The limits of ambiguity

The UK has a remarkably successful record of living with ambiguity. But, warns David Rowe, it may have reached the limits of its ability to do so

It is dangerous to venture into the politics of a country other than your own. Nevertheless, as an American who has lived for most of the past decade in London, I feel bound to try. As a risk manager, I also find the current situation to be a real study in what Frank Knight called 'uncertainty'.

Now that the Scots have voted against independence, it is tempting to heave a sigh of relief and think, "I'm glad that's over!" Such an attitude would ignore an important historical reality. After a major upheaval, and even a near miss, the world does not revert to the status quo. The fervour and emotions evident in the Scottish independence movement will continue to affect UK politics for a long time.

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I recall learning in primary school about the UK's unwritten constitution. "What does it say?" we would ask. "What are its requirements?" The answers seemed steeped in ambiguity. In fact, the UK has a long and successful record of living with ambiguity. Today, it has broad freedom of religion, but maintains a state church. It is a representative democracy with a hereditary monarchy and a largely appointed House of Lords. It is the cradle of English Common Law, but prior to 2009 it had no Supreme Court of ultimate jurisdiction.[1] It has a highly centralised government, but is composed of four nations each steeped in their own unique history and grievances.

I suspect it was easier to live with ambiguity 150 years ago, when most issues were settled over cigars and sherry by a powerful ruling elite. The inexorable expansion of the franchise towards universal suffrage certainly complicated this task. Concurrent with the expansion of the franchise in the twentieth century, Britain fought two World Wars. Each of these tended to expand the power of the central government. Fear of a common enemy kept most of the public on board with this during the conflicts. In the aftermath, however, the continuing centralisation fed regional grievances against an 'out of touch' central government.

In the past 50 years, rising immigration and an increasingly cosmopolitan population have further complicated the process of achieving political consensus.

Attempts to address regional grievances have been consistently *ad hoc*. Scotland received significant extra powers in 1998, and the present Scottish Parliament first met in 1999. At the time, it was believed (or hoped) this would blunt the desire for total independence, but this has not been the case. Furthermore, the piecemeal devolution of powers to Scotland and Northern Ireland has created an even more ambiguous situation.

England, by far the largest of the four nations in the UK, has no Parliament of its own. Authority for decisions that affect only England are taken by the House of Commons, which includes members from the other three nations that make up the UK.[2] Last-minute promises of further devolution to Scotland, made in the days just prior to the referendum on September 18, have already stirred grumbling among English MPs and voters.

In 2006, it was easy to mistake an eerie calm in financial markets as evidence of permanently lower risk. In fact, of course, structural weaknesses and pressures were building up that eventually led to the global financial crisis. The same is true in the current British political situation – life has calmed down since the anxious days leading up to the Scottish referendum, but the political and cultural stresses remain.

Relieving these stresses in a broadly consistent fashion is essential to the UK's long-term economic and financial future. Just muddling through, without removing some of the accretion of ambiguity and inconsistency in its institutions, will not be enough. Establishing a broadly consistent structure of devolution to all its subsidiary nations, including England, is a vital challenge.

Pushing both responsibility and commensurate taxing authority to institutions at the regional and local level would help accommodate the many deep-seated differences among all the national and sub-national components of the UK. Only doing this consistently across all regions will avoid the resentment and jealously inherent in special treatment of one region over another.

The disproportionate size of England relative to the other three component nations in the UK is a serious complication in designing such devolution. Significant constitutional reform is one of those rare non-recurring events that Frank Knight had in mind when he spoke of uncertainty. In such situations we have little to guide us in estimating the likelihood of success. I believe, however, that finding a solution is not beyond the collective ingenuity of the UK's politicians and people. As a sympathetic outsider with personal experience and family history in the UK, I certainly hope I am right. **R**

[1] Previous to that this role fell to the House of Lords.
[2] This is commonly referred to as the West Lothian problem after the district of a Scottish MP who first raised the question of why he should have a vote on decisions affecting only England.