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Boris Johnson: blustering on

The prime minister has made many promises but kept few. To reverse the brewing crisis, he needs institutions like those he chose to leave with Brexit

Boris Johnson has survived, but only just.

The 148 Conservative MPs who voted no confidence in the prime minister on 6 June represented 41 per cent of the party in Parliament and 58 per cent of the British people, as polled by YouGov. The Tories voted to spare themselves a leadership contest, not just because there is no clear alternative leader but because all the potential leaders represent rival factions with serious political differences.

First there are the 'hard' Brexiters, who want to rip up the Northern Ireland protocol, begin a trade war with Europe and set about the radical deregulation of the British economy. Their most iconic leader is the former defence secretary Penny Mordaunt.

Then there are the patrician, social-welfare conservatives, in the 'one nation' tradition of the 19th-century party leader and prime minister Benjamin Disraeli. Their view was summed up by the senior backbench MP Jesse Norman, who told Johnson that his claim to be vindicated by an official's report on lawbreaking associated with serial *soirées* at No 10 Downing Street was 'grotesque'. Norman complained that the policies and practices of Johnson's government were 'at odds with a decent, proper conservatism: with effective teamwork, careful reform, a sense of integrity, respect for the rule of law and a long-term focus on the public good'.

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A third faction contains the remnants of the 'soft'-Brexit advocates. One of their prominent members, on the eve of the vote, called openly for a return to the European single market — probably tipping some rebels back to Johnson.

Because none of these groups can command a majority, nor outline any kind of common prospectus, Johnson remains in office. But Norman's letter summed up the indictment:

'The Government seems to lack a sense of mission. It has a large majority, but no long-term plan. Rather, you are simply seeking to campaign, to keep changing the subject and to create political and cultural dividing lines mainly for your advantage, at a time when the economy is struggling, inflation is soaring and growth is anaemic at best.'

Unfulfilled promises

The day after the vote, the Organisation for Economic Co-operation and Development confirmed that it expected the United Kingdom economy to flatline next year.

That is Johnson's problem. The UK economy is suffering the cumulative effects of Brexit — trade disruption, shortages of labour and commodities, inflation at 9 per cent and rising — amid economic stagnation.

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Long queues at European airports for travellers returning to the UK are becoming the visual symbol of the malaise. Meanwhile airport chaos at home, triggered by the absence of east-European and other migrant workers, tells the story nobody in the Conservative Party wants to hear: Brexit is failing. Far from solving the problems it was supposed to assuage — low growth, low wages, low skills — it has exacerbated them or, in the case of skills, exposed the structural flaws.

Britain constructed the most neoliberal economy in the advanced world, boosting gross domestic product by adding workers — much as Soviet managers used to when ordered to increase production. It voluntarily destroyed its industrial base under Margaret Thatcher in the 1980s and, even now, allows the finance sector to siphon off talented graduates in computing, mathematics, and the hard sciences.

Its transport and infrastructure remain substantially unmodernised. And even were the public investment made available, there are not enough skilled workers — since Thatcher's dismantling of a statutory sectoral training system, based on social partnership — to carry out the task.

In short, despite all Johnson's bluster, very little happens. His first two and a half years have been pledges and slogans.

He promised to 'level up' the depressed ex-industrial towns of northern England. But the most visible signifier of this is the erection of tall, speculative apartment blocks in big cities. He promised to make Britain a science-and-technology superpower — but had to intervene last month simply to prevent its last major silicon-wafer fabricator falling into Chinese ownership. And though Johnson and his ministers are always ready to pose as the saviours of Ukraine, the Ajax programme — a critical plan to modernise the army's reconnaissance regiments with 21st-century kit—has spent £5 bn over 12 years without a single vehicle being put into service, due to technical defects causing health issues among soldiers.

A crisis of British Conservatism

At the root of all this is a void in the political philosophy of modern Conservatism. Its instinct is to prefer the small state; slow, cautious and prudential change; leaving the market and 'organic society' to achieve progress, while refusing to specify any 'utopian' goal. In practice, the Conservatives have created a fiscally bloated state — amassing $2 trillion in debt, the response to all crises being to throw money at the problem.

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The chancellor, Rishi Sunak, responded to the rising cost of living with a £10 bn tax giveaway in March and a further £15 bn show of largesse in May. It's like putting petrol into a broken-down car and revving the engine. Eventually there's no more room in the tank and while the engine's smoking the car's not moving. This is precisely where the UK economy has ended up, less than two years into Brexit.

Meanwhile financial markets are beginning to quantify the dysfunction. Sterling has fallen 13 per cent against the dollar over the past 12 months. And though all central banks are being forced to raise interest rates amid slowing growth, the Bank of America strategist Kamal Sharma noted:

'The challenges facing the B[ank] o[f] E[ngland] are unique along with a supply dynamic that it remains wholly unwilling to discuss: Brexit. This has resulted in a confusing communication strategy: hiking rates against a sharply slowing economy is never a good look for any currency.'

The refusal to confront the problems Brexit has created for trade and sterling and the determination to go on throwing fiscal firepower at short-term remedies led Sharma to warn that sterling was becoming seen as a currency with 'emerging market characteristics'.

With the pandemic, the energy crisis, and the dawning realisation that climate chaos is looming, governments all over the world have taken on a new public purpose. And while all forms of conservatism have struggled to adapt, British Conservatism could have been in the lead.

Boris Johnson is unravelling

Johnson, instinctively, is a big-state *dirigiste*. But he has struggled to make the machinery of state and the anaemic market economy work effectively to deliver results — in part because he rejects the very institutions that make this happen in the European Union's successful economies: social-partnership bodies, industrial planning on regional and national scales, state incentives to invest.

Even on electric vehicles, where Johnson trumpeted the creation of 'gigafactories' to produce battery packs, investment in auto-assembly is flowing into continental Europe, where Britain cannot compete with the €6 bn of subsidies promised to kickstart the industry.

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To be a *dirigiste* who can't do *dirigisme* is bad. To be so alongside a continental scale-economy whose institutions are geared up for *dirigisme* is doubly bad. To cut yourself off from that continent without any feasible plan is triple bad news.

This, ultimately is what will lead to Johnson's ejection. Voters are beginning to see — beneath the bluster and the clowning — an abundance of drift and an absence of mastery.

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