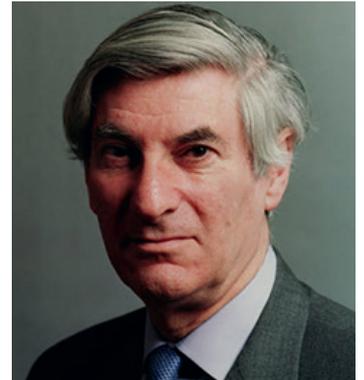


Prof Vernon Bogdanor spoke at Devonshire House on 28.2.18

Professor Vernon Bogdanor is internationally recognised as a leading constitutional expert of the UK and other jurisdictions. He was for many years Professor of Politics and Government at Oxford University, where he was Senior Tutor and Vice-Principal at Brasenose College. He is currently a Research Professor at the Institute for Contemporary British History at King's College London and Professor of Politics at the New College of the Humanities and has been a Special Advisor to the House of Lords' Special Committee on the European Communities. His insights have informed generations of politicians.



This paper, written by Madoc Batcup, Managing Director, Synaps Ltd, is one in a series of Occasional Papers entitled Devonshire House talks and we are grateful to him.

Some Key Points

- The constitutional landscape in the UK and elsewhere is in a state of flux
- Parliamentary Sovereignty has been affected by both devolution and the EU
- A potential increase in the role of the courts to resolve contentious constitutional issues
- The politics of left and right are now being challenged by the advent of populism and its antipathy to elitism
- Good broad education, including for those who do not go to university is essential for an informed political debate
- The transition to a very open economy can result in severe economic hardship

On the 28th February 2018 Devonshire House Network were privileged to be addressed by Professor Vernon Bogdanor in an after-dinner address to discuss some of the significant constitutional changes that are taking place both domestically and in the UK's relationships with the wider world. This is as a result not only of decisions made by the UK Parliament but also of changes in the wider political and economic relationships developing between countries as a consequence of such trends as globalisation - and the not unconnected increase in populism in a number of Western democracies.

Professor Vernon Bogdanor supports both the British Monarchy and the adoption of proportional representation. He voted in the referendum for Britain to remain in the EU. Professor Bogdanor has written over 11 books on constitutional matters and lectures extensively. David Cameron is perhaps the best known of the many students he has taught who have gone on to prominent and successful careers.

One of Professor Bogdanor's most recent books was entitled

'The New British Constitution' which covered some of the important ways in which the British constitution has been changing as a result of being a member of the European Union and as a consequence of devolution. The book spent some considerable time analysing both, as well as the degree to which referendums are binding. All these issues are, of course, matters of considerable consequence as we face the current constitutional conundrums.

Framing the Discussion

In order to frame the discussion with Professor Bogdanor, we suggested three initial themes or questions. There are currently many powerful changes and trends in the world of politics which may radically reshape our society, both domestically and internationally. For many people in the business world this increased political risk is much more difficult to understand and certainly to measure than economic risk. We therefore made the questions somewhat open-ended to provide scope to deal with these wide ranging issues.

The questions were:

1. Where does power lie in the UK, where will it lie in the future and where should it lie?
2. Does the increasing influence of globalisation mean that economic power is increasingly more important than political power? and
3. After Carillion does the relationship between the public and private sector need to be re-examined? To what extent can business expect the existing open economic trading system to continue given current political trends?

Parliament Sovereignty

In answering these questions Professor Bogdanor observed that whereas the underlying principle in the UK was one of Parliamentary sovereignty power had moved 'upwards' in the case of the European Union and downwards in the case of devolution, and the issue of where powers would end up as a result of Brexit was difficult to assess. Certain of the powers currently held by the European Union, such as farming, might well be re-patriated to the devolved jurisdictions, but there were still a large number of decisions to be made as to how and when many of such powers were to be returned. He underlined that given the contentious nature of this process the role of the judges would come to the fore, and the courts might well be the forum in which a number of these issues were resolved.

A sporting approach to Brexit!

In terms of leaving the European Union he likened it to leaving a tennis club, and that one could not expect to have access to the same facilities as an ex-member, as those enjoyed by the continuing members who continued to pay the membership subscription.

Multinationals and Countries

Professor Bogdanor prefaced his remarks in respect of the second question with the comment that he was not very familiar with the world of business, but that the size of multinationals was increasing while that of individual countries was not. However he did range more widely and considered the issues of populism and the important part that education had to play in this respect. He referred to the fact that while the UK was very good at educating students at the university level, this was not the case with the 18-21 year olds who did not go to university – around half of the age group – and this was something that needed urgently to be addressed.

The Public Sector

Professor Bogdanor acknowledged the important role of the public sector, but highlighted the importance of the mixed economy, and the ability of the private sector through competition and innovation to provide better services. He mentioned the privatisations of many publicly owned

companies during the Thatcher period of government and beyond, and the way in which they had, in many cases, changed very substantially. In regard to the NHS, he then speculated on what might have happened if after the Second World War the government had created a National Food Service. He posed the rhetorical question as to whether, if this had happened, the quality of food at home and in restaurants would be worse or better than in the current situation.

The Rise of Populism

Some of his comments reflected on broader political trends, both in the UK and internationally, and in particular the rise of populism, which, as had been seen in previous periods largely consisted in a feeling of antagonism against ruling elites, and a feeling that the system was basically unfair. This was visible not only in the Brexit vote, but also in the election of Trump in America, as well as the various populist movements in Europe, whether of the Left or the Right.

A lively Q&A session then followed

A number of issues were raised. In respect of Brexit a question was asked as to whether once we had left Europe we could then be a Singapore-like economy, with a very open structure, and potentially very competitive as compared with Europe.

Developing the Tennis Club Analogy!

One questioner likened it to leaving a tennis club and then starting a new one with a lower subscription cost. Professor Bogdanor thought that this would be possible but thought that New Zealand might be a rather better example than Singapore in this regard and referenced the way in which their economy had been transformed once the UK joined the EU (or the European Community as it then was), and New Zealand lost its most important market for many of its agricultural products. It had indeed become much more competitive, but the economic and social cost was severe, with some 50 farming suicides in New Zealand as a result of the stresses of the process of transformation. In addition, such an approach would radically change the shape of the UK economy and could result in the destruction of much of the UK's manufacturing base.

Referendums

There was a discussion on the binding power of referendums in the context of the sovereignty of Parliament and reference was made to a recent House of Lords speech, where Lord Lisvane, former Clerk to the Commons, drew the analogy of three maiden aunts who, having voted to go to the cinema, discovered that the only films on offer were Reservoir Dogs or The Texas Chain Saw Massacre. Lord Lisvane mused that they might be allowed to reconsider their decision.

The Importance of History

Another question referred to taking the current situation in the broader sweep of history. Rather than going back to past

centuries, Professor Bogdanor looked at the influence of Keynes in terms of what is considered as economic orthodoxy, and said that while when he was studying economics Keynesianism was the lens through which economic policy was viewed, and that this had been true for much of the latter half of the 20th century, this had now changed substantially, and perhaps there was now a belief that the Keynesian approach of governmental regulation of economic activity would not necessarily be effective.

Education

On a broader stage, international political trends clearly indicated a rise in populism and an increasing distrust of

perceived elites in many Western democracies, and the need for increased educational provision for those who chose not to go to university. We needed both better education in the schools and more and better vocational training if we were to combat populism successfully.

In summary

The UK's exit from the EU raises many key challenges in respect of where power lies in the UK. The traditional approach of the sovereignty of Parliament would be under continued attack from the devolved institutions as powers were repatriated from Brussels. The role of the courts was likely to become more prominent in deciding these issues.

About Madoc Batcup, Managing Director of Synaps Limited

A long-standing member of Devonshire House, Synaps (www.synapsllp.com) is an international business advisory firm with a proven track record of helping companies change, develop and succeed across a wide range of industry sectors and jurisdictions. They have a comprehensive, multi-disciplinary and long-term approach to engagement with clients. Their strategic alliance with Smith and Williamson, one of the top ten accountancy firms in the UK, whose fund management arm has some £16 billion under management, helps deliver a seamless advisory service with a truly global reach. Madoc is Managing Director and co-founder of Synaps Limited. Madoc graduated with law degrees from Cambridge University and the Institut d'Études Européennes in Brussels and subsequently qualified as a barrister. He spent many years working in investment banking with Swiss Bank Corporation (now part of UBS) in London and Japan. His book 'Companionism – why companies need democracy as much as countries' was published in 2006. Madoc is chairman of Constructing Excellence's funding and finance and insurance group and was responsible for CE's response to the UK government's call for evidence in respect of PFI in 2012.



This Paper was published by Devonshire House Network Ltd. 08081 565604.

Devonshire House is a people-focused membership club for Director-level professionals in leadership roles who have an instinctive focus on the human side of enterprise. Our purpose is to create, for our members, thinking time and space for key business issues and where people make the difference. **Why not become a Member of Devonshire House?**

Devonshire House Network Ltd is a company registered in England and Wales. Registered number: 8477779. 73 High Street, Newport Pagnell, Bucks. MK16 8AB. Registered Office: 45 Pall Mall, London. SW1Y 5JG.

www.DevonshireHouseNetwork.co.uk