US and UK Economy and Political Systems

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Overview of UK Economy (1)

- The UK, a leading trading power and financial center, is the second largest economy in Europe after Germany.
- Over the past two decades, the government has greatly reduced public ownership and contained the growth of social welfare programs.
- Agriculture is intensive, highly mechanized, and efficient by European standards, producing about 60% of food needs with less than 2% of the labor force.
- The UK has large coal, natural gas, and oil resources, but its oil and natural gas reserves are declining and the UK became a net importer of energy in 2005.
- Services, particularly banking, insurance, and business services, account by far for the largest proportion of GDP while industry (mining, manufacturing, energy production, and construction) continues to decline in importance.
- After emerging from recession in 1992, Britain's economy enjoyed the longest period of expansion on record during which time growth outpaced most of Western Europe.

Source: http://www.nationmaster.com/country-info/compare/United-Kingdom/United-States/Economy
Overview of UK Economy (2)

• In 2008, however, the global financial crisis hit the economy particularly hard, due to the importance of its financial sector. Sharply declining home prices, high consumer debt, and the global economic slowdown compounded Britain's economic problems, pushing the economy into recession in the latter half of 2008.
• The 2008 crisis prompted the then BROWN (Labour) government to implement a number of measures to stimulate the economy and stabilize the financial markets; these include nationalizing parts of the banking system, temporarily cutting taxes, suspending public sector borrowing rules, and moving forward public spending on capital projects.
• Facing burgeoning public deficits and debt levels, in 2010 the CAMERON-led coalition government (between Conservatives and Liberal Democrats) initiated a five-year austerity program, which aimed to lower London's budget deficit from over 10% of GDP in 2010 to nearly 1% by 2015.
• In 2012, weak consumer spending and subdued business investment weighed on the economy. GDP fell 0.1%, and the budget deficit remained stubbornly high at 7.7% of GDP. Public debt continued to increase.

Overview of US Economy (1)

- The US has the largest and most technologically powerful economy in the world, with a per capita GDP of $49,800.
- In this market-oriented economy, private individuals and business firms make most of the decisions, and the federal and state governments buy needed goods and services predominantly in the private marketplace.
- US business firms enjoy greater flexibility than their counterparts in Western Europe and Japan in decisions to expand capital plant, to lay off surplus workers, and to develop new products.
- US firms are at or near the forefront in technological advances, especially in computers and in medical, aerospace, and military equipment.
- The onrush of technology largely explains the gradual development of a "two-tier labor market" in which those at the bottom lack the education and the professional/technical skills of those at the top and, more and more, fail to get comparable pay raises, health insurance coverage, and other benefits.

Source: http://www.nationmaster.com/country-info/compare/United-Kingdom/United-States/Economy
Overview of US Economy (2)

• Since 1975, practically all the gains in household income have gone to the top 20% of households. Since 1996, dividends and capital gains have grown faster than wages or any other category of after-tax income.
• Imported oil accounts for nearly 55% of US consumption. Crude oil prices doubled between 2001 and 2006, the year home prices peaked; higher gasoline prices ate into consumers' budgets and many individuals fell behind in their mortgage payments.
• The sub-prime mortgage crisis, falling home prices, investment bank failures, tight credit, and the global economic downturn pushed the United States into a recession by mid-2008. GDP contracted until the third quarter of 2009, making this the deepest and longest downturn since the Great Depression.
• To help stabilize financial markets, in October 2008 the US Congress established a $700 billion Troubled Asset Relief Program (TARP). The government used some of these funds to purchase equity in US banks and industrial corporations, much of which had been returned to the government by early 2011.
• In 2010 and 2011, the federal budget deficit reached nearly 9% of GDP. In 2012 the federal government reduced the growth of spending and the deficit shrank to 7.6% of GDP.

Source: http://www.nationmaster.com/country-info/compare/United-Kingdom/United-States/Economy
Overview of US Economy (3)

- Wars in Iraq and Afghanistan required major shifts in national resources from civilian to military purposes and contributed to the growth of the budget deficit and public debt. Through 2011, the direct costs of the wars totaled nearly $900 billion.
- In March 2010, President OBAMA signed into law the Patient Protection and Affordable Care Act, a health insurance reform that was designed to extend coverage to an additional 32 million American citizens by 2016, through private health insurance for the general population and Medicaid for the impoverished. Total spending on health care - public plus private - rose from 9.0% of GDP in 1980 to 17.9% in 2010.
- In July 2010, the president signed the DODD-FRANK Wall Street Reform and Consumer Protection Act, a law designed to promote financial stability by protecting consumers from financial abuses, ending taxpayer bailouts of financial firms, dealing with troubled banks that are "too big to fail," and improving accountability and transparency in the financial system - in particular, by requiring certain financial derivatives to be traded in markets that are subject to government regulation and oversight.
- Long-term problems include stagnation of wages for lower-income families, inadequate investment in deteriorating infrastructure, rapidly rising medical and pension costs of an aging population, energy shortages, and sizable current account and budget deficits - including significant budget shortages for state governments.

Source: http://www.nationmaster.com/country-info/compare/United-Kingdom/United-States/Economy
## US and UK Economy Stats

<table>
<thead>
<tr>
<th>STAT</th>
<th>UK</th>
<th>US</th>
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<tbody>
<tr>
<td><strong>GDP</strong></td>
<td>$2.44 trillion</td>
<td>$15.68 trillion</td>
</tr>
<tr>
<td><strong>GDP &gt; Per capita</strong></td>
<td>$35,046.59 per capita</td>
<td>$45,759.46 per capita</td>
</tr>
<tr>
<td>Population below poverty line &gt; <strong>Per capita</strong></td>
<td>0.232% per 1 million people</td>
<td>0.041% per 1 million people</td>
</tr>
<tr>
<td><strong>Unemployment rate</strong></td>
<td>8%</td>
<td>8.1%</td>
</tr>
<tr>
<td><strong>Imports</strong></td>
<td>$643.50 billion</td>
<td>$2.30 trillion</td>
</tr>
<tr>
<td><strong>Exports</strong></td>
<td>$473.00 billion</td>
<td>$1.56 trillion</td>
</tr>
<tr>
<td><strong>Tourism &gt; International tourism, number of arrivals</strong></td>
<td>29.31 million</td>
<td>62.71 million</td>
</tr>
<tr>
<td><strong>Big Mac Index</strong></td>
<td>$3.32</td>
<td>$3.15</td>
</tr>
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# Cost of Living Stats

<table>
<thead>
<tr>
<th>STAT</th>
<th>UK</th>
<th>US</th>
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<tbody>
<tr>
<td>Average monthly disposable salary (after tax)</td>
<td>$2,960.54</td>
<td>$3,258.85</td>
</tr>
<tr>
<td>Basic utilities &gt; Garbage, water, heating, electricity for 85 sqm apartment</td>
<td>$246.01</td>
<td>$162.08</td>
</tr>
<tr>
<td>Clothing and shoe prices &gt; Jeans &gt; 1 pair of Levi 501s or equivalent</td>
<td>$91.09</td>
<td>$40.58</td>
</tr>
<tr>
<td>Real estate prices &gt; Rent per month &gt; 3 bedroom apartment &gt; City centre</td>
<td>$2,011.39</td>
<td>$1,685.98</td>
</tr>
<tr>
<td>Transport prices &gt; New car &gt; Volkswagen Golf 1.4 or similar</td>
<td>$26,604.59</td>
<td>$20,000.00</td>
</tr>
<tr>
<td>Real estate prices &gt; Apartment purchase price per sqm &gt; City centre</td>
<td>$5,096.80</td>
<td>$1,874.98</td>
</tr>
<tr>
<td>Restaurant prices &gt; 3 course meal for 2</td>
<td>$73.16</td>
<td>$45.00</td>
</tr>
<tr>
<td>Internet &gt; Broadband 6Mpbs, uncapped data</td>
<td>$31.97</td>
<td>$45.72</td>
</tr>
<tr>
<td>Prices at markets &gt; Apple &gt; 1kg</td>
<td>$2.99</td>
<td>$3.69</td>
</tr>
<tr>
<td>Prices at markets &gt; Wine &gt; Bottle, midrange</td>
<td>$9.98</td>
<td>$12.00</td>
</tr>
<tr>
<td>Prices at markets &gt; Water &gt; 1.5 litre bottle</td>
<td>$1.74</td>
<td>$1.75</td>
</tr>
</tbody>
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Contrasts between US and UK Political Systems (1)

The Constitution

- The United States has a written constitution as does the vast majority of nation states. The UK does not have a single document called the constitution but instead its constitutional provisions are written in many different places like statues, court judgements and through EU law.
- A defining feature of the American constitution is the strict separation of the powers of the executive, the legislature and the judiciary. The British political system has no such formal separation of the powers - indeed one person is actually a member of all three arms of government, since the Lord Chancellor is a member of the Cabinet (the executive), a member of the House of Commons of the House of Lords (the legislature) and the head of the legal system (the judiciary).
- In the United States, because of the separation of the powers, no Cabinet member is allowed to be a member of the Congress. In Britain, every Government Minister must be a member of one of the two Houses of Parliament and, if he or she is not already in the Parliament, then he or she is made a peer (that is, a member of the House of Lords).

Source: http://www.rogerdarlington.me.uk/USvsUK.html
Contrasts between US and UK Political Systems (2)

- Although the American political system has a strict 'separation of the powers' meaning that nobody can be a member of more than one of the three arms of government, members of the Supreme Court (the judiciary) are nominated by one of the other arms of government (the President) and approved by one part of another arm of government (the Senate which is part of the legislature). In the UK, almost all members of the upper chamber of the legislature (the House of Lords) are effectively chosen by the political party leaders in the lower chamber of the legislature (the House of Commons).
- The American constitution is hard to change and, in current political circumstances, perhaps impossible to change in any meaningful respect. The Equal Rights Amendment - which sought to provide equal rights for women - failed and there has been no successful amendment of the US Constitution - except for one technical measure - since 1971. What for practical purposes constitutes the British Constitution - various Acts of Parliament - can be changed by a simple majority in the legislature. For instance, the current Coalition Government introduced fixed terms for the House of Commons by passing the necessary legislation.

Source: http://www.rogerdarlington.me.uk/USvsUK.html
Contrasts between US and UK Political Systems (3)

The Executive

• The most obvious - and certainly the most visible - of the differences between the American and British political systems is that the USA is a presidential system, with the apex of power in a President elected indirectly through an Electoral College, whereas the UK is a parliamentary system, with the Prime Minister holding office and power only so long as he or she commands a majority of votes in the House of Commons.

• In theory then, the American President has much more power than the British Prime Minister - he is the commander-in-chief and has the power to issue executive orders which have the full force of law. However, the constitutional system of 'checks and balances' seriously circumscribes the power of the US President who often finds it really difficult to push legislation through Congress. By contrast, a British Prime Minister usually heads a government with a majority of seats in the House of Commons and the ability to pass almost any legislation that he wishes.

• In the United States, the transition period between the election of a new president and that person's inauguration is two and half months. In Britain, the changeover of Prime Ministers is virtually immediate - within hours of the election result, one person leaves 10 Downing Street and within the following hour the successor enters it.

Source: http://www.rogerdarlington.me.uk/USvsUK.html
Contrasts between US and UK Political Systems (4)

- A US President is limited by the constitution to two four-year terms in office, whereas there is no limit to the time that a British Prime Minister can serve in the office.
- The American Cabinet meets at irregular intervals and acts as adviser to the President. The British Cabinet meets once a week and formally takes decisions, usually by consensus under the guidance of the Prime Minister.
- In the United States, the incoming President and his aides make a total of around 7,000 political appointments. In Britain, the Prime Minister appoints around 100 members of the Government and members of the Cabinet each appoint a couple of Special Advisers, so the total number of political appointments is around 150.
- In the United States, all the most senior appointments are subject to confirmation hearings and votes in the Senate. In Britain, there is no procedural method of challenging the appointment of a particular Minister although, in theory, the Opposition could move a vote of no confidence in the appropriate House of Parliament.
- In the USA, after the Vice-President the Secretary of State is the most senior member of the Cabinet and in many countries would be known as the Foreign Secretary. In Britain, the political head of each Government Department is called Secretary of State and so almost every member of the Cabinet is a Secretary of State.

Source: http://www.rogerdarlington.me.uk/USvsUK.html
Contrasts between US and UK Political Systems (5)

• In the United States, the incoming President's inaugural address is a highly public and prestigious affair. In Britain, the new Prime Minister simply sets out his or her vision for the country in a speech to the House of Commons on the subject of the Queen's Speech which opens the new session of Parliament.

• In the United States, the President each year gives a high-profile 'State of the Union Address'. In Britain, there is no equivalent occasion, the nearest event being the Prime Minister's introduction to the Government's legislative intentions for the next year or so after the State Opening of Parliament each session.

• As a result of the separation of the powers, the US President does not attend or address Congress except for the annual 'State of the Union Address'. Since there is no separation of the powers in the UK system, the Prime Minister is a member of one of the Houses of Parliament - these days, invariably the House of Commons - and regularly addresses the Commons, most notably once a week for Prime Minister's Question Time (PMQ). When the President addresses Congress, he is given a respectful hearing. When the Prime Minister addresses Parliament, he is barracked and interrupted and Prime Minister's Question Time in particular is a gladiatorial affair.

Source: http://www.rogerdarlington.me.uk/USvsUK.html
Contrasts between US and UK Political Systems (6)

The Legislature

• Senate rules permit what is called a filibuster when a senator, or a series of senators, can speak for as long as they wish and on any topic they choose, unless a supermajority of three-fifths of the Senate (60 Senators, if all 100 seats are filled) brings debate to a close by invoking what is called cloture (taken from the French term for closure). There is no equivalent provision for preventing filibustering in either House of the British Parliament but filibustering is rare.
• In both the House of Representatives and the Senate, the majority party chairs all committees which have considerable power. In the two chambers of the British legislature, committee chairpersonships are allocated between the different parties, roughly in proportion to the size of the party in the House, and the committees are much less powerful than in the US Congress.
• In the House of Representatives, the Speaker - chosen by the members of the largest party - has considerable power and acts in a highly partisan fashion. In the House of Commons, the Speaker - chosen by the whole House - only has procedural responsibilities and acts in a non-partisan manner (usually he is not opposed in a General Election).

Source: http://www.rogerdarlington.me.uk/USvsUK.html
Contrasts between US and UK Political Systems (7)

The Judiciary

In America, the Supreme Court is an intensely political institution - its members are appointed by the President on a partisan basis and its decisions are often highly political and highly controversial. By contrast, in Britain the Supreme Court is not appointed on a political basis and, like all British courts, avoids making decisions which it regards as proper to politicians and Parliament.

Political Parties

• In the USA, the Republicans are the Right of Centre party and the Democrats are the Left of Centre party. In the UK, the Conservatives are the Right of Centre party and Labour is the Left of Centre party. However, the 'centre' in American political is markedly to the Right of the 'centre' in British or most of European politics. This means that the policies espoused by Tea Party candidates would not be supported by any political party in Britain, while the policies supported by an American politician like Bernie Sanders, the Independent senator from Vermont, would be mainstream in the British Labour Party.

• In the USA, there is no centre party in this sense of one positioned politically between the Republicans and the Democrats. In Britain, there is a Liberal Democrat Party which ideologically sees itself as between Conservative and Labour.

Source: http://www.rogerdarlington.me.uk/USvsUK.html
Contrasts between US and UK Political Systems (8)

- In the United States, the Democratic and Republican Parties absolutely dominate federal and state elections with independents securing only small proportions of the vote. In the United Kingdom, the two main political parties - Conservative and Labour - win a smaller and declining share of the total vote, with a growing share being taken by the likes of the Liberal Democrat Party and the UK Independence Party at national level and by the likes of the Scottish and Welsh Nationalist Parties at the devolved level.

- The major parties in the USA have a large-scale congress every four years to choose their candidate for the forthcoming presidential election and ostensibly determine the policy platform of that candidate. All the political parties in the UK hold annual conferences where they debate the policy positions to be adopted by the party, but these conferences do not choose the party leader (which is done through a separate and broader process varying from party to party).

- In American politics, the two main political parties are loose coalitions with individual candidates or Congressmen adopting varying positions on many issues (although, in recent years, the Tea Party movement has forced Republican politicians to proclaim more consistently conservative positions). In British politics, all political parties have much tighter rein on the policies promoted by candidates and the voting by elected representatives. (In the House of Commons, each week a ‘whip’ is issued which sets out how the Member of Parliament should vote on each major issue before the legislature that week).

Source: http://www.rogerdarlington.me.uk/USvsUK.html
The UK in the News since 1997 (1)

• 1997 May - Labour Party under Tony Blair wins landslide election victory. Voters responded to ‘New Labour’ in the 1997 election, giving the party a huge majority of 179 seats.
• 1997 July - Britain hands Hong Kong back to China. After more than 150 years of British rule, Hong Kong was returned to Chinese control.
• 1997 August - Diana, Princess of Wales, is killed in a car crash in Paris. Diana was the ex-wife of the heir to the British throne, Charles, Prince of Wales.
• 1999 January - Britain decides not to join the European Single Currency.
• 1997 September - Referendums in Scotland and Wales back the creation of separate assemblies with legislative powers which are inaugurated in 1999.
• 1998 April - Good Friday Agreement on a political settlement for Northern Ireland is approved by voters in the Republic of Ireland and Northern Ireland. It brought to an end the 30 years of sectarian conflict in Northern Ireland known as ‘The Troubles’.
• 2000 March - Global stock markets tumble as the 'dotcom bubble' bursts. The late 1990s saw a profusion of start-up companies selling products or services either using or related to the internet.

The UK in the News since 1997 (2)

- 2001 Foot-and-mouth disease wreaks havoc on rural Britain. The nine-month epidemic of 'foot-and-mouth' disease resulted in the culling of millions of animals and devastated large sections of the rural economy.
- 2001 September/November - Following September 11 attacks on targets in the US, PM Tony Blair offers strong support for US-led campaign against international terrorism. British forces take part in air strikes on targets in Afghanistan.
- 2003 March - UK joins US-led military campaign against Iraq after UN-based diplomatic efforts to ensure Baghdad has no weapons of mass destruction are perceived to have failed.
- 2005 July - 52 people are killed and around 700 are injured in four Islamist suicide bomb attacks on London's transport network. Two weeks later, more would-be bombers fail to detonate four devices on same network.
- 2007 May - Leaders of Northern Ireland Assembly sworn in, ending five years of direct rule from London.
- 2007 July - Diplomatic row with Russia over Britain's bid to extradite Andrei Lugovoi, an ex-KGB agent accused of killing Russian defector Alexander Litvinenko in London with radioactive polonium.

The UK in the News since 1997 (3)

- 2009 November - Britain withdraws bulk of its remaining troops in southern Iraq, leaving only a small force tasked with training the Iraqi military.
  - The UK economy comes out of recession, after figures show it grew by 0.1% in the last quarter of 2009, following six consecutive quarters of economic contraction - the longest such period since quarterly figures were first recorded in 1955.
- 2011 August - The killing of a 29-year old man by police sparks widespread riots and looting in poorer areas of London, as well as in several other English cities. Insurers estimate the cost of the damage at more than £200m.
- 2012 August-September - Britain hosts the 2012 Summer Olympics and Paralympics to widespread international acclaim.
- 2013 July - The Duchess of Cambridge gives birth to a son George, who is third in line to the throne after the Prince of Wales and the Duke of Cambridge.
- 2014 September - Voters in a referendum in Scotland reject independence, with 55% opting to remain part of the United Kingdom and 45% favouring independence.
- 2016 June - Political crisis after voters in a referendum opt to quit the European Union. David Cameron resigns, succeeded as prime minister by his home secretary, Theresa May.

The US in the News since 1997 (1)

• 1998 - Scandal over Clinton's purported sexual impropriety with White House worker Monica Lewinsky dominates domestic political agenda and leads to impeachment proceedings in Congress.
• 1999 March-June - US plays leading role in Nato bombardment of Yugoslavia in response to Serb violence against ethnic Albanians in the province of Kosovo.
• 2001 September - Co-ordinated suicide attacks on various high-profile targets, prompting the US to embark on a "war on terror" which includes the invasion of Afghanistan and Iraq.
• 2001 October - USA Patriot Act approved by the Senate, giving the government greater powers to detain suspected terrorists, eavesdrop on communications and counter money-laundering. In November, President Bush signs a directive to try suspected terrorists in military tribunals rather than the courts.
• 2002 June/July - Telecoms giant WorldCom's multi-billion dollar accounting fraud is revealed, eclipsing the Enron scandal to become the biggest business failure in US history.

The US in the News since 1997 (2)

• 2002 November - President Bush signs into law a bill creating a Department of Homeland Security, the biggest reorganisation of federal government in more than 50 years. The large and powerful department is tasked with protecting the US against terrorist attacks.
• 2003 March - Missile attacks on Baghdad mark the start of a US-led campaign to topple the Iraqi leader Saddam Hussein. US forces advance into central Baghdad in early April.
• 2004 May - Furore over pictures showing the abuse of Iraqi prisoners in US custody.
• 2004 November - Presidential elections: George W Bush wins a second term.
• 2005 August - Hundreds of people are killed when Hurricane Katrina, the most destructive storm to hit the US in decades, sweeps through gulf coast states. Much of the city of New Orleans is submerged by flood waters.
• 2006 May - The only man to be charged over the September 11 attacks, self-confessed al-Qaeda conspirator Zacarias Moussaoui, is sentenced to life in jail.
• 2007 January - President Bush announces a new Iraq strategy; thousands more US troops will be dispatched to shore up security in Baghdad.
• 2008 September - Turmoil in the US and international financial markets as major Wall Street investment bank Lehman Brothers collapses and other big US financial players face growing troubles as a result of the "credit crunch".

The US in the News since 1997 (3)

- 2008 November - Democratic Senator Barack Obama becomes the first black president of the United States.
- 2010 March - Democrats in Congress succeed in passing a bill on health care reform, despite strong Republican opposition, procedural setbacks and public scepticism.
- 2012 November - President Obama wins re-election by a narrow margin over Republican contender Mitt Romney.
- 2013 May - Former National Security Agency (NSA) contractor Edward Snowden flees to Russia via Hong Kong after revealing leaking information on extensive internet and telephone surveillance by US intelligence. Russia later refuses a US demand for his extradition.
- 2014 August-November - The shooting of an unarmed black teenager by a white policeman sparks a weeks of riots the Missouri town of Ferguson. In November, a grand jury's decision not to charge the officer with murder sets off new unrest.

The US in the News since 1997 (4)

• 2014 November - Republicans win a Senate majority in mid-term elections, gaining control of both houses of Congress and further reducing President Obama's room for manoeuvre.
  • President Obama says he will use executive powers to allow four million illegal immigrants to apply for work permits, by-passing the Republic-controlled Congress.
• 2014 December US and Cuba begin steps to normalise diplomatic relations after more than 50 years of stand-off.
  • White supremacist shoots dead nine African-American worshippers in a church in Charleston, prompting nationwide revulsion and demands for end to public display of Confederate Civil-War-era symbols.
• 2015 December - FBI say Muslim couple who shot dead 14 people and wounded 21 others at office party in San Bernardino, California, were Islamist extremists who had prepared the attack, the worst on US soil since September 2001, in advance.
• 2016 November - Republican candidate Donald Trump wins presidential election, defeating Democratic candidate Hillary Clinton in one of the biggest political upsets in US history. He is inaugurated in January.

The US in the News since 1997 (5)

- 2017 January - President Trump signs executive orders restricting visas for people seeking to enter the US from certain Muslim-majority countries, and barring funding for cities that shelter illegal immigrants. Both policies are blocked by the courts.
- 2017 April - US adopts forward policy in Middle East and Asia, bombing a Syrian airbase in response to Syrian government chemical attack on civilians, and destroying an Islamic State cave network in Afghanistan. President Trump also warns North Korea that it could face military retaliation if it continues nuclear tests.