

SOCIAL CLIMATE

HISTORY

The origins and development of the United Kingdom are found in the relationships which link the four members: England, Wales, Scotland and Northern Ireland. England and Wales have been a single political entity since the Middle Ages, and Scotland became associated with England under the authority of a single parliament of Great Britain in 1707. The term United Kingdom came into use in 1808 when the parliament of Ireland was joined to that of Great Britain. In 1922, Southern Ireland (now the Republic of Ireland) became independent while the six counties of Northern Ireland remain part of the United Kingdom.

POLITICS

The Conservative Party has ruled the Parliament since Margaret Thatcher won the general election in 1979. She was replaced within the party in 1990 by John Major who went on to win the general election of April 1992. Mr. Major has sought to keep the United Kingdom "at the very heart of Europe". At the Maastricht summit in December 1991, he reached a compromise with his fellow EC leaders that, while accepting that member states wished to make a firm commitment to Economic and Monetary Union (EMU), the United Kingdom would nevertheless retain the right to opt out of any future moves towards EMU. This has enabled Mr. Major to keep the United Kingdom involved in the important decisions to be made over the pace and style of EMU while maintaining the option to pull out of EMU when the point of decision is reached, if necessary. Another political problem plaguing the United Kingdom is the ongoing sectarian strife between Protestants and Catholics in Northern Ireland which has been a major concern for UK governments for decades.

ECONOMY

The United Kingdom economy is built on the free enterprise system with the energy and transport sectors, still partly under public ownership. Historically, the manufacturing industry was the basis of UK economic strength, but in recent years, the balance has shifted towards the provision of services. The United Kingdom economy continues to be highly dependent on international trade.

The United Kingdom is a member of about 120 international organisations, including the United Nations. It is a member of the Commonwealth, an association of 50 independent states with a combined population of over 1.5 billion people, or over a quarter of the world total. The UK economy is the sixth largest in the OECD after the United States, Japan, Germany, France and Italy. United Kingdom Gross Domestic Product (GDP) in 1991 was about one-sixth of that of the United States, less than one-third of Japan's, and less than two-thirds of that of Germany when calculated at current exchange rates. Reductions in manufacturing levels have been accompanied by a relative decline in the fortunes of those parts of the UK which traditionally relied on heavy industry for the bulk of their employment such as Scotland, the North West and the Midlands. In those regions the decline in importance of traditional industries such as steel, engineering and motor vehicle manufacturing has led to high levels of unemployment and lower income levels. The consequence has been a severe recession in the UK economy which is continued in the early part of 1993 and a widening gap between the more prosperous, services oriented areas of the south and the relatively depressed areas of the north.