

# GOVERNANCE AND PUBLIC POLICY

**Diploma stage examination  
8 December 2005**

From 2.00pm to 5.00pm  
plus ten minutes reading time from 1.50pm to 2.00pm

## ***Instructions to candidates***

*Answer **four** questions in total.*

**One** compulsory question from **Section A**

**One** compulsory question from **Section B**

**Two** out of the three questions from **Section C**

*The question in Section A carries, in total, 50 marks.*

*The question in Section B carries, in total, 20 marks.*

*The questions in Section C each carry a total of 15 marks.*

*Where a question asks for a specific format or style, such as a letter, report or layout of accounts, marks will be awarded for presentation and written communication.*



**PRE-SEEN MATERIAL**

Read the articles and data that follow and then address each of the Requirements for Question 1

<b><u>UK 2005 General Election Results</u></b>		
	<b><u>Seats Won</u></b>	<b><u>% Share of Vote</u></b>
<b>Labour</b>	<b>356</b>	<b>35.3</b>
<b>Conservative</b>	<b>198</b>	<b>32.4</b>
<b>Liberal Democrat</b>	<b>62</b>	<b>22.0</b>
<b>Others</b>	<b>30</b>	<b>10.3</b>
<b>% of electorate registering their right to vote: 61.3%</b>		
<b>% of electorate voting for winning party: 21.6%</b>		
<i>Sources: Electoral Commission and other official sources</i>		

**Government's record low share of vote and system's bias fuel reform demands**  
**Alan Travis, home affairs editor**  
**Saturday May 7, 2005**  
**The Guardian**

For the first time a majority government in Britain has been elected by fewer people than those who could not be bothered to vote.

Labour's 35% share of the vote was lower than the 39% of the electorate who didn't make it to the polling station.

It is an unenviable record for Tony Blair to hold. The "winner takes all" rules of Britain's "first-past-the-post" voting system mean he has a Commons majority of more than 65 despite the fact that only 21% of the 44 million electorate supported his party - a record low in British electoral history.

The previous holder of this distinction was Harold Wilson, who won the October 1974 general election with a 39% share of the vote, but only had a majority of four. He could at least claim that with a turnout of 73% he had the support of more than 28% of the electorate.

Perhaps the clearest illustration of the underlying logic of the current voting system is in the number of votes it takes to elect each party's MPs. On last night's results a Labour MP only needed 26,858 votes to get elected, compared with 44,241 votes for a Tory MP, and a staggering 98,484 for each Liberal Democrat MP.

In other words 353 Labour MPs were elected on 9.48m votes, 196 Conservatives on 8.67m votes and 60 Liberal Democrats with 5.9m votes.

The democratic deficit involved is bound to fuel demands for reform of the voting system and may even lead to some senior Conservatives openly advocating change.

Labour's 2005 manifesto says the party remains committed to reviewing the experience of the new electoral systems which were introduced for the Scottish,

Welsh and European parliamentary elections and the London Assembly. But it adds that a referendum will be necessary before there is any change in Westminster elections.

David Lipsey, chairman of the 'Make Votes Count' campaign, said yesterday that the first-past-the-post system had reduced the general election to a travesty of democracy.

"The system is viciously biased against the Tories. Labour led them in share of the vote by only 3% but still has nearly twice as many seats. How can a government backed by only one in four or five electors who turned out conceivably claim any sort of valid democratic mandate?"

One problem facing the prospect of electoral reform is that some key supporters of proportional representation amongst Labour lost their seats on Thursday night. The fact that more Labour MPs now face a direct challenge from the Liberal Democrats may also make them less likely to vote for change.

It is too early to calculate how a Westminster parliament would look on the basis of Thursday's night's results if it was elected by PR - but campaigners say that Mr Blair's 2001 majority of 166 would have been reduced to 80 if an alternative vote system had been in place.

### **There are no short cuts in democracy**

### **Our people want strong majority governments, not the mush of PR**

**Jack Straw**

**Thursday May 12, 2005**

**[The Guardian](#)**

Labour won fair and square last Thursday. In more constituencies Labour got more of the popular vote than any other party, which is why we won more seats, and went on to form a third successive government under the leadership of Tony Blair.

All this is a statement of the blindingly obvious, but it needs to be said because the bad losers in the election - the Liberal Democrats and their allies - having failed to do as well as they hoped, are now seeking to challenge the legitimacy of the election by claiming that there is some fundamental flaw in the voting system itself, and then bringing out their usual panacea for all ills, proportional representation.

No electoral system is perfect, and each has merits of its own. It was I, as Home Secretary, who piloted through the bill to change our system for electing members of the European parliament from a first-past-the-post system to a regional list PR one. That change made sense, because the European parliament is a representative body that emphatically does not sustain a government. I also supported the introduction of additional list systems to the Scottish parliament and Welsh assembly, not least given the dominance of the Labour party in both nations, so as to ensure a greater degree of inclusivity in establishing those institutions. And I have long seen a strong case for the alternative vote (AV) in single-member constituencies for Westminster (by which voters rank candidates in order of preference, rather than plumping for just one, as under first-past-the-post).

But AV is not PR, and PR for Westminster would, in my judgment, undermine our democracy, effective government and the relationship between the electors and the elected.

The objection to first-past-the-post is that it gives the disproportionate power of government to a minority of voters. That's true. No winning party has achieved 50% or more of the popular vote since 1945. In the days of classic two-party politics - the late 40s and the 50s - Labour and the Tories came close to this, but never quite made it. With a stronger third party, the winning party is now more likely to get percentages of the popular vote in the lower 40s or upper 30s. But - and it's a very big "but" - under first-past-the-post, the power of government goes to the party of the plurality, to the largest minority. That's a huge advantage in comparison to PR, where too often it's the smaller minorities - the third and fourth parties - that exercise the disproportionate power. There have been two post-war exceptions to this - 1951 and February 1974 - where the opposition party was marginally ahead on the popular vote, but behind in seats. But in each case, the parliamentary result did appear to reflect the mood of the people and the party concerned won the following general election too.

This brings me to the central flaw of the PR argument. The insinuation of those who seek PR for Westminster is that a result where seats are proportional to the votes cast will also produce a result where power is proportional to both votes and seats. But in any democratic system that is a logical impossibility, for by whatever system the electoral winner is determined, the winner - who forms a government - necessarily gains much more power than those who end up in opposition.

It's for different countries to work out what is best for them. But it's an observable truth that those countries that have PR systems are much more likely to have unstable minority governments where small third and fourth parties often dictate terms, than countries with first past the post. Israel has one of the purest systems of PR anywhere in the world, and it's not for outsiders to tell the Israelis how to run their democracy. But Israelis themselves are among the first to point out the downsides of their system, which makes tough decisions incredibly difficult. Future historians may well suggest that this characteristic of their system has on occasions allowed an otherwise clear prospect of peace to slip away.

For all its imperfections, first-past-the-post has two profound strengths. First, every MP represents a clearly defined geographical area, and the communities and individuals within it. The responsibility is direct and personal. My foreign minister colleagues are often amazed about the degree to which I am held accountable by my Blackburn constituents, and by how I have to work for them. I am no different in that respect from any other Westminster colleague - but we are all different from those elected by PR systems, who have no necessary connection with any particular group of voters or territory. There is a problem in the UK, as in most of the West, of some alienation between electors and the elected. But PR would be likely to make that worse, and lead to greater isolation of a political elite, just at the time that we need to move in the other direction.

The second strength of first-past-the-post is that by producing governments with clear majorities, it enables a proper "contract" to be established between parties and their electors through their manifestos. For all the hyperbolic (and usually inaccurate) charges of "lying" that are thrown around at elections, parties and their leaders are careful and precise about what is promised in their manifesto, because, if elected, that document is the programme for which the country has voted and on which the government will be judged. But in PR systems with minority governments, it is often manifesto commitments that are the first casualty. The real manifesto is not the one put before the people in advance of the election, but the coalition programme negotiated behind closed doors after the election. I know which I think more democratic.

We have formed a government because we won more seats, and gained the largest minority of the votes cast as well. There is a case, as I said at the start of this piece, for looking closely at the alternative vote, which would end arguments about share of votes, since to win every candidate would have to gain 50% plus one in their constituency. But there are arguments the other way too - some set out rather eloquently by Lord Alexander of Weedon in his note of dissent to the 1999 Jenkins report on voting systems.

Losing elections is debilitating and frustrating. I know that. I spent my first 18 years as an MP in opposition, 10 years longer than I've spent in government. There were people around then who said that we would never, ever, win power - unless we changed the electoral system. Most of my parliamentary colleagues treated this idea with contempt, and recognised that we would win when we deserved to, and meanwhile we would have to take the medicine meted out by a party with more votes than we had - and its Thatcher government.

We also knew that the British people preferred strong majority government, rather than some mush in the middle. Above all, we knew that there are no short cuts in politics, or democracy. It's time the Liberal Democrats learned this too.

Jack Straw is the Foreign Secretary

**Falconer denies need for electoral reform**  
**Queen's Speech will include bill to improve postal voting**  
**Michael White, political editor**  
**Saturday May 14, 2005**  
**[The Guardian](#)**

The government rejected demands yesterday for a review of the way MPs are elected in the wake of last week's general election, which left Tony Blair's third Commons majority resting on 36% of a 61% voter turnout.

Supporters of proportional representation in all parties joined longstanding campaigners for electoral reform to argue that the results on May 5 showed that the first-past-the-post system produced a skewed result that did not represent the views of the country.

Yesterday Mr Blair's close ally, Lord Falconer, took his cue from the prime minister when he told reporters: "I am not sure there is widespread discontent with the way the electoral system works. It's worked for some time and I am not sure there is pressure for a change."

At his monthly Downing St press conference this week Mr Blair said "the problem with PR systems is that you can often have a result where a small party actually holds the balance of power, that's unfair as well".

He said voters had got what they roughly wanted last week: a Labour government, but with fewer MPs.

Mr Blair kicked Lord Jenkins's Royal Commission findings, including PR for Westminster, into the long grass in 1998. He then promised a review on how various forms of PR were working in Scotland, Wales and London. The review will report later this year.

But officials at Lord Falconer's Department for Constitutional Affairs said it was a low-level inquiry. "It's certainly not Jenkins II," said one.

The Liberal Democrats, who have long advocated PR to increase their share of MPs, have been furious at Labour's perceived double-cross.

Lord Falconer was presenting the department's plans for clamping down on voter fraud yesterday, some of it associated with the dramatic growth in postal voting in recent years - including up to 15% of votes cast last week.

A bill to reform postal voting will be included in next week's Queen's Speech, but consultation with the Electoral Commission and political parties will continue.

Lord Falconer signalled his opposition to individual registration forms for every voter as opposed to household registration.

He said: "There has got to be a balance struck between access to voting on the one hand and adequate security on the other."

In Northern Ireland, where voter fraud has a long history, that approach had led to a 10% fall in registration, he said.

The likely options for improvements include:

- Making the act of applying fraudulently for a postal vote (as distinct from using it) a specific criminal offence with a jail sentence of up to five years
- Requiring voters to give signatures and dates of birth on electoral registration forms
- Replacing serial numbers with bar codes
- Secrecy warnings and watermarks on ballot papers
- Application forms returned to neutral electoral registration officers, not political parties
- Requiring acknowledgement of all applications and more time to check them.

In the search for fresh ways of voting, ministers know there is a risk of confusion as well as fraud. Even the BBC broadcaster John Humphrys got into a muddle over his postal vote.

At his side yesterday, Lord Falconer's new deputy, Harriet Harman, supported the use of some form of ID card to help people identify themselves at polling stations.

But she also stressed the importance of making sure voters were registered. Last week some people turned up to vote and found they were not, she said.

Ministers have been accused of complacency since an election court in Birmingham found several Labour councillors guilty of fraud in last year's local elections.

Rejecting allegations that electoral malpractice was widespread, Lord Falconer said: "The government believes the election last week was safe and secure and produced a result which was fair and accurate."

But he admitted that voter confidence had been undermined. He also admitted "disappointment" that voter turnout rose only 2% on 2001's historically low figure to 61%.

"Fifteen per cent of people applied to vote by post. That suggests the turnout would have been even lower if there had not been postal voting," he said.

**Falconer warns against switch to PR**  
**Matthew Tempest, political correspondent**  
**Friday May 20, 2005**  
**The Guardian**

The government today appeared to put the dampener on the campaign for a change in Westminster's voting system, saying there was no "groundswell" of support for proportional representation.

This month's general election saw Labour elected with a 67 seat majority on only 35% of the popular vote - 22% of the electorate - a record low for a majority government.

However the Secretary of State for Constitutional Affairs, Lord Falconer, today said he saw no public pressure for reform.

He told BBC Radio 4's Today programme: "I don't think there is a real groundswell for change. The consequences of change would be significant for the way we are governed."

The chairman of the 'Make Votes Count' lobby, which argues for PR, reacted with scorn. Lord Lipsey said: "I don't know what planet he [Lord Falconer] is on, but people have been talking about little else since the election".

"This definitely does not mean it's all over. People who support electoral reform do not, by their nature, throw bricks through windows or assault policemen, but we will be doing a number of things over the next few weeks to demonstrate there is huge public support for change."

Lord Falconer, who is also the Lord Chancellor and a close confidante of Tony Blair, said a move to proportional representation would mean politicians were preoccupied with establishing coalitions.

"It is not a question of time. It is a question of where your energies are spent," he said.

John Major's Tory government had spent all its efforts trying to muster MPs' support rather than governing, he said, due to its narrow and eroding Commons majority.

"Another aspect of it is to increase the power of parties that most of us regard as extreme," he continued.

"The point I am making is there would be a change in the way we are governed. There would not be the clarity of who is in power."

Mr Blair promised a referendum on electoral reform in the party's 1997 manifesto, and commissioned the former Labour Home Secretary, Lord Jenkins, to carry out a review. However, the prime minister decided not to act on its recommendations.

The government are undertaking a review of PR used in the elections to the Scottish parliament, Welsh assembly and European parliament, but Labour's 2005 manifesto only promised that any change in Westminster's voting system would be confirmed by a referendum first.

Lord Falconer said the government remained unconvinced about the case for change, so there was nothing for people to vote on.

Lord Lipsey rejected both Lord Falconer's criticisms of voting change, saying the Jenkins' Commission recommendations would still allow for "strong, democratic" government, and that "extremist" parties would have to amass at least 10% of the vote before gaining representation - "something they are nowhere near doing."

**The proof: Vote reform will boost turnout**  
**By Marie Woolf, Chief Political Correspondent**  
**15 June 2005**  
**The Independent**

**How PR makes a difference at the polls**

<u>Country</u>	<u>Election Turnout</u>	<u>Electoral System</u>
Jamaica	56.8%	First-past-the-post
USA	60%	First-past-the-post
Canada	60.8%	First-past-the-post
UK	61.3%	First-past-the-post
Ireland	63%	Proportional representation
Hungary	70.5%	Proportional representation
Germany	79.1%	Proportional representation
Sweden	80.1%	Proportional representation
Italy	81.3%	Proportional representation
Belgium	91.1%	Proportional representation

Countries which elect their governments using proportional voting systems have higher turnouts among voters than those using first-past-the-post, electoral specialists have found.

Countries using PR had average turnouts of 70 per cent - 10 per cent higher than those, such as Britain, which use non-proportional systems.

The analysis of turnout in 164 countries, by Professor Pippa Norris of Harvard University, was seized on yesterday by MPs who said PR may be an answer to addressing the worrying lack of voter engagement in the UK.

Writing in 'The Independent', Professor Norris, a world authority on electoral systems, said switching to PR for a general election would "probably significantly strengthen British turnout".

She cites turnouts in countries such as Sweden, Iceland and Israel where more than 80 per cent of people of voting age go to the ballot box.

The findings come as The Independent's Campaign for Democracy gathers pace, with nearly 38,000 readers calling for urgent reform of the electoral system.

Ms Norris said there was evidence that introducing PR made the public feel their votes were not wasted and that "the basic type of electoral system does indeed shape the incentive to participate".

She said that "the basic type of electoral system remains a significant indicator of turnout".

Ms Norris said results of studies "confirm that average turnout was highest among nations using proportional representation, namely party list and the single transferable vote electoral systems".

The lack of public interest in last month's general election has alarmed all three political parties. Turnout was 60.9 per cent, slightly up on 2001, although more people voted in marginal seats where there was a high-profile contest.

Lord Falconer of Thoroton, the Secretary of State for Constitutional Affairs, addressed Labour MPs on Monday about ways to increase voter participation, including postal votes.

Yesterday, in a debate on electoral reform in the House of Commons, MPs said the issue of turnout was vital to the health of our democracy. John Hemming, the Liberal Democrat MP for Birmingham Yardley, quoted statistics showing that G8 countries which use PR had turnouts 20 per cent higher than in Britain. He said "the key to boosting turnout is proportionality" and that in G8 countries with PR, turnout was 80 per cent.

Other MPs called for an end to the "electoral lottery" which allowed Labour to return to power with a working majority, despite gaining only 35 per cent of the vote.

Speaking for the government, Harriet Harman, the Constitutional Affairs minister, acknowledged that the debate on electoral reform was "hugely important" and there were many people with "deeply held views" on the issue. She said the government needed to look abroad to study the effect of PR systems on turnout as well as within Britain.

She added that the Government's review was already looking at effect on turnout.

"We have to look at our own system but also the trend, and we have to look abroad at the effect of different voting systems on turnout," said Ms Harman. "The question of turnout is affected by many more things than simply the clarity and fairness of the individual voting system."

She said she thought the "trend in turnout in proportional systems seems no better than those used in first-past-the-post."

Ms Harman said discussion about PR should be about "improving democracy" and not driven by "party political interests". But she said there was no voting system that "hits all the objectives" - otherwise it would be used all over the world.

She said: "The question is what is the best system which has the support that commands legitimacy and is seen to be fair?"

John Barrett, the Liberal Democrat MP for Edinburgh West, paid tribute to 'The Independent' for its Campaign for Democracy which he said had mobilised a significant degree of public support. He said it was "an excellent campaign, not just for raising support, but for seeking to educate people". Mr Barrett said the "decline in voter participation" was a serious problem that needed to be addressed.

## **Politicians on Britain's voting crisis**

### **Lord Falconer: 2004**

"Britain certainly has a problem with turnout. But it is far from the only country which does so... People feel the decisions they make have a greater or at least a more direct impact locally."

### **Alan Milburn: On 2005 Election**

"This is an election about turnout. The worry for us is that propensity to vote among Conservative voters seems to be higher than the propensity to vote among Labour voters."

### **Tony Blair: After 2001 victory**

"If people really wanted to put the government out, they wouldn't be staying at home, they would be out putting the government out."

### **Michael Howard: 2005**

"We [politicians] are probably the main people to blame [for falling turnout] because it's up to us to persuade people that politics is relevant to their lives."

### **Shirley Williams: 2001**

"If [Labour] cannot attract their own voters... one must seriously question if this is a mudslide, not a landslide. This shows a steady loss of faith in the political process."

## **Fifty years of decline**

**By Marie Woolf, Chief Political Correspondent**

**15 June 2005**

**The Independent**

Electoral turnout has steadily declined in Britain in the past 50 years. In 2001 it reached the lowest level since the "khaki election" of 1918 - and the lowest of any post-war election in Europe.

Turnout recovered marginally this year, to 60.9 per cent. But this small recovery was not great enough to convince the government that there is no crisis in political engagement in Britain.

The rise in turnout has been attributed to a boost in activity in marginal seats, where the true battles in the general election were fought this time.

Turnout rose in seats where political parties bothered to mount concerted campaigns. In other parts of the country, where the outcome in safe seats was seen as a foregone conclusion voters complained that they were being ignored by the political parties. The low turnout in 2001 and 2005 has been attributed to the feeling that the result was a foregone conclusion - so votes "would not count".

**Pippa Norris: How to make 'wasted votes' count**  
**15 June 2005**  
**The Independent**

Britain has seen widespread concern about the erosion of voter participation. In the 2001 general election, about 26 million people voted - 59.4 per cent of the total electorate.

Historically this was the lowest turnout recorded in British general elections since the "khaki" election of 1918. Equally remarkable, it was also the lowest in any postwar general election in any EU country.

A forthcoming study, 'Britain Votes 2005', found that of more than 43 million eligible electors, almost 17 million abstained on 5 May 2005. Turnout was 61.2 per cent, up 1.8 per cent on 2001, an extremely modest rise which could be attributed to many factors. Public interest may have been stimulated by strongly emotional issues debated during the campaign, notably the Iraq war and asylum-seekers.

Compared with 2001, a closer outcome was widely predicted by the final opinion polls and discussed by many media commentators. Turnout was about 10 per cent higher in marginal seats: the closer the anticipated outcome in any election, the greater the incentive for electors to cast a ballot and for parties to mobilise their support through "get-out-the-vote" drives.

The rise could also be attributed to reforms introduced by parliament, notably the adoption of the rolling register and also the easier access to postal ballots, which were issued to an estimated 12 per cent of the electorate, although fewer used them.

Despite these initiatives, turnout remained well below the 76 per cent average in postwar general elections until 1997.

Can Britain learn from other nations? Electoral participation has always varied a lot among established democracies. During the 1990s, for example, elections in Iceland, Israel, and Sweden saw more than 80 per cent turning out at the ballot box, compared with less than half in the US and Switzerland.

Many factors contribute to these variations but one of the most important factors is the voting system. National legislative elections using proportional representation usually generate higher turnout than elections held under majoritarian systems such as Britain's first-past-the-post. A comparison of elections during the 1990s in 164 nations found that turnout was 70 per cent under all PR systems, 10 per cent higher than in countries using majoritarian systems like ours.

The most plausible explanation emphasizes the "wasted vote" syndrome. In majoritarian systems, supporters of minor and fringe parties, such as the Greens, the BNP or Respect, have good reason to feel that their votes will make no difference to who wins in their constituency, still less to the overall composition of government and the policy agenda. This argument is strongest in "safe" seats where the incumbent is unlikely to be defeated.

In contrast, PR elections with low vote thresholds and with many members elected from each district, such as the party list system used in the Netherlands, increase minor parties' chances, and this increases the incentive for their supporters to participate.

British turnout in European elections remains dismal despite a regional party list system, because of lack of interest in the outcome. Nevertheless, PR for Westminster would provide a fairer system for minor parties with dispersed support, it would probably increase the proportion of women MPs, and it would probably also significantly strengthen British turnout.

*Pippa Norris is the McGuire Lecturer in Comparative Politics at Harvard University. She is the co-editor (with Christopher Wlezien) of Britain Votes 2005, Oxford University Press, to be published in August 2005*

**SECTION A (Compulsory)****1****• Requirement for question 1**

- (a) UK general elections are held to elect Members of Parliament to the House of Commons. Explain the principal functions of the House of Commons. 10
- (b) Outline what is meant by the term *democratic deficit* and explain the relevance of this term in the context of the 2005 UK general election. 5
- (c) Explain the difference between *first-past-the-post* and *proportional representation* voting systems at general elections. 5
- (d) (i) What do you understand by the term *representative government*? 5
- (ii) To what extent is the composition of the House of Commons, following the 2005 UK general election, consistent with your understanding of the term *representative government*? 5
- (e) The 2005 general election result, like that of many of its predecessors, has stimulated pressure for electoral reform. Outline the nature of this reform and evaluate the case for and against UK electoral reform. 10
- (f) Apart from the demands for House of Commons electoral reform, outline other UK parliamentary reforms that have been either proposed or implemented since the mid-1990s. 10

**(50)**

**SECTION B (Compulsory)****2**

It is frequently argued that many UK public policy decisions are strongly influenced by non-governmental “policy actors” and then made in “Whitehall” departments rather than in Cabinet.

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- **Requirement for question 2**

- (a) Identify and briefly describe the five models that seek to explain the alternative views of the relationship between “Whitehall” and government ministers in the decision-making process. 10
- (b) Three traditional features of the British civil service are permanence, neutrality and anonymity. Evaluate the extent to which recent civil service reforms and other changes have impacted on these three features. 6
- (c) Non-governmental “policy actors” frequently have an important influence on government policy. Outline and comment on the relative influence of any two groups of non-governmental “policy actors” on central government economic policy. 4

**(20)**

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**SECTION C (Answer two questions from this section)**

**3** During and since the 1980s, successive UK governments have given considerable emphasis to strengthening the efficiency and effectiveness of public services through marketisation and privatisation policies.

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- **Requirement for question 3**

- (a) Outline the variety of policies and programmes used by UK governments to implement marketisation and privatisation. 7
- (b) Evaluate, with examples, the extent to which you believe the policies of marketisation and privatisation have been successful. 8

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**4** The two principal tools of UK economic management are fiscal policy, usually associated with demand management strategies, and monetary policy, usually associated with supply-side strategies.

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- **Requirement for question 4**

- (a) Distinguish between the two principal tools of UK economic management. Comment upon the way in which their roles in UK macroeconomic policy have developed over time and the organisations responsible for decisions concerning them. 9
- (b) It is frequently argued that, should the UK decide to participate fully in the European Union's Economic and Monetary Union, then the government will no longer have the freedom to manage the UK economy. Explain what is meant by this argument, indicating the extent to which you feel it is valid. 6

**(15)**

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**5** Government and the wider public sector have become more “business-like” in recent decades and this reform of the public sector has been accompanied by greater focus on ethical, governance and regulatory issues.

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• **Requirement for question 5**

- (a) Explain what is meant by ethical behaviour and outline the arguments for an ethical approach to governance in the public sector. 7
- (b) Outline the main arguments that are typically put forward against regulation. 8

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