

# The collapse of the two main parties in EU countries

The UK has kept something close to a two party system in General elections. Labour and Conservative have alternated in power based on their ability or lack of it to improve living standards and preside over a successful economy. Labour's bankrupting of the UK and trip to the IMF to borrow in the mid 1978s led to them being out of office for 18 years. The Conservatives adoption of the European Exchange Rate Mechanism and the predictable inflation and recession that caused led to Conservatives being out of office for 13 years. Labour's boom and bust and banking crash of 2008 has so far led to them being out of office for 11 years.

I know some contributors here want a new or third party to emerge. The Social Democrats tried that in the 1980s and failed after a few by election successes. The Lib Dems are always positioning themselves as a potential new force but have never made it to first or second place in a General election and cannot truthfully claim to be new. The Referendum party, UKIP and the Brexit party tried it mainly around an important single issue but only ever won one seat in a General election between them. As I always advised here, if you wanted a referendum and then wanted Brexit done they had to be achieved with Conservative MP votes in the Commons. In Scotland the SNP has demonstrated that in the first past the post Westminster elections they have been able to break through into first place, displacing Labour, because they have made their constitutional issue more salient than economic management for the UK as whole.

On the continent there was the same alternation between Social Democrats and Christian Democrats in office in the last century. This century in all the main EU countries the big two have lost support with new populist parties emerging. It is true they have different voting systems which can assist splintering of the vote, but they had these same systems in the last century when Christian Democrats and Social Democrats were each likely to get around 40 % of the vote and to dominate coalitions with smaller parties formed by the winner.

This seems to have occurred because electors realise that unlike in the UK the once dominant parties can no longer guarantee or mess up the economy in the same way because they do not have the powers. EU control of interest rates, money and credit, state borrowing and some taxes changes things a lot. Elections are fought on other matters more.

The decline of the Christian Democrats has been speeded by EU policies. The lower tax greater freedom part of the conservative vote has been alienated by the compromises needed to accept a large and growing EU budget, independent collective EU borrowing, huge transfers at zero interest from surplus to deficit countries through the European Central Bank, and a regulatory colossus laying down detailed controls over many aspects of life. The conservative impulse has as a result been driven into newer parties of a

more Eurosceptic tone. They are normally defeated by a coming together of all the other parties that are broadly pro EU to prevent any Eurosceptic movement gaining power again, as Syriza briefly did in Greece before its leaders gave in. In some cases as in France this has occurred in the second round of an election. In other cases as in current Italy it comes by excluding the Eurosceptic party from any post election coalition.

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## Let's end the secrecy about the German election

The BBC and Channel 4 always go to town over any US Presidential election, and provide comment about US Congressional mid terms. Any error or politically incorrect comment by a Republican is played up, and suitable bon mots by Democrats are reported. There is even sometimes commentary designed to produce a little balance.

When it comes to a pivotal and important European General election there is usually a deafening silence. In a month's time Germany goes to the polls to choose a replacement Chancellor for Mrs Merkel. Voters will also be invited to pass judgement on how green electors want policy to be, how much more power the EU should enjoy, and how prudent the budget of the EU's largest economy should be. Given the media's enthusiasm for all things EU the lack of interest in all this is noteworthy.

Many people in the UK have not even heard the names of the 3 main challengers to take over as Chancellor. Armin Laschet is the new leader of Merkel's CDU party (sort of Conservative). Annalena Baerbock is the chosen Chancellor candidate for the Greens. Olaf Scholz is the leader of the SPD (Labour like).

The election has been through three phases so far. It began with a surge for the Greens when they announced their fresh new candidate for Chancellor who briefly went into first place in the polls. It swung back to the CDU. In the last few days the lagging SPD has had a strong run and pulled level with the CDU in joint first.

The Greens have fallen back into third thanks to claims that Ms Baerbock's CV had elements of fiction in it and that her book had borrowed material from elsewhere without credits. More importantly Green policies of raising fuel taxes and subsidising cycling are going down badly. The CDU has lost traction partly thanks to Mr Laschet's unfortunate joke cracking as a backdrop to the German President speaking about the deaths of people in the recent floods. Mr Scholz has picked up support by avoiding such disasters.

There have been some continuities in the polls. The polls have always said the 3 main parties remain very unpopular, struggling to get much above 20%

each. The polls have always said the 3 Chancellor candidates are unpopular, with more than half the voters often preferring none of the top 3. They have also said that the most talked about possible coalitions, CDU/Green/Free Democrats (Jamaica) and SPD/Free Democrats/Green (Traffic light) are more unpopular than any of the top three parties! The polls regularly give the Eurosceptic AFD 9-11% so they will definitely have no role to play in a future German government as none of the pro EU parties want them in a coalition.

The green arguments are especially important. Mr Laschet as current head of the government of Rhineland Palatinate has to defend the decision to allow the loss of six more settlements and a major expansion of the strip mine for lignite at Garzweiler. The CDU/SPD coalition federal government led by Merkel has just agreed that Germany will continue to mine coal and burn it for electricity until 2038. This means Germany will not make much of a contribution to COP26 and the climate change pledges, refusing to match the UK by ending electricity from coal early. German electors seem worried by the lignite expansion but not enough to make the SPD less popular. They seem even more worried by the Greens wish to use taxes and subsidies to change things faster. There are also important differences over taxes, spending levels, borrowing and the size of the EU budget. I will keep you posted.

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## The pace of migration

When income per head is \$63,543 in the USA, around \$40,000 in the richer European countries and under \$6,000 a head in poorer countries it is no wonder that many people want to be economic migrants. The USA is the most popular destination for migrants, followed by Germany, Saudi Arabia and the UK. Millions of Indians, Mexicans, Syrians, Bangladeshis and others have made the often arduous journeys to new lands in search of a better life.

These strong patterns of economic migration have been reinforced by waves of migration as people flee authoritarian regimes, civil wars and individual threats to their lives. The West struggles to distinguish between economic migrants and refugees fleeing genuine threats of persecution and violence. The difference is fundamental to policy, as the need of the refugee is greater than that of the economic migrant, and the numbers should be much smaller and more manageable .

There are three broad views over how we should react and respond to these impulses. One group including Labour and the Lib Dems thinks the west should be even more welcoming of any kind of migrant. It is to them our duty to be generous and kind. One group thinks it best to concentrate our policy efforts on aid and trade to try to create better circumstances in the poorer countries so people there can seize more opportunities and enjoy some hope of a better future. Our generosity should be limited to defined groups and

individuals who face persecution, with the west sharing the responsibility by taking manageable numbers of people from crisis areas. Some targeted economic migration should be allowed where we need the people and skills concerned. A third group thinks we take too many migrants with stresses on our housing and public service provision and wishes to see numbers reduced in the best way possible.

The UK debate has not been helped by poor and misleading official statistics. The argument was intensified by the arrival of a large number of people under EU freedom of movement rules. The official figures told us EU migration was lower than non EU migration, and the Blair government gave a very low figure for eastern European migration which was soon proved to be massively wrong. More recently the ONS has apologised for the large errors and produced new figures showing EU migration did run consistently at higher levels than non EU migration over the last decade, that EU migration was under recorded and non EU migration was overstated. The revised figures are still problematic as they do not include children and have to be adjusted for students that do not also get some part time work. The dodgy numbers have led opponents of the current pace of migration to think this was more than an embarrassing error.

Many countries in Europe, the Middle East and the Americas have put up border walls and fences to try to stem the flows of economic migrants. Some countries like Turkey and Pakistan shelter large number of migrants from broken states near their borders. International aid is often directed to camps established near to a country people have left in the hope that some order can be restored and they can in due course make their way back to their homeland.

The UK according to the latest revised figures was welcoming at least 300,000 additional people every year up to 2018. In 2015 and 2016 EU net migration hit 282,000 a year with another around 100,000 from non EU. These numbers of non EU migrants are a small proportion of those who would like to come, but they are large numbers when it comes to finding new homes, school places, doctors surgeries and transport capacity so they can enjoy a decent lifestyle. Given the magnitude of the problem and the persistence of low incomes in too many populous countries in the world, more of the answer must lie with helping those countries to succeed rather than with helping drain them of talent by fostering more migration.

The UK now has more control over how many people to welcome. With a new borders Bill going through the Commons the government should be able to be more precise over how many each year it wishes to help and accommodate. What would you like to see them do? I think the totals of economic migrants in recent years have been too high.

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# Taliban terrors

The world must say that Taliban rule is already unacceptable in Afghanistan. A country should not block its citizens from taking civilian flights to places that will accept them. A government in waiting should not so terrify many of its citizens that they queue up at an airport to try to get a flight to anywhere that might take them. It is tragic that they live in the hope they can start a new life somewhere else with nothing more than a suitcase of personal items to show for their life to date. Nor should those who claim to have control allow chaos to make the suicide bomber's task easier. The sad deaths in Kabul yesterday made the tragedy worse.

We should not regard it as a norm that civilian aviation is cut off from a country, or that a group of armed individuals can settle the fate of thousands of people wanting to move by making instant judgements with a gun pointing at the applicant. One of the most attractive features of advanced democracies is the ability and right to travel freely within your own country or to leave it to go to anywhere which will let you in without needing permission.

There are some in the UK who think we should be willing to take tens of thousands of Afghans who would like to leave their country now. I strongly support the heroic efforts of our troops and border staff in seeking to get all UK citizens home who wish to come, and to give free passage and the right to live and work in the UK to all those who worked for our government and military in the past and are now at risk because of that. I am not convinced that it would be right to make a wider offer to Afghans more generally to come to the UK.

The first sad truth is we will only get a limited number of people out in the time left with access to a runway and with permission to fly in and out to pick people up, a right we have to share with our allies who all need to do the same. The second is even if we offered more places to Afghans to come and could find a safer route to let them do so we could only ever offer it to a small fraction of the 40 million living in Afghanistan today. Helping cream off more of the bright and motivated people with more liberal views from the society will make the plight of the millions who remain worse. The Taliban might behave even more unpleasantly if too many more Afghans are assisted out. We would wish to make sure that anyone invited to live and work in the UK can do so with a decent living standards. We are already very short of homes, and there are limits to how many more we can house from overseas to acceptable standards.

There is no alternative to working with the world community to try to prevent the return of the Taliban to the barbarism of their past. The former policy which President Biden undermined of assisting a far from perfect democratic government in Afghanistan to widen human rights and raise living standards made sense and was working to some extent. Given the way an armed group has displaced an elected government, we have to accept that our influence is much less. However, all the time the Taliban led country needs western currency

and goods and expects some continuation of aid and technical support there is the basis for some agreements to try to limit the damage. It is also the case that countries with more influence than us like Pakistan and China need to be brought into the conversations, as they too should not want a rogue state that harbours terrorists who might harm them as well.

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## Time to reset the railway

We cannot afford to spend around £10 bn a year subsidising the railway to run nearly empty trains around the country. Nor is it a green option to run diesels and electrics drawing some electricity from fossil fuels when they have so few people on them.

The railway management need to use the current lull in railway use to make two important sets of changes. The first is to establish new timetables geared to the big change in work patterns COVID policies have brought on. The railway is currently planned to earn much of its fares revenue from five day a week commuters wishing to travel at peak times. This business will be massively reduced. We need new flexible ticketing to allow people rolling and increasing discounts the more they travel the same route for work purposes. The railway is now trying to tempt many more people to travel by train for leisure. It is difficult to see why this should be highly subsidised as it is discretionary and is more likely to be taken up by the better off.

The second set of issues are based on technology. Modern trains can be more fully automated in ways which may enhance safety and certainly raise productivity. Safety must remain the prime consideration. Managements need to sort out with the Unions new manning arrangements that reflect business needs, timetable changes and train automation opportunities. There can be offers of no compulsory redundancies around programmes of change to get the workforce and its skills and job descriptions into line with new needs.

Doubtless many of you still think HS2 should be cancelled. There is no sign of the government wishing to do this, and it has now committed substantial resource to carving an expensive route out of London. I am not expecting a change of decision on the London to Birmingham part of this project.