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Johnsonomics

British industrial policy (and beyond) from Brown to Boris

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Table of Contents

Introduction and background 4

PART 1: British industrial policy

a. The emergence of post-crisis industrial policy 5

b. The coalition years 6

c. Theresa May's agenda 7

PART 2: The Johnson government

a. Viva Britannia 11

b. Sajid Javid and the Treasury view 14

c. Johnsonomics? 15

Conclusions and connotations 19

Further reading 21

Introduction and background

At the time of writing, Boris Johnson is the Prime Minister of the UK. While he is likely to face a general election sooner rather than later, he is also likely to retain the premiership at the next election. Beyond Brexit, what does he want to do with it? This paper situates Johnson's domestic economic policy agenda in the context of the shift in British economic statecraft since the financial crisis towards the development of substantive industrial policies. It considers specifically what might change as a result of the switch from Theresa May to Boris Johnson, and what might – despite the rhetoric of radical departure – stay more or less the same.

In the UK over the last ten years, industrial policy has gone from being seen as an embarrassing relic of the 1970s to a central plank of any self-respecting economic policy agenda. A key turning point came with the onset of the financial crisis, and the belated realisation that long-standing British economic weaknesses – the trade deficit in goods, low levels of R&D investment, the paucity of financing options for small business, etc. – could no longer be sustained. No longer could the service sector – particularly the financial services sector – in London and the South East be relied upon to paper over the deep cracks in the UK's economic model. In its dying days, the New Labour government began to acknowledge past failures more openly, and the need for government to take a more active role in helping specific industries to develop and prosper.

While in some respects the coalition government that followed it represented a reversion to Thatcherite type – notably in its fiscal policy agenda – it nevertheless built on aspects of the Brown government's approach, with particular emphasis placed on support for advanced manufacturing following Chancellor George Osborne's promise of 'a Britain held aloft by the march of the makers'.[1] After a (relatively) brief interlude under the Cameron majority government, an 'industrial strategy' became prominent following the result of the EU referendum and Theresa May's elevation to the premiership, with a new Department for Business, Energy and Industrial Strategy being established and a comprehensive plan published in the form of the government's 2017 white paper.[2]

This paper is divided into two parts. The first gives a more detailed account of the rise of industrial policy in Britain in the post-crisis years, showing the threads of continuity which tie different phases together, while also drawing attention to changes and discontinuities. The

[1] George Osborne (2011) '2011 Budget: Britain open for business', 23 March. Available at: https://www.gov.uk/government/news/2011-budget-britain-open-for-business (accessed 5 September 2019).
[2] HM Government (2017) *Industrial Strategy: Building a Britain Fit for the Future*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf (accessed 20 August 2019).

second part looks to the new administration of Boris Johnson and asks what it may hold for industrial policy. By looking and Johnson's pronouncements and record as Mayor of London, as well as the ministerial team he has assembled around him, it is possible to find clues as to what we might be able to expect from his government.

PART 1: BRITISH INDUSTRIAL POLICY

a) The emergence of post-crisis industrial policy

New Labour industrial policy in the pre-crisis years took a largely regional form, embodied in the nine Regional Development Agencies (RDAs) established in England in 1999 and 2000.[3] The essential aim of the RDAs was 'to co-ordinate regional economic development and regeneration, enable the English regions to improve their relative competitiveness and reduce the imbalances that exist within and between the regions.'[4] But although relatively well-funded, the RDAs lacked substantive powers, and were essentially defensive in orientation, geared more towards the mitigation of deindustrialisation in disadvantaged regions than taking a genuinely strategic approach to economic development. Aside from the RDAs, other notable pre-crisis policies included the setting up of the Technology Strategy Board in 2007, which helped channel venture capital investment into the development of innovative products.

At a time of economic growth and optimism, however, the Blair governments did relatively little to try and seriously reverse the long-term decline of British industry, or, more specifically, of British *manufacturing*. This was, after all, the era in which the future seemed to belong to a new, immaterial 'knowledge economy', and when the financial services sector still appeared to many people—including many people at the top of government—to resemble the goose that laid the golden egg. When the global financial crisis (GFC) and recession eventually hit, the manufacturing sector suffered disproportionately, however the impact can hardly be described as a shock given UK manufacturing's protracted decline (which arguably started in the closing decades of the nineteenth century, as serious competitors like the USA and Germany started to emerge). 300,000 manufacturing jobs were lost in the UK in the five years following the recession, but this actually represented a *slower* rate of job losses than that experienced in the pre-crisis years.[5]

In those fevered days of crisis that began to unfold in the late summer of 2007, no one could be sure when and how things would end, as long-standing assumptions and theories were swept

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[3] House of Commons Library (2002) *Regional Development Agencies (RDAs)*, House of Commons Library Research Paper 02/50. Available at: https://researchbriefings.files.parliament.uk/documents/RP02-50/RP02-50.pdf (accessed 14 August 2019).
[4] Ibid.
[5] Craig Berry (2016) 'Industrial policy change in the post-crisis British economy: Policy innovation in an incomplete institutional and ideational environment', *British Journal of Politics and International Relations*, 18(4), 829-847.

aside by events, and sacred cows were sacrificed on the altar of economic survival. Alongside the headline-grabbing bank bailouts and nationalisations, change was also evident in the Labour government's broader strategic approach to business and the economy. In 2008, the Department for Business, Innovation and Skills (BIS) was established and placed under the command of Peter Mandelson, who had been invited back into government by Gordon Brown to help steady the tiller at a time of national emergency. The following year, BIS published a green paper, *New Industry, New Jobs*, which identified two key flaws in British industry: low R&D spending and a lack of success translating scientific expertise into commercial products. But while the paper backed a more 'strategic' approach, it also evinced continuing New Labour wariness about being seen to back Old Labour methods, and said relatively little about manufacturing beyond funding for new advanced manufacturing research centres.

b) The coalition years

The Conservative-Liberal Democrat coalition came to power in May 2010 on the back of an explicit repudiation of New Labour's economic policy, pinning the blame for the crisis squarely on their predecessors in office. A crisis of private sector debt and financial malfeasance was deftly spun into a crisis of state profligacy in order to justify the coming austerity. While critics pointed to the shortcomings of the neoliberal paradigm which had dominated Anglo-American political economy for the past thirty years, coalition policy in many ways represented a 'doubling down' on neoliberalism, with severe spending cuts and welfare restrictions imposed alongside a raft of new privatisations. That said, what also emerged in the early years of the coalition was a decidedly frank appraisal of British industrial decline, and some tentative signs of a more interventionist industrial strategy. Vince Cable (admired by many as one of the few people to have 'seen the crisis coming') was selected to head-up BIS, while Chancellor George Osborne talked about 'rebalancing' the economy away from financial services and back towards manufacturing, memorably invoking the image of 'a Britain carried aloft by the march of the makers'.

The coalition's *Plan for Growth* – signed by both Cable and Osborne – made much of the need to support advanced manufacturing, a priority which was matched by the creation of the Advanced Manufacturing Supply Chain Initiative and the establishment of a network of 'catapult' centres, where private companies and universities could collaborate on R&D with access to public funding. In addition, the coalition expanded tax allowances relating to capital investment – largely to the benefit of manufacturers. An important plank of the coalition's industrial policy was improving access to finance, though this was rolled-out on a horizontal basis, supporting small and medium-sized enterprises (SMEs) in general rather than manufacturers in particular. Efforts were also made to focus government procurement on SMEs. Funding schemes involved loan guarantees to the tune of around £2 billion, the Bank of England's Funding for Lending Scheme (criticised for subsidising mortgages rather than productive activity), and the new British Business Bank (though this only had funds of approximately £1.5 billion). In addition to these policies, some additional funding was made available for apprenticeships and new enterprise zones were established, providing tax and

planning incentives and superfast broadband to try to persuade companies to move to them.[6] There were also signs, however, of a vertical or sectoral approach, with the coalition publishing a series of sector strategies from 2013 focusing on 11 key sectors, including manufacturing or manufacturing-related industries – aerospace, automotives, life sciences, nuclear, offshore wind – and others, including agricultural technologies, construction, information economy, international education, oil and gas, professional and business services.

At the regional level, the coalition abolished New Labour's RDAs as soon as they took office, replacing them with Local Enterprise Partnerships (LEPs)—looser networks of local civic and business leaders, broadly organised along a city-regional basis, with relatively little money to spend and few powers to leverage private investment. Launched alongside the LEPs in 2010 was the Regional Growth Fund, explicitly aimed at easing the transition to private sector-led growth in areas particularly hard hit by the coalition's public spending cuts.[7] The Fund offered seed investments to projects able to attract private investment, and distributed over £3 billion during its lifetime (it was announced in October 2016 that there would be no further rounds of the scheme).[8]

The coalition decided to push on with plans for devolution to English 'city-regions', with the first devolution deal announced between the government and Greater Manchester Combined Authority that November.[9] In that deal and subsequent deals, the GMCA was granted powers in areas including transport, housing, further education and health and social care. The Manchester deal was the central component of Osborne's stated vision of a new 'Northern Powerhouse' to rival London and the South East.[10] In general, local authorities and LEPs were offered opportunities to compete for an array of 'new' funds, largely via a deal-based negotiating framework managed by the Treasury. This funding was inadequate, in relation to the local government cuts resulting from austerity – and in many cases enabled new forms of central control over local policies to support economic development.[11]

c) Theresa May's agenda

By 2014, it was clear that Osborne was leaving the idea of an activist industrial policy behind, and the Conservative election victory the following year seemed to complete the shift. The new government's productivity plan, *Fixing the Foundations*, was published solely by the Treasury,

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[6] Ibid., 9.
[7] House of Commons Library (2016) *Regional Growth Fund*, House of Commons Library Briefing paper no. CBP5874. Available at: https://researchbriefings.files.parliament.uk/documents/SN05874/SN05874.pdf (accessed 15 August 2019).
[8] Ibid.; see also Berry (2016) 'Industrial policy change…'.
[9] House of Commons Library (2019) *Devolution to Local Government in England*, House of Commons Library Briefing paper no. 07029. Available at: https://researchbriefings.files.parliament.uk/documents/SN07029/SN07029.pdf.
[10] HM Treasury (2014) 'Chancellor: 'We need a Northern powerhouse'' [speech by Chancellor of the Exchequer]. Available at: https://www.gov.uk/government/speeches/chancellor-we-need-a-northern-powerhouse (accessed 15 August 2019).
[11] Craig Berry (2019) 'From receding to reseeding: industrial policy, governance strategies and neoliberal resilience', *New Political Economy*, advance online publication.

with BIS sidelined. The appointment of the self-proclaimed Ayn Rand devotee, Sajid Javid, as the new Business Secretary, arguably sent its own message about the government's direction of travel.[12] *Fixing the Foundations* made not a single reference to manufacturing and spoke only loosely about the drivers of productivity as 'long term investment' and 'a dynamic economy'.[13] This document did, however, endorse the rolling-out of George Osborne's devolution agenda, with more city-region combined authorities to be set up. Shortly after the Conservatives' election victory, Osborne announced his plans for further devolution, stating that, while he would 'not impose this model on anyone', in return for greater powers, new city-regions had to be willing to elect mayors to work with existing local councils.[14]

Yet the path back to Thatcherism was soon curtailed, by the 2016 referendum on EU membership. Theresa May became Prime Minister in the aftermath of the Brexit vote, immediately promising to revive industrial policy as part of building 'an economy that works for everyone'. This was based, in part, in her diagnosis of the Leave victory as a result of geographical inequality across England – but she had also strongly supported the Cable-led coalition agenda during her time as Home Secretary. Speaking in 2013 at a Conservative Home conference, May talked about the need to 'expand our nascent industrial strategy', focusing on 'developing industries that are of strategic value to our economy', identifying training and skills shortages, helping geographical 'clusters' to grow, changing the approach to public procurement, and pursuing 'a relentless campaign to support entrepreneurs and wealth creators'.[15]

It seemed at first that the May government's shift on economic policy might encompass an agenda wider than conventional industrial policy. An early theme of May's, during the relatively undemanding Conservative leadership contest of 2016, was the reform of corporate governance. In a speech that July, she talked about her plans to put workers on company boards; a policy applauded by many across the political spectrum at the time, which was then subsequently dropped when May assumed office.[16] In that same speech, she also hinted that she would do more in future to stop foreign takeovers of strategically important British companies, citing Pfizer's bid to acquire AstraZeneca. As with workers on boards, however, May again failed to deliver in this regard, waving through the takeover of British micro-chip producer ARM by the Japanese company SoftBank shortly after she became Prime Minister.

That speech, launching her national campaign to become Conservative Party leader, was delivered in Birmingham—a clear nod to Joseph Chamberlain, who was also mentioned by

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[12] Fraser Nelson (2017) 'The Ayn Rand scene Sajid Javid reads every year', *The Spectator*. Available at: https://www.spectator.co.uk/2017/02/the-ayn-rand-scene-sajid-javid-reads-every-year/ (accessed 16 August 2019).
[13] Berry (2016) 'Industrial policy change…'.
[14] House of Commons Library (2019) *Devolution to Local Government in England*.
[15] Theresa May (2013) 'We will win by being the party for all' [speech]. Available at: https://www.conservativehome.com/platform/2016/07/full-text-of-theresa-mays-speech-we-will-win-by-being-the-party-for-all.html.
[16] Theresa May (2016) 'We can make Britain a country that works for everyone' [speech]. Available at: https://press.conservatives.com/post/147947450370/we-can-make-britain-a-country-that-works-for (accessed 19 August 2019); see also Larry Elliot (2018) 'Theresa May misses a trick after U-turn over workers on boards', *The Guardian*. Available at: https://www.theguardian.com/business/2018/jun/10/theresa-may-misses-a-trick-after-u-turn-over-workers-on-boards (accessed 19 August 2019).

name in the speech. Chamberlain has been cited as an important influence on May, and certainly on one of her closest advisors (close, that was, until the general election catastrophe of June 2017), Nick Timothy, who wrote a book about him.[17] In the pantheon of Conservative heroes, Chamberlain sits somewhat uncomfortably: a decidedly interventionist figure, associated most famously with 'municipal socialism' as Mayor of Birmingham in the 1870s and the tariff reform movement at the turn of the twentieth century. As May commented in her speech: 'This is a different kind of Conservatism, I know. It marks a break with the past.'[18]

While Theresa May failed to deliver on a number of early promises, her call for a 'proper industrial strategy to get the whole economy firing' did bear some fruit.[19] Shortly after taking office as Prime Minister, she merged BIS and the Department for Energy and Climate Change to form the Department for Business, Energy and Industrial Strategy (BEIS). The inclusion of 'industrial strategy' in the very *name* of the department arguably marked the full rehabilitation of a term which had become a rhetorical pariah for most politicians since the 1970s, and in November 2017, the government published its long-awaited industrial strategy white paper, setting out in detail its plans for economic renewal.[20] The plan identified four 'grand challenges', towards which the industrial strategy is geared: artificial intelligence (AI) and big data; clean growth; the future of mobility; and meeting the needs of an ageing society. As the strategy makes clear, these areas present both problems to be addressed, and opportunities for wealth and job creation.

The white paper enumerates a wide range of policies and funding streams; however, a core of flagship pledges stands out. Firstly, the document promises to raise total R&D investment to 2.4 per cent of GDP by 2027, to increase the rate of R&D tax credit to 12 per cent, and to invest £725 million in the recently-unveiled Industrial Strategy Challenge Fund (ISCF) 'to capture the value of innovation'. Secondly, it declares the May government's aim to create a technical education system 'that rivals the best in the world', announces an additional £406 million for maths, digital and technical education, and the creation of a new National Retraining Scheme, beginning with a £64 million pound investment in digital and construction training. On 'infrastructure', thirdly, a promise is made to increase the National Productivity Investment Fund to £31 billion, including £400 million for new charging infrastructure for electric vehicles and £100 million to extend the plug-in car grant. An extra £1 billion of public investment for digital infrastructure is also announced, including money for 5G internet and full-fibre networks.

The white paper also heralded the launch of new 'sector deals' – an example of a more vertical approach which will see the government working more closely with key sectors that have been

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[17] Lewis Goodall (2016) 'Who was Theresa May's political hero Joseph Chamberlain?', BBC news website. Available at: https://www.bbc.co.uk/news/uk-politics-37053114 (accessed 19 August 2019); Nick Timothy (2012) 'Our Joe: It is time for the Conservative Party to remember its historical debt to Radical Joe Chamberlain'. Available at: https://www.conservativehome.com/platform/2012/12/nick-timothy-our-joe.html, accessed 23 August 2019.
[18] May (2016) 'We can make Britain a country that works for everyone'.
[19] Ibid.
[20] HM Government (2017) *Building a Britain Fit for the Future*. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf (accessed 6 September 2019).

identified as strategically important. There is also a pledge to 'drive over £20 billion investment in innovative and high-potential businesses', including establishing a new £2.5 billion investment fund to be incubated by the British Business Bank. Finally, the document announces the development of local industrial strategies for particular areas, and the creation of a new Transforming Cities Fund, with £1.7 billion to improve, for instance, intra-city transport.

While the white paper was heralded as a bold statement of intent – and one that, at least implicitly, seemed to acknowledge the scale of the challenges facing the UK economy post-Brexit – to what extent did it represent a genuinely new departure? A case can be made, for example, that the sector deals actually represent an evolutionary development of vertical policies pioneered by New Labour and the coalition, such as sector skills councils, and tax relief for the pharmaceuticals industry. The sector deals have also been criticised for giving too much power to large, incumbent firms at the expense of smaller, disruptive start-ups. Moreover, in terms of institutional 'ownership' of the agenda, despite the creation of BEIS, it was clear that the true locus of power remained within the Treasury. For one thing, the Treasury retained overall control of productivity policy, with the previous administration's productivity plan, *Fixing the Foundations*, remarkably remaining in force.

More generally, the strategy has been criticised for its lack of radicalism. While May promised a 'different kind of Conservatism' back in 2016, it can be argued that her plan, while masquerading as a more activist approach, actually carried within it many of the neoliberal assumptions that have underpinned British political economy for the last forty years. The May government offered few, if any, thoughts on under-investment by large British companies, and the finance sector practices associated with this problem. On local economic development, the continued reliance in the strategy on the coalition-created LEPs shows an ongoing desire to privilege private over public sector actors, and to give them a considerable role in local governance. And despite the announcement of new local industrial strategies in the white paper, in reality these were envisaged as little more than coordination mechanisms for local authorities, with no new powers or funding to be granted from central government.

PART 2: THE JOHNSON GOVERNMENT

It was her lack of success in securing EU withdrawal, rather than her industrial strategy agenda, which cost Theresa May the premiership. That said, the May government's commitment to industrial policy at least partly explains its approach to Brexit. May understood that manufacturing supply chains depend acutely on an open trading relationship with the continent – hence her fixation on securing a withdrawal deal, and indeed the privileging of trade in goods evident in her ill-fated Chequers plan. Of course, May's 'red line' on ending free movement of labour prohibited an approach whereby Britain would stay in the single market while departing the EU's political institutions. Yet her desire to nevertheless commit to the closest possible economic relationship with the EU helps to explain why the 'backstop' was created as an alternative to single market membership (and her insistence that it apply UK-wide, not simply

to Northern Ireland) in the event that a trade deal had not been agreed by the end of the transitional period.

May's approach was therefore perfectly explicable, but rather messy. Boris Johnson's promise of a cleaner Brexit – departing without a withdrawal agreement if necessary (which would severely jeopardise any prospect of a future UK-EU trade agreement) – underpinned his appeal to Conservative Party members during the recent leadership election. The irony, however, is that Brexit only *increases* the need for a wholesale reconsideration of economic statecraft, since it will, even in a best-case scenario, undermine one of the key planks of the growth model embodied by the British economy since the 1970s. So it is worthwhile trying to look for clues about where the new administration sits in relation to the industrial policy agenda it has inherited. We can do this by looking firstly at the ministerial team Johnson has assembled, and ask whether the key figures are likely to support a more activist industrial policy in the years ahead (should the government continue in office). We then consider Johnson's own approach to industrial policy, and related issues, as evidenced primarily by his record in office, notably as London Mayor between 2008 and 2016.

a) Viva Britannia

In terms of the team that Johnson has assembled around himself, much has been made of the 'old band' from the Vote Leave campaign (principally Michael Gove at the Cabinet Office and Dominic Cummings at 10 Downing Street, alongside the Prime Minister) getting back together. However, there is another outfit which also seems to be enjoying something of a revival within the Johnson government, that is, the authors of the 2012 polemic *Britannia Unchained*: Kwasi Kwarteng, Priti Patel, Dominic Raab, Chris Skidmore and Liz Truss. With the exception of Skidmore, who was appointed Minister of State for Health by Johnson, all of these figures now attend cabinet, with two of them – Priti Patel and Dominic Raab – holding 'great offices of state' as Home and Foreign Secretary, respectively. In an interview last year, Patel stated boldly: 'I'm a massive Thatcherite and I apologise to no one for that.'[21] *Britannia Unchained* offered a similarly unapologetic free market vision of a buccaneering, entrepreneurial Britain, and was resolutely 'unembarrassed about its support for business, the profit motive and the individual drive of the wealth creator.'[22] Amongst the book's many controversial claims was its condemnation of the British as 'among the worst idlers in the world.'[23]

Clearly, it is hard to reconcile this agenda with conventional industrial policy – given the latter's emphasis on state intervention in the economy, and the underlying suggestion that productivity problems result from failures of innovation and technological adoption, rather than workers' sloth. Before *Britannia Unchained*, and its authors, are discussed in more depth, it is

[21]Sebastian Whale, 'Priti Patel: The Conservative Party is retreating from the battle of ideas', *The House*, 1 June 2018. Available at: https://www.politicshome.com/news/uk/political-parties/conservative-party/house/95635/priti-patel-conservative-party-retreating (accessed 5 September 2019).
[22] Kwasi Kwarteng, Priti Patel, Dominic Raab, Chris Skidmore and Elizabeth Truss (2012) *Britannia Unchained: Global Lessons for Growth and Prosperity* (Houndmills and New York: Palgrave Macmillan), 4.
[23] Ibid., 61.

worth noting the fate that has befallen those responsible for May's industrial strategy. Tellingly, none of the key ministers survived the transition from May to Johnson – with the partial exception of Boris' brother Jo. The younger Johnson actually *returned* to the role he held during the development of May's industrial strategy – science and universities minister, attending cabinet – when his older brother took charge. However, he resigned as both minister and MP after barely a month, following Johnson's 'purge' of MPs who had voted in Parliament in favour of thwarting a no-deal Brexit. True to form, in the reshuffle following Jo Johnson's resignation – and that of Work and Pensions Secretary, Amber Rudd – Chris Skidmore was appointed as his replacement at BEIS.

Greg Clark and Richard Harrington were both victims of the purge. The former had been May's Business Secretary, and the latter had served under Clark as industrial strategy minister (although had already resigned, in order to support a 'softer' approach to Brexit than May, before Johnson was elected). Claire O'Neill had been replaced by Kwasi Kwarteng as energy minister (also attending cabinet) when Johnson became leader – and decided to stand down as an MP on the day after Jo Johnson's resignation. Clark was replaced at the top of BEIS by Andrea Leadsom; not part of the *Britannia Unchained* group, but also not known for her interventionist credentials on the economy. Leadsom is a supporter of 'hard Brexit', and a former City executive. During the 2016 Conservative Party leadership campaign, when she stood against May, her only substantive claim related to industrial policy was that Brexit's impact on the value of sterling was positive insofar as it would make manufacturing exports more competitive.[24]

Indeed, given the prominence of the Tory hard-right in Boris Johnson's new cabinet, it is perhaps surprising that BEIS has survived at all; surely any incoming Thatcherite administration would be quick to dissolve such an embarrassing monument to state overreach? However, as Patrick Maguire wrote recently in the *New Statesman*, BEIS's survival 'is most likely a sign that this administration is not intended to be long for this world: with an election looming, there is simply not enough time for a sweeping – or even modest – reorganisation of Whitehall.' Liz Truss is said to be particularly keen on the idea of BEIS being reined in.[25]

Britannia Unchained stands in the long tradition of right-wing 'declinist' perspectives within British politics. In the 1970s, so the authors argue, Britain was on its knees, mired in 'industrial chaos'. It was only thanks to the pro-market reforms of Mrs. Thatcher that the country was able to get up off its knees and start competing again in the world economy. In more recent decades, however, not only have we witnessed the rise of highly successful 'new' economies in other parts of the world – notably Asia and South America – but we have seen the state growing beyond sensible limits here in the UK. The authors argue that an increasing debt burden, a massive welfare bill and a stifling regulatory culture were all serving to blunt Britain's competitive edge in an increasingly cut-throat world. In the wake of the financial crisis, there was a sense that Britain was once again on-the-ropes and falling behind other nations.

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[24] See https://www.theguardian.com/politics/reality-check/2016/jul/07/reality-check-andrea-leadsom-economic-vision (accessed 6 September 2019).

[25] Patrick Maguire (2019) 'Cabinet audit: What does Andrea Leadsom as Business Secretary mean for policy?', *New Statesman*. Available at: https://www.newstatesman.com/politics/uk/2019/07/cabinet-audit-what-does-andrea-leadsom-business-secretary-mean-policy (accessed 23 August 2019).

Who, or what, was to blame for the malaise described in *Britannia Unchained*? Some of the enemies identified are obvious and expected – the Labour Party and the unions, for example – but at its core the book is really a moral and cultural critique of modern Britain: apparently, people have grown lazy and cossetted, and a sense of entitlement now prevails in the country. As noted above, economic problems such as Britain's low productivity are viewed not as structural issues, but as questions of individual effort and diligence (or, rather, the lack of it). Solutions are to be found (unsurprisingly) on the supply side: the focus should be on making it easier for firms to hire workers, and easing the tax burden. In a not-so-subtle swipe at the then Chancellor George Osborne, the authors argue that debates about the economic balance between manufacturing and services, or even between the North and the South, are 'irrelevant'.[26] While there is some recognition of the more commonly diagnosed pathologies of the British economy, such as the need for scientific discoveries to be translated into industrial activity more effectively, they do not countenance the state taking a more active role in solving such problems:

> For much of the postwar era, there has been a damaging belief that economic growth is not really determined by effort. Other factors are regarded as more important: the structure of corporations or the way the money supply is operated. The draining of effort from our psyche has been replaced by a sense of entitlement. It has also led to a false belief in the value of industrial policy. Britain could avoid decline if only it could discover the 'magic formula' that leads other countries to success.'[27]

As Dominic Raab pronounces in the first of his six 'core convictions' (the title of a page on his personal website): 'I want lower taxes and less red tape'.[28] During his own attempt to become Conservative Party leader in 2019, he defined his economic policy agenda as 'competition-driven consumerism':

> If we are buccaneering free traders abroad, we must be relentlessly pro-competition at home, taking on the home-grown vested interests that weren't caused by Brussels, but which echoed around the debate on Brexit. Jeremy Corbyn and John McDonnell offer a deeply damaging and counter-productive economic policy agenda, of nationalisation, higher taxes and wider state intervention… I believe the Conservative answer should not be the big clunking fist of state intervention, but a robust and rigorous pro-competition approach to preserve a genuinely free market.[29]

Interestingly, *Britannia Unchained* says relatively little about the EU, although many of the criticisms the authors level at Britain are levelled at other EU countries too – the allegedly poor European work ethic is a particular target – and a salvo is fired at Europe's 'out-of-date social democratic model'.[30] Three of the MPs involved (Kwarteng, Patel and Raab) voted Leave, while the other two (Truss and Skidmore) have converted to the Brexit cause since the

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[26] Kwarteng *et al*. (2012) *Britannia Unchained*, 2-3.
[27] Ibid., 11.
[28] See https://dominicraab.com/convictions/ (accessed 6 September 2019).
[29] See https://mailchi.mp/cps/dominic-raab-speaks-at-centre-for-policy-studies?e=efe755544e (accessed 6 September 2019).
[30] Kwarteng *et al*. (2012) *Britannia Unchained*, 65-66 and 112.

referendum.[31] In no way is the book a jingoistic paean to the inherent superiority of British enterprise; in many ways, it is the exact opposite. It is a warning that the UK is being overtaken in key areas by countries such as South Korea and Brazil, and that it needs to learn lessons from overseas if it is to remain competitive. However, the sentiment of imperial nostalgia is embedded in the very title of the book, and emerges occasionally in the text: 'Britain once ruled the Empire on which the sun never set. Now it can barely keep England and Scotland together.'[32] The outlines of the ultra-neoliberal, post-Brexit 'Global Britain' perspective were clearly in evidence.

b) Sajid Javid and the Treasury view

The Saj warrants his own sub-section; in part because he was not part of *Britannia Unchained*, and in part because, as Chancellor of the Exchequer, he has the most influential economic policy brief within the Johnson government. Rising from humble origins (his father was a cotton mill worker and bus conductor), Javid became the first in his family to attend university before going on to a highly successful career in the financial sector, reportedly earning around £3 million a year as a managing director at Deutsche Bank.[33] As noted above, Javid is an admirer of the 'objectivist' philosopher Ayn Rand – a particular favourite of right-wing libertarians in the United States, especially the champions of finance sector deregulation – and apparently hung a portrait of Margaret Thatcher on his office wall as a junior Treasury minister in the coalition government.[34]

After the Conservative Party election victory in 2015, Sajid Javid took over from Vince Cable as Business Secretary. Within days of his appointment, Javid gave an indication of the new government's direction of travel when he proposed that strikes in essential public services should require a minimum of 40 per cent support amongst eligible union members.[35] He also cast doubt on his continued commitment to the coalition's industrial policy, subtly but pointedly changing referring to the new government's 'industrial approach' rather than

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[31] Agnes Chambre (2017) 'Liz Truss says she would now back Brexit', *PoliticsHome*, 11 October 2017. Available at: https://www.politicshome.com/news/uk/foreign-affairs/brexit/news/89727/liz-truss-says-she-would-now-back-brexit (accessed 4 September 2019); See also https://twitter.com/cskidmoreuk/status/1043412625642725377?lang=en (accessed 4 September 2019).
[32] Kwarteng *et al*. (2012) *Britannia Unchained*, 10.
[33] Kate Proctor (2018) 'Who is Sajid Javid? A brief biography of the new Home Secretary', *Evening Standard*, 30 April 2018. Available at: https://www.standard.co.uk/news/politics/who-is-sajid-javid-a-brief-biography-of-the-new-home-secretary-a3827096.html (accessed 5 September 2019); Robert Booth (2014) 'Sajid Javid's Wonderful Life—from investment banker to culture minister', *The Guardian*, 11 April 2014. Available at: https://www.theguardian.com/politics/2014/apr/11/sajid-javid-a-wonderful-life-banker-culture-minister (accessed 5 September 2019).
[34] Christopher Hope, Peter Dominiczak and Matthew Holehouse (2014) 'Sajid Javid: the millionaire bus conductor's son with a portrait of Margaret Thatcher on his wall', *The Telegraph*, 9 April 2014. Available at: https://www.telegraph.co.uk/news/politics/10755497/Sajid-Javid-the-millionaire-bus-conductors-son-with-a-portrait-of-Margaret-Thatcher-on-his-wall.html (accessed 5 September 2019).
[35] 'Sajid Javid: Significant changes to strike law', BBC News website, 12 May 2015. Available at: https://www.bbc.co.uk/news/business-32702585 (accessed 5 September 2019).

industrial policy or industrial strategy.[36] He was a signatory of *Fixing the Foundations*. Nevertheless, during the biggest crisis he faced during his time at BIS, as Tata steel threatened to sell its UK steel business, Javid revealed a degree of pragmatism and flexibility, promising a package of government support including a £1 billion loan and possible joint ownership.[37]

The most important implication of Javid's appointment as Chancellor is that it suggests a significant degree of continuity within the Treasury, which has generally always been averse to industrial policy. Under Philip Hammond – also a victim of the purge – the Treasury not only resisted BEIS's industrial policy agenda, but rather sought to appropriate some of its key aspects, under the auspices of its own leadership on productivity. It generally pursued its own vision for economic renewal under Hammond, preserving Osborne's post-2015 focus on deregulation and infrastructure investment, and adding his own particular interest in driverless cars (which featured heavily in the first round of the Industrial Strategy Challenge Fund, before BEIS wrestled control of the fund in 2018 and reorganised its priorities around the 'grand challenges'). Hammond placed less emphasis on devolution, but the Treasury retained ownership of the deal-based framework via which local areas could compete for regeneration financing.[38]

Javid's first 'fiscal event' as Chancellor – the 2019 interim spending review – offers some indication of how he may differ from his predecessor. Most significantly, he announced significant new spending increases on public services, chiefly health, social care, education and policing – adding around 0.5 per cent of GDP to public spending. Of course, even these increases do not reverse the impact of austerity on public services, as spending remains below the level when George Osborne left office. It is also worth noting that Hammond had also delivered a significant increase in spending in his final budget. Despite concern about Javid's commitment to industrial policy, the spending review confirmed the Johnson government would maintain the May government's target of increasing R&D expenditure (public and private) to 2.4 per cent of GDP. However, there were no new reforms or resources announced to support this objective directly. Similarly, Javid affirmed Britain's commitment to decarbonisation – but offered only rather derisory spending commitments in support.

c) Johnsonomics?

Any appraisal of the ideology of Boris Johnson must start from position that he does not really have one! His shapeshifting ability is typified by the fact that he, apparently, penned both pro-Remain and pro-Leave columns in advance of the EU referendum. In an article for *The Guardian* in 2008, a few months after Johnson had first been elected as Mayor of London, LSE academic and seasoned Boris-watcher Tony Travers described Johnson's new administration

[36] Elizabeth Rigby, 'Sajid Javid raises doubts over industrial policy', *Financial Times*, 1 July 2015. Available at: https://www.ft.com/content/eda7ebb6-1f44-11e5-aa5a-398b2169cf79 (accessed 5 September 2019).
[37] Sean Farrell, 'Steel industry crisis: Sajid Javid meets Tata chief in Mumbai', *The Guardian*, 8 July 2016. Available at: https://www.theguardian.com/business/2016/jul/08/steel-industry-crisis-sajid-javid-meets-tata-chief-in-mumbai (accessed 5 September 2019).
[38] Berry (2016) 'Industrial policy change…'; Berry (2019) 'From receding to reseeding…'.

as leaning towards the centre-left, with support for the London Living Wage and 'extolling a Keynesian boost to the capital's soon to be depressed economy'.[39] By the end of Johnson's first term, Travers had changed his mind.[40]

As a leading Leave campaigner, and later as Foreign Secretary, Johnson championed the Global Britain perspective which, as noted above, can be associated with *Britannia Unchained*. On economic policy, the key component of Global Britain is a commitment to liberalising trade, with countries beyond the EU.[41] In his first speech as Prime Minister, Johnson called for Britain 'to recover our natural and historic role as an enterprising, outward-looking and truly global Britain, generous in temper and engaged with the world.'[42] While May prioritised leaving the EU's single market, to curb immigration, Johnson *et al.* have prioritised leaving the EU's customs union, which prevents Britain agreeing free trade deals with third parties (they are of course sanguine about whether trade with the EU – overwhelmingly, Britain's most significant trade partner – will remain free after Brexit).

Liberalising trade policy does not preclude the development of a more interventionist approach to industrial policy. However, it is revealing that, unlike some 'Lexiters', the champions of Global Britain have not identified the EU's state aid rules (which, in theory, limit the scope for state intervention) as a rationale for Brexit. Furthermore, as evidenced by the prospective agreement between a post-Brexit Britain and the United States, contemporary trade deals between highly developed economies have little to do with traditional tariff-based barriers to cross-border trade. Instead, they encompass an attempt to secure, firstly, regulatory alignment (so that a country cannot discriminate against foreign firms by having higher regulatory standards than those enforced in their home economy), and secondly, the reform of public procurement (so that a country cannot favour domestic companies when allocating vast resources to public service delivery).[43] In this sense, Global Britain would undermine important aspects of a conventional industrial policy.

On the other hand, there are a handful of reasons to speculate that Johnson is not as wedded to the small-state, pro-market philosophy implied by his appointment of the *Britannia Unchained* fanatics. He was reported to have remarked 'f*ck business' in 2018 when asked about the opposition of leading business representatives to EU withdrawal.[44] And he has been strongly supportive of extra public spending on health, education and policing in recent years (as realised in the recent spending review). However, the 'f*ck business' remark was more an

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[39] Tony Travers, 'The Borisocracy is settling in—and leaning centre-left', *The Guardian*, 4 November 2008. Available at: https://www.theguardian.com/commentisfree/2008/nov/04/boris-london (accessed 3 September 2019).
[40] Sonia Rothwell, 'Boris Johnson: Classic Tory or political maverick?', *4 News* [website], 9 October 2012. Available at: https://www.channel4.com/news/borish-johnson-classic-tory-or-political-maverick (accessed 3 September 2019).
[41] See https://www.telegraph.co.uk/politics/2018/07/15/rest-world-believes-britain-time-did/ (accessed 7 September 2019).
[42] See https://www.gov.uk/government/speeches/boris-johnsons-first-speech-as-prime-minister-24-july-2019 (accessed 5 September 2019).
[43] Matthew L. Bishop (2018) 'Balancing a post-Brexit trade and industrial policy', in Craig Berry (ed) *What We Really Mean When We Talk About Industrial Strategy* (MMU/British Academy).
[44] *The Economist* (2019) 'Prime Minister Boris Johnson fulfils his dream', 23 July 2019. Available at: https://www.economist.com/britain/2019/07/23/prime-minister-boris-johnson-fulfils-his-dream (accessed 23 August 2019).

indication of the way in which delivering Brexit has come to displace all other priorities for Johnson, rather than a sign of any real underlying hostility towards business. Moreover, as noted above, the significance of the additional spending should not be over-stated; it almost certainly results from a political calculation regarding the public's weariness of austerity, and a desire to be construct a 'tough' image on crime. Nevertheless, if the conclusion here that Johnson is driven by political considerations (primarily, his own career) rather than an ideological agenda is correct (that is, to a greater extent than applies to the majority of politicians), it adds weight to the notion that his alliance with the *Britannia Unchained* brigade is largely an instrumental one.

The policy agenda which seems to have been a consistent element of Johnsonomics is support for large infrastructure projects (particularly transport infrastructure). Johnson's penchant for *grands projets* stands out from his time at City Hall. There was huge investment in London's transport network over his two terms in office (albeit benefiting from the enormous level of funding London has received from central government in this regard), which led, *inter alia*, to the completion of Crossrail and an upgraded cycle network.

There is little evidence he is concerned about the costs attached to such projects. The 'Boris Bike' cycle hire scheme, which was originally intended to be of no cost to the taxpayer, had actually cost around £225 million towards the end of his second term as mayor, while tens of millions were also spent on an unpopular cable car across the Thames and the ill-fated 'garden bridge' scheme. A feasibility study into a new airport in the Medway (the fabled 'Boris island') reportedly cost £5.2 million.[45] Writing in a 2016 report published jointly by the 'liberal conservative' think-tank Bright Blue and Localis, Johnson nevertheless trumpeted the infrastructure projects he had overseen during his time as Mayor and argued that London should press on with further developments, including, 'a 24-hour four-runway hub airport that will knock spots off our continental rivals…[which] all reason dictates…should be situated to the east of the city, probably in the Estuary.'[46]

The new Prime Minister certainly seems to have carried this proclivity with him into Downing Street. Not for Boris the somewhat staid and starchy Joseph Chamberlain; in his first 'People's PMQs' in August, Johnson named Pericles of Athens as his political hero (alongside Winston Churchill), citing his enthusiasm for 'great infrastructure projects'.[47] More substantively, in his first few days in the top job, Johnson announced plans for a new high-speed rail route between Leeds and Manchester (HS3). It should be noted, however, that the announcement of the Leeds-Manchester high-speed rail link has since been followed by news of a review into HS2, which has cast the future of the controversial project into doubt.[48] At the same time, Johnson's appointment of Grant Shapps as Transport Secretary might also hint at a change of heart on

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[45] See https://www.london.gov.uk/mayor%E2%80%99s-2015-16-budget (accessed 23 August 2019).
[46] Boris Johnson (2016) 'Upwards, downwards and outwards' in Ryan Shorthouse and Liam Booth-Smith (eds.) (2016) *The Future of London*, Bright Blue and Localis. Available at: https://brightblue.org.uk/wp-content/uploads/2017/03/London2050.pdf (accessed 4 September 2019).
[47] Haroon Siddique (2019) 'Boris Johnson hosts live 'people's PMQs – as it happened', *The Guardian*, 14 August 2019. Available at: https://www.theguardian.com/politics/live/2019/aug/14/boris-johnson-under-pressure-after-hammond-slams-no-deal-brexit-politics-live (accessed 23 August 2019).
[48] BBC News (2019) 'HS2: review to examine costs and benefits of rail project', 21 August 2019. Available at: https://www.bbc.co.uk/news/uk-politics-49420332 (accessed 23 August 2019).

Heathrow expansion. It would be highly surprising were Johnson, especially if he secures a parliamentary majority, to reverse the decision to expand Heathrow. And it is widely assumed that the HS2 review will result in little more than minor changes to existing plans.

The Johnson government's commitment to infrastructure is reflected in the agenda of key ministers. Most importantly, it is central to Sajid Javid's plans. 'The first priority of our new economic plan', said the new Chancellor, 'will be to rebuild our national infrastructure', as he unveiled £1.7 billion on new capital spending, £3.6 billion for the new Towns Fund, £200 million to upgrade bus services around the country, and the announcement of a new infrastructure strategy to report in the autumn.[49] Kwasi Kwarteng argued that infrastructure spending was the most important aspect of the May government's industrial strategy (while at the same time opposing the LSE Growth Commission's proposal for a public infrastructure bank).[50] And Liz Truss, in a March 2019 speech, even borrowed the concept of 'universal basic infrastructure' from the Industrial Strategy Commission (of which Craig Berry was a member), albeit without endorsing its radical connotations.[51]

It is primarily his commitment to infrastructure projects like HS3 that has allowed Johnson to reclaim the 'Northern Powerhouse' motif (popularised by Osborne towards the end of the coalition era). Johnson has also referred to the need to 'rebalance' power and prosperity across Britain's regions (albeit without specifying any new powers for local government). In his very first speech as Prime Minister, outside Downing Street, Johnson also promised to answer 'the plea of the forgotten people and the left-behind towns'.[52] This was a conscious echo of the language used by numerous politicians and commentators since the 2016 referendum, including Theresa May, acknowledging that the Leave vote was motivated, at least in part, by feelings of alienation and resentment which had been brewing for years in those parts of the country which had not felt the benefits of globalisation.

Again, however, there is little evidence that such rhetoric is motivated by anything other than political considerations, with Johnson hoping to neutralise the Brexit Party's apparent appeal in disadvantaged regions of Northern England. Analysis of the Towns Fund (noted above), for instance, suggests that the areas chosen for support in the first wave correlate very closely with target constituencies for the Conservative Party.[53] Furthermore, from a cynical perspective, we can see Johnson's entire agenda on infrastructure as connected to a desire for personal aggrandisement; in industrial policy terms, it is much easier for a Prime Minister to claim the

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[49] See https://www.gov.uk/government/speeches/spending-round-2019-sajid-javids-speech (accessed 5 September 2019).
[50] Kwasi Kwarteng (2018) 'Does the UK need its own infrastructure bank?'. Available at: https://blogs.lse.ac.uk/politicsandpolicy/kwasi-kwarteng-does-the-uk-need-its-own-infrastructure-bank/ (accessed 7 September 2019).
[51] See https://www.elizabethtruss.com/news/shape-state-my-speech-onward-uk (accessed 7 September 2019).
[52] See https://www.gov.uk/government/speeches/boris-johnsons-first-speech-as-prime-minister-24-july-2019 (accessed 5 September 2019).
[53] Jennifer Williams (2019) 'Boris Johnson has chosen the "left behind" towns he wants to help (and they include the marginal seat of Cheadle', *Manchester Evening News*, 6 September. Available at: https://www.manchestereveningnews.co.uk/news/greater-manchester-news/boris-johnson-accused-cynical-electioneering-16878783 (accessed 7 September 2019).

construction of a new bridge or airport or railway station, rather than a less visible uptick in R&D activity, as a personal triumph.

CONCLUSIONS AND CONNOTATIONS

A renewed focus on large infrastructure projects, applied in tandem with support for disadvantaged areas, means some aspects of May's – or at least the coalition's – approach to industrial policy could survive the transition to a Boris Johnson-led government. More generally, Johnson appears comfortable with increasing the fiscal footprint of the state, where doing so aligns with his political interests. Yet the conventional instruments of industrial policy in Britain (essentially, supporting R&D investment), as well as several other key cabinet posts, have been handed to the ultra-neoliberal *Britannia Unchained* group, longstanding sceptics such as Sajid Javid, and figures with no record in advocating industrial policy such as Andrea Leadsom. Will the complexion of his government change if Brexit is finally delivered, thus relieving his dependence on the Tory hard-right? Possibly.

There is little doubt that the most dynamic ideas for British industrial policy are being generated on the left, not the right.[54] There are some on the right thinking seriously about industrial policy, such as Sam Bowman and Stian Westlake, whose report *Reviving Economic Thinking on the Right* makes a series of sensible solutions regarding the operation of public support for innovation.[55] There is certainly some merit in their argument that the May government's grand challenges are too broad and vague, and should be replaced by narrower and technically demanding challenges at the operational level. At the same time – and somewhat remarkably – the report does not contain a single reference to climate change or decarbonisation, and makes only passing references to energy policy or specific efforts to support more innovation in renewable energy technologies. An industrial strategy must be marshalled around the major threats to prosperity and well-being. Silence on impending environmental catastrophe is also evident within Boris Johnson and *Britannia Unchained*'s discourse – presumably because acknowledging the nature of the threat of climate change to the economy would require far more radical action than the right is prepared to contemplate.

If it were possible to pin any ideological label on Boris Johnson, it would perhaps be most accurate to describe him as a neo-conservative, insofar as he advocates a strong central state (focused on defence and policing), and appears comfortable with deficit spending to fund the state apparatus (although the British state hardly enjoys the same macroeconomic policy autonomy as the United States, where neo-conservatism originates). Johnson's drift towards populism and authoritarianism in recent years – and sudden lurch, in recent days – also fits the mould. And neo-conservatives generally share with neoliberals a fixation on labour market deregulation and tax cuts.

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[54] See for example Laurie MacFarlane (2018) (ed) *New Thinking for the British Economy* (openDemocracy/Commonwealth). Available at: https://www.opendemocracy.net/en/opendemocracyuk/new-thinking-for-the-british-economy/ (accessed 8 September 2019).
[55] Sam Bowman and Stian Westlake (2019) *Reviving Economic Thinking on the Right*. Available at: https://revivingeconomicthinking.com/full-report/ (accessed 7 September 2019).

However, defining Boris Johnson's approach to economic statecraft remains a difficult endeavour. There is a great deal that we do not know about his preferences on major economic policy issues. For instance, how is the Johnson government likely to approach monetary policy and financial regulation? Sajid Javid's spending review highlighted discussions with the Bank of England on how to respond to a no-deal Brexit – strongly suggesting that more quantitative easing is on the horizon. Will there also be measures to prevent capital flight? Do such policies reflect Johnson's understanding of the Bank's regular role in supporting and stabilising the economy, or simply responding to an immediate crisis? These are not hypothetical questions: as things stand, Johnson and Javid will soon be choosing a new Bank governor to replace Mark Carney, and will therefore have an opportunity to shape the direction of monetary policy for many years ahead.

Similarly, what is Johnson's approach to taxation? His leadership campaign proposed significant tax cuts focused on the highest earners, before claiming that the lowest earners would be prioritised (George Osborne, in contrast, resolutely focused tax cuts on middle-earners and private companies). Although Johnson has increased spending on public services, what is his view on how public services should be delivered? What does he think about welfare provision and social security? Perversely, we do not really even know what Johnson's trade policy preferences are: he wants a comprehensive trade deal with the EU, but is content to jeopardise the possibility of securing one. At the same time, he wants a trade deal with the United States, but insists that this will not involving opening up NHS procurement to American firms, or a levelling down of agricultural regulations.

However, by way of offering a partial defence of Johnson's haziness: there are very few on the right and centre-right of British politics with credible answers to such questions. *Reviving Economic Thinking on the Right*, for instance, fails also to mention trade, monetary policy, or public services; furthermore, its proposals on housing are fairly modest, and its proposals on tax focus exclusively on property taxes and investment allowances. The British right has been fundamentally challenged by the economic and political crises of the last decade or so, and not yet found a compelling answer. Johnsomics is not a silver bullet in this regard. But in an era of great uncertainty, and anxiety, it would be naïve to assume intellectual vapidity is a barrier to governing.

On the specific issue of industrial policy, it would be premature to conclude that Britain's post-crisis industrial policy experiment is over: the necessary institutions and expertise take a very long time to build, but the progress made by recent governments is unlikely to be dismantled overnight. We can expect any future Labour(-led) government (and perhaps also a Conservative government, if a more centrist leader were to be elected) to build upon the agenda initiated by the May government. However, what emerges from this first-look analysis of the premiership of Boris Johnson – more likely than not to be re-elected if an election is called – is a political and economic picture deeply distorted, not least by the continuing threat of a no-deal Brexit. Industrial policy may not quite be dead, but its future looks uncertain under a government composed of politicians historically antipathetic to the very concept, led by a Prime Minister focused on short-term politicking (and seemingly incapable of forming or committing to a long-term policy agenda) and in the face of an economic disjuncture of truly historic proportions. At the same time, the distraction of Brexit, and the absence of an

alternative agenda, may well mean that Britain's infant industrial policy quietly continues in Whitehall (and, more importantly, in city halls) without Westminster really noticing.

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