

# Who will you vote for? →

The General Election 2015: A personal commentary by Shahid Miah  
May 2015

Economy

Foreign Policy

Immigration

General

07 05 15

Taxation

Education

Housing

Business

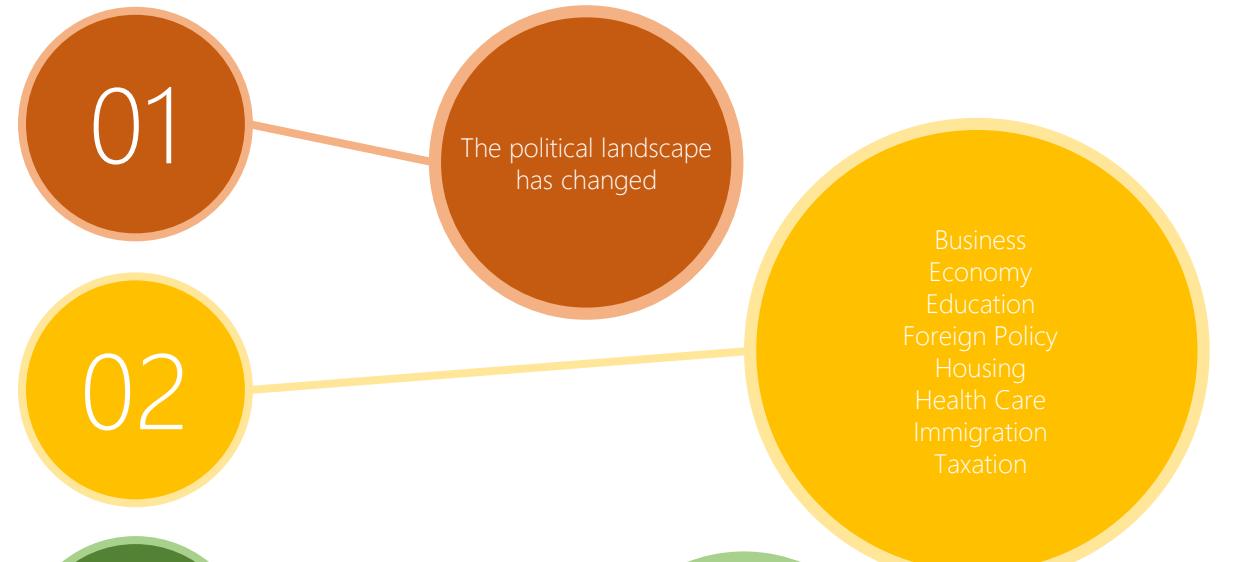
© 2015, Shahid Miah. All Rights Reserved.

Concept, design and content are owned by Shahid Miah.

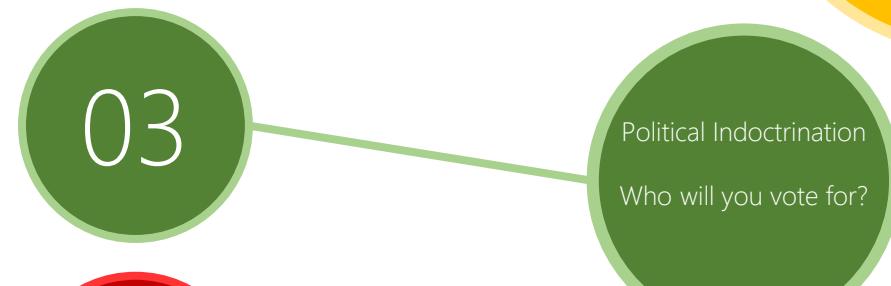
All expressions are personal views of Shahid Miah. He is not a member of a political party in the United Kingdom and does not have any affiliations with any political party in the United Kingdom.

Version 1.0

## Introduction



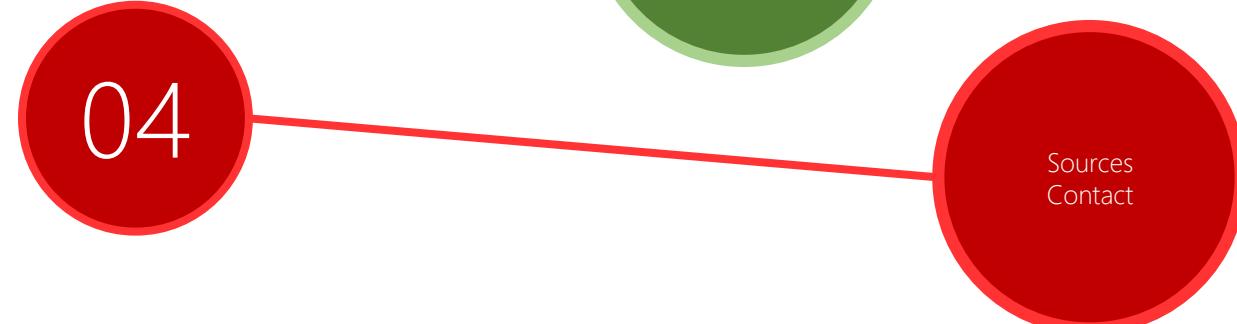
## Policies & Analysis



## Last Thoughts

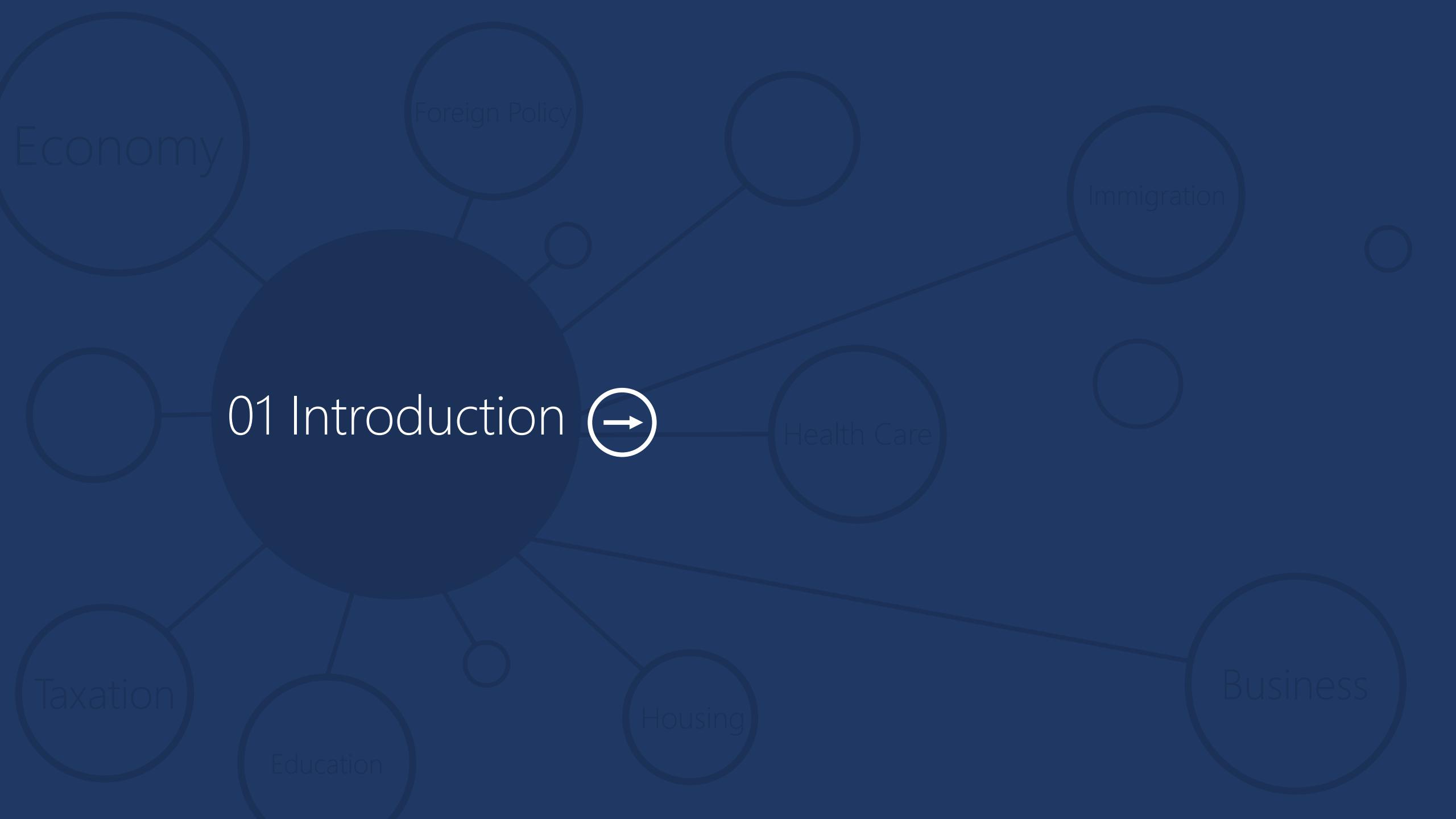


## Sources



03

# 01 Introduction



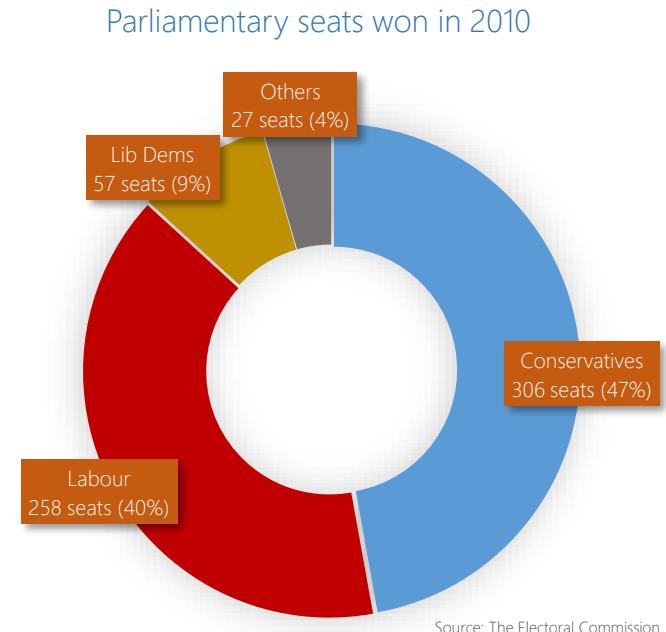
# The political landscape has changed

For 170 years, Britain has seen a Conservative, Labour or Liberal Prime Minister in every general election. Although this is not about to change after Thursday 7 May 2015, the political landscape will.

From the 1850s, the Conservatives and the Liberals were the two main parties fighting for political supremacy in Britain. When Labour emerged in the early 1900s, Britain's two-party system and political landscape transformed and Labour became the major force challenging the Conservatives.

In 2010, when the Conservatives failed to win an overall majority, for the first time in 65 years, Britain had a coalition government. The electorate had abandoned party loyalty in voting for either the Conservatives or Labour, but instead chose a variety.

The political landscape changed.



The once fringe, single-issue populist, protest-vote parties, have emerged in the political arena and have been positioning themselves, somewhat strategically, as the anti-establishment alternative.

They have been appealing to voters who are disenchanted with the traditional three parties.

Even though the United Kingdom Independence Party (UKIP) is unlikely to add numerical weight to the next Parliament, they have added weight to the political discourse.

The Scottish National Party (SNP) and Plaid Cymru have also added weight in Scotland and Wales respectively.

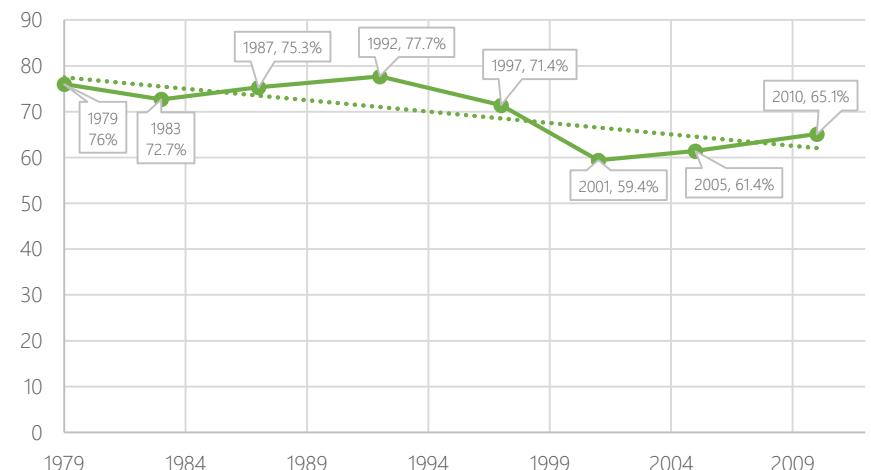
In the most tightest General Election in a generation, some of these single-issue fringe parties are going to be king-makers, as they take votes away from the Conservatives, Labour and the Liberal Democrats.

It would be very interesting to see what happens on Friday 8 May.

In this blog, I will briefly outline the key policies of the two would-be Prime Ministers – the Conservative leader David Cameron and the Labour leader Ed Miliband, giving their policies a rating out of ten.

I will focus on eight policies that I believe will be the deciding factor for voters on 7 May. I will include statistics from official sources and provide an independent perspective on the eight policy areas.

### General Election turnout since 1979



## 02 Policies & Analysis →



# Business

## Conservative pledges

- Create more diverse sources of affordable credit for businesses
- Reduce the small companies' rate of corporation tax from 22p to 20p
- Abolish National Insurance tax on the jobs created by new businesses
- Reduce red tape to register a new business
- Improve access to public sector contracts
- Inject £775m to create 100,000 new apprenticeships – SME will receive £2,000 bonus for every apprenticeship created
- Create 600,000 new firms each year by 2020.

Rating: 8 out of 10

Conservative policies are relevant to businesses

## Labour pledges

- Support SME/entrepreneurs with 1 year holiday on business rates
- Double the Entrepreneurs Relief lifetime limit to £2m
- Create a new Small Business Credit Adjudicator with statutory powers to ensure SME are treated fairly by banks
- Educate entrepreneurs of the future
- Reduce the costs of regulation by more than £6bn
- Build on existing policies – Business Payment Support Service, Enterprise Guarantee Scheme & Strategic Investment Fund

Rating: 5 out of 10

## Shahid's perspective

Business leaders have criticised Labour's manifesto saying that it is underestimating the severity of the economic crisis and therefore they believe a Labour government would "threaten jobs and deter investment" in the UK.

One might question their motive, but it would be unwise to ignore the concerns of the leaders of small and large companies who create jobs and employ over 600,000 people.

Apart from a few pledges of their own, Labour say that they will basically support quite a few of the coalition government's policies.

The Conservatives on the other hand do have a few good pledges such as abolishing national insurance and reducing the corporation tax, which will cut red tape.

Apprenticeships seem to be the flavour of the month with all parties offering them on behalf of businesses.



Tony Blair had businesses supporting him in their droves, but it seems businesses do not have any confidence in Ed Miliband.

The Conservatives have given businesses confidence by managing the economy responsibly – keeping interest rates low, inflation low and tackling the deficit. And businesses want more of the same.

## What about the other parties?

### Liberal Democrats

- Access affordable credit from state-owned banks

### UKIP

- Ensure big corporations pay their fair share of tax

### Green Party

- Create 1 million well-paid new public sector jobs



# Economy

## Conservative pledges

- Run a surplus by 2018
- No rise in VAT, national insurance contributions or income tax
- A crackdown on tax evasion and the "aggressive avoidance of tax"
- Create a "Northern Powerhouse" through investment
- Spend £100bn on infrastructure in the next Parliament
- Use money saved in reducing the benefits cap to fund 3 million apprenticeships
- Triple the number of start-up loans to businesses to 75,000

Rating: 9 out of 10

Conservatives are managing the economy responsibly

## Labour pledges

- Bring back the 50p top income tax rate for those earning over £150,000
- Raise minimum wage to £8 an hour and ban "exploitative" zero hours contracts
- No additional borrowing for new spending
- Cut the deficit every year
- End the non-domicile rule
- Freeze energy bills until 2017 and give the regulator powers to cut bills
- Introduce a British Investment Bank

Rating: 2 out of 10

## Shahid's perspectives

Economic recovery from a recession usually takes 5-8 years, but since the 2008 crash was only second to the Great Depression of the 1920s/30s, give it 8-10 years.

Britain took 4 years to fully recover, and GDP growth has been faster than any other country in the West, including the United States.

Some people might argue that not everyone is feeling the recovery. But it could be argued that not everyone felt the wealth during the boom years either.

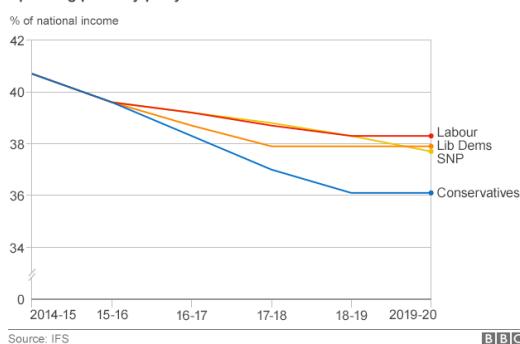
Economic recovery isn't a quick fix. There isn't a single economic model that will solve every issue. Some countries might use austerity to manage their spending, some might spend to stimulate growth in certain industries where there is a market failure, and some might use a hybrid of the two.

Here are examples of the three:

- Austerity: UK – cuts in public spending but GDP growth is faster than any other country in the West
- Stimulus: France – spent money to stimulate growth but went back into recession. Now implementing austerity under Germany's instruction
- Austerity & Stimulus: USA – stimulated growth in the automobile and construction industries but cut government spending, which has resulted in economic growth

Analysis by the independent IFS found that the Conservative economic plans will involve "a significantly larger reduction in borrowing and debt than Labour plans".

### Spending plans by party



It is easy to spend money – everyone likes the sound of it because it is not their own money, otherwise they are likely to think very differently.

But one has to wonder where is the money going to come from and what debt are we leaving behind for future the generations.

## What about the other parties?

### Liberal Democrats

- Expand apprenticeships

### UKIP

- Negotiate a bespoke trade agreement with Europe

### Green Party

- Salaries above £150,000 a year to incur a 60% income tax rate



## Business

08



## Education



# Education

## Conservative pledges

- Create at least a further 500 free schools in England by 2020
- Zero tolerance for failure – immediate support to turn around failing or coasting schools
- Invest £7bn over the course of the next Parliament to provide "good school places"
- Protect the schools budget; increasing the amount spent on schools as the number of pupils increases
- Scrapping the cap on higher education student numbers

Rating: 7 out of 10

Both parties have pretty good education policies

## Labour pledges

- Cut university tuition fees by £3,000
- Overall education budget for 0-19 year olds to rise in line with inflation every year
- Guaranteed childcare for primary school children from 8am to 6pm
- Create a "gold-standard technical baccalaureate" for 16 to-18-year olds
- Ensure all teachers in state schools are qualified
- Ensure all young people study English and maths to age 18

Rating: 7 out of 10

## Shahid's perspectives

Education is a difficult area to win the approval from everyone. Under Tony Blair, Labour spent £1.2bn on education every week, and still got criticised that it was not enough.

A recent poll conducted by education consultancy The Key and Ipsos Mori, found that 58% of the 1,200 headteachers, deputy heads and financial officers, said they were unhappy with the manifestos of all parties. Just one in five named Labour as best equipped, 7% named the Conservatives, and 2.5% named the Liberal Democrats.

Despite their rejection of the coalition government policies, 47% said the quality of education had improved since the Labour government, whilst 12% said education had got worse. And surprisingly, 55% said the quality of teaching had improved since 2010.

A complete contradiction one might conclude.



It is quite remarkable that Gove changed so much according to teachers. Assessment has changed, the national curriculum is completely reformed, and the way they measure school success (league tables) has changed drastically for the better.

We really got to ask ourselves do we want an education system that is relevant to the world our children will be entering. And if not, then we should not complain if better equipped foreign graduates get employed ahead of Britons.

There is no doubt Labour would do pretty well on education if it came into power. But like the Conservatives who accelerated the previous Labour governments policies, this Labour party would, in real terms, accelerate the coalition government's policies.

## What about the other parties?

### Liberal Democrats

- Guarantee qualified teachers and sex education in all state schools

### UKIP

- Waive university tuition fees for science, technology, engineering, mathematics and medicine (STEM)

### Green Party

- Scrap Ofsted and SATS



## Economy



# Foreign Policy



## Conservative pledges

- Uphold commitment to spend 0.7% of gross national income on international development
- Protect the UK economy from further integration with the eurozone while reclaiming other powers from Europe
- Hold a referendum on Britain's renegotiated EU membership by 2017
- Maintain the size of the regular armed services and not reduce the Army to below 82,000
- Expand armed forces reserves to 35,000
- Retain Trident and build a new fleet of nuclear submarines

Rating: 7 out of 10

Apart from the EU, both parties have similar foreign policies

## Labour pledges

- Enhance the UK's influence in a reformed Europe
- Two-year wait before EU migrants can claim out-of-work benefits
- Reform the EU so it "works for Britain"
- A "minimum, credible, independent nuclear deterrent" based on continuous patrols
- Conduct a Strategic Security and Defence Review
- Make it illegal to discriminate against or abuse members of the Armed Forces
- Allow no further transfer of powers to Brussels

Rating: 7 out of 10

## Shahid's perspectives

Britain's global influence has been shrinking since the 1950s. Although Prime Ministers Margaret Thatcher and Tony Blair had prominent global presence, Britain has otherwise found it difficult to decide where it belongs.

While Britain fiddles around with its geopolitical compass, other countries are not standing by idly. Russia, China, India, Turkey and Brazil are jostling for power in a world that is no longer 'owned' by the West.

The coalition government's lukewarm foreign policy is a result of the war in Iraq and Afghanistan, which has fed a sentiment of isolationism and distrust against any foreign intervention.

France was in a similar position in 2012 when socialist Francois Hollande vowed to wind down France's military engagement as a way of 'correcting' Nicolas Sarkozy's perceived pro-Americanism.

But once in office, Hollande found it very difficult to get ahead on many international issues without having the United States on his side, as no one took him seriously.

Successive British governments have wrestled with the European Union (EU). Even though Labour championed being inside the EU, it did not join the euro, the single currency, which turned out to be the right decision. That policy has continued, but whilst Labour have made it clear that they will not hold a referendum on the EU, they have not articulated what Britain's role would be in the world.

The Conservatives have also been vague on foreign policy except on the EU. Even though he wants to remain in the EU, David Cameron is pleasing a significant section of his party, as well as those who have defected towards UKIP, by promising a referendum in 2017 on Britain's membership.

Cameron has natural support of UKIP but surprisingly of the Liberal Democrats and the Green Party too.

Given that there's threat from Russia, Muslim extremists and whatever else that might pop up, Britain must continue to engage with the rest of the world and replace Trident – a policy shared by both parties.

But crucially, Britain must have a long-term vision and a coherent strategy of what its involvement should be.

## What about the other parties?

### Liberal Democrats

- Hold an in/out referendum on the EU

### UKIP

- Encourage peace efforts in the Middle East and support a peaceful two-state solution

### Green Party

- Hold a referendum on the UK's membership of the EU

# Housing

## Conservative pledges

- Build more homes including 200,000 new Starter Homes for first-time buyers at 20% discount
- Extend the Help to Buy Equity Loan scheme to 2020
- Introduce a new Help to Buy ISA to support people saving for a deposit
- Extend the Right to Buy to tenants of Housing Associations
- Create a Brownfield Fund to unlock homes on brownfield
- Ensure local people have more control over planning and protect the Green Belt

Rating: 8 out of 10

Conservatives will genuinely help people own a property rather than dreaming about one

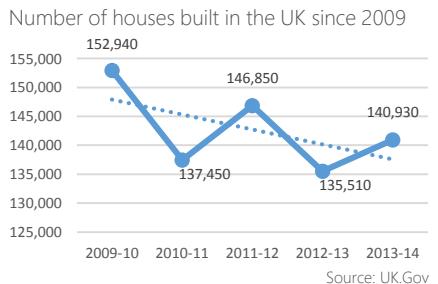
## Labour pledges

- Create a £5bn 'Future Homes Fund' to build homes
- Build 200,000 homes a year by 2020
- Exempt first-time buyers from stamp duty when buying homes for less than £300,000
- Introduce new 'use it or lose it' land powers for local authorities so no developer can sit on land without building on it
- Introduce a ceiling on excessive rent rises and make stable 3-year tenancies the rule
- Create a national register of private landlords to drive up standards of rental properties and drive out rogue landlords

Rating: 5 out of 10

## Shahid's perspectives

Increasing house prices is an issue that will not go away just because more houses are built. Every political party has vowed to build more homes, but one has to ask where are they going to build, as land is running out in the south-east of England in particular, which is the most desirable area to live in the UK.



The coalition government has implemented some very good policies to help first-time buyers get on to the property ladder. And the Conservatives wish to extend this by giving people the right to buy from housing associations and create an ISA whereby they will give £50 towards every £200 saved.

They also want to extend their 'starter home' policy to 200,000 new homes – offered at a 20% discount, saving first-time buyers an average of £43,000.

Labour's policies are sincere but some will stifle the market. Introducing a 'rent freeze' for example will result in tenants paying more than actually helping them to save. For instance, there is nothing to stop a landlord charging higher rent upfront to compensate for the 3 years they'll be locked into. The tenant therefore will end up paying more over the course of the 3 years than they would do if it were a gradual increase.

Like the energy prices, it seems Labour are trying to manipulate the market prices – not wise.

Other parties have bizarrely criticised the government for allowing people the right to buy, yet everyone complains that house prices are very high.



## What about the other parties?

### Liberal Democrats

- Cut Council Tax by £100 for 10 years if people insulate their home

### UKIP

- Give local people the final say on major planning developments in their area

### Green Party

- Provide 500,000 social rented homes by 2020



## Foreign Policy



# Health Care



## Conservative pledges

- Increase spending on the NHS in real terms, every year
- Recruit and train an extra 5,000 GPs
- Seven-day access to GPs by 2020
- A named GP for every NHS patient
- Providing same-day GP appointments for over 75s
- Integration of health and social care systems

Rating: 7 out of 10

Both parties will invest and willing to reform, which the NHS needs

## Labour pledges

- Extra £2.5bn funding for the NHS, to pay for 20,000 more nurses and 8,000 GPs
- Repeal the Health and Social Care Act 2012
- Integrate NHS health care and council run social care services
- End 15 minute care visits
- Invest £2.5bn to recruit 8,000 more GPs, 20,000 more nurses and 3,000 more midwives
- Guarantee GP appointments within 48 hours
- Guarantee cancer tests within a week

Rating: 7 out of 10

## Shahid's perspectives

Like education, health is an area that it does not matter how much investment goes into it, people will say that it is not enough.

Under Tony Blair, Labour's investment in the National Health Service (NHS) had tripled – £110bn in 2007, a 5.6% increase, but people still complained that it was not enough.

Despite having to adjust public services expenditure due to the global financial crisis, the coalition government had actually protected the NHS budget that saw over a million operations carried out per year, lifesaving cancer drugs being accessed by 60,000 people, doubled funding for dementia research, to name but a few.

Despite such progress, the NHS continues to face major challenges such as an aging population, costs of new drugs, and as much as people don't like to hear it, mismanagement.

The NHS needs to be reformed. The old style of management is not sustainable. Modernisation started off by the Blair government and has continued under the coalition government. The Conservatives say that they will continue to modernise the NHS by spending an extra £8bn year-on-year.

Labour are also making very similar pledges and there isn't much between them. Labour however, have an advantage in that the public seem to trust them with the NHS far more than they do with the Conservatives.

With a workforce over 1.6 million, the NHS is one of the largest employers in the world with the likes of McDonalds, Walmart, US Department of Defence, and the Chinese Liberation Army.

Employing such a large workforce doesn't come cheap. With around £115.4bn, it has a budget comparable to very large corporations.

Scaremongering tactics by Labour that the NHS will be privatised by the Conservatives and that it is running a deficit, simply isn't true.

If £115.4bn per year isn't enough to run a health service of a relatively small population, then there is an obvious case for major reforms to increase efficiency and productivity.

## What about the other parties?

### Liberal Democrats

- Increase NHS funding at least £8bn a year by 2020, starting with an extra £1bn a year until 2018

### UKIP

- Extra £3bn a year to NHS frontline

### Green Party

- Require NHS staff to declare financial interests that conflict with their role

# Immigration

## Conservative pledges

- Migrants to wait 4 years before they claiming benefits
- No child benefit for children living outside the UK
- Negotiate to reform EU freedom of movement rules
- Tougher and longer re-entry bans for rough sleepers, beggars and fraudsters
- Cap the level of skilled migration from outside the EU at 20,700

Rating: 7 out of 10

Both parties will curb immigration with similar policies

## What about the other parties?

### Liberal Democrats

- Phase out child benefit for children living outside the UK

### UKIP

- Points system used to select migrants with skills and attributes

### Green Party

- Remove restrictions on foreign students

## Labour pledges

- 1,000 new border staff and proper exit checks
- Make it illegal for employers to undercut British workers by exploiting migrants
- Ensure public sector workers speak English
- Two-year wait before EU migrants can claim out-of-work benefits

Rating: 7 out of 10

## Shahid's perspectives

The resurgence of UKIP has certainly put immigration at the forefront of the political agenda, but it should be noted that immigration has always been an election topic for many decades before anyone had heard of Nigel Farage.

Britain is simply a victim of its own success. Britain's economy is the fifth largest in the world having recovered from the recession and creating more jobs than all EU countries put together. It is therefore not a surprise that people from other parts of Europe and elsewhere, want to live and work here.

But immigration doesn't come without challenges. No political party officially opposes immigration, as they all see the benefits of economic growth to Britain. Where they disagree is how to tackle the impact of it on society.

UKIP has been branded as a 'racist' party by its critics, but when you analyse their policies, it is not that much different to that of the mainstream, and crucially, it is reflective of the public, including immigrants and descendants of immigrants.

Rightly or wrongly, it is natural for people to have a negative perception towards anyone from the outside. It has happened throughout history and will continue to.

There are some who blindly cheerlead immigration without addressing the impact it will have on social services, employment and culture.

Immigration is not either 'all-good' or 'all-bad'. It is a bit of both. There are those who come for a better life, to work and contribute to the society to which they live. And there are those who come to abuse an easily accessible but fragile system.

It is the responsibility of the mainstream political parties to control the narrative and discourse. So far, they haven't done a good job, but maybe that will improve..



Source: Office for National Statistics



# Taxation

## Conservative pledges

- Take everyone who earns less than £12,500 out of income tax
- No rise in VAT
- All those working 30 hours a week and earning the minimum wage will not pay income tax on earnings
- Raise the threshold for the 40p rate of tax so that nobody under £50,000 pays the rate
- A freeze on working age benefits for two years from April 2016

Rating: 9 out of 10

Labour will get excited and tax people left right and centre

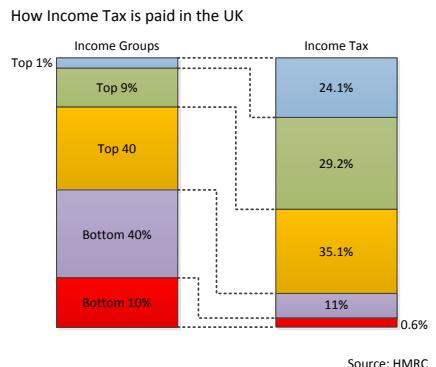
## Labour pledges

- Re-introduce the 50% top rate of income tax for people earning over £150,000
- Introduce a "mansion tax" on houses worth over £2m
- Re-introduce the lower 10% starting rate of tax
- Cut business rates for small firms in 2015 and freeze them in 2016

Rating: 2 out of 10

## Shahid's perspectives

There is a myth that the richest 1% are not paying their fair share. It is a myth because official statistics from the HMRC shows that the richest 1% are paying 24.1% of all income tax, which is about £47bn. The richest 10% are paying more than half.



The UK is the fifth richest economy because the richest 1%. They along with the financial services industry create jobs and bring immense wealth into the country. Without them, the UK will not be able to afford to pay for all the social services the critics of the '1%' like.



The Conservatives are pledging not raise VAT. Given that Labour have pledged similar, one wonders how either party will eradicate £90bn in public finances.

In the likelihood that both parties have to negotiate with smaller parties in a hung parliament, it is Labour who is more in danger of going back on its pledges.

Even an 'agreement' with the SNP will result increases in taxes to pay for public services, as they have pledged to borrow over £150bn and benefit from the wealth created in London.

London is a victim of its own success. Currently, London gets to spend only 7% of its own revenues, compared to 50% by New York and 77% by Tokyo. London basically bankrolls the country. And Scotland will probably be the largest beneficiary if the SNP are in 'coalition' with Labour.

Labour's mansion tax is also aimed at taxing Londoners, where property is likely to be worth more than £2m.

The Conservatives and the Liberal Democrats have seen the books and therefore in a better position to make a judgement as whether or not to increase taxes.

Labour on the other hand might say they don't need to raise taxes now, but once they have seen the books, that might change.

## What about the other parties?

Liberal Democrats

- Raise up to £1.5bn from a tax on homes worth over £2m

UKIP

- A 40% tax rate for incomes over £55,000

Green Party

- Introduce a wealth tax of 1-2% on people worth £3m or more

## 03 Last Thoughts →



# Political Indoctrination

If the names and logo were taken out, it is my belief that people will support policies of parties they say they don't like.

Why is that? It is simply political indoctrination.

The former Chancellor Alastair Darling and Prime Minister Gordon Brown, were actually the chief architects of austerity after the 2008 economic crisis. They were implementing austerity 2 years before the Conservative-led coalition government came into power in 2010.

With respect to George Osborne, he has merely adjusted the austerity plan and put the coalition government's branding on it.

The point here is that whether it is Conservative or Labour, they both would have implemented austerity, as there was not another alternative.

However, this has not stopped many, particularly in the media, from labelling austerity as a Conservative ideology. If the economy is remedied, they simply will not believe it unless their respective party is in power.

Right-wingers' blame the previous Labour government for the economic crisis, which simply isn't true because it was a global financial crisis that started in London and New York.

Which media is backing which party?



# Who will you vote for?

With Conservatives and Labour at around 34% each, UKIP at 14%, and Liberal Democrats at 9%, it is very likely there will be a hung Parliament

If the Conservatives win:

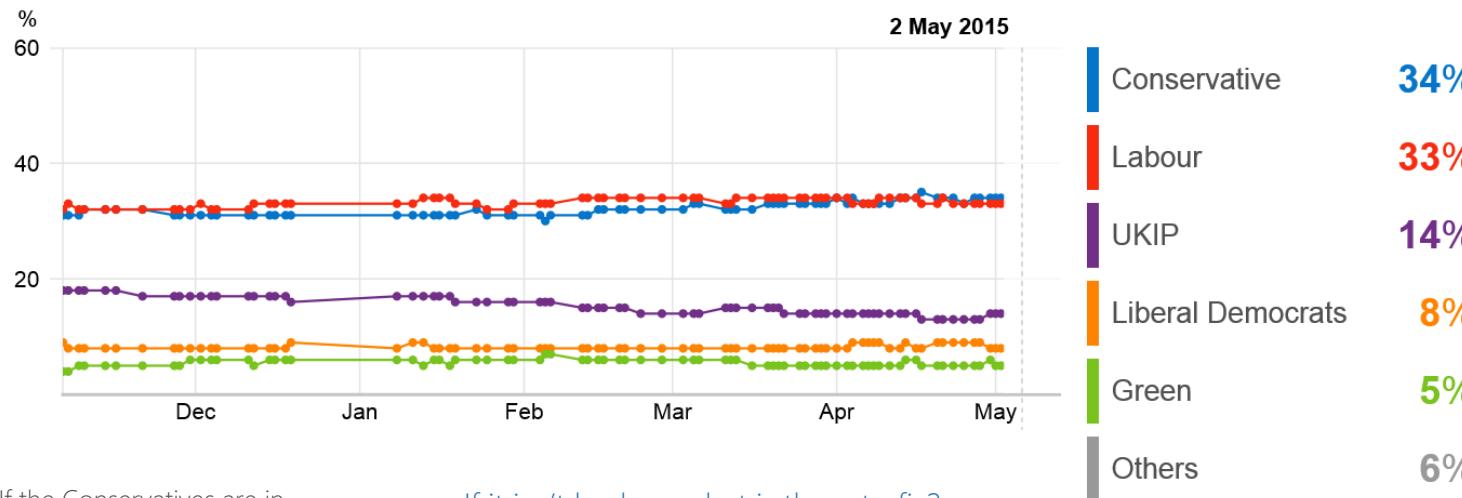
- They will either form a minority government, or
- Work with UKIP and the DUP (Northern Ireland) to form majority coalition government

If Labour win:

- They will form a minority government, or
- Work with the Liberal Democrats and Green Party (depends if Liberal Democrats have enough seats) to form a majority, or
- They will go back on their word and form an alliance with the SNP

If Conservative or Labour get an overall majority there isn't a need to form a coalition with anyone.

**BBC Poll of Polls 2 May 2015**



If the Conservatives are in government, they will hold a referendum on EU membership. Whilst England and Wales will probably vote to stay out, Scotland will vote to stay in. That will get Nicola Sturgeon excited, as she will have a mandate to seek another referendum on Scottish independence.

The election campaign might have been a little subdued with no big punches from anyone, but it will get a lot more exciting on Friday 8 May.

## If it isn't broken, what is there to fix?

Barack Obama campaigned for 'change' in the United States after the global economic crisis in 2008, and it worked. He inherited a very poor economy but by the time the 2012 presidential elections came around, the economy was recovering, not fully but the American people trusted him to continue with finishing the job.

David Cameron also campaigned for 'change' after the 2008 economic crisis and it worked. He too inherited a fragile economy which prompted Labour's Liam Byrne to leave a letter in the Treasury saying "there is no money". Five years on, the economy has recovered, but like President Obama, will the British public trust him to continue with the recovery?

The general election should not be about party loyalties. It should be about who can manage the economy better that will fuel the country.

The Conservatives and Labour have similar policies in nearly all areas that I have outlined. The choice comes down to which face and political colour is trusted to be the CEO. Well, I hope you make a clear informed choice on Thursday 7 May.

## 04 Sources





WHERE DOES MY MONEY GO?



*Inspiring business*



