

Needed: Structural Reforms for Governing the United Kingdom

Patrick Barbour*

The Taxpayers Alliance, London, U.K.

The author argues that the current system of government in the United Kingdom is failing because of structural flaws that operate regardless of which party is in power. In a provocative article that is centered on facts rather than on ideological discussion, he makes his case as to how the current system of government is failing, and explores the fundamental causes of the failure and the principles that he believes will need to apply in any reform.

Keywords: United Kingdom: Governmental structure and failure; Causes of U.K.'s governmental failure; Reform principles.

Accumulating evidence is demonstrating that structural flaws in the government of the United Kingdom are causing politicians, regardless of party, to fail to prevent the country's slide into third-rate status. Ministers now have impossible jobs. An objective appraisal of the performance of successive governments shows that the structural dislocation has caused ministers to fail to provide good-quality services at reasonable cost, to improve the quality of life for the U.K.'s citizens, and to serve the poor and disadvantaged.

This article will consist of three parts. First, the author will review the accumulating evidence of failure. This will be followed, second, by an inquiry into the fundamental causes of that failure; and, third, by a discussion of the principles that will be needed for reform.

I. The Evidence of Governmental Failure

In Education:

A high standard of education is no longer being provided, with the result that a large segment of the population is slated for low-paid manual work with little opportunity for upward mobility. The country is coming to lack the highly qualified people it needs to compete with lower-cost developing countries.

* Patrick Barbour has chaired two public companies, Barbour Index plc and Microgen plc, in the United Kingdom. He is a Trustee of Civitas and was one of the three founders of Reform. He has written a proposal on prison reform and was a contributor to Real Estate Reform. He can be contacted at pfbarbour@hotmail.com

Much can be seen from the facts that are available about the poor progression of students at different ages. According to the Department for Education and Skills, 25 percent of 11-year-olds leave primary school without sufficient ability in reading and writing to succeed at the secondary school curriculum.¹ When students are three years older, the then 14-year-olds fail in almost 30 percent of the cases to reach the expected levels in English, Math and Science to enable them to pass the GCSEs.² By the time they are 16, almost 60 percent do not achieve a GCSE grade C or better in the three core subjects of English, Math and Science.³

The result is that after eleven years of state education at a cost of over 75,000 British pounds per child, pupils are leaving school functionally illiterate, innumerate and unskilled. Forty percent do not achieve at least a C grade in GCSE English.⁴ In 1999, approximately seven million adults in England could not locate the page number for plumbers in an alphabetical index to the Yellow Pages.⁵ Forty-seven percent are unable to achieve a grade of G at GCSE Math.⁶ The OECD finds that Britain has the second highest level of low-skilled 25-34-year-olds in the thirty countries of the OECD – twice the level of Germany or the United States.⁷

There are signs that it is becoming increasingly difficult for the country to operate effectively. Even prospective teachers show considerable weakness: their average attainment when entering a B.Ed course is less than three grade Cs at GCE A-level.⁸ *The Times* reported last year that slightly more than half (52%) of would-be prison officers failed a simple literacy and numeracy test.⁹ A report in *The Daily*

¹ Percentages of pupils achieving Level 4 or above and Level 5 or above in Key Stage 2 tests and teacher assessments by gender, 2004-06, Department for Education and Skills, August 2006.

² Percentages of pupils achieving Level 5 or above in the Key Stage 3 tests, England, 1995-2006 (provisional), Department for Education and Skills, September 2006.

³ GCSE attempts and achievements in selected subjects of pupils at end of Key Stage 4 in schools by the end of 2005-06, Department for Education and Skills, October 2006.

⁴ House of Commons, Hansard, 22 May 2006, col. 1374W.

⁵ Moser Report, February 1999.

⁶ The Skills for Life Survey: a national needs and impact survey of literacy, numeracy and ICT skills, DfES Research Brief, RB490, October 2003.

⁷ Figure 8.1, OECD Economic Surveys, United Kingdom, 2005.

⁸ House of Lords, Hansard, 28 January 2005, col. WA100.

⁹ *The Times*, 31 August 2006.

Telegraph in 2006 told how 33 percent of nurses completing their training failed to achieve the 60 percent pass rate in basic English and Math tests, despite having GCSEs in those subjects.¹⁰ Here are three of the typical questions the nurses were asked:

“How many minutes are there in half an hour?” (Multiple choice: *a.15; b.20; c.30; d.45.*)

“Which of the following times is the same as 8pm? (Multiple choice: *a.1800 hrs; b.1900 hours; c.2000 hrs; d.2100 hrs.*)

“What is the correct decimal nomination for six hundred and fifty pence?” (Multiple choice: *a.605p; b.L6.50; c.L65.0; d.L6.05.*)

In Health Care:

The National Health Service (NHS) spending on health care has reached the OECD average of 8.9 percent of GDP.¹¹ Nevertheless, reports by the National Audit Office, the *British Medical Journal* and the European Union rank the health care provided by the NHS as just about the worst among the 19 developed countries. The *British Medical Journal* ranked the NHS next to the bottom on the quality of health care provided,¹² and on the very bottom on mortality amenable to health care.¹³

For its part, the National Audit Office in 2000 ranked the NHS the worst on hospital-acquired infections.¹⁴ It was estimated that annually at least 100,000 patients are affected, resulting in at least 5,000 deaths a year.¹⁵ Indeed, a recent EU study found that NHS patients are up to 40 times as likely as other Europeans to contract infections while in the hospital.¹⁶ The NHS has among the longest waiting lists, and the lowest

¹⁰ *The Daily Telegraph*, 5 August 2006.

¹¹ Table 8.2, Comprehensive Spending Review, HM Treasury, 2004; OECD Health Data 2006.

¹² Measuring the health of nations: analysis of mortality amenable to healthcare, Nolte, E. and McKee, M., *British Medical Journal*, November 2003.

¹³ *Ibid.*

¹⁴ “The NHS: has the additional funding worked?” *Online Briefing*, Civitas, 2005.

¹⁵ “The Management and Control of Hospital Acquired Infection in Acute NHS Trusts in England,” National Audit Office, February 2000.

¹⁶ “Meticillin-resistant *Staphylococcus aureus*,” Barry Cookson et al., *The Lancet Infectious Diseases*, October 2005.

cancer and stroke survival rates. The nation-by-nation ranking of the performance of the countries' respective health care systems as given in the *British Medical Journal* is:

1. Sweden
2. Norway
3. Australia
4. Canada
5. France
6. Germany
7. Spain
8. Finland
9. Italy
10. Denmark
11. Netherlands
12. Greece
13. Japan
14. Austria
15. New Zealand
16. United States
17. Ireland
18. *United Kingdom*
19. Portugal

In Enforcing Law and Order:

Robert Peel stated in 1834 that the performance of the police force should be judged by the absence of crime. On this basis, policing in Britain is abysmal. The number of recorded crimes per year in the U.K. increased by a factor of 10 between 1950 and 1997 (when counting measures are comparable) – from half a million to over 4.5 million.¹⁷ The International Crime Victim Survey in 2000 showed that the U.K.

¹⁷ Crime in England and Wales 2005-6, Home Office, 2006.

had the second-highest victimization rate out of seventeen industrialized countries.¹⁸ In 2003, the *European Sourcebook of Crime* found that England and Wales have the third highest crime rate of 39 countries spread around the world.¹⁹

This is after the vast majority of crimes go undetected and unpunished. A discussion paper at the Crime and Society Foundation at Kings College, London, in 2004 reported that, out of the total number of offenses committed:

- 45.2% are reported,
- 24.3% are recorded by the police,
- 5.5% are cleared up by the police,
- 3.0% lead to a caution or a conviction
- 2.2% are convicted by the courts, and
- 0.3% are given a custodial sentence.²⁰

A survey by Scotland Yard in early 2006 revealed that the average time taken by police to process a single arrest is now 10 hours and six minutes.²¹

Efforts at rehabilitation of offenders are a failure. The criminal justice system, consisting of courts, prisons and probation, simply doesn't accomplish rehabilitation. Here is the recidivism rate within two years after release from prison:

- 82% for teenagers aged 15-18,²²
- 78% for young men aged 18-21,²³
- 59% for all adults.²⁴

¹⁸ International Crime Victim Survey 2000.

¹⁹ International comparisons of criminal justice statistics, Home Office, October 2003.

²⁰ "Crime, persistent offenders and the justice gap," Discussion Paper 1, Crime and Society Foundation, Kings College London, 2004.

²¹ Scotland Yard survey, January 2006, revealed in written answer to Labour London Assembly Member Joanne McCartney and reported in *The Daily Mail*, 18 November 2006.

²² Offender Management Caseload Statistics, Home Office, 2004.

²³ Bromley Briefings, *Prison Factfile*, Prison Reform Trust, April 2006.

²⁴ Re-offending of adults: results from the 2002 cohort, *Home Office Statistical Bulletin*,

The listing among selected countries (i.e., countries from the West or westernized) according to the highest levels of crime among them shows²⁵:

1. Sweden
2. New Zealand
3. *England and Wales*
4. Denmark
5. Scotland
6. Northern Ireland
7. Belgium
8. Canada
9. Germany
10. Netherlands
11. Australia
12. Norway
13. Finland
14. France
15. Austria
16. South Africa
17. Luxembourg
18. Hungary
19. Malta
20. Estonia
21. U.S.A.
22. Greece
23. Slovenia
24. Switzerland
25. Italy

December 2005.

²⁵ International comparisons of criminal justice statistics, Home Office, October 2003.

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26. Poland
27. Portugal
28. Czech Republic
29. Spain
30. Lithuania
31. Ireland
32. Japan
33. Latvia
34. Russia
35. Bulgaria
36. Slovakia
37. Romania
38. Turkey
39. Cyprus

In Improving the Quality of Life:

Much factual data shows that Britain has become a less cohesive, less caring, less respectful and less self-disciplined society. There has been a breakdown of the stabilizing influence of the family and the community. This has led to a marked increase in violent crime, sexually transmitted diseases, teenage pregnancy, and drug and alcohol abuse.

It has been demonstrated that children do best when they are brought up by two parents, and that married parents stay together five times longer than co-habiting parents.²⁶ Nevertheless, politicians have made divorce easy and encouraged couples, through the tax system, to live apart, by which an average family can be better off by up to £12,000*** a year.²⁷ The result is that, of the 15 core E.U. countries, the U.K. has the highest rate of divorce, at 60% above the E.U. average,²⁸ of teenage pregnancy, at three times the E.U. average,²⁹ and of child drug

²⁶ House of Commons, Hansard, 7 December 2005, col. 79WH.

²⁷ *The Price of Parenthood*, Jill Kirby, Centre for Policy Studies, 2005.

²⁸ Pocket World in Figures: 2005 edition, *The Economist*.

²⁹ <http://www.optimumpopulation.org/opt.ht.jg.fertility1.gif>

abuse, at twice the E.U. average.³⁰ The United Kingdom has the second highest rate of single parenthood, at double the E.U. average.³¹ The number of assaults committed is two-and-a-half times the E.U. average, which is also the second highest rate.³² Overall crime is at the third highest rate, almost 50 percent higher than the E.U. average.³³

A 2006 York University study of child wellbeing ranked the U.K. 21st out of 25 countries in the enlarged E.U. On every indicator of bad behavior – drugs, drink, violence, promiscuity – the United Kingdom's young people were among the worst. Only Latvia, Estonia, Lithuania and Slovakia fared worse.³⁴

According to almost half the people polled for the BBC, government has contributed to Britain being a worse place to live than it was 20 years ago.³⁵

In Helping the Poor and the Disadvantaged:

Although public services are designed to help the poor and disadvantaged, those are precisely the people who experience the worst education, the poorest health care and the highest levels of crime. One of the Prime Minister's former most senior advisors, Professor Julian Le Grand, has acknowledged that "the strategy of equality through public provision has failed."³⁶

In Education. The worst primary schools are exclusively in deprived areas. More than 50 percent of their 11-year-olds fail to achieve the required level in English compared with the national average of 25 percent.³⁷ Only 26 percent of pupils eligible for free school meals achieve five or more GCSEs at grades A*-C, compared with 56 percent of pupils who are not eligible.³⁸ Seventy-five percent of children leaving the "care system" have no educational qualifications. Within two years,

³⁰ Young people's health in context, "Health Behaviour in School aged Children" (HBSC) study international report from the 2001-02 survey, World Health Organisation.

³¹ "The Family in the E.U. Seen Through Figures," *Eurostat*, 15 May 2006.

³² Table 1.2.1.6, *European Sourcebook of Crime and Criminal Justice Statistics 2003*. Figures cover assaults only.

³³ Table 1.2.1.1, *European Sourcebook of Crime and Criminal Justice Statistics 2003*.

³⁴ *Social Indicators Research Journal*, reported in *The Sunday Times*, 6 August 2006.

³⁵ ICM poll for the BBC, 4 September 2006.

³⁶ Cited in "Manifesto for Reform," *Reform*, February 2005.

³⁷ Achieving Equity – Education, *Journal 2005, Reform*, September 2005.

³⁸ *Ibid.*

half are unemployed, a third are mothers or pregnant, and a fifth are homeless.³⁹

In Health Care. Prime Minister Tony Blair noted in 2003 that the United Kingdom has a “deeply unequal” health care system in which the poorest often receive the worst service.⁴⁰ The Department of Health has acknowledged the scale of the inequity: “Despite improvements, the gap in health outcomes between those at the top and bottom ends of the social scale remains large and in some areas continues to widen. These inequalities mean poorer health, reduced quality of life and early death for many people.”⁴¹

In Addressing Crime. Being poor and disadvantaged exposes someone to a significantly heightened risk of becoming a victim of crime. The British Crime Survey shows that the risk of burglary is 63 percent higher than the national average for people with incomes below £5,000*** per year, 74 percent higher for the unemployed, and 148 percent higher for single-parent families.⁴²

In Making People Self-Reliant. Instead of helping people gain confidence and the fulfillment that comes from controlling their own lives, the system has made more people dependent on state handouts. Households’ disposable income has almost quadrupled in real terms over the last fifty years,⁴³ yet the number of people of working age living solely off state benefits has more than tripled from 1.6 million to over five million today. The number of such working-age people has risen from five percent to 14 percent of the workforce.⁴⁴

II. The Fundamental Causes of the Governmental Failure

There are reasons to believe that the basic causes of the failure of the government of the United Kingdom are systemic: the government has become a conglomerate of monopoly services, and these are managed by politicians, who lack the management experience and the knowledge to run complex organizations. As we comment on this, it is

³⁹ “Handle with Care: an investigation into the care system,” Harriet Sergeant, Centre for Policy Studies, September 2006.

⁴⁰ Tony Blair, speech to the Fabian Society, June 2003.

⁴¹ “Tackling Health Inequalities: a programme for action,” Department of Health, 2003.

⁴² Figure 4.3, Crime in England and Wales 2004-05, Home Office, July 2005.

⁴³ Table 1.5, Economic Trends Annual Supplement, Office for National Statistics, 2005.

⁴⁴ “Reforming Welfare,” Nicholas Boys Smith, *Reform*, November 2006.

worth noting that reports by Demos, IPPR and Reform show that most of what we will say applies to civil servants as well as to national and local politicians.⁴⁵

Government as a Conglomerate:

Government in the United Kingdom has grown enormously during the past century. Compared with 12 percent in 1900, the government now controls 40 percent of national income.⁴⁶ The number of people employed by government has increased during that time from six percent to 35 percent of the workforce.⁴⁷ It is interesting to note the change in the sheer volume of Acts and Regulations: the number of pages passed each year rose from 1,124 to 72,400.⁴⁸

The result has been that government in the U.K. has become a very large and diverse conglomerate covering innumerable areas of expertise – e.g., in agriculture, broadcasting, defense, child welfare, employment, energy, pensions, policing, prisons, sports and taxation. It is as large as, and even more diverse than, all of the largest business companies in the U.K. taken together.⁴⁹ The 31 companies named in the footnote here have total sales of 486 billion British Pounds, compared to total government expenses of 523 billion British Pounds.⁵⁰

In the private sector, only a few people such as Arnold Weinstock of GEC, Owen Green of BTR, and James Hanson of Hanson Trust, have

⁴⁵ “The Reluctant Managers,” Rupert Darwall, *Reform*, December 2005; “Whitehall’s Black Box: Accountability and performance in the senior civil service,” Guy Lodge and Ben Rogers, *IPPR*, August 2006; “The Dead Generalist: Reforming the civil service and public services,” Ed Straw, *Demos*, September 2004.

⁴⁶ *Public Spending in the 20th Century*, V. Tanzi and L. Schuknecht, Cambridge University Press, 200.

⁴⁷ Annual Abstract of Statistics, Economic Trends Annual Supplement, Office of National Statistics; *The Growth of Public Employment*, M. Abramowitz and V. F. Eliasberg, 1957; “How big government has swallowed the Tory Party,” Fraser Nelson, *The Spectator*, 25 February 2006.

⁴⁸ Statutory Rules and Orders 1900, House of Lords Library; Public Acts 1900, House of Lords Library; *How to Label a Goat*, Ross Clark, Harriman House Publishing, 2006.

⁴⁹ The largest companies in the U.K. 2005:

Forbes, http://www.forbes.com/lists/2005/181/Rank_1.html; www.Xe.com (9 November 2006 – for currency conversion); Table C11, Budget 2006, HM Treasury, March 2006.

⁵⁰ The companies are: Tesco, Vodafone, Legal & General, Unilever, HBOS, Prudential, Barclays, Glaxo, BT, Centrica, Lloyds TSB, J. Sainsbury, BHP Billiton, Anglo American, Milton Group, Astra Zeneca, Old Mutual, BAT, BAE Systems, Royal & Sun Alliance, National Grid, Marks & Spencer, Scottish Power, O2, Diageo, Rio Tinto, SABMiller, Carnival, Friends Provident Standard Chartered BG Group, Reckitt & Colman Northern Rock Alliance & Leicester Bradford & Bingley.

run successful conglomerates. No conglomerate since World War II has survived intact for more than five years after the retirement of the person who provided the driving force behind it. It is likely that this is because no one person can understand the needs of the customers and the means of satisfying those needs for such a complex array of services. It would seem that the only reason government has survived, however poor the results, is that it provides protected monopoly services.

A consequence of the concentration of power in government has been that politicians have taken greater control over people's lives, thereby diminishing the role of individuals, families, voluntary organizations and local government. There appears to be little respect for the judgment of the people, who are only allowed to vote for parties, not individual policies. Perhaps the most striking example has been that no party over the past 30 years has offered the electorate the opportunity to vote on what is perhaps the most significant political event since the English Bill of Rights of 1689: whether the U.K. should cede its sovereignty to the European Union. From this and similar facts, such as that 78 percent of the electorate did not vote for the current government,⁵¹ the question arises of to what extent the United Kingdom's government can accurately be called democratic. Thirty-nine percent of the electorate, including 48 percent of those aged 25 to 34, did not vote in the last general election. This is twice the level of the 1950s.⁵² Around 70 percent of the electorate did not vote in the May 2006 local elections.⁵³

Accordingly, surveys show that confidence in politicians is at a low ebb. A poll in 2006 revealed that 74 percent of the public are aware of their politicians' lack of management experience, and have come to feel fatalistic about whether either party's victory will cause any improvement.⁵⁴ Another poll that year showed that 75 percent of electors who had an opinion thought that neither a Labour nor a

⁵¹ Table 3, "Election 2005 Turnout: how many, who and why," Electoral Commission, October 2005.

⁵² Table 8, "Election 2005 Turnout: how many, who and why," Electoral Commission, October 2005.

⁵³ "Local Elections 2003," Mellows-Facer, A. and Leeke, M., House of Commons Library Research Paper 03-44, May 2003.

⁵⁴ ICM Direct poll for the TaxPayers' Alliance, August 2006.

Conservative government is “honest or trustworthy.”⁵⁵ A Mintel survey at the same time asked people whom they considered “fair” out of twenty leading professions and organizations. “Politicians” tied with investment managers in ranking at the bottom with 4 percent. Both were below estate agents (5 percent) and, despite oft-heard charges of “rip-off” against them, banks at 29 percent and supermarkets at 30 percent.⁵⁶

Politicians as Inappropriate Managers:

Politicians have inherited an impossible task in attempting to manage the huge and diverse conglomerate that the U.K.’s government has become. This is because they have virtually no management experience and no in-depth knowledge of the field they are managing. Ministers are in their posts too brief a time to make up for these shortcomings. A poll in 2006 revealed that 74 percent of the public are aware of their politicians’ lack of management experience, and have come to feel fatalistic about whether either party’s victory will cause any improvement.⁵⁷

It is easy to understand why they lack managerial experience. Typically, those in politics have experience as lawyers, teachers or professional politicians. Yet, when they become Secretaries of State the doctrine of ministerial responsibility places upon them the role of chief executive officer. One can hardly imagine that Barclays Bank, ICI or Rolls Royce, say, would recruit a chief executive who has had no management experience. But that is routine in the current system of government.

Ministers’ lack of knowledge of the areas for which they are responsible was illustrated by the admission of John Reid, when he was appointed Secretary of State for Health, that “I am a novice in this field.” Novice or not, he became responsible for the health care of the nation and for the third largest organization in the world. Experienced managers know that sufficient knowledge is vital in deciding between two contradictory sets of advice, or in knowing when both advisors are giving wrong advice. A paraphrase of Machiavelli applies: a person who

⁵⁵ YouGov poll, July 2006.

⁵⁶ Mintel report, July 2006.

⁵⁷ ICM Direct poll for the TaxPayers’ Alliance, August 2006.

is not himself knowledgeable cannot be knowledgeably advised. It is for this reason that such companies as Asda, Next or Halfords would not hire anyone as chief executive who lacked a wealth of knowledge and experience in retailing.

The revolving door of relatively brief tenure in office introduces a conceptual vacuum. As Professor Parkinson made clear, the successful evolution of an organization depends on the longevity of its leader. Continuity of leadership provides stability of vision and management style – and time for the accretion of knowledge and experience. It is easy to think of successful organizations with long-serving leaders – Microsoft, Tesco, Dixons, British Land – , but it is difficult to find a successful one where the leadership has changed frequently.

Since World War II, the average time a minister has stayed in a post has been less than two years. This is to be compared with Tesco, whose Board has 170 years of experience with the company and whose executive directors' tenure averages 18 years. The government, on the other hand, has had the following Secretaries of State since 1997 – for Education: David Blunkett, Estelle Morris, Charles Clarke, Ruth Kelly, and Alan Johnson; for Health: Frank Dobson, Alan Milburn, John Reid, and Patricia Hewitt; for Transport: Gavin Strang, John Reid, Helen Liddell, Lord Macdonald Stephen Byers, Alastair Darling, and Douglas Alexander.

Protected Monopolies:

The Labour Party Manifesto said in 2005 that “competition is a driving force of innovation.” In keeping with this, politicians in the United Kingdom have established a Competition Commission with a staff of 145 and a budget of 26.5 million British Pounds because they recognize the detrimental effect of monopolies. This sensibility is applied to every field – but not where those same politicians manage the services.

One reason monopolies are impossible to manage effectively is that they have no external performance comparisons. Another is that they have no competition and therefore no threat of losing customers or of going into bankruptcy. These externally-imposed disciplines are what provides management with the tools to manage and what drives

innovation, improvement and cost reduction. This is nowhere more apparent than in the manufacture of personal computers. Because of competition, the companies have provided quantum increases in power and choice (e.g., from among PCs, laptops, PDAs, and MP3 players) at the same time that they have made quantum reductions in price. Without these external forces, organizations become inward-looking and bureaucratic. At the same time, as the table below produced by Professor Parkinson relating to the Admiralty shows, the number of non-frontline staff inevitably grows.

The Admiralty⁵⁸

Year	Capital Ships	Sailors	Dockyard Workers	Dockyard Officials	Admiralty Officials
1914	62	146,000	57,000	3,249	2,000
1928	20	100,000	62,439	4,558	3,569
Change	-67.64%	-31.5%	+9.54%	+40.28%	+78.45%

Year	Ships, Submarines	Sailors	RN Civilians	MOD Staff
1997	179	56,700	11,220	88,266
2006	97	35,680	10,580	92,990
Change	-45.81%	-37.07%	-5.7%	+5.35%

Breaking the Basic Rules of Management:

A basic rule of management is that those who have the knowledge and responsibility for a task must have the authority to manage it in their own way. Then they should be held accountable by those who are most affected by the outcome.

Ironically, the degree to which authority is given to managers is in

⁵⁸ 1914-1928 comparisons: *Parkinson's Law and other studies in administration*, Professor C. Northcote Parkinson, 1957; 1990-2005 comparison: www.dasa.mod.uk and www.civilservice.gov.uk

inverse proportion to the number of staff at the head office. This point is well illustrated by the following question: If individual hospital managers or head teachers have the authority to manage their hospitals or schools, what then is the role of the 6,510 staff at the head office of the Department of Health or the 4,680 staff at that of the DfES?⁵⁹

One result of a separation of responsibility and authority is that no one can be held accountable. Colin Allen, a former Governor and Inspector of Prisons, could not recall during his 35 years with the Service a single Governor of the U.K.'s then 137 prisons having ever been dismissed from the Service.⁶⁰ Chris Fox of the Association of Chief Police Officers could recall only two chief constables, out of 43 forces, who had been removed during his 25 years of service.⁶¹

Another effect of such a separation of responsibility and authority is the suppression of experimentation and innovation, which are the drivers of progress. Yet another is the denial of personal development, fulfillment and satisfaction. Such a denial leads to staff dissatisfaction. We see that in government service, the employees' sickness rate is 30 percent higher than that in civil society.⁶² The days lost through strikes is almost double.⁶³ From all of this comes a severe shortage of qualified people in many areas of government – as with teachers, social workers and police officers.

The head teachers of schools have no authority to decide the curriculum or to select pupils, and very little authority to discipline pupils or to reward or dismiss staff. Neither can they manage their budgets; only 59 percent of a school's budget is under the full control of the school without strings attached.⁶⁴ As to accountability, it runs to the Department for Education and Skill – and not to parents. Parents, on the other hand, are held accountable for the behavior of their children.

⁵⁹ *Civil service quarterly public sector employment statistics (PSES) as of 31 December 2005*, <http://www.civilservice.gov.uk/management/statistics/>

⁶⁰ Personal conversation with the author

⁶¹ Point arose during a discussion at the offices of the think tank Civitas (www.civitas.org.uk), which was attended by the author.

⁶² CBI Absence Survey, May 2006. The same trend has been true in previous years, as the annual CBI Absence Surveys show.

⁶³ Table 11, *Labour disputes in 2005*, Rachel Beardsmore, Office for National Statistics, June 2006.

⁶⁴ *Real Education Reform, Reform*, 2003.

In a case of persistent truancy, parents can be fined up to 2,500 British Pounds or imprisoned for three months. Yet, parents are given no authority to select the school they consider best for their child, or to discipline their children as they see fit, or to decide (or even be informed about) whether an underage daughter should be given contraceptives or an abortion.

III. The Principles Needed for Reform:

This author believes there are six principles, applied in successive phases, that are needed for the restructuring of government in the United Kingdom to address the problems set out in this article. They are:

1. *Acknowledging reality.*

The reality must come to be recognized that politicians have an impossible job under the current dispensation of government. There will need to be a recognition that government, under both parties, has failed over the past half-century; and that politicians from either party lack management experience or the subject knowledge needed for the complex organizations they are called upon to manage. Nor, it must be seen, can they possess a collective wisdom equivalent to that of the 45 million adults in the U.K. – or the wisdom to decide how almost 40 percent of each family's annual income will be spent.⁶⁵ If these realities come to be acknowledged, a shift in the paradigm may occur: the purpose of government will be seen as being to serve the people, not to preside as their master.

2. *Restructuring governmental functions.*

An earth-shaking change would be to remove government from tasks that do not need to be centrally planned and directed. Non-governmental domains do not need central planning, management or control and should therefore be the responsibility of civil society. Government can assist in these domains by providing funding through taxation, either for everyone or only for the less well off, and by ensuring that funds are not used fraudulently. Government can legislate the

⁶⁵ The average household income is 27,570 British Pounds Table 4 (Original Income, all households), "The Effects of Taxes and Benefits on Household Income," published in *Economic Trends No. 630*, Office for National Statistics, May 2006.

framework for the non-governmental areas, such as when the law sets the duration of compulsory education.

Administrative domains, on the other hand, such as the issuing of vehicle and driving licenses, the collection of taxes and the management of prisons, need to be planned and controlled centrally. The management, however, should be contracted out to harness the expertise and innovation of civil society. Instead of serving as the managers and determining the methods of task-execution, politicians and the chief executive should concentrate on setting the outcomes that are needed and on establishing accountability. Given this accountability, contractors should be rewarded or penalized according to how the performance matches the desired outcomes. Government domains likewise need to be centrally directed and managed. They are the proper areas for government. They include police, defense and foreign relations.

A detailed study, in fact, should be undertaken to see how each of these domains is structured in other democracies. One thing we do know is that competition should be introduced to replace monopoly wherever possible.

3. Conforming government to the law.

It would be well if politicians, civil servants and government departments were caused to conform to the same laws that apply to charities and private companies – such as having a consistent format for and content of Annual Reports, and the verification of announcements.

4. Protecting society from exploitation.

Groups of businesses, professionals, employees, politicians and civil servants can amass such power as to exploit other members of society. It should be a function of the law to protect the public from such exploitation.

5. Giving individual help to the poor and disadvantaged.

It isn't sufficient to give those in need money. They need help individually if they are to lead fulfilling lives.

6. Giving the people a meaningful role in decision-making.

A basic premise in a democracy must be that the people will have the authority to determine the kind of society they want. This includes a right to vote on major policy issues.

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Conclusion

If the principles of reform are applied, everyone should benefit: politicians, with more fulfilling roles where they can make a real contribution; government domains, with more knowledgeable and experienced leaders who have the time to evolve and to implement long-term solutions to problems that today seem intractable; and the U.K.'s citizens, through the fulfillment of having more control over their own lives and incomes, through enjoying a higher quality and wider choice of services, and through higher economic growth as taxes decrease and people transfer from state employment to the wealth-creating sector.

The economic improvement promises to be dramatic. A recent Work Foundation study shows that the average output per person doubled when monopoly status and political management were removed from certain organizations.⁶⁶ At British Coal, a workforce in 1994 only one-quarter the size of that in 1979 mined 10 percent more coal. BT reduced its 1979 staff levels to 70 percent by 1994, and to under half by 2005. If output per person is compared between 1979 and 1994, showing the difference between before and after de-nationalization, we see the following for the companies listed:

British Coal	341% increase
BT	180%
Cable & Wireless	123%
BAA	115%
British Steel	104%
Electricity	100%
Rolls Royce	100%
British Gas	73%
British Airways	14%

If only half of such increases in output were applied to the operation

⁶⁶ Appendix A, Budget Response, The Work Foundation, 22 March 2004; TaxPayers Alliance calculations.

of government, the United Kingdom would have saved over 100 billion British Pounds for the 2006 budget year.⁶⁷

⁶⁷ The saving of 100 billion British Pounds is calculated on the basis of an operational cost, according to the 2006 budget, of 369 billion British Pounds (i.e., the budget of 516 billion British Pounds less social security and tax credits of 147 billion British Pounds). Table C11, Budget 2006, HM Treasury, March 2006.