

WHERE IS THIS LEADING? - The Implications of the 2010 General Election Campaign

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The Campaign to Date

At the start of the campaign, the issue appeared to be whether the Conservatives could hold on to enough of a lead over Labour in the popular vote to overcome the skewed electoral arithmetic and obtain a Commons majority. But the unprecedented strength of the third party has thrown all these calculations out of the window. The question now is not whether the Lib Dems could be heading for victory, but which of the two (previously) main parties will be most affected by their advance.

Commonsense and the polling evidence suggest that it is the Conservatives who have been most damaged by "Cleggmania" or "Cleggstasy". Before the surge in Lib Dem support following the first leaders' debate, the Conservatives enjoyed leads over Labour of between 3% and 12%, leaving them probably just short of an overall majority; now their lead is around 4%, usually over the Lib Dems, sometimes over Labour. Not that this necessarily matters for Labour. If you look at the Lib Dems' 50 most winnable seats (based on a straight swing against the incumbent party), 29 are held by Conservatives and 21 by Labour – of which a few are in Scotland where different factors are in play). In the top 40, two-thirds are held by the Conservatives. A Lib Dem advance in seats on a uniform swing towards them will therefore damage the Tories more than Labour.

The Tories are also threatened by the Lib Dem surge because their hopes of achieving an outright majority rested in part on capturing around 20 Lib Dem seats; that now looks a forlorn hope. Hence their push for more Labour seats, requiring a bigger swing, which David Cameron announced on 26 April.

For Labour, there is good and bad news. The bad news is that at the time of writing it is difficult to see how Labour could possibly win an outright victory. The good news is that, depending on how the Lib Dem surge is spread around the country, and its overall tendency to damage the Tories more, together with the inherent bias in Labour's favour in the electoral system, Labour could come third in the popular vote *and still have more seats than any other party*. More on this below.

Where Will the Polls Go From Here?

Just how real are the poll figures at the moment? When the pollsters ask people how they intend to vote, are they really capturing voting intention or a general mood? How many of those who have started to answer "Lib Dem" in answer to the voting intention question even saw Nick Clegg's performance in the first leaders' debate? How many have been swept along in the general tide of enthusiasm? How many will stick with the Lib Dems until 6 May and then bother to go out and vote? Could the Lib Dems' figures go even higher?

It looks at the moment that the Lib Dem numbers have receded from their high water mark. However, if Nick Clegg 'wins' the final debate, they may advance again. But winning unexpectedly in a debate is not a trick you can pull twice. And although the other parties', and Fleet Street's, attacks on the Lib Dems may partly be counter-productive, some of the mud will stick. And some of those flocking to the Lib Dem bandwagon will jump off when they find they are supporting the most Europhile party, with other policies, for instance on immigration, which they may not like. Being in the spotlight is great news for Nick Clegg, but it brings its own hazards.

The Tories still have everything to fight for. They are the only party with any hope, however diminishing, of winning an outright majority. They will turn their fire, carefully, on the Lib Dems, and they will argue that a hung parliament would be disastrous and that as the Lib Dems can't win all those flocking to their banner will achieve is to keep Gordon Brown in Downing St. But David Cameron will have to up his game and pull off the difficult trick of showing he has fire in his belly without resorting to personal attacks on the one hand or platitudes on the other.

Labour's last hope (and with all their talk of coalition they almost seem to have given up hope) is to sneak in under the radar, using their in-built advantage in the electoral system to hold on to their core vote, hope Gordon Brown does well in his favoured territory of the economy in the last debate, encourage some residual anti-Tory tactical voting and wait for Clegg and Cameron to fight each other to a standstill. Such is the bizarre electoral arithmetic that if Labour can stay in contention and pull up to close to level pegging with the Conservatives they could still end up with a majority, unlikely as this may appear at the moment.

Of course, Labour's eagerness to embrace the Lib Dems as potential coalition partners is also a headache for Nick Clegg. It is difficult to pose as the champion of a new politics if you are being lined up to prop up the outgoing prime minister in power. And it is difficult to rebut the Tories' charge of "Vote Yellow, Get Brown". Hence Clegg's pains on April 25 to distance himself from Labour by saying (almost loud and clear) that if Labour come third in the popular vote the Lib Dems will not "prop them up" in Downing St.

Which Results are Possible?

An outright win for the Lib Dems looks almost impossible (but then so was their being in the lead in the polls a little more than a week ago); Labour appear to have given up hope of an outright win. As things stand, unless the Lib Dem surge can be rolled back further, and barring a complete collapse in the Labour vote, an overall Conservative majority also looks increasingly distant, but cannot be completely ruled out.

So, a hung parliament looks quite likely. But if no party has an overall majority, what would happen next would depend to a considerable extent on the exact distribution of seats. The likeliest scenarios are:

The Conservatives fall just short of a majority but are clearly the largest party in both votes (by a wide margin) and seats

The Conservatives are the largest party but not far ahead of Labour in seats, though with a considerable lead in votes

Labour are the largest party in terms of seats but the Conservatives are ahead in votes

All three parties are around the 200 seat mark (+/- 25) – this requires the Lib Dems to top the poll and probably for there to be some anti-Tory tactical voting by both Labour and Lib Dem voters.

What happens if no party has an overall majority?

It seems likely that on 7 May Gordon Brown will not have a majority in the new Parliament. He will however remain Prime Minister until he chooses to resign. Obviously if another party – presumably the Conservatives – has an overall majority he would resign immediately and advise the Queen to send for David Cameron. But what he would do on each of the scenarios above?

If the Conservatives are quite close to a majority, and (by definition) have a clear lead in the popular vote, Mr Brown would probably resign immediately. However, he would be *entitled* to try to carry on, presumably in this scenario on the basis of an agreement with the Lib Dems. But it is difficult to see why the Lib Dems would support Labour on this basis (and they have already said they would not if Labour had come third in the popular vote.) David Cameron would then form a Conservative minority government. There seems little prospect of Lib Dem activists agreeing to a Con / Lib coalition or pact, even if Mr Cameron wanted to propose one.

On the second scenario, Mr Brown might be more tempted to reach a deal with the Lib Dems, especially if doing so would deliver him a clear majority. This could either be a formal coalition (Lib Dem ministers in the Cabinet, an agreed programme) or a pact whereby in return for concessions the Lib Dems agreed to support Labour on key votes (eg at the end of the debate on the Queen's Speech). This looser arrangement might appeal more to Mr Clegg, because it would look less like he was propping up a defeated government and prime minister than entering a coalition would; on the other hand, he would still have to explain why he was supporting a prime minister who had just "lost" an election (by securing fewer seats and significantly fewer votes than his main rival). Mr Clegg might avoid some of this difficulty by trying to insist on Gordon Brown being replaced by another Prime Minister – say Alan Johnson or David Miliband. However, that would rely on Gordon Brown agreeing to stand aside and a new Labour leader being installed without a leadership election (at least for the time being, as is possible under Labour's rules, pending a leadership election).

On the third scenario, Gordon Brown would certainly want to remain Prime Minister and would be fully entitled to do so. Depending on how far short of a majority he was, he could either form a Labour minority government or conclude a (formal or informal) deal with the Lib Dems.

On the final scenario, a Lab / Lib coalition would look quite likely. The Lib Dems would be in a position to insist on a much bigger role and arguably on this scenario Nick Clegg could even become Prime Minister.

Two other factors need to be taken into account. The first is that any formal (or possibly even informal) agreement for parties to co-operate might require endorsement by the party membership or at any rate a wider group than just the party leaders or even the respective Parliamentary parties. The Lib Dems in fact have a so-called "Triple Lock" explicitly to forestall any attempt by the party leadership to bounce the party into an unwelcome coalition. (The Triple Lock requires a 75% "yes" vote by both the Parliamentary Party and the Federal Executive; if that threshold is not reached, a Special Conference has to be called and that must approve by 2:1 or there has to be a ballot of all members.) That might (clearly would if a Special Conference had to be called) in theory delay the formation of a new government. Working against this, the 24-hour news cycle will abhor any vacuum at the heart of government. So, in all probability, would the financial markets. By Monday May 10, someone will have to provide a "narrative" of continuing administration, even if it has not yet been possible by then to conclude a comprehensive agreement. By May 25, a government will have been expected to put a Queen's Speech before Parliament, and some days later it will have to win a vote on it. If Gordon Brown lost such a vote, then David Cameron would get his chance. If David Cameron lost it, there could be a fresh election.

Looking to the Future - Implications

Looking beyond the next few weeks, what are the likely implications for the UK, its political system and its economy?

A number of fault-lines have opened up in the past couple of years and during this election campaign:

Public disillusionment with politicians and the political process

A creaking electoral system

An economy facing very serious problems, requiring drastic government action.

To this one could add a dog which hasn't barked, because none of the main parties wants to talk about it, and that is devolution. If the election results in a Conservative majority in England but a UK government led by Labour (with or without Lib Dem support) governing England with the help of Scottish and Welsh MPs, the governance of England could be added to reform of the House of Lords, a new voting system and a new basis for funding political parties on the list of constitutional questions to be addressed.

Whoever wins the election, two predictions can probably be made with confidence:

The new government is likely to become unpopular quite quickly because of the drastic action required to address the deficit (and the general cynicism about politicians)

The pressure for electoral reform will become intense.

What the impact of these and economic difficulties will be on the support for nationalism, particularly in Scotland, and for fringe and extremist parties throughout the UK, is difficult to judge.

But one way or another the UK seems destined to live in interesting times for some years to come. In addition, those seeking to do business with the government or influence policy must expect to face, in all likelihood, a more challenging and fragmented political situation.