

Introduction

THIS BOOK LOOKS at the economic issues that will decide the general election of May 2015. Written by three economists with differing political perspectives, it belies the old joke that three economists will have six opinions. Sometimes, but certainly not always, the most interesting bits of economics are those where economists do disagree. We could simply give an overview of these various positions and the evidence produced by the variety of economists, but a balanced exposition can be as dull as an academic literature review – that is, very dull indeed! So instead, this book gives rein for each author to go beyond the dry, non-committal formulations of academic rigour and to express her or his personal judgements – and, on a few occasions, for another author to take issue where they feel they just can't hold their tongue any more!

Each chapter brings together analysis and evidence to inform policy prescriptions. Where there is serious disagreement we do resort on occasion to

being the infamous 'two-handed economist',¹ offering the alternative view – or at least not rubbishing it completely! But the authors have not been allowed to use the usual academic's cop-out that 'more research is required'. It's always true that more research is needed and it makes more work for academics, but a professional practitioner is required to make a judgement on incomplete information today to address an uncertain tomorrow. That is, they are asked to answer the policy-maker's question, 'Given what you know now, what do you recommend that I do?' A professional practitioner of policy economics is very used to this, as Vicky Pryce, no stranger to that world herself, points out: 'At the decision point, economists who tell the decision maker that "it is all very difficult and uncertain" are not much help and will soon find themselves not invited back.'²

The electorate does vote emotionally, of course, but only up to a point. Pollsters worry about the voters' perceptions of politicians – who looks best when they are eating a bacon sandwich, should they be eating a bacon sandwich at all, do they dress well, do they know how to relax, what do their other halves (usually wives) look like? The newspapers then refer to leaders being 'unelectable' because of those perceptions. Well, in reality and for the most part, voters are not stupid. What matters to them is the economy and jobs. That much is clear. But the information they're given to base their decisions on is often biased, wrong, wilfully distorting the truth or even a downright lie. Getting to the bottom of the issues for the voter is what this book is all about.