservatism'. And whilst free schools and academies are a step in the right direction, we shouldn't see them as some kind of magic bullet for changing underperforming schools".



Inevitably, our conversation moves on to the economy. Clearly, this is proving especially pertinent as voters begin to increasingly blame the coalition for the economic downturn- a shift from the first part of Coalitions tenure when blame was still predominantly apportioned to the ousted Labour government. Unlike some who have called for immediate tax cuts, Mr Brady subscribes to the view that there is "very little room to manoeuvre", for now at least. Borrowing more "just isn't sensible or credible. That said, we need to support the philosophy of lower taxation".

It's at this point I take note of the fact Mr Brady's belief in aspiration Conservatism runs beyond education. Although sweeping tax cuts may not be possible with the present constraints, he states tax cuts are a "vital part of the Conservative case". "Low taxes aren't just a core vote issue, but are an issue for the wider electorate".

Whilst "Politics is going to be frustrating for a long time", especially given the coalition, he explains how we may well be seeing a shift in the public's attitude towards state largesse. Whereas it was "difficult during the long period of growth to make a case for lower taxes when rising government expenditure appeared to have no consequences", the public are becoming all too aware that this has repercussions, with many now directly counting the cost.

He goes on to explain that he believes “The message that we need to get out is fundamentally the message of lower taxes. We have been too reluctant to make low taxes a central message”. There would be few in the party at present who would disagree with either of those sentiments.

He was on the Treasury Select Committee at the time the 50p rate was introduced, which he believes was a last ditch attempt to make a political case for the high tax and spend state. “Although no-one believed it would raise significant amounts of revenue”, it presented Labour with a chance to make a political point- and one which, perhaps, they knew would cause difficulties for the Conservatives if they went on to form a government. Scrapping it, however, was strictly a “practical, not a political issue”, he explains.

Welfare reform is also something which he believes united the party, as well as the wider electorate. The problem the party faces, however, is one where welfare has moved beyond being a “safety net” and has expanded in to payments for the middle classes. Whilst this poses a challenge, and “whilst tax credits were quite clearly welcomed by its recipients, people now understand there’s a need to change the system”. “Wider reforms aren’t just necessary and morally right” to return welfare to its original purpose- protecting those in genuine need.

For the most part, these reforms have been “well received by the public”, who are increasingly perceptive of an unfairness in the welfare system that has allowed those out of work to do as well- or even better in some cases- as some of the lower-to-middle paid who are facing a decline in their real wages at present.

So, that’s the bit the government has done well. Which leads us conveniently to the question of where things are going wrong?

The growth of UKIP, of course, “is a significant reaction to events in Europe”, and it’s causing a problem for the Conservatives. At no stage has this been more clearly highlighted than the recent local elections, where votes were taken directly from Conservatives, resulting in losses in Tory safe havens such as Tunbridge Wells. The “positive reaction can be seen with the veto of the EU treaty”, when the Conservatives had a poll bounce. “This should give the government encouragement to be bold, as difficult as it may be in coalition”.

This begs the rather interesting question of why Europe is such a big issue for Conservatives- almost always at the expense of party unity. “It’s a combination of practical issues, as well as principles, that have to be looked at to see where we can strike a balance”. It is, however, an “evolving situation” and a referendum could “give a significant benefit and strength to the government’s bargaining position”.

The problem for the government is that this is an issue which needs to be tackled. “The European issue will become more salient in the coming months and years as Europe moves towards further integration.” The UK needs to decide how exactly it sees its position in Europe, and what its relationship will be.

Mr Brady clearly believes that Europe could well prove to be an important unifier for the party, and bring support back to the party. “The positive reaction could be seen with the veto of the EU treaty, with an almost immediate bounce in the polls”. “This should give the government encouragement to be bold, as difficult as it may be in coalition”.

The signs of mid-term strains, however, are clearly starting to tell as the government nears completion of its initial agenda and Conservatives are looking to articulate a vision which is somewhat distinct from the Coalition. This clearly comes with difficulties, and the spill-over was felt in the recent 1922 elections. “The recent 1922 elections became very factional, and campaigning was, at times, unpleasant. Suffice to say, many MPs didn’t like it. The sentiment is that even when we disagree, it should be in a respectful manner”. The ultimate outcome, however, was “a very good representation of party opinion. 95% of colleagues voted, showing the significance of the committee”.

If you get a sense of guarded optimism from all of this, you’ve probably just about gauged his attitude correctly. Whilst Labour are ahead in the polls it was, if anything, “surprising the government was so popular for the initial two years”. We both mention the fact that the Conservatives in their first term under Thatcher were trailing significantly in the polls at a similar point in time through their term, and under similar circumstances. “It’s not hard to understand things are difficult at present” in a way that poses some striking similarities.

So, are events in our hands when it comes to a potential second term- one with a Conservative majority? “Although times are tough, this can often be a time the public turns to us for leadership, but we can’t be complacent; we have to show we are capable of leading the country through difficult times”. On that measure, some may say the jury is still open.



When does lobbying become corruption?

The UK's parliament has historically enjoyed a high international reputation, and the UK has been well placed on international corruption indices. However, politics in the UK has recently been plagued by corruption scandals and public trust in politicians is being eroded.

In March, the *Sunday Times* revealed that the then Conservative Party co-Treasurer, Peter Cruddas, had been filmed offering its undercover reporters access to the 'policy committee' at No 10 Downing Street in exchange for a £250,000 donation.

Mr Cruddas' apparent willingness to sell access to the Prime Minister has undoubtedly increased the growing public unease about corruption in British politics. In a report published by Transparency International UK (TI-UK) last year, it was found that the British public consider political parties to be the most corrupt among a list of key sectors of UK public life.

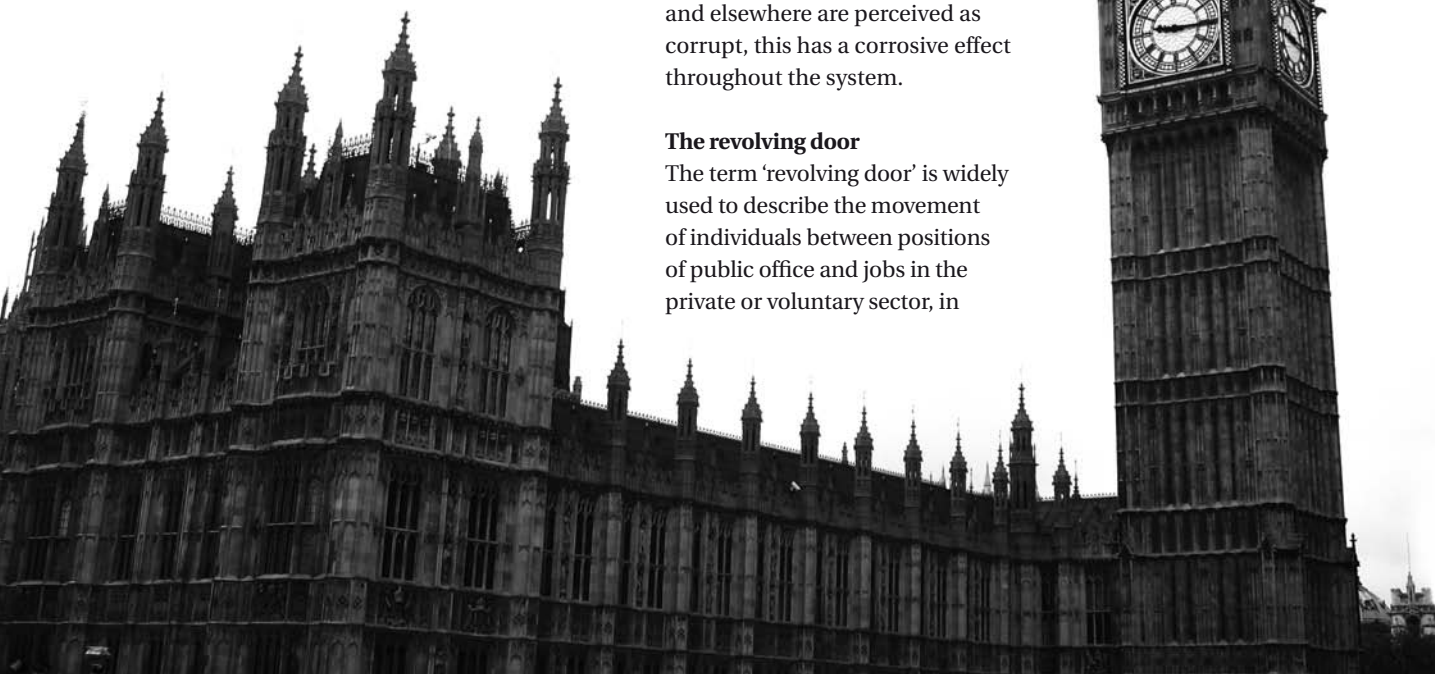
There have been too many scandals of this nature, often because of a lack

of transparency and accountability. In January 2009, a Sunday newspaper published allegations that four peers had told its undercover reporters that they were willing to use their influence to help to amend legislation for money. In October 2011, Defence Secretary Liam Fox resigned after the press reported that he had allowed a lobbyist friend of his, Adam Werritty, to gain access to the Ministry of Defence without clearance and to accompany him on 18 foreign trips.

These examples suggest that UK politicians fail to see the risks of close relationships with lobbyists, and are not able to maintain the safeguards that are essential to ensuring integrity. Politicians appear far too willing to accept corporate and media hospitality, refusing to acknowledge that, even if they are not engaged in anything untoward, such behaviour fails to meet the 'appearance standard' and thus erodes public trust. Tone from the top is particularly important: if leaders in government, politics, business and elsewhere are perceived as corrupt, this has a corrosive effect throughout the system.

The revolving door

The term 'revolving door' is widely used to describe the movement of individuals between positions of public office and jobs in the private or voluntary sector, in



either direction. This has become more common in recent years because Ministers and crown servants often leave public office at a younger age than used to be the case.

TI-UK believes that the revolving door between government and the private sector can be of benefit to both sectors, provided the system for regulating movements of personnel is sufficiently transparent and robust in order to ensure that there is no cause for any suspicion of impropriety. Unfortunately, several scandals in recent years have revealed that the current system for regulating the revolving door is weak and in urgent need of reform.

In early 2010, a Channel Four Dispatches programme revealed secretly recorded discussions in which six MPs, who thought they were attending an interview for a job with a communications company, had offered to use information or contacts gained in their political roles in order to lobby on behalf of corporate clients. One former cabinet minister described himself as being like “a cab for hire”.

The coalition government has taken some steps in the right direction. It has changed the ministerial code to require ministers to declare all meetings with lobbyists and it has banned lobbying by former ministers for two years after they leave office. More must be done, however.

The next step should be to enact legislation that would introduce a robust statutory register of lobbyists. A new regulatory regime for lobbying will help to ensure there is greater transparency and reduce the risk of corrupt lobbying activity. This will require full disclosure by lobbyists of their meetings and communications with public officials. As an important counterpart requirement, it will also require full disclosure by public officials of all meetings held with individuals and organisations for the purpose of lobbying by the latter.

The Survey of public perceptions of the most corrupt sections of British public life carried out for TI-UK in 2010 revealed that the revolving door between government and business comes a close second in the

public's ranking of potentially corrupt activities. A public official taking a job with a company that s/he was previously responsible for regulating was rated as potentially corrupt by 80% of respondents, a close second to the 86% who rated a peerage for a businessman who has been a large political party donor as potentially corrupt. Another recent survey showed that 42% of voters believe donations of more than £100,000 are designed to gain access and influence over the party.

Party funding

Despite several steps towards reform, these findings show that political party financing remains a major source of concern in the UK. Indeed political parties themselves agree that there is a problem. All three major parties made commitments to reform party financing in their pre-election manifestos prior to the 2010 general election.

TI-UK first analysed this issue in a report in 2006, and many of our recommendations from then still stand – indicating that little has changed in the meanwhile.

The introduction of a ceiling on political party donations of, say, £10,000 would prevent funding scandals from recurring with alarming frequency and encourage parties to build broader-based support. Greater transparency in corporate donations would also help to tackle the risk of corruption.

An interesting feature of the recent scandals is that in many cases, the behaviour falls within the rules, even though they are at times stretched to breaking point. This suggests that the imposition of more rules may work to an extent, but at heart there is a greater issue and a greater concern: the willingness and ability of UK politicians to act in an unethical manner and put their private interests ahead of the public interest. If politicians are to have legitimacy as lawmakers, they need to be exemplars of personal integrity. Rules must be complied with, not merely because there are penalties for not doing so, but because MPs are expected to have a system of values in which integrity is required for all aspects of their conduct.



By John Drysdale

Chairman of the
Board of Trustees
for Transparency
International UK (www.transparency.org.uk)

Why is Argentina still in the G20?



As we commemorate the UK's victory in the Falklands, and the people of the islands hold a referendum on their sovereignty, one has to wonder what is fuelling the continued belligerence from Argentina on this issue.

You would be forgiven for thinking that President Cristina Fernandez de Kirchner had enough to deal with already. Argentina's national economic indicators are ridiculed globally and their debt remains a major sticking point for the international community. Is it the case that Argentina is grandstanding over the Falklands to distract from catastrophic economic problems at home?

It is high time that global markets and governments took greater note of Argentina's nefarious fiscal behaviour and highlight how, since its historic sovereign default in 2001, it has come to owe the world over \$157bn.

That's a lot of money, when you think about it. If you break it down, the \$157bn that Argentina has accrued in debt and owed to much of the international community makes the sums we deal with regarding public sector spending and debt look somewhat paltry. For just \$1bn, let alone 157 of them, you could buy the entire New York Times, 800 of Microsoft's patents, Shell's debt on Iranian oil or Real Madrid's island in the UAE.

The astronomical figures involved in Argentina's debt problems reflect why over the past few months, the Bow Group, TheCommentator.com, the TaxPayer's Alliance and many Members of Parliament have been drawing attention to this issue. Not only are we suffering because of Argentina's debt, we're also their public relations whipping boy, vis-à-vis the Falklands. And yet we still contribute vast swathes of cash to the World Bank fund that keeps them afloat.

If you're unfamiliar with the history, here it is for you in short.

In 2001, Argentina presided over the largest structural default in terms of loan agreements with the international community and private creditors... ever. You hear a lot from the media when governments waste a couple of million here and there, or a new tax is set to raise £200m from pensioners or pasties – but for whatever reason the scandalous behaviour by Argentina in fleecing the international community has somewhat passed under the radar.

Since its historic sovereign default in 2001, Argentina has come to owe the world over \$157bn

As a recipient of international loans, and especially as an economy that finds itself in the good company of the G20, Argentina has definite obligations and must be held accountable. Honouring its debts is one of the foremost of those. Another is to provide investors and the international finance community with accurate figures pertaining to its economic status. Argentina has failed at both these hurdles.

Earlier this year I released a statement through the Bow Group, which outlined why following the nationalisation of the Spanish oil firm Repsol YPF, Argentina should be suspended from the G20 group of leading economies. In the statement, I made clear

Argentina's persistent refusal to negotiate with foreign lenders over debts it effectively shirked in 2005, continued misdirection over inflation figures and defiance of World Bank judgments made against it.

It's worth noting that even The Economist, who have a history of tolerance when it comes to dealing with rogue states and their economies, has now refused to cite official Argentinian economic indicators because their reliability is so poor.

But for law-abiding nations like Poland, Spain and even Chile, the issue bites even harder. It can be argued that their economies deserve a place within the G20 group of nations: Poland's reliable statistics place her in good stead, Spain has attended as an observer for many years already and Chile is a South American economy with a far better record of transparency, in which foreign investors are far more active.

Suspending Argentina from the G20 club would send a strong message and provoke President Kirchner into finally assembling around the negotiating table with those to whom she is in debt.

For these reasons it is imperative that the right-minded amongst us work to ensure that a precedent is not set by Argentina for international 'powerhouses' to be able to abdicate their responsibilities to the international community and indeed to their own people.

Delaying the discussion over these payments will simply defer this debt to the next generation – a debt that, given the hostility between the disputing sides, is certain not to be forgiven.

Argentina's posturing on the international stage should be vocally dismissed as smokescreen for the serious ills it faces at home and abroad. Britain is uniquely placed to lead the charge in holding the Argentinian government to account – and you can start by contacting your Member of Parliament about the issue.



By Raheem Kassam

Communications
Director of the
Bow Group

Civus Britan

Our ex-pats must now h



By Ben Harris-Quinney
Chairman of
the Bow Group

I expect few, even in political circles, are thinking about the proposals to reform Section 3 of the Representation of the People Act.

It has barely featured at all in the media or in Westminster discourse; this only serves to underline how far behind we are in the consideration of truly conducting foreign policy and democracy in a networked, and increasingly globalised, world.

Section 3 of the Representation of the Peoples Act, amended under the Blair government, states that no British citizen who has lived abroad for more than 15 years may vote or stand in UK elections.

Equally, British citizens are not required, or even prompted, to register with their local consulate upon taking up full or part time residence abroad.

The first result of this is that it is not possible to obtain an accurate figure on how many British citizens live abroad, or how many live in any particular country. The estimates run from 5.5 to 13 million expats who are British citizens or could apply for British citizenship, a considerable percentage of our overall citizenry, too considerable for responsible government to lose track of.

The second is that even for those citizens who fall within the “15 year rule” the system for voting from abroad is so obtuse, unaided by our consulates, that less than 5% do. Citizens that do endeavour to contact their

consulate or UK constituency of prior residence will be sent a postal vote which they are given less than a week to complete in most cases, seldom enough time.

It would be quite wrong to for the Coalition Government to continue with the view that a nation which once commanded a vast global Empire and continues to trade and do business with great strength and relevance internationally, should pay little to no regard to its ex-pat citizens.

In 2010 Dominic Grieve QCMP, now Attorney General, told the Bow Group that “Lord Ashcroft made his fortune abroad – Labour see that as abhorrent, we see that as British – the Victorians would be turning in their grave at the current situation. I cannot think of any other country that treats its foreign citizens this way – we grant them almost pariah status”

At the last general election only 564 votes were received from British military personnel in Afghanistan, though nearly 10,000 were able to vote. Few citizens within the UK deserve greater support and a greater say.

A recent Parliamentary exchange between Geoffrey Clifton-Brown, who has notably championed the rights of expats to vote and be represented, and Sir Peter Bottomley underlined the gravity and lack of knowledge that abounds the issue of British citizenry abroad:

Geoffrey Clifton-Brown (The Cotswolds) (Con): “At present, according to the ONS

Annicus Sum: Have the full right to vote

electoral statistics some 5.6 million British subjects live abroad, of which it is estimated that some 4.3 million are of voting age. But in December 2011 a mere 23,388 overseas voters were registered to vote, according to the Office for National Statistics.

It is when we compare to our European and western neighbours that the British system begins to look particularly decrepit

Sir Peter Bottomley (Worthing West) (Con): "Will my hon. Friend give those figures again? Did he say 23,000 out of 4 million?"

It is when we compare to our European and western neighbours that the British system begins to look particularly decrepit.

The largest Polish voting booth is at the Polish Embassy in London; at a Bow Group event last month former Australian Prime Minister John Howard said he was "Particularly glad to be in London, Australia's largest single constituency." The United States has always enshrined that by virtue of being granted US citizenship: "forever an American

and forever an interest in the country of your birth".

It did make headlines in the UK recently that France has created a parliamentary constituency covering London and northern Europe, because of the now hundreds of thousands of French voters in London deemed to require representation in their mother parliament.

The French and Italians have several dedicated seats in their parliaments for ex-pat representation, and on this issue in 2010 the current Attorney General gave the following view: "The French attitude is that their foreign citizens have something to contribute, the British have been far more mean minded, and indeed short sighted. We might want to consider an overseas representation system, similar to Italy and France."

The often promoted view of the Brit resident abroad as a lager swilling yob or leathery costa criminal has never been a true depiction of our ex-pat citizenry; most are excellent ambassadors for Britain and British interests.

Many Brits still retire abroad in the quest for the good life in twilight years, and the vast

majority do so after having contributed considerably to the UK economy and society. The increasing trend in the expat community is however towards those pursuing business and professional interests abroad. As a relatively young man I have lived, studied and done business abroad for 4 years of my life, for those of my generation and younger, it seems inevitable that this will become an increasingly common experience as the British seek new opportunities in a global market.

2000 years ago a Roman citizen could stride purposefully into the world with the proud quote "Civus Romanus Sum", Lord Palmerston acknowledged this in 1850, arguing "Every British Subject in the world should be protected by the British Empire like a Roman citizen in the Roman Empire."

It is fundamental to our identity as a nation to proudly grant freedom, protection and representation to our citizens everywhere, and fundamental to a citizen's identity to proudly accept it. We fail to acknowledge at our peril that our greatest allies abroad, as a party and as a nation, are us.



The first steps in improving intelligence



By Dr. James D. Boys

Senior Visiting
Research Fellow at
King's College London
and Transatlantic
Research Fellow at the
Bow Group

Protecting its citizens at times of crisis should be a top priority for any government. In order to protect citizens effectively, decision-making structures in the executive must be both efficient and robust. However, as the twenty-first century continues to evolve in ways few could have forecast, many Western powers appear to be struggling to adequately project their military power as they face a host of global challenges, not least of which is a restrictive economic environment that has curtailed defence expenditure and costly overseas initiatives.

In an effort to address contemporary challenges the Coalition Government has initiated a series of changes to the UK national security architecture. In May 2010 it configured a National Security Council, and a year later President Obama and Prime Minister David Cameron announced the establishment of a Joint Strategy Board to formalise the longstanding security and intelligence links between the United Kingdom and the United States. The Government has also published a National Security Strategy (NSS) in an effort to

ensure that policies and procedures are adequate for today's security, military and intelligence-led requirements.

Of all the responsibilities of Her Majesty's Government, none are more pressing or more challenging than those surrounding national security

Of all the responsibilities of Her Majesty's Government, none are more pressing or more challenging than those surrounding national security. With the accompanying challenges of political violence, debates surrounding the role of the state and the rights of citizens, budgetary decisions and the difficulties of long-term planning in a short-term political environment, the decisions that are made in this sphere go to the very core of a government's responsibility to protect the nation and its citizens.



The role of U.K. intelligence has a direct bearing on every man, woman and child, for it is the unseen first line of defence and offence, in a continuing struggle with those forces who would inflict harm on our people, our nation and its institutions. It is, alas, a regular casualty of budgetary cuts and short-term political manipulation. Matters of such national importance require long-term, cross party collaboration to ensure that national security is not compromised as a result of party political machinations.

The Government has recognised the need to update the national security architecture following the ad hoc approach taken by too many administrations over too many years. Through a Cold War and a War on Terror the decision-making process in Downing Street was far too lax and gave rise to justifiable criticism relating to issues of accountability and transparency. With the implications for potential miscalculation already high enough in this area, it should be logical that any steps that can be taken to aid policy-makers would be welcomed. As President John F. Kennedy observed, “domestic policy

can only defeat us, foreign policy can kill us.” Whilst the threats that confront the United Kingdom, her citizens and allies are very different in magnitude and scope than from the days of the Cold War, the implications of failure in the field’s of foreign, military and security policy are nonetheless just as serious.

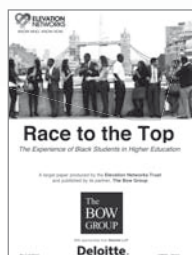
The changes introduced by the Coalition Government are a welcome step in the right direction, but further changes are required to ensure that our intelligence community remains fit for purpose in the 21st century. The Coalition Government has done a great deal to implement change in a system that is notoriously change averse. However, whilst this is to be welcomed, these reforms should be seen as the first in a series of steps taken to make sure that the U.K. intelligence architecture can cope with the demands placed upon it in a constantly changing and challenging geopolitical environment.





Research highlights

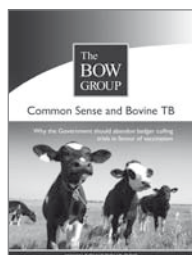
www.bowgroup.org/policy



April 2012

Race to the Top: The Experiences of Black Students in Higher Education

This report, produced in partnership with the charity, Elevation Networks, and sponsored by Deloitte showed that Black students in Higher Education generally perceive that they are discriminated against by both government and corporates in their graduate recruitment rounds. The paper was covered on the front page of *The Independent*, as well as in *The Guardian* and the *Evening Standard*.



March 2012

Common Sense and Bovine TB: Why the Government Should Abandon Culling Trials in Favour of Vaccination

This Target Paper, written by Graham Godwin-Pearson, with forewords by Brian May and Lord Krebs, argued that the Government's badger culling will be both costly and ineffective. The paper received widespread coverage, including in *The Guardian*, *The Western Daily Press*, *Farmers' Weekly* and *The Daily Mail*. The Bow Group later held a roundtable discussion for key stakeholders.



February 2012

Remuneration Nation: Responsible Capitalism and the Wider Problem with Executive Pay

The first in a new series of briefing papers, this *Bow Briefing*, written by Richard Mabey, argued that the Government needs to shift the debate about bankers' bonuses from a top down to a bottom up approach to income inequality. It offered a technical analysis of Vince Cable's proposals on pay and demonstrated that the public anger around bonuses should be directed as much at low levels of social mobility as at rewards for failure. It was sent to all Conservative MPs, featured on *ConservativeHome.com* and quoted by *One Society*.



December 2011

Winning the Consensus on High Speed Rail: Why All Parties Can Now Support the Best Route for HS2

This Target Paper, produced by the Bow Group's Energy and Transport Committee, argued that the Government has got the wrong route for the first stage of HS2 and proposed a more environmentally friendly and cost effective alternative. The paper was covered in the *Daily Telegraph* as well as in *Rail Technology Magazine* and other trade journals. The 'Bow Group route' was later endorsed by Anthony Hilton, writing in the *Evening Standard* and Mark Bostock in *City AM*.

How to Join the Bow Group

The Bow Group is growing. Annual membership costs £40, or £20 for those who are either under 25, in full time education or unemployed. To join please complete the form below and overleaf. For more information, please see www.bowgroup.org/content/join

Full name:

Address:

Postcode: Occupation:

Landline: Mobile:

Email:

Member who introduced you (if applicable):

FULL RATE

£40 per annum

☐

(Members may pay in excess of this amount at their discretion)

CONCESSIONARY RATE

£20 per annum

☐

(For those in full time education, unemployed or under 25)

Please tick the box, and kindly inform the Bow Group if your circumstances change.

STANDING ORDER

Bank Name: Sort Code:

Account Name: Account no.:

Bank Address:

Until you receive further notice in writing, I/we hereby authorise payments to be made as follows to the credit of The Bow Group, Barclays Bank PLC, 147 Holborn, London EC1N 2NU (a/c 80173444, s/c 204141). Please treat this as replacing any existing standing order to this account.

Please debit my account immediately with the sum of £.....

Q4, or half of these amounts if you qualify for the concessionary rate) and on each 1st January thereafter with the sum of £40/£20.

Signature: Date:

*Please return this form to: The Bow Group, 1A Heath Hurst Rd, London NW3 2RU
e: membership@bowgroup.org | t: 0207 193 3806 | w: www.bowgroup.org*

PROPOSER

Name:

Signature:

Date:

SECONDER

Name:

Signature:

Date:

BRIEF BIOGRAPHY (Continue on separate sheet if required)

AREAS OF POLICY INTEREST (Tick as many as appropriate)

- ☐ Culture, Media and Sport
- ☐ Democracy
- ☐ Economy, Jobs and Business
- ☐ Education
- ☐ Energy and Transport
- ☐ Environment and Rural Affairs
- ☐ Foreign Affairs and Security
- ☐ Health
- ☐ Home Affairs, Crime and Policing
- ☐ Local Government
- ☐ Social
- ☐ Other:

DECLARATION

I declare that I hold Conservative views and I understand that if I cease to support the broad Conservative viewpoint, I shall be expected to resign my membership of The Bow Group.

Signature:

Date:

Event highlights

Bow Group 60th Anniversary Reception on the House of Commons Terrace

Speaker: Sir John Major, in the presence of Lords Howe, Heseltine, Lamont and Howard

Date: 17th July 2012

Climate change or climate gate? Are the sceptics winning the battle of ideas in the Conservative Party?



Speakers: Rt Hon. Lord Marland and James Delingpole

Date: 12th March 2012

Telling our Island Story: Should a positive perspective of British history be a key part of our education syllabus



Speakers: Dr David Starkey, Shami Chakrabarti and Kwasi Kwarteng MP

Date: 18th April 2012

The Bow Group Christmas Reception



Speakers: Rt. Hon. John Redwood MP

Date: 15th December 2011

A Nuclear Iran: The strategic implications for Britain and her allies



Speakers: Rory Stewart MP, Professor Emma Sky and Sir Richard Dalton

Date: 26th March 2012

Growth – Priority or Oversight? Has the Government's focus on deficit reduction resulted in the inadvertent neglect of a coherent economic growth strategy?

Speakers: Dominic Garnier MP, Dr Andrew Lilico and Chris Cole

Date: 23rd November 2011

Photo-Me

Help Save 5,000 High Street Jobs

Photo-Me and The Photo Marketing Association (PMA) are actively working to resolve the huge threat which is facing private sector photographers, as a result of moves to digitalise the provision of ID photos for driving licences and passports through the Post Office.

In March 2009, a decision was taken by the Labour Government to award the Post Office an exclusive contract to provide digital ID pictures for driving licences. The majority of outlets, including Photo-Me, Snappy Snaps and over 1,500 independent photographers, within the industry, are dependent on the ID photo market for survival. Up to 350 high street photographic shops in the UK are currently at risk alongside thousands of jobs. In terms of revenue, this decision represents a loss of over £50 million to the industry.

A solution proposed by the PMA is for Post Office staff to scan printed ID photographs provided by the existing printed professional market, as opposed to taking the digital photographs themselves, which they are not trained to do. This solution would not meet only all of the Government's digital objectives, but is also economically viable and would have no adverse impact on Post Office counter jobs.

The campaign has already received overwhelming support for this proposed solution of co-existence. Debates in the Commons, parliamentary motions and a petition signed by over 17,500 people including the Mayor of London, Boris Johnson, was delivered to the door of Number 10 last month.

Please support our campaign at www.savethephotographers.co.uk



Save The
Photographers

