

Hilary Wainwright

Hilary Wainwright is a writer, editor and academic. Her latest book is an updated, paperback edition of *'Reclaim the State, Experiments in Popular Democracy'* (Seagull Books, 2010). In 2009 she wrote a detailed case study of public service reform *'Public Service Reform But Not as We Know It!'* for Unison and Compass (Picnic Books, 2009). She is a Fellow of the Transnational Institute and also the International Centre for Participation Studies. She is co-editor of Red Pepper and a contributor to the Guardian's Comment is Free. Her books also include *Arguments for a New Left, Answering the Free Market Right* (Blackwells, 1994) and *Labour, A Tale of Two Parties* (Chatto and Windus, 1989).



2020: Public Service Reform... But Not as We Know it!

‘Anyone who thinks the spending review is just about saving money is missing the point,’ said a Treasury official as David Cameron announced the government’s first round of cuts in public spending. ‘This is a once-in-a-generation opportunity to transform the way that government works.’¹ The need to transform the public sector is not in question. What is contested however is the character of the transformation. Ever since Mrs Thatcher, the political orthodoxy shared by New Labour and the Conservatives, has meant for transformation read ‘marketisation.’ Marketisation can take many forms but the driving assumption is that the market, and specifically the capitalist market, is the only way to make public services ‘efficient’ – another contested concept.

Another concept of efficiency

This essay is about making public services socially efficient. The emphasis on social efficiency does not mean taking public money for granted; rather it means allocating taxpayers’ money with the goal of maximising public benefit, as distinct from maximising profit. The appropriate means of improving the ability of public services to meet this social goal is not the market but rather the deepening of democracy beyond the periodic election of politicians formally to ‘run’ the public sector. There is much to be done to strengthen the link between the citizen and the elected politician. But the specific importance of democracy-driven change as distinct from market driven change is to introduce democracy, ie the real-life public, at every level of public administration.

The participation of citizens in public decision making is a familiar idea, though more as a promise than a reality. What is less explored is workplace democracy, genuine collaboration – co-labouring – between staff and management to turn the capacities and commitment of public servants – who are also themselves citizens and neighbours – into a force for improving the common good.

There’s no doubt that if the Tories were to have their way, public services by 2020, especially local government, would be fulfilling Nicholas Ridley’s dream of public bodies meeting simply to agree broad policies and allocate contracts. This is being announced as all part of the ‘big society’, but in reality it will mean that services would be delivered by private companies and national charities, with the occasional gesture towards a local voluntary group.² The public sector debt is being used as

the occasion for finally dismantling the public provision of public services – what the Tories like to call euphemistically ‘the small state’– and crushing public sector unions in the process.

Beyond small state versus large

The Tory mantra of ‘small state’ implies that the alternative is a ‘big state’. The background narrative to this and to the consequence which is, as the Daily Telegraph put it, ‘These (private) companies (Servo, Capita etc) are gradually assuming the day-to-day running of Britain³’ goes back to the response to 1970’s ‘stagflation’ and what seemed to be the breakdown of the Keynesian model. Mainstream political debate, or rather media presentation of it, presented the alternatives as either state socialism or the unregulated market. The admitted failings of the public bureaucracies got wrapped in the narrative of the collapse of the command economies and no distinct vision of democracy-driven reform of public services was pressed within mainstream politics.⁴

It is now, sometimes in response to privatisation, that we are beginning to see alternatives emerging. They hold out a different vision for 2020.

Workplace democracy – an experience from which to generalise

I will focus simply on one dimension of these alternatives: democracy in the day-to-day management of public services and, in particular, the potential for public service unions, working with management, politicians and citizens successfully to lead public service reform. I will draw out the wider lessons of an exemplary case of a trade union-instigated but management-and politician-supported, of publicly-led public service reform. It began with a case of a hopelessly out-of-date and grossly over-expensive IT system at Newcastle council. Other council departments depended on the quality of these strategic services. The end result of a hard-fought struggle against the privatisation led by the city council branch of Unison, was staff and management partnership in a five-year programme of modernisation of the council’s IT and related services. The transformation brought significant improvements and savings. The savings were allocated to care for the elderly. It also made the council’s services qualitatively more accessible and responsive to the public, and at the same time it avoided compulsory redundancies, and involved the investment in high levels of staff training and development.⁵

If we generalised from this experience how would public services be managed in 2020?

Democracy-led services 2020

First, the encouragement of and support for staff would be systematic in the way the service was managed. This would enable constant improvements and create the ability at all levels constantly to learn from mistakes and from feedback from citizens and elected politicians.

This focus would have several dimensions: first traditional hierarchies would be eliminated, also some supervisory layers, in order to push initiative back to the frontline where it could be especially effective. Second, there would be an approach to leadership which emphasised support rather than control. ‘You don’t become unbureaucratic, bureaucratically,’ says the director of the transformed Newcastle’s IT services (called City Service). If this seems common sense, all too often, managers or consultants – in both the private and public sectors – draw up ‘transformation plans’ without much thought on involving, galvanising and supporting the people who will deliver the changes. Belief in the capacities and ingenuity of staff would underpin a collaborative, problem-solving approach.

Shared vision and an active public service ethic

A precondition for this decentralised system of management in which staff at the frontline have considerable autonomy and responsibility will be a shared and constantly renewed commitment to maximising public benefit and opening the administrative process to citizens’ feedback and direct involvement. Such a shared reference would help avoid drift.

It would also bring to the fore a public service ethic that normally lies dormant. The ethics of public service can be a lot more dynamic than the familiar formal, and often inanimate, features of public sector culture.

A strong union voice

There is now widespread talk of ‘empowerment’ with regard to public service workers but mention of ‘trade unions’ is taboo. But, by 2020, democracy-led reform would mean recognition of the necessity of a well-organised and democratic trade union for realising the creative involvement of public servants at every level.

Trade unions with an active membership and a strategic commitment to public service reform would be indispensable. The unions would place a high priority on communications, education, membership involvement and the development of a new

generation of leaders. Negotiated time off for training for union members and staff would be essential, through extensive 'workplace learning' schemes and the like.

The important point here is that where a union organises and represents its members so that they feel secure, and in some sense protected, staff are willing to take risks and contribute to changes that may transform their working lives. This means that if agreements such as those concerning employment conditions are broken the union will escalate an issue to a point of conflict.

Autonomous driver of change

There would be some kind of institutional means, a special team for example, with autonomy from day-to-day business, for maintaining an overview of the service and clearing time for reflection and problem solving. This would keep the vision in focus and alive. The flexibility and collaborative internal relationships possible in such an internal team would be something an outside contractor could never supply.

Transparency, contestability

My vision of public services in 2020 would include proportional representation in local government across the UK and also at Westminster. No longer could political parties so easily take voters for granted. I would also imagine stronger powers of scrutiny more generally. One weakness of change driven by threat, change in an atmosphere of tension, is that people are scared of asking questions and sharing knowledge. By contrast the democracy-led public services of 2020 will build into their very being processes of contestation, including self-contestation.

The process will be helped considerably by a collaborative ethos made possible because staff feel relatively secure. This insistent questioning will produce an unusual degree of transparency. This will in turn contribute to the democratic follow through and the genuine accountability of public officials to elected councillors and the public. To complete the circuit back again to the people, there would in 2020 be proportional representation in local government across the UK and also at Westminster. No longer could political parties so easily take voters for granted. Powers of scrutiny of executives locally and nationally would be radically strengthened.

This model puts the elected public body in the lead, but embedded in a daily democracy which is now the exception rather than the rule. But in many services the social and co-operative economy, voluntary sector and community and user organisations

would play an important role as sources of innovation and collaboration within this public-led framework. There would also be a pragmatic relationship with the private sector for specific tasks that could not be performed through the public or voluntary/social sector. Here the aim would be to take the most useful and efficient tools of business practice developed in the private sector and adapt them for social goals and democratic accountability.

A foundation stone: the social character of knowledge

There is a fundamental benefit to this democracy-led model, contrasting with the fundamental flaw in the marketisation model. It lies in a false understanding of knowledge: the justification of the market as the universally more efficient means of allocating resources assumes that tacit, practical knowledge – as distinct from the knowledge summed up and codified in scientific laws – is exclusively individual. Hence the conclusion of pro-market ideologues that the creativity that lies in this experiential dimension of knowledge can only be harnessed through the private market. Our 2020 model of workplace democracy shows in practice as well as in theory the possibility of socialising and sharing practical knowledge. The key is developing co-operative, participative forms of organisation which gather and systematise this knowledge for the benefit of all. The result of many minds working together for the provision of common goods is a lot more socially efficient than the competitive – and increasingly oligopolistic – profit-maximising drive of the capitalist market.⁶ And practice proves it.

1 Financial Times Monday June 7, 2010.

2 www.guardian.co.uk/commentisfree/2010/apr/14/david-cameron-big-society-conservatives.

3 Daily Telegraph May 1, 2010.

4 The Greater London Council comes nearest to an exception but its abolition as ‘a modern socialism’ as Norman Tebbit put it, proves the rule.

5 For the full story see Hilary Wainwright with Mat Little ‘*Public Service Reform but not as we know it...*’ Picnic publishing with UNISON and Compass 2008.

6 This argument is fully explored in Hilary Wainwright ‘Reclaim the State, Experiments in Popular Democracy. Seagull, 2009 (expanded, updated paperback).