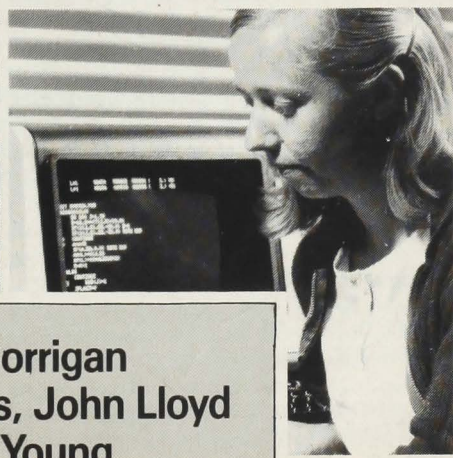
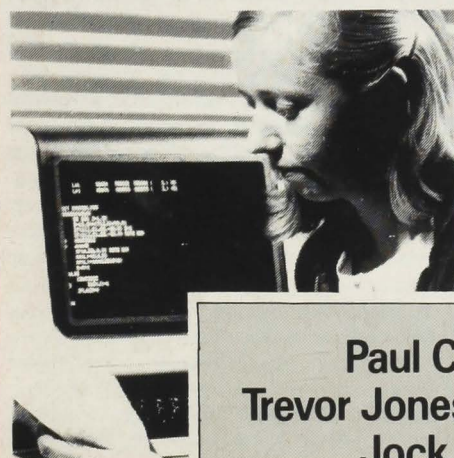
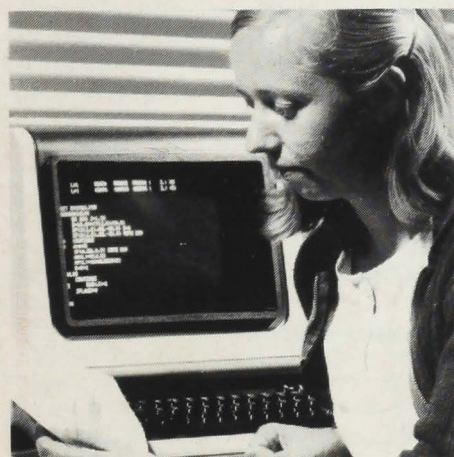


Fabian Society No. 530

Socialism, merit and efficiency



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Introduction	1
1. The failure of social democracy	2
2. 'Thatcherism' and realism	4
3. Socialism, merit and efficiency	5
4. The crisis in the public service	10
5. The new left	13
6. Reciprocity and effectiveness	15

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Introduction

Those of us who work within the broad Fabian tradition should no longer protect a social democratic tradition where it cannot command support: more precisely, we must carefully discriminate where it cannot and where it can. Socialist policy used to be firmly linked with *modernity*. It must be so again. This pamphlet is a part of that repositioning.

The job which faces those who want to see a Labour government again in Britain is to face up to our own past and its failures: to understand better the politics which have partially replaced social democratic ones: and then to attempt to reshape our traditions so that we can save them from being *merely* traditions.

In recent years the 'hard left' have created an 'invented tradition'—that real socialists and real socialism are about firm unshakeable links with the past. That is complemented by a commitment on the right of the Party to reconstructing the politics of Wilson and, curiously, Clement Attlee and 1945 on the left. All in the past.

The Policy Review is far too timid. In working on this pamphlet we have found it hard to catch up with Thatcher's Britain; hard to see its cutting edge and what socialism can relate to in it. But all of us are assisted by the statistics of electoral, political and social defeat.

In the past, socialists were pleased to attack capitalism for its inefficiency and its use of privilege. Working hard and fair individually and creating policies to match—opposing capitalism not simply because it was wrong but because it did not work. It was socialist ideas and practices that were looked to for the future. Now, if we look at any of the major improvements in social life, socialist politics and labour movement practices have been against them. Imagine a society where information technology had been pioneered in labour movement organisations; imagine the Labour Party

was at the forefront of technologically-advanced organisations. Imagine it and you will see how far we have to go to reassess our powerful links to the past.

The increasing power and influence accorded to trade unions since the war, and the various efforts made to achieve stable social partnerships between government, capital and labour, have been reversed. There is now no major party proposing to pick up that thread again, though Labour would stop or attempt to stop the trend, restore some union powers and encourage greater involvement in workplaces.

The public services—including social services, education, environmental services, public transport and transport infrastructure—have seen some privatisations and a squeeze on resources. The squeeze has ranged from real cuts to a slowdown in the accustomed or projected rate of expansion: in a service like the National Health Service, where new technology and drugs continually create new demands, a shallowed rise in expenditure can create a crisis.

This pamphlet, primarily, concentrates on the crisis in the public sector—though the approach we advocate has wider application. It does so because if Labour cannot carry conviction in the public services it cannot carry conviction elsewhere.

The public sector is closely identified with Labour, and its current crisis undermines Labour's electoral credibility as an alternative government. We argue that its crisis is not solely caused by cuts in expenditure but that a crisis of service delivery would have occurred

even had Labour been in power over the past decade. We locate a large part of the crisis in the relationship between citizens and the state and its institutions, and the decay of democratic accountability.

This pamphlet rejects traditional notions of 'top down' reform and argues for a policy of 'reciprocity'—a public policy which stresses a realistic contract between citizens and the state. A key component of 'reciprocity' is an upgrading by the left of merit and efficiency.

We argue for a radical reformism based on these underlying principles which we believe form the basis of a socialist public policy suited to the modern world. A policy which not only seeks to arrest the crisis in the public sector but also seeks to eradicate Labour's image as yesterday's party and restore it as a political party in tune with modern realities. In short, we want to contribute in producing a radical public policy that enables Labour to govern in the 1990s.

1. The failure of social democracy

In this chapter, we look at why social democracy, the dominant style of government for much of the post-war period, has failed. And we examine the consequences of this failure, particularly in the public sector.

Why should we talk of failure? The question is far from rhetorical: a social democratic style of government was followed by both governing parties because it was seen to be popular. There was more to that than a recognition that, for example, people liked the National Health Service. Collective provision and collectivist assumptions—from trade unions through to holiday patterns—worked because economic and social conditions could not generally support consumer individualism in the vast mass of the people, most of whom were working class.

Collective provision was not just how politicians and bureaucrats answered need: it meshed with the conditions of life of, and the politics were shaped for and by, the majority, especially town and city dwellers. Their conditions of

life, the homes in which they lived, the range of their tastes, their means of transport, their choice of entertainment, their conditions of work—all were substantially 'collectivised' by, first, lack of money and then by the powerful agents in the market place—landlords, employers and the consumer industries.

The expression of individual taste through consumption—which is what contemporary individualism is in practice—is only possible where there is the wealth to allow that expression. When there was not such wealth among the very large majority, collective provision, for all its uniformity, brusqueness and remoteness, was not only tolerated but often welcomed. It brought in most instances both large material improvements on what had gone before, together with a sense—sometimes real,

sometimes illusory—of equity.

It is wealth which has destroyed those days which many in the labour movement still regard fondly; and which some have tried to recreate. Wealth allows choice, and thus comparison: it stimulates fresh desires: it breeds radical new dissatisfactions: it shows an easier life, and in some respects delivers it. It is the enemy of blanket collective provision, which must usually operate on the basis of a service which you have only the choice to take it or leave it (and sometimes not even that): for it breeds the determination to leave it.

Wealth makes intolerable what was previously meekly, or grumblingly, accepted. In the public services, the bureaucracies which plan from the top down, which allocate insensitively, and remotely, whose policies (even, perhaps most of all, when they are directed at cancelling out racial or sexual or class discrimination) are barely understood because they are barely explained, can expect a steady waning in their support. As consumer demand has risen and the public become more choosy in the goods offered and standards of service, demand on the public services has also risen. To expect otherwise would be absurd.

The crisis in public service delivery is that the quality of services provided has not risen to meet this demand, indeed it has overall declined. Public services continued often to treat people as a potentially recalcitrant mass while the private suppliers of goods and services wooed them as individuals of taste, discrimination and independence. Thus the tensions between public services and their customers who they treated as inert grew and multiplied. Even had there been no cuts or freezes in resources these services would have seen, and will continue to see, crises. Everywhere, individual demands have been uncorked: and these demands in aggregate speak for a new set of relationships in the public sphere—that is, if we are to have a publicly-provided sphere.

We lack—it is now clear—a relation-

ship which is a reciprocal one: which could call for a response from the public beyond mere gratitude—or for that matter surly acceptance. We also lack, in the public sector, a careful discrimination between those services which are a hugely important network of relationships which must be revived—education is one such—and those services which can be treated like any other consumer areas, and must be provided impersonally and efficiently (ie refuse collection, swimming baths, libraries).

A social democratic state, as David Marquand has written, was not able to develop a social democratic politics which could sustain it. The goals were seen to be so self-evidently right that no one could doubt or question them. Yet without the development of a sustaining politics, the social democratic state could not be renewed and refreshed. The Labour Party grew smaller, less representative: it was no longer forced to know what was happening in society by representing a significant part of it. Since it had prime responsibility for supporting and developing social democracy, that job increasingly went by default.

Some Labour authorities recognised this crisis, and sought to construct a new set of relationships: the Greater London Council was the most vivid example of this. We return to this point later.

Nothing written here, in our characterisation of social democracy, or 'welfareism' as it is sometimes, pejoratively, known, should be taken as negating arguments for greater resources for education, health, social services, or any other area. It is quite clear that crises in service areas are very often caused, or exacerbated, by shortage of funds. But the nature of public expenditure is such that there will always be, in the long run, a shortage of funds: shortages which, when exposed in the NHS, can always be represented as 'causing' suffering or death. So while it is right for the opposition in parliament to harry government to spend more, the act of doing so does not provide it with a policy.

2. 'Thatcherism' and realism

Before it can adopt a coherent set of policies, the left must examine what has been achieved since 1979. We set out a provisional list of aims that we believe ought to be pursued.

We have to be clearer than most left comment has hitherto been on the nature of 'Thatcherism'. Much of what has occurred in the last decade which comes under that rubric has had little to do with the Prime Minister or her Government: much of the raft of policies which is now seen as a coherent strategy (most of all by the left) was a series of ad hoc policies responding to a leader with a gut populism, and a strong will, and North Sea oil to lubricate her casualties. It is not surprising that her Government retains a large popularity: she has some achievements to her credit which have the political advantage of being obvious, and she has ensured, or been lucky to see, real wages rise throughout her premiership.

The left can be scathing about all of this; can be superior about the materialism of the working class—or of the middle class, for that matter, in the stereotype of the 'yuppie', a definition now so broadened as to be meaningless; it can lament the loss of values. This is, however, becoming unappealing as it becomes more obvious that a moral snobbery cannot be detached from it—as though we must comfort ourselves for loss of effectivity by the reassurance that at least we occupy the high moral ground.

We must discriminate between what has been achieved over the past decade—between that which any future government would wish to keep in some form—and that which has failed, that which has not been attempted and that which has succeeded but should still be changed. That process of discrimination is one of the most urgent tasks of and for the left: much of the 'new realist' discourse has been an effort to tackle that very job—though it has been in-

hibited by timidity and by a perceived need to disguise its purpose in a leftist rhetoric. The process should be stalled no longer: those who want a realistic left politics must know what they can reasonably accept, propose and oppose before a coherent set of policies can be developed. Without such a discrimination, which must be overt and publicly argued, the left runs the constant danger of incoherence.

First, we want to preserve and extend rising material wealth. Improving living standards has long been a central concern of the left, and we can hardly abandon it now. Those living standards depend on successful private and public sectors: everything we propose for investment, for regional policy, for increasing worker participation, should be submitted in the first instance to a test of 'does it retain or extend current levels of efficiency?'

Secondly, we must continue, and press further, the *modernisation* of Britain. This will very largely depend on the individual and collective efforts of its people, the constantly raised skills of its workers and managers. Furthermore, we must press for the radical modernisation of bureaucratic institutions. Britain has been and is in institutional decline. The right with their fetishistic obsession with the market as a panacea for society do not and/or care not to recognise any institutional crisis and the left seem incapable of seeing institutional structures outside of an 'ours can do no wrong' mentality. For the left, the structures are, by and large, non-problematic in themselves and reduce institutional reform to replacing 'bad persons' with 'good persons' combined with new normative practices which may or may not reach the cold light of

daily institutional reality.

Third, we want to avoid industrial action, especially in sectors like education and health where the damage done is irreversible and immediate to vulnerable people. Perhaps it is time that the left, publicly, laid to rest the notion still held by a minority of its activists that syndicalism is potentially an agent of social change. Historically, the two most recent major periods of industrial action—the 'winter of discontent' and the miners' strike—have ended in tangible political gains for the *right*. Given the present economic structure and political climate, industrial action is not only unlikely to take a 'revolutionary' form but also is likely to undermine the wages, conditions of service and livelihood of those who participate in it. A common inner-city town hall joke goes along the lines of "who would notice if they (the most 'militant' sector of the workforce—white collar workers on middle management grades) went on strike". But the socially invisible—the poorest and weakest members of these boroughs—would do and would bear the full brunt of these actions. We do not deny the right to strike—on the contrary it is a civic right which should be protected by a Labour government—but question the knee-jerk assumption of many on the left that

all strikes are political; have progressive objectives; and will bring political advantage to the left.

Fourth, we want to continue and extend choice of all sorts—within public allocation, in unions, in work and in consumption. We agree that the highest standards in public provision and private production have to be their central guiding aims.

We can do no other than have a constant care for the reconstruction of the *social* and the *public* sectors of life. It is in these that people will continue to satisfy some of their deepest needs, and in these that they will want efficiency, safety and a sense of comradeship and openness. This is a task the left can do, but which the radical Conservatives who have governed us for the past ten years, on their own admission, cannot. In taking on socialism to destroy it, they have taken on its root in both the literal and the metaphorical sense. In area after area, the Government has evacuated the social area: either left it to the market, or starved it of funds, to present the market as the attractive alternative. It has failed because it has never wished to try to develop the policies the social sphere needs if it is to renew itself and sustain a diverse and ambitious citizenry. It is to propose such policies that we now turn.

3. Socialism, merit and efficiency

Two criteria downgraded either explicitly, or by neglect, by the left over the past decade need to be rescued. Without their use, a programme which stresses equity and community can never be delivered. The two criteria are merit and efficiency.

As a broad definition of how these concepts operate, we would give this summary. *People should receive rewards on a measure which recognises what they*

put in to society while institutions, public and private, should be judged according to their efficiency in carrying out agreed tasks. However, we go

further: that efficiency will be illusory unless a relationship is fostered between citizens and public authorities and institutions. One which recognises a reciprocal and infinitely adaptable network of rights and responsibilities. Merely to hand over the public sector as far as possible to the market is to court continued disintegration precisely in those public areas where it is already present—inner cities and public education, for example. Most agents in a market seek to maximise, at some level, individual advantage and in doing so lower the standards for those who cannot do so. Yet merely to demand more resources from authorities and agencies perpetuates a system under which top-down planning—which often lacks the necessary merit of efficiency—smothers any response other than that already provided for within the ideology of the public authority itself.

We proceed from three assumptions necessary to the politics we propose. The underlying assumption behind these, in turn, is that critiques of various strategies for the left must be complemented at some point by proposals which can issue in policy. Naturally, we expect these to be subject to criticism: but if we are to break any moulds, we must do more than blame the Tories and refine our self criticisms.

The first of the three assumptions is that we operate within a broad framework which might be called 'limited utilitarianism'. We do believe that the greater good for the greater number should continue to be the legitimate guiding principle of public authorities, assuming that the authorities and their publics can agree on what is 'good' and how it can best be made 'greater'. We also assume that higher standards of public service, of education, of housing, of the environment and of crime prevention would all fall under the heading of 'greater good'—though, crucially, we do not assume that public authorities can take that agreement as a mandate for a one-way imposition of policy. We *limit* that utilitarianism not just by this reservation, but also by the

further caveat that minorities, variously constituted, will often require recognition and particular provision from public authorities on grounds quite different from utilitarian ones: and that agreement on the 'greater good' is possible only at a high level of generality. The more interesting and complex resolutions of the problems and dilemmas faced by their more precise definition and pursuit depend on the reciprocal relationship which we have foreshadowed.

Second, we locate the need for merit and efficiency within a *social* context: that is we assume that most people—perhaps at times all people—will need to pursue their needs and desires in the social, public sphere. That sphere is not necessarily provided or owned by the state or local authorities. Indeed, it can be very largely privately provided, as in a high street row of shops. However, even in such an apparently pure example of consumer choice and private provision, a range of public agencies—planning departments, services, transport authorities, environmental agencies, police—has to be involved. When we move to a sphere much more commonly regarded as being within the public domain—as education—we have no difficulty in making the point that the majority will wish their needs, or the needs of their children, addressed socially.

Third, that the main providers of goods, and many of the providers of services, will be 'privately' owned. We apostrophe privately because its use suggests that this form of ownership can avoid social/public relations, which of course it cannot and does not in a thousand daily transactions. We do not look here at the policies and stance which a government of the left would adopt towards the 'private' sector. But a strong relationship between the two sectors will depend on a clear definition of rights and responsibilities between them. It also requires the public sector to serve its agreed goals with at least as much efficiency as the private sector serves its objectives. It is certainly the

case that the nature of these goals will be different. But that cannot be an excuse for the public sector to be other than rigorous about both defining and serving them.

Merit and equality

We have inherited a rich tradition of concern for equality. More recently, that has taken the form of arguments that socialism—on a certain definition—increases liberty by increasing equality: that increasing liberty for a majority of people will mean limiting it for a few—usually the rich; and that intervention by the state would take the form of legislation and action to secure this equality-for-freedom (rather than, by implication at least, intervening to secure public ownership as an anti-capitalist measure, or to impose a national plan on the economy).

Works by Raymond Plant, Bryan Gould and Roy Hattersley among others have all been recent additions to this tradition: works which have been given a polemical edge by their need to establish and argument for liberty which can win back some of the ground occupied by the neo-conservative advance. Much of the work of the Socialist Philosophy Group, which Plant and others did much to bring together and which the Fabian Society helps sustain, is also addressed to those questions.

A core restatement of the position—we might call it 'neo-egalitarianism'—can be found in Hattersley's *Choose Freedom*: 'A socialist society is judged by the extent to which it succeeds in providing, for the largest possible number of its citizens, the power to exercise rights which, under other forms of organisation, are either denied or made available only in theory. Socialism is the promise that the generality of men and women will be given the economic strength which makes the choices of a free society have meaning. It is a commitment to organise society in a way which ensures the greatest sum of freedom, the highest total amount of

real choice and, in consequence, the most human happiness. It is the understanding that the collective power should be used to enhance individual liberties' (Penguin, 1987).

More explicitly, he takes on the more difficult project—as it certainly would be in political practice—of curbing the upper-end-of-the-scale freedoms: 'There is no advantage to be gained from denying the difficult choice which the promotion of real freedom requires, for it is clear that to increase the freedom of some may be to diminish the freedom of others. Freedom is not a finite commodity which has to be distributed on the understanding that if some get more others get less, but its overall increase may involve some difficult decisions about distribution. That is one of the reasons why we have run away from it for so long. Since prohibition of fee-paying public schools and private medicine would immensely improve the quality of health care and education available to all the community, it would produce an equally immense increase in social and economic freedom at the expense of a small reduction in liberty as traditionally defined'.

To produce the outcome Roy Hattersley describes, however, takes more than simply ending certain sorts of private provision and ensuring more resources of various kinds are channelled to the poor. That is not to say these would not be—especially in today's circumstances—very considerable political achievements: rather that they are not likely to be achieved at all unless they are complemented by an approach which ceases to confuse what we mean by, and what importance we attach to, merit.

A common example: the charge made by those who are—in increasing numbers—opting for private education revolves round the belief that equalising educational opportunity means, for the most able children, a levelling down. This can be true; perhaps is generally true in some form; and in some parts of the UK, it is so true that it is difficult

to persuade families with sufficient money of the justice of Hattersley's call to abolish private provision because it represents the only practical way out. In such areas, it seems that the minority which does choose that way out will not always do so because they are rich but because they are determined to 'better' their families and are prepared to make considerable financial sacrifice to do so.

To put merit at the centre of public provision is thus essential to the goal of greater equality. A curbing of the freedom of the wealthy and powerful in order to produce greater equity for the poor and average families will not be achieved by legislation alone: if the demand to escape state provision is rising rather than falling, legislation would meet too large a political obstacle, or would be met with widespread evasion. The 'imperative' of equality must be met with the 'imperative' of merit or it will fail to convince.

What kinds of merit?

First, we should define a *merit of need*. Here there remains quite a large degree of agreement in society. The sick and disabled; the old (a definition badly in need of redefinition, as active life is extended to the point where many able people are forced into an unwelcome and unproductive retirement as the numbers of young people begin to decline); the unemployed; children. For them, provision should be made at the highest levels society can afford—and it is the continuing responsibility of the left to shift the definition of those levels forward, on the grounds that they deserve security and provision. They are part of a society which has agreed that they cannot make their living in the labour market through no fault of their own, and that they cannot, or cannot yet contribute, or that they have already contributed, a good deal and now deserve a period at the end of their lives free from pressing material want. There can continue to be large popular sup-

port for the expenditure on these groups: and that the popular view is justly based on a belief in just dessert, human sympathy and the self interest which recognises that membership of these groups could or will be, everyone's lot. At the same time there is the popular view which sees this argument as weakened if these groups are expanded, by design or neglect, to include others who do not attract recognition of desserts or sympathy or the calculation of self interest.

Second, the *barriers to merit* must be brought into the light of rational enquiry, examined and dissolved. These barriers remain the ones which have dogged British society for centuries: barriers of privilege, wealth, class, sex and more recently race. They are not self contained, but interact and reinforce one another powerfully.

Much attention has been focussed on the creation of an enterprise culture: and there is some evidence of an increased social mobility. Yet we still live in a society which does not encourage merit as a rule. On the metaphor of the race track: some people start half way along the track, while others are forced to run with a stone about their necks while others still are not allowed on the track at all. The result feeds alienation and discontent. Many of the well-off succeed through the right connections rather than genuine effort: they started at the finishing post. The unsuccessful are rejected from a society which has little respect for them economically or politically. A meritocratic society must be seen to be fair to all its members: it will work only if everyone is actively involved.

The weakness of the market theory of reward is that it necessitates equal competition with consumers equal in their capacity to pay for goods and services. Real markets never operate in this way. In an unequal oligopolistic society, it is the job of a government pursuing social justice to intervene to construct a market in merit on equal terms. The dream of a free market system is sharply at odds with the reality of an advanced

capitalist economy. The powerful attempt to control competition, to direct the market so as to determine its outcome in allocation of resources and reward. The role of a government concerned to promote merit is to create a market place for it in a world where vested interests are presently allowed free rein to restrict it.

Third, there is merit as commonly understood: that of application, hard work, devotion to a duty or a job, and talent. This can cause and has caused difficulty on the left, since these qualities can be counterposed to a desire for equality and made to seem inimical to it: in such a project, the left gains full agreement from the neo-conservatives. But that is to misunderstand the nature of the search for equality.

People come to the public sphere unequal: unequal in resources, in innate or learned ability, in physical strength and grace. These inequalities cannot be ironed out by any kind of social or educational measures—short of the most brutal—nor should an attempt be made. Instead, we should address the issue in a two-fold way: first, to encourage the development of abilities as far as possible—and with some, that will be very far indeed: and second, by seeking to put a 'floor' underneath the development of ability where it does not already exist. In both these approaches emphasis is placed on success and the achievement of goals which are as far as possible defined. The achievement will be widely different: but it is defined not in relation to other achievements, but to the potential of each person. Thus it will not be a failure if we do not achieve the (impossible) equality of outcome. It is a failure if we do not develop an equally strong desire to succeed and to achieve realistic goals—and if we allow the perpetuation of barriers, internal and external, which prevent this success.

Institutions

If the Tories are over-ready to talk of merit yet silent on equality, traditionally socialists have been garrulous about equality but weak on merit. At times this borders on a belief that differentials in income or resource allocation in terms of services are in themselves non-socialist and that there is, in reality, little difference between people. It is almost as if it were believed that we are actually equal in capability and motivation and that all that was missing was equality of opportunity. Furthermore, the public institutions themselves are seen to create these differences. Thus the schools are criticised as being middle-class institutions where the curriculum serves to separate out children unfairly rather than provide a basis for their development. The role of parental and cultural background and differences in individual ability are played down, and the school's role highlighted. Thus, the role of education becomes that of an ideal equal-leveller rather than allowing differentials of ability to develop to their fullest.

Such a blaming of institutions has numerous parallels. Thus the judicial system, the idea that we should strive for a society which upholds equality before the law, becomes somehow conflated with the notion that we are all equally criminal. Thus the reason why the prisons have a higher proportion of poor people, of youth, of blacks and of males, is seen as a result of the bias of the system rather than merely a compounding factor upon actual differences in behaviour.

Such idealistic notions of equality commit a common fallacy. They confuse substantive equality—all people are equal in ability—with formal equalities of opportunity and reward. The first is palpably untrue, and any process of levelling through social intervention unrealistic; the second is the main aim of an attainable meritocratic socialist policy.

In many parts of the public sector, especially local authorities, the confu-

sion of a meritocratic principle of reward and promotion for hard work, manifest abilities to achieve success and professional skills with bureaucratic and political criteria which may downgrade or actually contradict these qualities leads to widescale inefficiencies. Successful companies put much effort into motivation, goal definition and achievement and leadership: there is no good reason why the same principles should not be imported into the public sector. Indeed, there is a very good reason why they are more important: for lack of efficiency in the public sphere affects most heavily the service recipients, who are commonly the poorest and most vulnerable. Nothing is more important than their efficient and courteous service.

Equal opportunities policies within public service bureaucracies where they are based on genuine achievement rather than political tokenism should be encouraged: their encouragement must go hand in hand with the preservation at least, preferably the raising, of standards for the true objects of the service

—the public. There is little question that where monopolies of service exist without stringent internal monitoring and control, initiatives by workers and managers to improve and innovate are given a low premium.

The bureaucracies thus become inefficient and unresponsive to public demand. Lacking managerial structures with clear rewards for effectiveness, their net impact on the public is to undermine notions of merit rather than create systems of rewards. In those cases, where democratically accountable bodies have been set up in order to oversee their performance, they have either proved ineffective or unwilling to exert control. There are few clearly formulated performance indicators and even less notion of how these can be achieved and sanctioned. In terms of priorities, they have often taken upon themselves to designate what the public needs rather than responding to its demands. They see the public as a passive receiver of services rather than as citizens who have obligations to and rights over public institutions.

4. The crisis in the public service

For a century, the left has made the sphere of public provision its own. In shaping it, defining it, providing a functional morality for it, protecting it, it has constructed its largest contribution to national life—and international, too, since the ideas and practices first generated in the UK were picked up and developed world-wide. But the left needs to rethink its attitude to public service to convince the electorate that it can govern the country.

A crisis in the public service area is always at best an ambiguous matter for the left—even when the crisis can plausibly be 'blamed' on the Conservative Government. For in doing so much to construct this sphere, reasonable

expectations have been raised that the network of Labour institutions—Labour-held local authorities, trade unions, bureaucracies created under Labour's aegis, even local Labour parties—can and should be responsible

for its efficient maintenance. Insofar as the left has failed to convince the public that they have been so responsible, the left has suffered.

The problems posed by the Government's attitude towards local government have been made clear, but a determined and profound reflection on the nature of the left's commitment to and practice of public provision has also been needed. It is an indictment, most of all of the social democratic wing of the left (we use the word quite distinctly from the party meaning it has come to have), that it did not do so. And that the only people who did so were those who commanded the 'new left' local authorities—the Greater London Council, the Inner London Education Authority, many London boroughs, Manchester and, at different times, others (Walsall, Edinburgh). Their 'town hall leftism' has itself now failed and is either conducting a long and bitter retreat at the expense, most of all, of their authority's citizens: or adopting policies which implicitly recognise that their former stance was one which ignored or downgraded the needs of the majority in their area of responsibility.

But—to restate the point—at least the town hall leftists tried. And while many Labour authorities conducted their affairs extremely efficiently, those on the left critical of town hall new leftism have not yet cared to elaborate their critique into an alternative.

Opposition to town hall new leftism is not, however, the main reason for the social democratic left needing to rethink its attitude to public service. The main reason is to give the left a basis for proposing itself as a governing force again: to allow it to rebuild a functional basis for wielding power. As we have suggested, a functioning philosophy in the public sphere is crucial to the left's success more generally: and since it is faced with a Government whose leader has thrown down the most arrogant of gages—"There is no such thing as society: there are only individuals and their families"—it has every reason to believe that hard work in this area could

mean success.

The crisis of welfarism and of the public services is not caused by ' Thatcherism', or, more simply, by cuts in spending. More precisely, while a certain kind of crisis is or can be caused by expenditure cuts—that will be specially hard-felt in the social security reforms which came into force in April—that is not the crisis we address and it is the less important in the sense that it is shorter run and capable of relatively easy 'solution' in its own terms.

A crisis of service delivery would have occurred even had Labour been in power over the past decade: and though it might have been masked for some time by increased resources, the longer-run problems would have asserted themselves even more powerfully than they already had in the 1970s when Labour held power. It is still worth saying (though the point is now more widely taken than in the past) that the provision of resources is always and everywhere subject to a series of restraints which are probably stronger now, as people get used to lower tax bands. Increased expenditure should never, in any case, be used as a proxy for better management and better direction of existing resources.

Social democracy

We do not deny or minimise the very serious problems in the health service, the social services, the provision of welfare, the provision of legal services and other sectors which the squeeze on funding has had and will continue to have. But we want to locate a large part of the crisis where it must, ultimately return: in the relationship between citizens and the state, and the institutions of the state. In very large part this is because it is there that democracy either flourishes or decays—and it is our belief that it is decaying. In part, too, it is because it is that complex set of relationships which socialism has sought to make its own—many of them it, after all, created—and which it has the

responsibility to address now.

Social democracy in practice did things to and for people. It did things which were self-evidently good: it brought and ensured full employment; made education more accessible; extended social security; improved the housing stock; made health provision free at the point of use, and steadily increased the range of medical services. While these things have not, of course, made the British people equal, still there is little dispute that they have improved the life standards and life chances of the great majority. But there were, of course, dangers.

The largest of these we can characterise in this way: the form of social democracy practised by successive Labour and Conservative Governments in Britain functioned, very largely, at the technical and bureaucratic levels. It did not really seek to mobilise a political base of support—or, for that matter, of involved criticism—not did it propose a relationship which was other than that of the giver and receiver. The relationship had no real possibilities of reciprocity. Benefits of all kinds were given because of a particular state—being unemployed, being old, being poor, being a mother. Council housing was given on need (it was not of course always available on need) and, until recently, it was maintained, painted, repaired by the public authority, not by the tenant. The size, curricula, teaching methods of schools were determined by politicians and expert debate, and given to the people whose children were to be educated: parents were given no statutory, and often no informal, rights of consultation or even of information.

Impressionistically, we can say that the collective state of minds of the givers was of high-minded, somewhat self-sacrificing public service which tended to become routinised, bureaucratically imperialist and cynical: on the part of the receivers, it was of gratitude and a real sense of an improved and more varied world which tended to become complaining, impatient of restrictions, distrustful of 'them' and their social engineering and latterly—among those for whom public provision largely shapes their lives—dependency.

This mutual loss of the original relationship of caring giver and grateful receiver has found no real replacement. The Conservative Party, until recently, administered local authorities in much the same way as Labour councils—though the authorities the former controlled tended to have fewer receivers within their jurisdiction. Within the Labour Party, the left has sought to encourage those to whom public provision was targeted to demand more of it at lower prices or free. It has mainly been the left which initiated a movement of local authority resources into the funding of new or existing businesses—largely in order to provide jobs, and to counter the effects of de-industrialisation—and wholly the left which took authorities into the very active promotion of civil, racial and sexual rights. Insofar as there has been political innovation within the local authority service provision, it has come from the left: though that wave of innovation has now clearly at least stalled—in part because it has met a good deal of popular hostility, in part because it can no longer be afforded.

5. The new left

The crisis which afflicts the public sector *did* receive a response from Labour: that response came in the form of the new town hall left. Elected to many councils in the '70s and '80s this strand claimed to represent a new broom, sweeping away the old Labour corruptions. But to what extent did they mark a radical break?

On taking power, many of the new groups discarded or ignored the town hall officers in place: they took their instructions 'directly from the community'. But actually the community that informed them was their own creature: local government officers whom they had appointed to represent women, ethnic minority groups, community workers to whom they had given grants, trade union officials who worked in the Town Hall. And the same people who were councillors in one borough were often officers in the next. In listening often at great length, to the community, they forgot they were listening to their own voice. If old-style social democracy bestowed problems on people, the new left projected their own problems on to shadows of people.

In this sense it was less a break with past practice than a distortion and amplification of it. Perceiving that the working class, especially in cities, was fragmenting, the new left constituted a new series of groupings which it 'borrowed' from the further fringes of the Frankfurt School of the '60s and '70s. Having constituted these new groupings, it then attempted to strike much the same set of relations as its predecessors had with their electoral base.

The closed world of the town hall and the community centre created a mutually reinforcing circle of minority representatives, police monitoring groups, political committees and community leaders. A peculiar idealism pervaded their thinking: words, names, labels became much more important than actions or the material change of

concrete achievement. Brecht's remark that "progress was about moving forward, not just being progressive", was turned on its head.

Councils, with no power over the matter, called their boroughs nuclear-free zones; guides to anti-sexist and anti-racist terminology were circulated to all workers, the blind became 'visually challenged', the Irish were redefined as blacks, books were removed from libraries, overheard conversations became indictments, a headmistress was hounded out of her job by her political boss, himself a science teacher who believed the conventional teaching of science in schools to be profoundly sexist and racist. One such London Borough has been forced to frantically bring in massive cuts in services. Has there ever been a more painful highlighting for the left on the concrete difference between 'being progressive' and 'progress'?

It is now said—now that some of the impetus of the town hall left is running out and many members of it are themselves seeking correctives to courses they had earlier charted—that this strand of politics produced more documents than changes and that they were saved from doing real damage by bureaucrats who kept the show more or less on the road. There is much in this: certainly, many of the ILEA's initiatives in anti-racism and anti-sexism did not reach the schools—though they did have a profound effect on Fleet Street. But to take this line is to undervalue the movement in two ways.

First, it discounts its few achievements. The most obvious of these was

to identify the limits of social democratic provision, to call attention to the break-up of a homogeneous working-class base which accepted and benefited from homogeneous policies and in some areas, to throw up useful innovations and ideas—as contract compliance sanctions to promote equal opportunities in supplier companies, or experiments with local employment initiatives.

Second, the movement was seen and is still seen in some quarters as 'true' socialism, as against the more timid version of it practised by the Labour leadership. That is dangerous, for it assumes that we have succeeded in developing policies and a programme, or at least the bones of them, which are only not part of Labour's programme because of the revisionism of the national leadership.

A full account of the town hall left has still to be written: but it is already clear that it has largely been a failure. In identifying cardboard villains (as the police, for example) and in elevating ethnic and sexual minorities to the beautification of victim-hood: in indulging in gestures of defiance which were bound to collapse from lack of public support, it evaded rather than faced the issues confronting it—both those of the Government's making and those of its own. In some areas, notably London, it probably helped lose Labour support—though the connection between local authority policies and elections is a complex one and the GLC itself gathered a good deal of popular support when it was under threat of abolition. (This has led some on the London left to assume the GLC always was popular whereas opinion polls show that without Mrs Thatcher's

intervention, the Tories would have comfortably won the 1985 GLC elections.) However, it has left little in the way of a legacy: and the direction in most Labour-controlled town halls is now rightwards.

The adoption of a radical agenda by some Labour authorities, especially in London, was not generally the prime cause of the alienation of working-class support, where that has happened. The process was much more complex. Among some groups support was increased—not surprisingly, since they were the beneficiaries of the new politics. Those alienated were generally those who already had a large scepticism over locally-provided services, and saw the sponsorship of minority groups as simply an added aggravation, one in which they had no say.

It is closer to the mark that the radical left agendas were bolted onto a machine which had already run down. Inefficiency and delay had become endemic to many public services: these flowed from a lack of direction, of strategy, of discipline and of internal cohesion—overarching all of these, a lack of public support and involvement. This, the greatest lack, to an extent explains the others: for where the object of the services is treated merely as a passive recipient, then the dynamic relationships will tend to be confined to the service providers. The awful warning of the potential for decay in such relationships was found in the case of the Nye Bevan lodge, in Southwark, where local politicians, administrators and union officials either actively or passively conspired to deprive poor and elderly people of their remaining dignity.

6. Reciprocity and effectiveness

We have said that a fundamental flaw of the social-democratic relationships adumbrated since the war has been their one-way dimension: that is, that there was little reciprocity in these relationships. We propose, therefore, the elaboration of a public contract between public provision and its institutions on the one hand, and the people on the other. This contract, which we hope will be the subject of debate and development, would be composed of a network of rights and duties on both sides.

It would have a number of features, and would exist within a certain set of explicit assumptions. First, that the 'output' of public services be subject to measurable criteria and judged, at least in part, according to these criteria. This would counteract the increasing tendency to import extraneous yardsticks which divert attention away from real falling standards. For example, the police argue that they have contained increasing community tension: that they are subject to increasingly violent attacks; and that the structures of society, especially the family, are breaking down and imposing large demands upon them. All of these are or may be true. Yet the fact remains that the clear-up rate of crime has fallen by 1 per cent per year for the past decade while police resources have risen.

This is not to deny the obvious fact that education, social services, policing and other sectors cannot possibly be regarded as being wholly self-contained, occupying their own discrete worlds. It is to assert that if they continually pass the buck to and fro among each other, or between themselves and 'the family' or 'the media' or 'society', then any efforts to determine the possible solutions to problems fail at the every level of measurability. Criteria for performances are, of course, presently used by public authorities. But they tend to be inter-

nal and opaque. We argue for criteria which are published and made widely available: and which are the result of the most extensive consultation—including polling—and dialogue between local representatives, officials and the public. If they are to challenge the hegemony of the market, public authorities must be at least as concerned as private companies to discover what people want. They have, or should have, a large advantage over private companies: that of providing people with a democratic redress against inefficiency and poor performance. But, first, they must provide their electorates with clear yardsticks of the performance they have the right to expect.

Second, we must recognise the concept of merit in the performance of public service itself: that is, that those who provide the services—especially the managers and administrators—must be promoted and rewarded for the attainment of targets which are measured on the quality and/or quantity of service provided. Managers in the private sector are, in general, rewarded on the basis of profits achieved: it is no less important in the public sphere that rewards should be based on firm criteria—but that these are the satisfaction of needs, rather than the attainment of profits. Once again, of course, the practice of promoting on merit, or

recognising merit and of relying on those who demonstrate merit is not absent in the public sphere. But it is often underplayed, even distrusted. This attitude springs, in part, from the lack of adequate criteria: once these are agreed and set, the attainment of them is to a very large extent the measurement of merit.

Third, and most important in this context, we need to be concerned to create the basis for a reciprocal relationship or set of relationships. This is the most critical because, while measurement of output and the concept of merit in attainment must be assumed, these will reproduce the failure of former social democratic provision if they do not meet a response from 'below'.

But reciprocity not only entails government taking heed of the public, it includes the public being involved in public institutions. The duties of citizenship have to go beyond the payment of taxes. The striking of a new social-democratic relationship, where the impulse comes from below and above, cannot be done either by fiat or by the insertion of the market, or the present combination of both. Nor can it be

achieved by the simple application of money. The task facing opposition parties on the lookout for a 'post-Thatcherite' politics is only in part a matter of 'coming up the new ideas' (since, apart from anything else, there are quite a lot of good old ideas— as the right found when they embarked on their intellectual binge of the '70s). The other part of the task is developing a practice of politics which gives democratic principles flesh: which breaks at once the alienation of the populace from the political process and dethrones the obtrusive activist—or, rather, transforms that figure into a facilitator of involvement rather than a proxy for it.

The core idea we seek to present is the reconstruction of a civic culture: one founded securely on an extension of citizen's rights and responsibilities. The left's traditions in this, which have been some considerable achievements, have decayed in many instances: we have a Government which has taken full advantage of that decay to lop off branches and attack the root of the tradition. The re-energising of the civic culture is among the most important tasks facing the labour movement.

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Socialism, merit and efficiency

For much of the post-war period, both governing parties adopted a social-democratic style of government because it was popular. It did things to and for people: it brought and ensured full employment; made education more accessible; extended social security; improved the housing stock; made health provision free at the point of use, and steadily increased the range of medical services. However, since 1979 the social democratic tradition has been challenged in most areas of domestic politics where it was once dominant.

This pamphlet is an attempt to understand better the politics which have replaced social democratic ones in order to devise a coherent set of policies appropriate to today's realities. The authors concentrate mainly on the public services which the left devised and shaped and where over the past decade there have been privatisations and a squeeze on resources.

The authors argue that increased individual wealth has allowed greater consumer choice and expectations. As a result, people are no longer willing to accept the traditional giver and receiver relationship in which they were often expected to be grateful for inefficient and surly service.

Therefore, any left programme must, they believe, promote the concepts of merit and efficiency. People should receive rewards on a measure which recognises what they put in to society. Institutions, public and private, should be judged according to their efficiency in carrying out agreed tasks.

And they argue that the left must reconstruct a civic culture based on an extension of the citizen's rights and responsibilities in order to rejuvenate democracy and end the alienation that people feel towards the political process.

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