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THE VIEW
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Vote for the economy

Good policy for politicians is to regulate rather than dictate as markets are too global and fast moving for governments to micromanage

As you flick this article open over your morning espresso, the British election results are about to be announced. As a former prospective parliamentary candidate, election day and the vote count are remembered with a sense of deep exhaustion. However, there will be no rest for the parties as they start horse-trading to form a government that will have the confidence of Queen and Country.

British politics is an enigma; the most naked of the art – the country has no constitution; the rules have evolved from the Magna Carta 800 years ago this year, and are still unwritten.

This election is the first in the history of the 300-year parliamentary process to be genuinely unprincipled. The philosophies that have hitherto dominated British politics have evaporated, leaving parties to cynically campaign on who will be the better country manager.

The electorate, meanwhile, has not caught up with the fact that politicians no longer represent the working class or the sandwich class – they just want to be in power.

My friend has been cleaning polling stations for Thursday's vote and his fellow cleaner Susan confessed that she "didn't understand why people voted at all". In her words, she had never voted "because you can only vote Labour or Tory – and I don't see the point of either".

My friend was stunned, "What about the Liberal Democrats, UK Independence, the Welsh, Scottish, Irish, Catholics, Greens, Communists, British Nationalist, Monster Raving Loony, or whoever?" She replied, "But you can't vote for them, can



Voters faced the closest UK general election in decades. Photo: AFP

you? I thought it was just one or the other."

After he had finished hyperventilating, my friend told Susan she could actually vote for any party candidate if she liked what they stood for.

Susan was gobsmacked, "But the Liberal Democrats; they're like ... secretaries? Don't they help whoever's in power?" My friend realised that Susan was confusing the word "democrat" with "bureaucrat". She thought the coalition partners were personal assistants because "he [Nick Clegg] was always standing next to Cameron".

Susan isn't stupid. She should be a classic Tory voter; a grafter, cleaning at night and living in a tough area in the middle of

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"social housing" with people who are mostly on welfare. She is proud that she and her long-term partner are slowly buying their house and will one day maybe move somewhere better. Yet despite living in a news-filled, sophisticated Western democracy she is so disengaged that she has no idea of the link between her future and universal suffrage.

She left visibly excited about the prospect of voting – though not who to vote for.

The unfortunate wants protection, the rich venture capitalist wants tax breaks, but the baseline is a multitude of Susans who are content with a modest growth in their living standards as they work towards their ambitions.

Modern politicians barely impact markets as global trade, debt, currencies and interest rates give them little room for manoeuvre. Elections impact markets temporarily. Economics moves stock markets in the long term.

Of course the two coincide if politicians enact severe enough economic policy. Britain has benefited enormously from not being part of the euro zone. The

damaging nationalistic bureaucracy of successive Indian governments held back that otherwise vibrant economy for 70 years.

And in Africa, a few leaders stealing national wealth and aid payments have robbed the many of their future. Indecision and national politics in Europe have led to poor economic choices, stagnant growth, and a decade of recession in Italy.

Yet even extreme governments can now avoid the obvious mistakes, unless you apply failed 1970s policies as in Venezuela, the oil producer with fuel rationing. The current fashion for grown-up economies is to borrow to get out of a debt crisis, a policy formerly used by hyperinflation Zimbabwe, but it sounds better coming from a suit in Davos.

Markets are too global and fast moving for politicians to be able to micromanage them. Good economics for politicians is to regulate, not dictate. Hong Kong is one of the best examples of the government as a regulator, not a meddler.

Thatcherism sought to demeddle by delegating as many economic decisions as they could to the market by privatising state-owned industries and deregulating. China does both, but the leadership is keenly aware that the authority comes from encouraging opportunity and growth to trickle down to the people.

Economies work best when governments freely allow people like Susan to make their own millions of buy and sell decisions on the high street. Susan was voting all the time for the economy – and she didn't know it.

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Britain's election rules evolved from the Magna Carta, which King John agreed to 800 years ago.