

How well has the economy performed under both the Labour governments of Blair and Brown and the Cameron led coalition government?

An economy is term that refers to a country's production and consumption of goods and services along with the supply of money. Since Tony Blair was elected in the 1997 general election, the UK economy has seen growth and decline as a result of government policy and foreign markets and their impacts in the UK because of the growth in globalisation. Different political parties and their leaders can take different approaches to running the economy effectively.

Under Tony Blair as Prime Minister and Gordon Brown as Chancellor of the Exchequer, the UK economy experienced the longest period of uninterrupted economic growth for more than 200 years. From 1997, UK GDP growth per quarter on quarter constantly remained above 0% up until the 2008 global financial crisis. During his time in office, GDP growth was at its lowest at 0.0% in the second quarter of 1999 but GDP growth peaked at 1.5% during the third quarter of 1999. Blair's government also managed to reduce the number of unemployed steadily from 2.1 million in 1997 to 1.5 million in 2001 where the number of unemployed remained fairly stable around this number until mid-2005. As a result the number of people seeking Job Seekers Allowance (JSA) in the same period also decreased. When he came to power in 1997, there were 1.8 million people seeking JSA, but by 2007 this had fallen to 0.9 million. Therefore we can analyse the statistics to argue that Blair's Labour government policies allowed the creation of more jobs for the public which reduced unemployment and the need for government benefits, and meant that industries grew from the increased productivity which contributed to the growth of GDP during these years.

Gordon Brown became Prime Minister after Blair stood down in 2007. Alasdair Darling was appointed as his new Chancellor of the Exchequer. For the first three quarters of 2007, economic growth in terms of GDP remained high at 1.0% and 1.3%. However, this period of growth drastically declined at the beginning of 2008 where in the second quarter of the year, the growth rate was at -0.8% (the first negative figure for 16 years). It continued to slow even further where it reached the lowest level of economic growth in the fifth quarter of 2009 at -2.5%. This period of decline was a result of the crash of global markets and the 2008 economic recession (a recession is a decline in economic growth for two or more consecutive quarters). During Alasdair Darlings time as Chancellor of the Exchequer, the UK economy only began to grow again in the final quarter of 2009 where it grew at 0.4%. Due to the rates of economic growth during Browns leadership, the number of unemployed increased rapidly from 2008 to 2010 from 1.6 million to 2.5 million, which also led to more people being in need of JSA, where the number of people claiming them went from 0.8 million to 1.6 million at the start of 2010. Overall, these statistics show that under Browns leadership, the UK economy shrunk and many people lost their jobs due to the recession. However, this economic crisis may have been a result of Blair's policies and spending which created a large budget deficit which Brown inherited in 2007.

Arguably, the Conservative Party under David Cameron was able to use the economic crisis to gain the votes of swing voters during the 2010 general election, bringing 13 years of Labour government to an end. As a result, they came to power and formed a coalition government with Nick Clegg's Liberal Democrats. Since 2010, the UK economy has grown despite a double-dip recession occurring between the last quarter of 2011 until the third quarter of 2012. There was a spike in the third quarter of 2012 which is likely to have occurred because of the London 2012 Olympic Games. From the start of 2013 the economy has grown which indicates that we are moving away from the economic recession of 2008. The number of people who were out of work remained fairly stable between 2010 and the third quarter of 2013 at around 2.5 million, but this has begun to decrease to its current level at around 2.0 million. This pattern also mirrors the same statistics for those on JSA which also has begun to decrease since mid-2013.